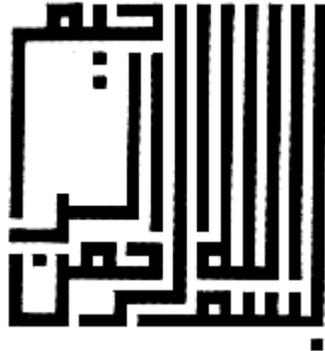




**Condensed Interim  
Financial Information  
(Un-audited)  
For the period  
Ended March 31, 2013**



**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
Mr. Shaheed H. Gaylani	Member
Ms. Farah Farooq	Secretary

**Human Resource & Remuneration Committee**

Air Marshal (R) Syed Masood Hatif	Chairman
Brig. Naveed Nasar Khan (R)	Member
Mr. Pervez Inam	Member / Secretary
Mr. Sohail Inam Ellahi	Member

**Senior Management**

Mr. Sohail Inam Ellahi	Chief Executive Officer
Mr. Mahfuz-ur-Rehman Pasha	Executive Director
Mr. Khalil Anwer Hassan	Chief Manager
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

**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, 3571 653, 35872690  
Fax #: 35870240, 35870468

**Bankers**

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

**Registered Office**

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

**Share Registrar / Transfer Office**

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

## Mission Statement

### *The Company will:*

- Aim to gain the confidence of all its stakeholders by earning a credible reputation for being an innovative enterprise that is prepared to change in the best interests of its stakeholders.
- Continually monitor structural changes in the various sectors of the economy, and accordingly alter the Company's business strategy to benefit from the emerging opportunities.
- Focus on changing customer needs and strive to improve tangible and intangible returns to its customers by providing service and satisfaction at par with the best in the industry, which would be reflected in prompt risk evaluation and facility disbursement procedures and practices.
- Consciously share, and remain part of all initiatives by the leasing industry to play a positive role in the evolution of small and medium size enterprises to expand the country's industrial base and support economic growth, higher employment and a better future for all.

For the Period ended  
March 31, 2013

Dear Shareholders,

The Directors of your Company are pleased to present the financial statements of the Company for the period ended March 31, 2013. We are glad to inform you that despite the uncertain economic conditions prevailing in the country, the overall performance of your Company has remained highly satisfactory. Notwithstanding the tough competition offered by commercial banks and the NBFIs sponsored by such banks enjoying access to cheaper funds besides a significant increase in cost of doing business, your Company has been able to maintain its profitability. Efforts for improving the Net Interest Margin, together with initiatives to keep a check on other expenses, are being constantly undertaken to achieve a higher profit margin in the days to come.

As at the end of the 3rd Quarter ended March 31, 2013, the Balance Sheet footing of Pak-Gulf Leasing Company Limited increased to Rs.869 million, as compared to Rs.850 million as on June 30, 2012. Total revenue of the Company at Rs. 56.13 million, for the nine months ended March 31, 2013, slightly decreased (by 6.23%) in comparison with the total revenue figure of Rs. 59.86 million for the corresponding period in FY2011-12. However, this decline was adequately compensated by an increase in the Company's Profit before taxation of Rs.36.98 million, when compared with the Profit before taxation of Rs.30.48 million, attained for the corresponding period in the previous year, depicting a periodical increase of around 21%. This improvement is mainly attributable to positive results achieved through the special and consistent initiatives undertaken by the Management for arriving at favorable settlements with some of the key delinquent lessees of the Company. As a consequence, the Net profit after tax improved to Rs.21.28 million for the nine months ended March 31, 2013, as compared to Rs.17.09 million for the corresponding period during the last year. Shareholders' Equity of the Company has now risen from Rs. 428 million as at June 30, 2012 to Rs. 450 million as at March 31, 2013. Earnings per Share have increased to Rs.0.84 as compared to Rs.0.67 for the corresponding period, in the previous year.

In April 2013, JCR-VIS has reaffirmed the credit rating of PGL at BBB+ for medium to long-term and at A-3, for the short term, with the Outlook of the Company staying as Stable.

The Board would like to place on record its appreciation for the entire Management Team of the Company, including each and every member of its staff, for their hard work and dedicated efforts in enabling your Company to maintain its performance standards, despite the prevailing negative market conditions. We, the Members of the Board, as representatives of the Company's Shareholders, take this opportunity to assure the management and staff of the Company of our continued support in their efforts for strengthening the Company, in terms of its financial standing and performance record in the market. At the same time, we would expect them to continue to serve the customers of the Company with greater zeal and efficiency.

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 to the development and preservation of the financial services sector in Pakistan and we hope that they would continue to carry out their good work towards the betterment of this sector, in the future as well.

In the end, we would like to thank our valued Shareholders, Customers, Bankers and other stakeholders for their valuable support. We look forward to reinforcing and enhancing further our cordial and excellent relationship, already existing with them, in the years to come.

