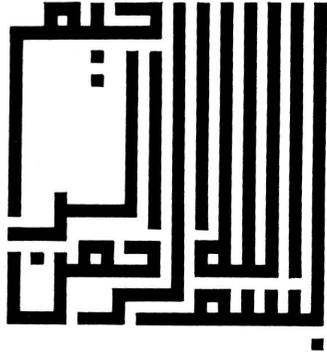




**Condensed Interim
Financial Information
(Un-audited)
For the period
Ended 31 March 2015**



Pak-Gulf Leasing Company Limited



Board of Directors

Mr. Sohail Inam Ellahi	Chairman
Air Marshal Syed Masood Hatif (Retd)	Vice Chairman
Mr. Pervez Inam	Director
Mr. Fawad Salim Malik	Director
Mr. Shaheed H. Gaylani	Director
Brig. Naveed Nasar Khan (Retd)	Director
Mr. Rizwan Humayun	Director
Lt.. Col. Saleem Ahmed Zafar (Retd)	Executive Director
Mr. Mahfuz-ur-Rahman Pasha	Chief Executive Officer

Company Secretary

Ms. Mehreen Usama

Audit Committee

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

Human Resource and Remuneration Committee

Air Marshal Syed Masood Hatif (Retd)	Chairman
Brig. Naveed Nasar Khan (Retd)	Vice Chairman
Mr. Pervez Inam	Member
Mr. Sohail Inam Ellahi	Member
Lt.. Col. Saleem Ahmed Zafar (Retd)	Member

Senior Management

Mr. Mahfuz-ur-Rahman Pasha	Chief Executive Officer
Mr. Khalil Anwer Hassan	Chief Manager
Lt.. Col. Saleem Ahmed Zafar (Retd)	Chief Operating Officer
Mr. Afzal-ul-Haque	Deputy COO & Senior Manager Risk
Ms. Mehreen Usama	Chief Financial Officer
Ms. Farah Farooq	Head of Audit
Major Arifullah Lodhi (Retd)	Manager HR & Admin.

Credit Rating Agency

JCR-VIS Credit Rating Company Limited

Entity Rating

- A- (Single A Minus) for Medium to Long Term
- A-2 (A-Two) for Short Term
- Outlook - Stable

Auditors

M/s. BDO Ebrahim & Co.
Chartered Accountants
2nd Floor, Block C,
Lakson Square Building No. 1
Sarwar Shaheed Road
Karachi-74200

Legal Advisors

M/s. Mohsin Tayebaly & Company
2nd Floor, Dime Centre,
BC-4, Block # 9, Kehkashan, Clifton,
Karachi.
Tel # : (92-21) 3538077, 3571653, 35872690
Fax # : (92-21) 35870240, 35870468

Shariah Advisor

Mufti Muhammad Ibrahim Essa

Bankers

Albaraka Bank (Pakistan) Limited
Askari Commercial Bank Limited
Bank Al-Falah Limited
Bank Al Habib Limited
JS Bank Limited
MCB Bank Limited
National Bank of Pakistan
Silk bank Limited
Soneri Bank Limited

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 #: (92-21) 35820301, 35820956-7
(92-21) 35824401, 35375986-7
Fax #: (92-21) 35820302, 35375985
E-mail: pgl@pakgulfleasing.com
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.

Director's review of Operating results

For the nine months period
ended 31 March 2015

Dear Shareholders,

The Directors of your Company are pleased to present, before you, the Financial Statements of your Company for the period ended March 31, 2015. They are equally pleased to share with you the fact that despite the challenging economic conditions prevailing in the country, the overall performance of your Company remained highly satisfactory during this period. Moreover, even in the face of the tough competition offered by commercial banks and NBFIs sponsored by banks, having access to cheaper funds, and increased cost of doing business, your Company has been able to maintain its profitability. Room for improvement is always there, and your directors being conscious of their responsibilities are determined to ensure that better results are obtained in future.

