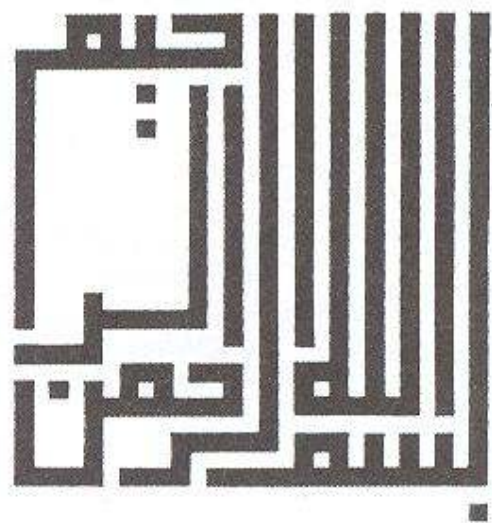




**Financial Statements  
(Unaudited)  
For the First Quarter  
ended September 30, 2009**



**Pak-Gulf Leasing Company Limited**



**Board of Directors**

Mr. Sohail Inam Ellahi	CEO/Chairman
Mr. Fawad S. Malik	Vice Chairman
Mr. Pervez Inam	Director
Mr. Shaheed H. Gaylani	Director
Mr. Shaikh Aftab Ahmed	Director
Mr. Sheikh Mohammad Jawed	Director
Mr. Yousuf Jan Mohammad	Director
Air Marshal (R) Syed Masood Hatif	Director

**Company Secretary**

Mian Muhammad Shoaib

**Audit Committee**

Mr. Sheikh Mohammad Jawed	Chairman
Mr. Shaikh Aftab Ahmed	Vice Chairman
Mr. Fawad S. Malik	Member & Secretary
Air Marshal (R) Syed Masood Hatif	Member

**Senior Management**

Mr. Sohail Inam Ellahi	Chief Executive Officer
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: stable

**Auditors**

M/s. A.F. Ferguson & Co.  
Chartered Accountants  
State Life Building No. 1-C,  
I.I.Chundrigar Road, P.O.Box 4716,  
Karachi-74000.  
Tel # : 32426682-32426711  
Fax # : 32415007

**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**

Askari Commercial Bank Ltd.  
Bank Al-Falah Ltd.  
Albarka 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 # : 111-000-322  
Fax # : 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 operating results of the first quarter of financial year 2009-10.

Despite the rising cost of capital and competitive markets, the overall performance of the company remained satisfactory. With the tougher competition by commercial lenders and higher interest rates your company's growth is reasonable.

During the financial quarter under review, the balance sheet footing of the company was Rs.700 million as on September 30, 2009 as compared to Rupees 706 million on June 30, 2009 reflecting a decrease of 0.85 percent. The total revenue of the Company was Rs.18.50 million for the quarter under review, which was around forty 40 percent higher than the revenue for the corresponding period. The net profit after tax is increased by 26 percent, which was due to increase in leasing revenue. Earning per share was Rs.0.25 as compared to Rs.0.26 for the corresponding period.

In February 2009 JCR-VIS had reaffirmed entity rating of your company to BBB- for medium to long-term and A-3 for the short-term where as outlook of the Company has classified as stable.

The Board of Directors 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 them in coming years.

Karachi  
October 29, 2009

Chairman / Chief Executive

Vice Chairman

Director



**Balance Sheet  
As at September 30, 2009**

	NOTE	September 30, 2009 (Unaudited)	June 30, 2009
----- Rupees -----			
<b>Assets</b>			
<b>Current assets</b>			
Cash and bank balances		43,289,309	22,921,743
Investments	4	1,653,435	1,457,955
Other receivables - net		18,804,144	24,736,450
Loans and advances		14,547	198,412
Deposits and prepayments		679,175	365,749
Current portion of net investment in lease finance	5	159,252,568	182,278,994
Taxation recoverable - net		862,626	651,994
		<u>224,555,804</u>	<u>232,611,297</u>
<b>Non- current assets</b>			
Net investment in lease finance	5	394,337,176	391,012,915
Long- term loans		41,715	14,547
Long-term deposits		206,500	206,500
Operating fixed assets		81,181,662	82,709,719
		<u>475,767,053</u>	<u>473,943,681</u>
		<u>700,322,857</u>	<u>706,554,978</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		7,185,239	11,853,671
Profit / mark-up accrued		2,955,974	1,413,621
Certificates of investment		13,509,086	13,509,086
Current portion of long- term financing	6	39,166,667	46,666,667
Current portion of long- term deposits		23,255,140	23,724,303
		<u>86,072,106</u>	<u>97,167,348</u>
<b>Non- current liabilities</b>			
Long-term financing	6	20,833,335	25,000,000
Long-term deposits		163,936,015	161,465,472
Deferred tax - net		40,984,608	41,291,373
		<u>225,753,958</u>	<u>227,756,845</u>
<b>Total liabilities</b>		<u>311,826,064</u>	<u>324,924,193</u>
<b>Net assets</b>			
<b>Financed by</b>			
Share capital	7	253,698,000	253,698,000
Reserves		87,308,576	80,068,341
		<u>341,006,576</u>	<u>333,766,341</u>
Surplus on revaluation of investment		459,235	263,755
<b>Total equity</b>		<u>341,465,811</u>	<u>334,030,096</u>
Surplus on revaluation of assets-net of tax		47,030,982	47,600,689
		<u>388,496,794</u>	<u>381,630,785</u>
<b>Contingencies and commitments</b>	8		

