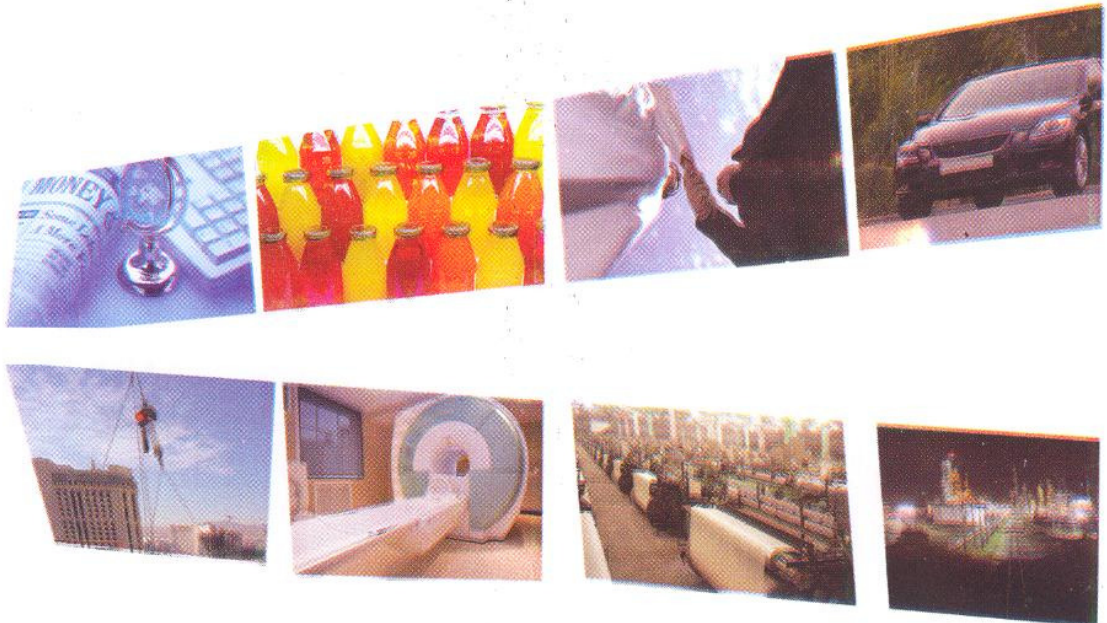
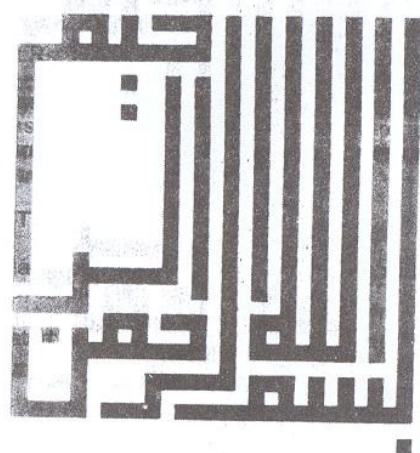




**Condensed Interim  
Financial Information  
(Unaudited)  
For the six months period  
ended 31 December, 2011**



**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 the company for the half-year ended December 31, 2011 along with the auditors' review report thereon.

The arrangements with the banks for credit lines at more competitive rate are being made and with the borrowing cost at lower level, the Company hopes to improve its profitability and performance in administering and writing leases. Further 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.

Despite the competitive markets and depressed market conditions, the overall performance of the company was reasonable. With the tougher competitions by commercial lenders, higher interest rates, and trends of pre-mature termination of contractual legal obligations, PGL's performance was satisfactory.

During half year under review, the balance sheet footing of your company was Rs. 822 million as on December 31, 2011 as compared to Rs. 816 million on June 30, 2011. The total revenue of the company was Rs.39.57 million for the half year ended December 31, 2011 as compared to Rs.35.66 million depicting an increase of 10.96 percent over the revenue for the corresponding period. The net profit before tax was Rs. 20.69 million for the period under review as compared to Rs.16.93 million for the corresponding period. Shareholders equity of the company was Rs. 417.73 million as at December 31, 2011 as compared to Rs. 406 million as at June 30, 2011. Earning per share was Rs. 0.48 as compared to EPS of Rs. 0.08 for the corresponding period which shows a healthy improvement in the profitability of the Company.