As at the end of the 3rd Quarter of the Financial Year on March 31, 2015, the Balance Sheet footing of the Company stands at Rs. 1.17 billion, as compared to Rs. 1.21 billion as on June 30, 2014. Your Company achieved a Total Revenue of Rs. 90.98 million, for the nine months period ended March 31, 2015. This reflects an increase of 33.06%, over the Total Revenue of Rs. 68.73 million posted, in the corresponding period of the Financial Year 2013-14. This increase was however slightly curtailed by an inflation-based increase in operating expenses, in addition to a substantial rise in Finance Cost, as compared to the corresponding figures for the nine months period ended March 31, 2015. Despite the increase in administrative expenses and financial cost, the Company's Profit before Taxation for the nine months period ended March 31, 2015 has increased by 11.60% to Rs. 40.19 million, when compared with the Profit before Taxation of Rs. 36.02 million, earned in the corresponding period of the previous year. Net profit after Tax has improved to Rs. 31.84 million for the nine months ended March 31, 2015 as compared to Rs.23.50 million for the corresponding period during the preceding year.

The Shareholders Equity of your Company has risen from Rs. 452.5 million, as at June 30, 2014, to Rs. 486.18 million, as at March 31, 2015 and the Earnings per Share have shown an improvement by rising to Rs. 1.25, when compared with the EPS of Rs. 0.93 for the corresponding period in FY-2013-14.

At the end of September 2014, JCR-VIS Credit Rating Company Limited has upgraded the Medium to Long-term Entity Rating for your Company to A- (Single A Minus) from BBB + (Triple B Plus), and the Short-term Rating to A-2 (A-Two) from A-3 (A-Three). The Outlook for your Company has continued to be graded as "Stable". This up gradation has enhanced the prestige and business stature of your Company and is likely to bring sizable financial benefits to your Company in the future.

Your Directors, in their capacity as your representatives for overseeing the performance of your Company, would like to place on record their appreciation for the services rendered and the dedicated efforts made by the Management Team and indeed by all staff members of your Company, towards obtaining the positive results placed before you, notwithstanding the testing market conditions. We expect the management and staff of PGL, not only to maintain, but enhance their positive stance and make all out efforts towards further 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) 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 given by them to PGL. We look forward to a lasting mutually beneficial and cordial relationship between PGL and all its stakeholders.

Karachi

Dated: April 29, 2015

Chief Executive Officer

Director

**CONDENSED INTERIM
BALANCE SHEET**

As at 31 March 2015

Note	(Unaudited)	(Audited)
	31 March 2015	30 June 2014
	Rupees	
ASSETS		
Current Assets		
	10,244,797	18,734,373
4	3,248,769	3,072,837
	1,475,542	5,873,261
	48,327	81,914
	482,574	1,044,514
	749,608	717,925
5	400,527,815	429,472,999
	-	4,579,176
	416,777,432	463,576,999
Non-current assets		
5	628,613,767	623,154,313
6	20,816,357	20,862,810
	109,500	109,500
7	101,147,850	100,976,272
	337,054	449,406
	751,024,528	745,552,301
	Total assets	1,167,801,960
		1,209,129,300
LIABILITIES		
Current liabilities		
	8,240,322	10,061,629
	11,811,313	3,438,338
	25,336,033	-
	131,422,711	137,107,176
	7,339,837	99,922,571
	-	22,000,000
	2,145,744	3,191,362
	80,972,941	104,069,602
	267,268,901	379,790,678
Non-current liabilities		
	264,606,582	204,525,380
	2,950,514	1,562,773
	106,140,406	128,427,443
	373,697,502	334,515,596
	Total liabilities	640,966,403
		714,306,274
	NET ASSETS	494,823,026
		494,823,026
FINANCED BY		
	253,698,000	253,698,000
	230,427,172	196,919,786
	484,125,172	450,617,786
	2,054,569	1,878,637
	486,179,741	452,496,423
	40,655,816	42,326,603
	526,835,557	494,823,026
8	Contingencies & Commitments	

The annexed notes 1 to 11 form an integral part of this condensed interim financial information

Chief Executive Officer

Director

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

 For the nine months and three months
period ended 31 March 2015

	Nine months period ended		Three months period ended	
	31 March		31 March	
	2015	2014	2015	2014
	Rupees			
INCOME				
Income from leasing operations	88,269,346	64,627,888	28,232,467	20,867,734
OTHER OPERATING INCOME				
Profit on bank accounts / return on investments	2,699,880	3,706,333	725,487	1,771,297
Other income	10,083	39,298	2,671	2,001
	2,709,963	3,745,631	728,158	1,773,298
	90,979,309	68,373,519	28,960,625	22,641,032
OPERATING EXPENSES				
Administrative and operating expenses	34,541,687	26,963,237	11,756,762	8,573,121
Finance cost	16,293,532	5,823,374	4,201,092	1,946,300
	50,835,219	32,786,611	15,957,854	10,519,421
Operating profit before provision	40,144,090	35,586,908	13,002,771	12,121,611
Reversal / (provision) for potential lease losses	52,620	433,106	-	103,293
Profit before taxation	40,196,710	36,020,014	13,002,771	12,224,904
Taxation				
- Current	(30,647,324)	(15,571,443)	(9,181,246)	(15,095,791)
- Deferred	22,287,213	3,052,692	4,230,008	11,615,634
	(8,360,111)	(12,518,751)	(4,951,238)	(3,480,157)
Profit after taxation	31,836,599	23,501,263	8,051,533	8,744,747
Earning per share - basic & diluted	1.25	0.93	0.32	0.34