Karachi  
Dated: April 29, 2013

**Chairman/Chief Executive**

**Director**

**CONDENSED INTERIM  
BALANCE SHEET**  
As at March 31, 2013

Note	March 31 2013 (Unaudited)	June 30 2012 (Audited)
	----- Rupees -----	
<b>Assets</b>		
Cash and bank balances	44,784,247	42,903,724
Other receivables - net	11,936,221	9,110,962
Short term investment	1,871,721	1,643,118
Loans and advances	311,685	98,863
Deposits and prepayments	781,978	360,873
Accrued markup on investment	29,539	115,314
Current portion of net investment in lease finance	275,543,124	270,367,062
Taxation recoverables-net	1,753,516	1,422,687
<b>Total current assets</b>	<b>337,012,031</b>	<b>326,022,603</b>
Long-term investments	2,949,752	2,949,751
Net investment in lease finance	459,894,761	449,234,894
Long-term loans		
Long-term deposits	209,500	206,500
Operating fixed assets	69,346,033	71,665,105
<b>Total non-current assets</b>	<b>532,400,046</b>	<b>524,056,250</b>
<b>Total assets</b>	<b>869,412,077</b>	<b>850,078,853</b>
<b>Liabilities</b>		
Trade and other payables	10,334,545	5,451,338
Profit / mark-up accrued	2,733,491	3,698,067
Certificates of investment	24,934,429	32,005,613
Current portion of long term financing	6,250,000	25,000,000
Current portion of Long term deposits	46,822,562	51,011,568
Taxation payable-net		
<b>Total current liabilities</b>	<b>91,075,026</b>	<b>117,166,586</b>
<b>Non-current liabilities</b>		
Long-term financing	-	
Long-term deposits	226,476,687	217,146,718
Deferred taxation - net	101,934,568	87,351,725
<b>Total non-current liabilities</b>	<b>328,411,255</b>	<b>304,498,443</b>
<b>Total liabilities</b>	<b>419,486,280</b>	<b>421,665,029</b>
<b>Net assets</b>	<b>449,925,796</b>	<b>428,413,824</b>
<b>Financed by</b>		
Share capital	253,698,000	253,698,000
Reserves	158,910,849	135,670,642
Surplus on revaluation of AFS investment	677,521	448,918
	413,286,370	389,817,560
Surplus on revaluation of asset-net of tax	36,639,427	38,596,264
	449,925,796	428,413,824

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

Chairman/Chief Executive

Director

**CONDENSED INTERIM  
PROFIT AND LOSS ACCOUNT  
(UN-AUDITED)**  
For the Period Ended  
March 31, 2013

	Period ended		Quarter ended	
	March 31		March 31	
	2013	2012	2013	2012
	----- Rupees -----			
<b>Income</b>				
Income from leasing operations	50,990,216	55,683,758	17,434,772	18,854,096
Profit on bank accounts / return on investments	4,239,354	3,682,597	1,187,122	1,201,386
Other income	904,365	489,826	209,865	230,966
	56,133,935	59,856,181	18,831,759	20,286,448
<b>Expenses</b>				
Administrative and operating expenses	21,208,955	19,973,850	7,107,541	6,554,231
Finance cost	4,448,928	8,731,774	1,139,505	2,512,832
Provision for potential lease losses	(6,500,972)	665,619	(743,921)	1,426,554
	19,156,911	29,371,243	7,503,125	10,493,617
<b>Profit before taxation</b>	<b>36,977,024</b>	<b>30,484,938</b>	<b>11,328,634</b>	<b>9,792,831</b>
<b>Taxation</b>				
- Current	(1,110,811)	(2,346,957)	(1,110,811)	(803,167)
- Deferred	(14,582,843)	(11,052,406)	(1,075,155)	(3,963,433)
	(15,693,654)	(13,399,363)	(2,185,966)	(4,766,600)
<b>Profit after taxation</b>	<b>21,283,370</b>	<b>17,085,575</b>	<b>9,142,668</b>	<b>5,026,231</b>
<b>Earning per share-basic</b>	<b>0.84</b>	<b>0.67</b>	<b>0.36</b>	<b>0.20</b>

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

Chairman/Chief Executive

Director



**Pak-Gulf Leasing  
Company Limited**

**CONDENSED INTERIM  
STATEMENT OF COMPREHENSIVE  
INCOME (UN-AUDITED)**  
For the Period ended  
March 31, 2013

	Period ended		Quarter ended	
	March 31		March 31	
	2013	2012	2013	2012
	Rupees			
Profit for the period	21,283,370	17,085,575	9,142,668	5,026,231
<b>Other Comprehensive Income</b>				
Unrealized gain / (loss) on revaluation of available for sale assets	228,603	(115,659)	69,504	223,173
<b>Total Comprehensive income for the period</b>	<b>21,511,973</b>	<b>16,969,916</b>	<b>9,212,172</b>	<b>5,249,404</b>