In August 2011, JCR-VIS had revised upward, entity rating of the company to BBB+ (Plus) from BBB for medium to long-term and had reaffirmed short term rating A-3 whereas 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.

Karachi

Dated: February 22, 2012

**Chairman/Chief Executive**

**Director**

# Auditors' Report

## First Half 2011-12

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

#### Introduction

We have reviewed the accompanying condensed interim balance sheet of **Pak-Gulf Leasing Company Limited** ("the Company") as at December 31, 2011 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 condensed interim financial information 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, 2011 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

The figures for the quarters ended 31 December 2011 and 31 December 2010 in the condensed interim profit and loss account and condensed interim statement of comprehensive income have not been reviewed and we do not express a conclusion on them.

Date: February 22, 2012  
Karachi

KPMG Taseer Hadi & Co.  
Chartered Accountants  
Mazhar Saleem

## CONDENSED INTERIM BALANCE SHEET

AS AT 31 DECEMBER, 2011

	Note	(Un-audited) 31 December, 2011	(Audited) 30 June, 2011
----- Rupees -----			
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and bank balances	6	48,382,161	2,236,955
Short term investment		1,406,370	1,745,202
Other receivables - net	7	8,147,666	14,892,949
Advances		96,666	225,500
Accrued mark-up / return on investments		109,643	111,563
Prepayments		758,788	652,908
Current portion of net investment in lease finance	8	245,509,440	267,338,016
Taxation - net		1,528,333	1,040,133
<b>Total current assets</b>		<b>305,939,067</b>	<b>288,243,226</b>
<b>Non-current Assets</b>			
Net investment in lease finance	8	439,680,372	450,676,078
Long term investment		2,940,245	2,931,113
Long term deposits		206,500	206,500
Fixed assets	9	73,354,385	73,977,505
<b>Total non-current assets</b>		<b>516,181,502</b>	<b>527,791,196</b>
<b>Total Assets</b>		<b>822,120,569</b>	<b>816,034,422</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables		7,053,341	11,488,010
Accrued profit / mark-up		4,042,566	2,022,827
Certificates of investment - unsecured	10	31,728,613	29,230,138
Current portion of long term financing - secured	11	27,063,380	33,333,340
Current portion of long term deposits		43,818,119	45,485,139
<b>Total current liabilities</b>		<b>113,706,019</b>	<b>121,559,454</b>
<b>Non-current Liabilities</b>			
Long term financing - secured	11	12,500,000	24,999,992
Long term deposits		206,209,610	198,579,521
Deferred taxation - net		71,973,163	64,884,190
<b>Total non-current liabilities</b>		<b>290,682,773</b>	<b>288,463,703</b>
<b>Total Liabilities</b>		<b>404,388,792</b>	<b>410,023,157</b>
<b>NET ASSETS</b>		<b>417,731,777</b>	<b>406,011,265</b>
<b>FINANCED BY</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized capital 50,000,000 (30 June 2011: 50,000,000) ordinary shares of Rs. 10 each		500,000,000	500,000,000
Issued, subscribed and paid up capital		253,698,000	253,698,000
Reserves		123,920,785	110,556,883
		377,618,785	364,254,883
Surplus on revaluation of available for sale investment		212,170	551,002
Total equity		377,830,955	364,805,885
Surplus on revaluation of fixed asset - net of tax		39,900,822	41,205,380
		<b>417,731,777</b>	<b>406,011,265</b>
<b>COMMITMENTS</b>	12		