The annexed notes 1 to 11 form an integral part of this condensed interim financial information

Chief Executive Officer

Director

**CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE
INCOME (UN-AUDITED)**
For the nine months & three months
period ended 31 March 2015

	Nine months period ended		Three months period ended	
	31 March		31 March	
	2015	2014	2015	2014
	----- Rupees -----			
Profit after taxation	31,836,599	23,501,263	8,051,533	8,744,747
Other Comprehensive Income				
Item that is or may be reclassified subsequently to profit and loss account				
Unrealised gain on revaluation of available for sale investment	175,932	727,620	(336,660)	330,144
Total comprehensive income for the period	<u>32,012,531</u>	<u>24,228,883</u>	<u>7,714,873</u>	<u>9,074,891</u>

The annexed notes 1 to 11 form an integral part of this condensed interim financial information

Chief Executive Officer

Director

**CONDENSED INTERIM
CASH FLOW STATEMENT
(UN-AUDITED)**
For the nine months period
ended 31 March 2015

Note	31 March	31 March
	2015	2014
	----- Rupees -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	40,196,710	36,020,014
Adjustments for :		
- Depreciation	11,135,550	5,754,734
- Amortisation of long term investments	46,629	10,629
- Amortisation of intangible asset	112,352	112,352
- Financial charges	16,293,532	5,823,374
- Gain on disposal of fixed assets	-	(2,450)
- (Reversal) / provision against potential lease losses	(52,620)	(433,106)
	<u>27,535,443</u>	<u>11,265,533</u>
Operating profit before working capital charges	67,732,153	47,285,547
Movements in working capital		
Decrease / (increase) in current assets		
- Other receivables - net	4,397,719	(1,709,627)
- Advances to employees	33,587	74,878
- Accrued mark-up / return on investments	561,940	(87,144)
- Prepayments	(31,683)	58,506
	4,961,563	(1,663,387)
(Decrease) / increase in current liabilities		
Trade and other payables	(1,821,307)	1,562,642
CASH GENERATED FROM OPERATIONS	<u>70,872,409</u>	<u>47,184,802</u>
Financial cost paid	(7,920,557)	(3,199,816)
Taxes paid	(732,115)	(2,032,649)
Deposits received from / (paid to) lessees	36,984,541	(4,056,304)
Advance rental (ijarah) received from lessees	342,123	-
Decrease in net investment in lease finance	23,538,350	35,884,472
	<u>52,212,342</u>	<u>26,595,703</u>
Net cash flow generated from operating activities	123,084,751	73,780,505
Cash flow from investing activities		
Capital expenditure	(11,307,128)	(2,046,330)
Proceeds from disposal of fixed assets	-	39,150
Long term investment - net	-	(7,835,519)
Net cash flow used in investing activities	(11,307,128)	(2,007,180)
Cash flow from financing activities		
Payment against / (receipt from) issue of certificate of investments - net	(5,684,465)	10,580,061
Repayment of short term loan from related party - net	(22,000,000)	-
Net cash flow (used in) / generated from financing activities	<u>(27,684,465)</u>	<u>10,580,061</u>
Net increase in cash and cash equivalents	84,093,158	82,353,386
Cash and cash equivalents at beginning of the period	9 (81,188,198)	(19,223,626)
Cash and cash equivalents at the end of the period	9 <u>2,904,960</u>	<u>63,129,760</u>

The annexed notes 1 to 11 form an integral part of this condensed interim financial information