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

Chairman / Chief Executive

Vice Chairman

Director

**For the quarter ended September 30, 2009**

	Quarter Ended	
	September 30, 2009	September 30, 2008
	----- Rupees -----	
<b>Income</b>		
Income from leasing operations	18,284,221	12,898,949
Profit on bank accounts/ return on investments	176,475	260,000
Other income	43,013	31,665
	<u>18,503,709</u>	<u>13,190,614</u>
<b>Expenses</b>		
Administrative and operating expenses	4,626,239	4,374,330
Finance cost	3,059,306	985,142
Other charges	118,749	127,064
	7,804,294	5,486,536
Operating profit before provision	10,699,415	7,704,078
Provision against terminated leases	4,407,928	2,412,527
Reversal of Provision/ Provision for potential lease losses	(355,161)	-
	4,052,767	2,412,527
<b>Profit before taxation</b>	6,646,648	5,291,551
<b>Taxation</b>		
- Current	282,885	255,987
	<u>282,885</u>	<u>255,987</u>
<b>Profit after taxation</b>	6,363,763	5,035,564
<b>Earning per share-basic/diluted</b>	<u>0.25</u>	<u>0.26</u>

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

Chairman / Chief Executive

Vice Chairman

Director

**Cash Flow Statement (Unaudited)**  
**For the quarter ended September 30, 2009**

NOTE	September 30, 2009	September 30, 2008
	-----	-----
	Rupees	
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before taxation	6,646,648	5,291,551
Adjustments for:		
Depreciation	1,528,055	1,120,866
Provision against terminated leases	4,407,928	2,412,527
Reversal of Provision/ Provision for potential lease losses	(355,161)	-
Finance cost	3,059,306	985,142
	<u>15,286,776</u>	<u>9,810,086</u>
<b>Operating Profit before working capital changes</b>		
<b>Movements in working capital</b>		
<b>(Increase) / Decrease in current assets</b>		
Other receivables	1,524,378	(457,246)
Prepayments	(313,426)	(61,740)
	<u>1,210,952</u>	<u>(518,986)</u>
<b>(Decrease)/ Increase in current liabilities</b>		
Trade and other payables	(4,668,432)	(551,407)
	<u>(4,668,432)</u>	<u>(551,407)</u>
<b>Cash generated from operations</b>	<u>11,829,297</u>	<u>8,739,693</u>
Finance cost paid	(1,516,953)	(1,981,115)
Taxes paid	(493,516)	(234,835)
Deposits received from lessees	2,001,380	3,408,056
Decrease/(increase) in net investment in lease finance	20,057,326	17,453,702
Decrease/ (increase) in long-term loans	156,697	128,555
	<u>20,204,934</u>	<u>18,774,363</u>
Net cash inflow from / (outflow on) operating activities	<u>32,034,231</u>	<u>27,514,055</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Capital expenditure	-	(31,500)
Net cash outflow on investing activities	-	(31,500)
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of certificates of investment	-	(2,500,000)
(Repayment) of / proceeds from long- term financing	(11,666,665)	(4,692,977)
Repayment of Morabah finance	-	(9,081,004)
Net cash inflow from financing activities	<u>(11,666,665)</u>	<u>(16,273,981)</u>
Net increase in cash and cash equivalents	<u>20,367,566</u>	<u>11,208,574</u>
Cash and cash equivalents at the beginning of the period	<u>22,921,743</u>	<u>(33,043,320)</u>
Cash and cash equivalents at the end of the period	<u>43,289,309</u>	<u>(21,834,746)</u>