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

**Chairman/Chief Executive**

**Director**

**CONDENSED INTERIM  
PROFIT AND LOSS ACCOUNT  
(UN-AUDITED)  
FOR THE SIX MONTHS PERIOD  
ENDED 31 DECEMBER, 2011**

	Note	Six months period ended		Three months period ended	
		31 December		31 December	
		2011	2010	2011	2010
		Rupees			
<b>INCOME</b>					
Income from leasing operations	13	36,829,662	33,265,941	16,930,060	17,959,258
<b>Other operating income</b>					
Profit on bank accounts / return on investments		2,481,211	2,266,328	1,383,869	1,291,421
Other income		258,860	132,213	204,245	77,211
		2,740,071	2,398,541	1,588,114	1,368,632
		39,569,733	35,664,482	18,518,174	19,327,890
<b>OPERATING EXPENSES</b>					
Administrative and operating expenses	14	13,419,619	17,071,981	6,449,721	11,480,268
Finance cost	15	6,218,942	2,921,415	2,729,210	1,426,110
		19,638,561	19,993,396	9,178,931	12,906,378
Operating profit before provisions		19,931,172	15,671,086	9,339,243	6,421,512
(Provision) / reversal for potential lease losses		(466,687)	1,638,251	44,342	4,177,479
Reversal / (provision) against terminated leases		1,227,622	(376,633)	1,227,622	(376,633)
<b>Profit before taxation</b>		20,692,107	16,932,704	10,611,207	10,222,358
Taxation - current		(1,543,790)	(10,909,704)	(676,944)	(10,275,778)
- deferred		(7,088,973)	(4,092,894)	(3,934,973)	(4,092,894)
<b>Profit / (loss) after taxation</b>		12,059,344	1,930,106	5,999,290	(4,146,314)
		Rupees			
<b>Earning / (loss) per share - basic and diluted</b>		0.48	0.08	0.24	(0.16)

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

**Chairman/Chief Executive**

**Director**



**CONDENSED INTERIM  
STATEMENT OF COMPREHENSIVE  
INCOME (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD  
ENDED 31 DECEMBER, 2011**

	<u>Six months period ended</u>		<u>Three months period ended</u>	
	<u>31 December</u>		<u>31 December</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
	----- Rupees -----			
Profit / (loss) for the period	12,059,344	1,930,106	5,999,290	(4,146,314)
<b>Other Comprehensive Income</b>				
Unrealized (loss) / gain on revaluation of available for sale investment	(338,832)	176,475	(105,342)	282,899
<b>Total Comprehensive income for the period</b>	<u>11,720,512</u>	<u>2,106,581</u>	<u>5,893,948</u>	<u>(3,863,415)</u>

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

**Chairman/Chief Executive**

**Director**

**CONDENSED INTERIM  
CASH FLOW STATEMENT  
(UN-AUDITED)  
FOR THE SIX MONTHS PERIOD  
ENDED 31 DECEMBER, 2011**

	Six months period ended	
	31 December	
	2011	2010
	----- Rupees -----	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	20,692,107	16,932,704
Adjustment for:		
- Depreciation	2,329,279	2,380,281
- Amortization income	(9,132)	(18,775)
- Finance cost	6,218,942	2,921,415
- Provision for potential lease losses	466,687	(1,638,251)
- Provision for doubtful receivables	(1,227,622)	376,633
	7,778,154	4,021,303
<b>Operating profit before working capital changes</b>	<b>28,470,261</b>	<b>20,954,007</b>
<b>Working capital changes</b>		
Decrease / (increase) in operating assets		
- Accrued mark-up / return on investments	1,920	(3,304)
- Other receivables	7,972,906	(40,061)
- Advances	128,834	644,307
- Prepayments	(105,880)	(157,042)
	7,997,780	443,900
Decrease in operating liabilities		
- Trade and other payables	(4,434,669)	(1,838,430)
<b>Cash generated from operations</b>	<b>32,033,372</b>	<b>19,559,477</b>
Finance cost paid	(4,199,203)	(3,673,920)
Tax paid	(2,031,993)	(967,818)
Deposits received from lessees	5,963,069	3,939,756
Decrease in net investment in lease finance	32,357,595	8,849,227
	32,089,468	8,147,245
<b>Net cash generated from operating activities</b>	<b>64,122,840</b>	<b>27,706,722</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure	(1,706,157)	(212,838)
<b>Net cash used in investing activities</b>	<b>(1,706,157)</b>	<b>(212,838)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of certificates	2,498,475	17,855,138
Payments made upon maturity of certificates of investment	-	(15,089,649)
Long term financing	(18,769,952)	(8,333,328)
<b>Net cash used in financing activities</b>	<b>(16,271,477)</b>	<b>(5,567,839)</b>
<b>Net increase in cash and cash equivalents</b>	<b>46,145,206</b>	<b>21,926,045</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>2,236,955</b>	<b>6,233,344</b>
<b>Cash and cash equivalents at end of the period</b>	<b>48,382,161</b>	<b>28,159,389</b>

The annexed notes 1 to 19 form an integral part of this condensed interim financial information.