Chief Executive Officer

Director

**CONDENSED INTERIM STATEMENT
OF CHANGES IN EQUITY (UN-AUDITED)**
For the nine months period
ended 31 March 2015

	Reserves				Sub Total	Surplus / (Deficit) on revaluation of available for sale investments	Total Equity
	Capital		Revenue				
	Issued, Subscribed and paid up capital	Statutory reserve	Reserve for issue of bonus shares	Unappro- priated profit			
	Rupees						
Balance as at 1 July 2013	253,698,000	45,701,974	4,402,000	115,367,485	165,471,459	1,108,663	420,278,122
<i>Total comprehensive income for the period ended 31 March 2014</i>							
Profit after taxation	-	-	-	23,501,263	23,501,263	-	23,501,263
Other comprehensive income							
Surplus on revaluation of available for sale investment	-	-	-	-	-	727,620	727,620
Transfer from surplus on revaluation of operating fixed assets to unapp- -ropriated profit - net of deferred tax	-	-	-	1,670,787 (4,700,253)	1,670,787 -	727,620	24,228,883
Transfer to statutory reserves	-	4,700,253	-	-	-	-	1,670,787
Balance as at 31 March 2014	<u>253,698,000</u>	<u>50,402,227</u>	<u>4,402,000</u>	<u>135,839,282</u>	<u>190,643,509</u>	<u>1,836,283</u>	<u>446,177,792</u>
Balance as at 1 July 2014	253,698,000	51,546,096	4,402,000	140,971,690	196,919,786	1,878,637	452,496,423
<i>Total comprehensive income for the period ended 31 March 2015</i>							
Profit after taxation	-	-	-	31,836,599	31,836,599	-	31,836,599
Other comprehensive income							
Surplus on revaluation of available for sale investment	-	-	-	-	-	175,932	175,932
Transfer from surplus on revaluation of operating fixed assets to unapp- -ropriated profit - net of deferred tax	-	-	-	31,836,599	31,836,599	175,932	32,012,531
Transfer to statutory reserve	-	-	-	1,670,787	1,670,787	-	1,670,787
Transfer to statutory reserve	-	6,367,320	-	(6,367,320)	-	-	-
Balance as at 31 March 2015	<u>253,698,000</u>	<u>57,913,416</u>	<u>4,402,000</u>	<u>168,111,756</u>	<u>230,427,172</u>	<u>2,054,569</u>	<u>486,179,741</u>

The annexed notes 1 to 11 form an integral part of this condensed interim financial information

Chief Executive Officer

Director

**NOTES TO CONDENSED INTERIM
FINANCIAL INFORMATION
(UN-AUDITED)**

For the nine months period
ended 31 March 2015

1. STATUS AND NATURE OF BUSINESS

1.1 Pak-Gulf Leasing Company Limited ("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.

1.2 Regulation 4 of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations 2008) requires a leasing company to maintain, at all times, minimum equity of Rs. 700 million by 30 June 2013. The equity of the Company as at 31 March 2015 is Rs. 486.18 million which is Rs. 213.82 million short of the minimum capital requirement. Securities and Exchange Commission of Pakistan is reviewing the overall regulatory regime including the minimum equity requirement. In this regard SECP has recently issued Draft of Amended NBFC Regulations, 2008 keeping in view the recommendations of the NBF - Reform Committee Report, for comments of the stakeholders which includes among other measures, reduction in minimum equity requirement limit and extension in time for meeting it whereby a leasing company is required to meet minimum equity requirements of Rs. 500 million within two years of the coming into force of the Amended NBFC Regulations.

2. BASIS OF PREPARATION

2.1 Statement of compliance

This unaudited condensed interim financial information is 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 the International Accounting Standard 34 - Interim Financial Reporting Islamic Financial Accounting Standard - 2 Ijarah (IFAS-2) issued by the Institute of Chartered Accountants of Pakistan (ICAP) and provisions of and directives issued under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008. In case where requirements differ, the provision or directives issued under the Companies Ordinance, 1984, NBFC Rules, 2003 and NBFC Regulations, 2008 shall prevail.

2.2 This condensed interim financial information has been presented in Pakistani Rupees, which is the functional currency of the Company. The figures are rounded off to the nearest rupee.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are the same as those applied in preparation of the financial statements of the Company as at and for the year ended 30 June 2014.