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

Chairman/Chief Executive

Director



**Pak-Gulf Leasing  
Company Limited**

**CONDENSED INTERIM  
CASH FLOW STATEMENT  
(UN-AUDITED)**  
For the Period Ended  
March 31, 2013

	March 31 2013	March 31 2012
	----- Rupees -----	
<b>Cash flow from operating activities</b>		
Profit before taxation	36,977,024	30,484,938
Adjustments for non cash items:		
Depreciation	3,869,621	3,197,894
Amortization Income	(10,292)	-
Provision for doubtful receivable	(6,500,972)	665,619
Gain on disposal of fixed assets	(299,400)	-
Reversal of provision	-	(3,727,622)
Financial charges	4,448,928	8,731,774
Receivable written off	-	-
	1,507,885	8,867,665
Operating profit before working capital changes	38,484,909	39,352,603
<b>Movements in working capital</b>		
<b>Increase in current assets</b>		
Accrued return on investments	85,775	82,262
Other receivables - net	8,869,248	6,800,680
Loan and advances	(212,822)	225,500
Deposits and prepayments	(421,105)	204,301
	8,321,096	7,312,743
<b>(Decrease)/Increase in current liabilities</b>		
Trade and other payables	4,883,207	(6,670,328)
<b>CASH GENERATED FROM OPERATIONS</b>	<b>51,689,212</b>	<b>39,995,018</b>
Financial cost paid	(5,413,504)	(7,967,990)
Taxes paid	(1,441,640)	(2,804,411)
Deposits received from lessees	5,140,963	2,227,678
Decrease/(Increase) in net investment in lease finance	(21,029,275)	46,644,098
Decrease / (increase) in long-term deposits	(3,000)	-
Decrease / (increase) in long-term loans	-	-
	(22,746,456)	38,099,375
Net cash flow on operating activities	28,942,756	78,094,394
<b>Cash flow from investing activities</b>		
Capital expenditure	(1,631,050)	(1,713,353)
Proceeds from disposal of fixed assets	390,000	-
Net cash flow on investing activities	(1,241,050)	(1,713,353)
<b>Cash flow from financing activities</b>		
Proceeds from issue of certificate of investments	(7,071,184)	(774,525)
Repayment of long term financing	(18,750,000)	(27,083,332)
	(25,821,184)	(27,857,857)
Net cash flow from financing activities	(25,821,184)	(27,857,857)
Net increase/ (decrease) in cash and cash equivalents	1,880,522	48,523,184
Cash and Cash equivalents at beginning of the period	42,903,724	2,236,955
Cash and cash equivalents at the end of the period	44,784,246	50,760,139

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

Chairman/Chief Executive

Director

**CONDENSED INTERIM STATEMENT  
OF CHANGES IN EQUITY (UN-AUDITED)**  
For the Period ended  
March 31, 2013

	Share Capital	Statutory reserve	Reserve for issue of bonus shares	Unappropriated profit	Total	Surplus on revaluation of available for sale investments	Total
<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 June 30, 2011</i>							
Profit after taxation	-	-	-	15,528,757	15,528,757	-	15,528,757
<b>Other comprehensive income</b>							
Surplus on revaluation of available for sale investments	-	-	-	-	-	215,571	215,571
Transfer from surplus on revaluation of operating fixed assets to unappropriated profit - net of deferred tax	-	-	-	15,528,757	15,528,757	215,571	15,744,328
Transfer to statutory reserves	-	3,105,751	-	2,609,116	2,609,116	-	2,609,116
<b>Balance as at June 30, 2011</b>	253,698,000	35,745,045	4,402,000	70,409,838	110,556,883	551,002	364,805,885
<b>Total comprehensive income for year ended June 30, 2012</b>							
Profit after taxation	-	-	-	22,504,643	22,504,643	-	22,504,643
<b>Other comprehensive income</b>							
Deficit on revaluation of available for sale investment	-	-	-	-	-	(102,084)	(102,084)
Others	-	-	-	22,504,643	22,504,643	(102,084)	22,402,559
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	-	4,500,929	-	(4,500,929)	-	-	-
<b>Balance as at June 30, 2012</b>	253,698,000	40,245,974	4,402,000	91,022,668	135,670,642	448,918	389,817,560
<b>Total comprehensive income for the period ended March 31, 2013</b>							
Profit after taxation	-	-	-	21,283,370	21,283,370	-	21,283,370
<b>Other comprehensive income</b>							
Surplus on revaluation of available for sale investment	-	-	-	-	-	228,603	228,603
Others	-	-	-	-	-	-	-
Transfer from surplus on revaluation of operating fixed assets to unappropriated profit - net of deferred tax	-	-	-	1,956,837	1,956,837	-	1,956,837
Transfer to statutory reserve	-	4,256,674	-	(4,256,674)	-	-	-
	<u>253,698,000</u>	<u>44,502,648</u>	<u>4,402,000</u>	<u>110,006,201</u>	<u>158,910,849</u>	<u>677,521</u>	<u>413,286,370</u>