**Chairman/Chief Executive**

**Director**



**CONDENSED INTERIM STATEMENT  
OF CHANGES IN EQUITY (UN-AUDITED)  
FOR THE SIX MONTHS PERIOD  
ENDED 31 DECEMBER, 2011**

	Note	Issued, subscribed and paid up capital	Reserves		Revenue	Sub Total	Surplus / (Deficit) on revaluation of available for sale investments	Total equity
			Capital	Reserve for issue of bonus shares				
		Statutory reserve		Unappro- priated profit				
		Rupees						
<b>Balance as at 30 June 2010</b>		253,698,000	32,639,294	4,402,000	55,377,716	92,419,010	335,431	346,452,441
<i>Total comprehensive income for the period ended 31 Dec. 2010</i>								
Profit after taxation		-	-	-	1,930,106	1,930,106	-	1,930,106
<i>Other comprehensive income</i>								
Surplus on revaluation of available for sale investments		-	-	-	-	-	176,475	176,475
Transfer from surplus on revaluation of fixed assets to unappropriated profit		-	-	-	1,304,558	1,304,558	-	1,304,558
Transfer to statutory reserves		-	386,021	-	(386,021)	-	-	-
<b>Balance as at 31 December 2010</b>		253,698,000	33,025,315	4,402,000	58,226,359	95,653,674	511,906	349,863,580
<i>Total comprehensive income for the period ended 30 June 2011</i>								
Profit after taxation		-	-	-	13,598,651	13,598,651	-	13,598,651
<i>Other comprehensive income</i>								
Surplus on revaluation of available for sale investments		-	-	-	-	-	39,096	39,096
Transfer from surplus on revaluation of operating fixed assets to unappro- priated profit		-	-	-	1,304,558	1,304,558	-	1,304,558
Transfer to statutory reserve		-	2,719,730	-	(2,719,730)	-	-	-
<b>Balance as at 30 June 2011</b>		253,698,000	35,745,045	4,402,000	70,409,838	110,556,883	551,002	364,805,885
<i>Total comprehensive income for the period ended 31 December 2011</i>								
Profit after taxation		-	-	-	12,059,344	12,059,344	-	12,059,344
<i>Other comprehensive income</i>								
Deficit on revaluation of available for sale investment		-	-	-	-	-	(338,832)	(338,832)
Transfer from surplus on revaluation of operating fixed assets to unappro- priated profit		-	-	-	1,304,558	1,304,558	-	1,304,558
Transfer to statutory reserve		-	2,411,869	-	(2,411,869)	-	-	-
<b>Balance as at 31 December 2011</b>		253,698,000	38,156,914	4,402,000	81,361,871	123,920,785	212,170	377,830,955

The annexed notes 1 to 19 form an integral part of this 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, Rooms 125-127, First Floor, Main Khayaban-e-Jami, Clifton, Karachi.

**2. BASIS OF PREPARATION****2.1 Statement of compliance**

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 be read in conjunction with the financial statements of the Company for the year ended 30 June 2011.

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 2011 have not been reviewed by the auditors.

The comparative balance sheet presented in this condensed interim financial statements as at 30 June 2011 has been extracted from the audited financial statements of the Company for the year ended 30 June 2011, whereas the comparative profit and loss account, statement of comprehensive income, statement of changes in equity and the cash flow statements for the six months period ended 31 December 2010 have been subjected to a review but not audit.

**2.2 Functional and presentation currency**

This condensed interim financial information is presented in Pak Rupees which is the functional and presentation currency of the Company. Figures have been rounded off to the nearest rupee.

**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 2011.

**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.

The significant judgments made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements of the Company for the year ended 30 June 2011.