	(Un-audited) 31 March 2015	(Audited) 30 June 2014
	Rupees	
4. INVESTMENTS		
Available for sale		
Cost		
- 54,300 units National Investment Trust (30 June 2014: 54300 units)	1,194,200	1,194,200
Revaluation surplus / (deficit)		
Opening balance	1,878,637	1,108,663
Surplus for the period/year	175,932	769,974
	<u>2,054,569</u>	<u>1,878,637</u>
	<u>3,248,769</u>	<u>3,072,837</u>

8. CONTINGENCIES & COMMITMENTS

The Alternate Corporate Tax Charge for the Tax Year 2014 amounted to Rs. 8.1 million which is Rs. 7.14 million in excess of the Minimum tax, payable at Rs. 0.96 million under section 113 of the Income Tax Ordinance, 2001 (Ordinance). The Company has filed a Constitutional Petition against the levy and payment of Alternate Corporate Tax (ACT) in the Honourable Sindh High Court and on 29 December 2014 the Honourable Court has issued an order restraining the Federal Board of Revenue (FBR) from taking any coercive action against the Company.

Accordingly, payment for only minimum tax has been made. The Company has a strong case and the management is confident that the decision will be in the Company's favor.

Leasing contracts committed but not executed at the balance sheet date amounted to Rs. 33 million (30 June 2014: Rs. 40.94 million).

There were no other contingencies and commitments as at 31 March 2015.

	(Un-audited) 31 March 2015	(Audited) 30 June 2014
	----- Rupees -----	
9 CASH AND CASH EQUIVALENTS		
Cash and bank balances	10,244,797	18,734,373
Short term borrowings	<u>(7,339,837)</u>	<u>(99,922,571)</u>
	<u>2,904,960</u>	<u>(81,188,198)</u>

10 TRANSACTION WITH RELATED PARTIES

The related parties and associated underatknings comprise associated companies, staff retirement funds, directors and key management personnel. Transactions with related parties and associated undertakings are as under:

	Nine months period ended 31 March (Un-audited)	
	2015	2014
	----- Rupees -----	
Profit on Certificates of Investment	<u>10,623,140</u>	<u>4,785,366</u>
Certificate of Investment issued / rolled over during the period to Close relative(s) of Director(s)	<u>25,207,710</u>	<u>22,936,952</u>
Finance leases disbursed during the period to an associated undertaking	<u>-</u>	<u>2,459,000</u>
Finance Lease disbursed during the period to Director(s)	<u>2,500,000</u>	<u>1,753,500</u>
Rental received during the period against finance lease disbursed to associated undertaking(s)	<u>810,081</u>	<u>810,081</u>
Rental received during the period against finance lease disbursed to Director(s)	<u>756,373</u>	<u>289,319</u>
Short term loan from a related party obtained during the period	<u>10,000,000</u>	<u>-</u>
Short term loan from a related party repaid during the period	<u>32,000,000</u>	<u>-</u>
Financial charges on short term loan from a related party	<u>313,557</u>	<u>-</u>
Contribution during the period to Provident Fund	<u>277,087</u>	<u>265,827</u>
Directors' fee	<u>400,000</u>	<u>160,000</u>
Salary and allowances	<u>3,644,920</u>	<u>3,527,800</u>

	(Un-audited) 31 March 2015	(Audited) 30 June 2014
	----- Rupees -----	
Balances outstanding at the period / year end		
Certificates of Investments issued to Director(s)	<u>62,475,000</u>	<u>62,475,000</u>
Certificates of Investments issued to close relatives of Director(s)	<u>66,197,710</u>	<u>63,926,952</u>
Accrued mark-up on certificate of investment issued to Director(s)	<u>5,363,050</u>	<u>204,155</u>
Accrued mark-up on certificate of investment issued to close relative(s) of director(s)	<u>5,855,354</u>	<u>2,921,099</u>
Closing balance of rentals receivable from associated undertaking(s) related to finance lease	<u>3,462,851</u>	<u>4,272,932</u>
Closing balance of rentals receivable from Director(s) related to finance lease	<u>5,399,038</u>	<u>1,980,016</u>
Closing balance of short term loan from a related party	<u>-</u>	<u>22,000,000</u>
Accrued mark-up on short term loan from a related party	<u>-</u>	<u>7,335</u>

11 General

This condensed interim financial information was authorised for issue by the Board of Directors of the Company on 29 April 2015.

The Board of Directors in the meeting held on 29 April 2015 have approved the Right issue of 7,142,857 ordinary shares having par value of Rs.10 to be offered at a discount of Rs.3 per share i.e. at a total Offer Price of Rs. 7.00 per share, to the shareholders in proportion of 2.815496 shares (approx.) of every 10 shares subject to approval of the shareholders and approval of the Securities and Exchange Commission of Pakistan.

Chief Executive Officer

Director