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

**Chairman/Chief Executive**

**Director**

**NOTES TO CONDENSED INTERIM  
FINANCIAL INFORMATION  
(UN-AUDITED)**  
For the Period ended  
March 31, 2013

**1. THE COMPANY AND ITS OPERATIONS**

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

**2. ACCOUNTING POLICIES**

Accounting policies adopted for the preparation of these quarterly financial statements are the same as those applied in the preparation of annual statements for the year ended June 30, 2012.

**2.1 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.

**3 NET INVESTMENT IN LEASE FINANCE - secured**

	March 31, 2013			June 30, 2012		
	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	294,012,086	264,766,971	558,779,057	284,584,095	269,997,841	554,581,936
Add: Estimated residual value of leased assets	46,822,562	226,476,687	273,299,249	51,011,568	217,146,718	268,158,286
Gross Investment in leases	340,834,648	491,243,658	832,078,306	335,595,663	487,144,559	822,740,222
Less: Unearned lease income	(65,291,524)	(29,270,937)	(94,562,461)	(65,228,601)	(36,687,682)	(101,916,283)
	275,543,124	461,972,721	737,515,845	270,367,062	450,456,877	720,823,939
Less: Provision for potential lease losses	-	(2,077,960)	(2,077,960)	-	(1,221,983)	(1,221,983)
Net investment in finance leases	275,543,124	459,894,761	735,437,885	270,367,062	449,234,894	719,601,956

**4. INVESTMENTS**

**Available for sale**

**Cost**

- 54,300 units National Investment Trust  
(June 30, 2012: 54300 units)

**Revaluation surplus / (deficit)**

Opening balance  
Surplus/(Deficit) for the period/year

	March 31, 2013	June 30, 2012
	----- Rupees -----	
	1,194,200	1,194,200
	448,918	551,002
	677,521	448,918
	1,871,721	1,643,118

	March 31, 2013	June 30, 2012
<b>5. OPERATING FIXED ASSETS</b>	----- Rupees -----	
Opening balance	95,719,989	93,239,577
Additions	1,631,047	2,480,412
Deletion	<u>(453,000)</u>	-
	96,908,135	95,719,989
Less: Accumulated depreciation	<u>28,311,112</u>	24,803,894
	68,597,023	70,916,095
Add: Capital work in progress	749,010	749,010
	<u>69,346,033</u>	<u>71,665,105</u>
<b>6. LONG TERM FINANCING-Secured</b>		
Long-term loans - secured	6,250,000	25,000,000
Less: Current maturity shown under current liabilities	<u>(6,250,000)</u>	(25,000,000)
	-	-

These represent financing facilities obtained from Banks . These facilities are secured by first charge on specific assets and the related lease rentals receivable. These facilities carry mark-up at rate of 6 month KIBOR plus 1.50 percent. These facilities are repayable in equal quarterly installments ending on June 2013

**7. Surplus on Revaluation of Operating fixed assets**

Balance as on July 01	59,378,867	63,392,892
Transferred to retained earning	<u>(1,956,837)</u>	(2,609,116)
Related deferred tax liability	<u>(1,053,682)</u>	(1,404,909)
	<u>(3,010,519)</u>	(4,014,025)
Surplus on revaluation of operating fixed assets	56,368,348	59,378,867
Related deferred tax liability as on beginning of the year	<u>20,782,603</u>	22,187,512
For the period	<u>(1,053,682)</u>	(1,404,909)
	19,728,921	20,782,603
	<u>36,639,427</u>	<u>38,596,264</u>

**8. COMMITMENTS**

Leasing contracts committed but not executed at the balance sheet date amounted to Rs.Nil (June 2012: Rs.500,000).

**9. TRANSACTIONS WITH ASSOCIATED UNDERTAKING / RELATED PARTIES**

Transactions with related parties comprise of the following:

	Jul-March 2012-13	Jul-March 2011-12
<b>Certificate of investment issued to:</b>	----- Rupees -----	
Close relatives of Director and Chairman	20,534,425	18,236,613
Director	-	5,500,000
<b>Contribution to provident fund-Employees</b>	<u>274,966</u>	166,326
<b>Director's meeting fee</b>	<u>140,000</u>	26,000

**10. GENERAL**

Figures have been rounded off to the nearest rupee.

**11. DATE OF AUTHORIZATION**

These financial statements were authorised for issue on April 29, 2013 by the Board of Directors of the company.

Chairman/Chief Executive

Director