## 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 2011.

## 6. CASH AND BANK BALANCES

		(Unaudited) 31 December 2011	(Audited) 30 June 2011
		(Rupees)	
Cash in hand		19,996	4,944
Balances with banks:			
- in current accounts		8,080,679	2,223,959
- in savings accounts	6.1	<u>40,281,486</u>	<u>8,052</u>
		<u>48,382,161</u>	<u>2,236,955</u>

6.1 Return on these savings accounts is earned at rates ranging from 5% to 10% (30 June 2011: 5% to 12.40%) per annum.

## 7. OTHER RECEIVABLES - net

Lease receivables held under litigation	7.1	40,745,988	48,004,012
Insurance premium receivable	7.2	4,654,644	6,229,569
Others		716,681	485,000
		<u>46,117,313</u>	<u>54,718,581</u>
Provision against terminated leases		(33,797,523)	(35,025,146)
Mark-up held in suspense		<u>(4,172,124)</u>	<u>(4,800,486)</u>
		<u>8,147,666</u>	<u>14,892,949</u>

7.1 This represents net investment in finance lease for cases terminated by the Company and where litigation has commenced.

7.2 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.

		(Unaudited) 31 December 2011	(Audited) 30 June 2011
		----- Rupees -----	
<b>8. NET INVESTMENT IN LEASE FINANCE</b>			
Net investment in lease finance		685,189,812	718,014,094
Current portion shown under current assets		<u>(245,509,440)</u>	<u>(267,338,016)</u>
		<u>439,680,372</u>	<u>450,676,078</u>

	December 31, 2011 (Unaudited)			June 30, 2011 (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	264,797,370	275,527,168	540,324,538	289,261,872	299,144,312	588,406,184
Add: Residual value of leased assets	43,818,119	206,209,610	250,027,729	45,485,139	198,579,521	244,064,660
Gross investment in leases	308,615,489	481,736,778	790,352,267	334,747,011	497,723,833	832,470,844
Unearned lease income	(59,436,381)	(40,598,829)	(100,035,210)	(64,810,622)	(46,056,865)	(110,867,487)
Mark-up held in suspense	(3,669,668)	-	(3,669,668)	(2,598,373)	-	(2,598,373)
	(63,106,049)	(40,598,829)	(103,704,878)	(67,408,995)	(46,056,865)	(113,465,860)
	245,509,440	441,137,949	686,647,389	267,338,016	451,666,968	719,004,984
Provision for potential lease losses	-	(1,457,577)	(1,457,577)	-	(990,890)	(990,890)
Net investment in finance leases	245,509,440	439,680,372	685,189,812	267,338,016	450,676,078	718,014,094

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

9. FIXED ASSETS	For the six months period ended	
	31 December (Unaudited) 2011	2010
	----- Rupees -----	
<b>Additions</b>		
Capital work-in-progress	-	100,000
Computer equipment	314,292	112,838
Vehicles	1,391,865	-
	<u>1,706,157</u>	<u>212,838</u>
	(Unaudited)	(Audited)
	31 December	30 June
	2011	2011
	----- Rupees -----	
10. CERTIFICATES OF INVESTMENT - unsecured		
Opening balance	29,230,138	17,089,649
Certificates issued during the year	20,353,613	27,230,138
Interest / principal rolled over in the current year	(17,855,138)	(13,000,000)
Payments made during the year	-	(2,089,649)
Closing balance	<u>31,728,613</u>	<u>29,230,138</u>

These represent certificates 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 2011: one year) and carry mark-up at the of rate of 14% (30 June 2011: 14%) per annum.

11. LONG TERM FINANCING - secured	(Unaudited) 31 December 2011	(Audited) 30 June 2011
	----- Rupees -----	
Long term loans - secured	39,563,380	58,333,332
Current maturity shown under current liabilities	<u>(27,063,380)</u>	<u>(33,333,340)</u>
	<u>12,500,000</u>	<u>24,999,992</u>

This represents financing facility obtained from a bank. This facility is secured by first exclusive hypothecation charge on specific leased assets and the rentals with 25% margin. This facility carries mark-up at the rate of 6 months KIBOR plus 1.5% (30 June 2011: 6 months KIBOR plus 1.5% ) per annum. This facility is repayable in equal quarterly instalments..

12. **COMMITMENTS**

Leasing contracts committed but not executed at the balance sheet date amounted to Rs.30.4 million (30 June 2011: 4.980 million).

13. INCOME FROM LEASE OPERATIONS	Six months period ended 31 December (Un-audited)		Three months period ended 31 December (Un-audited)	
	2011	2010	2011	2010
	----- Rupees -----			
Income on lease contracts	37,557,986	32,566,592	17,555,336	17,176,797
loss on lease termination	(1,594,103)	(5,177,312)	(943,013)	(4,341,139)
Other income	865,779	5,876,661	317,737	5,123,600
	<u>36,829,662</u>	<u>33,265,941</u>	<u>16,930,060</u>	<u>17,959,258</u>

14. **ADMINISTRATIVE AND OPERATING EXPENSES**

Directors' fee	26,000	24,000	26,000	24,000
Salaries, allowances and benefits	6,863,024	10,652,177	3,448,004	8,035,809
Depreciation	2,329,279	3,084,302	752,465	1,597,146
Office rent and utilities	655,449	607,510	286,507	295,477
Legal and professional	977,204	580,307	449,721	308,048
Auditors' remuneration	237,498	248,058	118,749	118,749
Postage, subscription, printing and stationary	782,390	562,320	605,868	316,148
Vehicle running and maintenance	492,504	475,609	203,592	218,714
Office repair and general maintenance	295,176	164,903	36,376	142,351
Insurance	141,019	121,328	90,062	81,830
Advertisement	26,400	94,500	26,400	94,500
Travelling and conveyance	93,958	96,055	93,569	91,411
General	499,718	360,912	312,408	156,085
	<u>13,419,619</u>	<u>17,071,981</u>	<u>6,449,721</u>	<u>11,480,268</u>

15.	FINANCE COST	Six months period ended 31 December (Un-audited)		Three months period ended 31 December (Un-audited)	
		2011	2010	2011	2010
		Rupees			
	Mark-up on:				
	- Long term financing	3,979,052	1,817,108	1,610,393	930,284
	- Certificates of investment - unsecured	2,166,881	1,052,995	1,095,808	493,027
	Bank charges	32,523	15,049	13,495	2,799
	CIB reports charges	40,486	36,263	9,514	-
		<u>6,218,942</u>	<u>2,921,415</u>	<u>2,729,210</u>	<u>1,426,110</u>

#### 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. 500 million and Rs. 700 million by 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 issue new shares.

#### 17. TRANSACTIONS WITH RELATED PARTIES

The Company has related party relationships with its associated companies, directors, senior executives and employee provident fund plan.

Transactions with related parties comprise of the following:

	Six months period ended 31 December (Un audited)	
	2011	2010
	Rupees	
Profit on Certificates of Investment	<u>1,751,838</u>	<u>1,961,654</u>
Contribution to Provident Fund	<u>110,991</u>	<u>117,012</u>
Director fee	<u>26,000</u>	<u>24,000</u>
Salary and allowance	<u>1,200,000</u>	<u>8,453,966</u>
<b>Balances outstanding at the period / year end</b>	<b>(Unaudited)</b>	<b>(Audited)</b>
	<b>31 December</b>	<b>30 June</b>
	<b>2011</b>	<b>2011</b>
	Rupees	
Certificates of Investments issued to directors	<u>5,500,000</u>	<u>5,500,000</u>
Certificates of Investments issued to close relatives of directors and chairman	<u>18,236,613</u>	<u>16,851,138</u>



**18. RECLASSIFICATION**

Following reclassifications have been made in this condensed interim financial information in order to give better and more appropriate presentation:

From	To	(Audited) 30 June 2011
Mark-up held in suspense	Current portion of net investment in lease finance	
	Other receivables - net	<u>4,800,486</u>

**19. GENERAL**

**19.1** This condensed interim financial information was authorised for issue by the Board of Directors of the Company on 22 February, 2012.

**19.2** Figures have been rounded off to the nearest rupee.

**Chairman/Chief Executive**

**Director**