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

Chairman / Chief Executive

Vice Chairman

Director



**Statement of Changes in Equity  
(Unaudited)  
For the quarter ended September 30, 2009**

	Share Capital	Statutory Reserve	Reserve for issue of Bonus Shares	Unappropriated Profit	Total	Surplus on revaluation of available for sale Investments	Share holders equity
	Rupees						
<b>Balance as at June 30, 2007</b>	193,698,000	23,008,676	4,402,000	23,405,299	244,513,975	2,153,395	246,667,370
Transferred from surplus on revaluation of operating fixed assets to unappropriated profit	-	-	-	1,339,767	1,339,767	-	1,339,767
Profit after taxation for the year ended June 30, 2008	-	-	-	10,848,668	10,848,668	-	10,848,668
Deficit on remeasurement of available for sale investments	-	-	-	-	-	(504,990)	(504,990)
	-	2,169,734	-	(2,169,734)	-	-	-
<b>Balance as at June 30, 2008</b>	193,698,000	25,178,410	4,402,000	33,424,000	256,702,410	1,648,405	258,350,815
Issue of right shares	60,000,000	-	-	-	60,000,000	-	60,000,000
Profit after taxation for the year ended June 30, 2009	-	-	-	14,877,931	14,877,931	-	14,877,931
Transferred from surplus on revaluation of operating fixed assets to unappropriated profit	-	-	-	2,186,000	2,186,000	-	2,186,000
Deficit on revaluation of available for sale investments	-	-	-	-	-	(1,384,650)	(1,384,650)
Transfer to statutory reserve	-	2,975,586	-	(2,975,586)	-	-	-
<b>Balance as at June 30, 2009</b>	253,698,000	28,153,996	4,402,000	47,512,345	333,766,341	263,755	334,030,096
Transferred from surplus on revaluation of operating fixed assets to unappropriated profit	-	-	-	876,472	876,472	-	876,472
Profit after taxation for the quarter ended September 30, 2009	-	-	-	6,363,763	6,363,763	-	6,363,763
Surplus on revaluation of available for sale investments	-	-	-	-	-	195,480	195,480
Transferred to statutory reserve	-	1,272,753	-	(1,272,753)	-	-	-
	253,698,000	29,426,748	4,402,000	53,479,828	341,006,576	459,235	341,465,811

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

Chairman / Chief Executive

Vice Chairman

Director



**1 THE COMPANY AND ITS OPERATIONS**

Pak-Gulf Leasing Company Limited ("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, Rooms 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 the published annual financial statements for the year ended June 30, 2009

**3 STATEMENT OF COMPLIANCE**

These unaudited financial statements are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984 and have been prepared in accordance with the requirements of International Accounting Standard-34 " Interim Financial Reporting" as applicable in Pakistan.

	<b>September 30, 2009 (Unaudited)</b>	<b>June 30, 2009</b>
	----- Rupees -----	
<b>4 INVESTMENTS</b>		
<b>Available for Sale-</b>		
54,300 units(June 30,2009: 54,300) of National Investment Trust	<u>1,653,435</u>	<u>1,457,955</u>
	<u>1,653,435</u>	<u>1,457,955</u>
<b>5 NET INVESTMENT IN LEASE FINANCE</b>		
Minimum lease payments receivable	449,453,442	480,684,414
Add: Residual value	<u>187,191,304</u>	<u>185,189,925</u>
	<u>636,644,746</u>	<u>665,874,339</u>
Less:		
Unearned finance income	<u>82,297,317</u>	<u>91,469,584</u>
Provision for potential lease losses	<u>757,685</u>	<u>1,112,846</u>
	<u>83,055,002</u>	<u>92,582,430</u>
	<u>553,589,744</u>	<u>573,291,909</u>
Less: Current portion of net investment in lease finance	<u>159,252,568</u>	<u>182,278,994</u>
	<u>394,337,176</u>	<u>391,012,915</u>
<b>6 LONG TERM FINANCING-Secured</b>		
Long-term loans - secured	60,000,002	71,666,667
Less: Current maturity shown under current liabilities	<u>39,166,667</u>	<u>46,666,667</u>
	<u>20,833,335</u>	<u>25,000,000</u>



	<b>September 30, 2009 (Unaudited)</b>	<b>June 30, 2009</b>
	----- Rupees -----	
<b>7</b>	<b>SHARE CAPITAL</b>	
	<b>Authorized</b>	
	50,000,000(June 30,2009 : 50,000,000) ordinary shares of Rs.10 each	
	<u><u>500,000,000</u></u>	<u><u>500,000,000</u></u>
	<b>Issued,subscribed and paid up share capital</b>	
	25,369,800(June 30,2009: 25,369,800) ordinary shares of Rs.10 each	
	<u><u>253,698,000</u></u>	<u><u>253,698,000</u></u>
<b>8</b>	<b>CONTINGENCIES AND COMMITMENTS</b>	
	Commitments	
	Leasing contracts committed but not executed at the balance sheet date amounted to Rs.2.760 million( June 30,2009 Rs.9.915 million)	
<b>9</b>	<b>CASH AND CASH EQUIVALENTS</b>	
	Cash and bank balances	
	<u><u>43,289,309</u></u>	<u><u>22,921,743</u></u>
	<u><u>43,289,309</u></u>	<u><u>22,921,743</u></u>
<b>10</b>	Figures have been rounded off to the nearest Rupee.	
<b>11</b>	These financial statements were authorized for issue on October 29, 2009 by the Board of Directors of the Company.	

Chairman / Chief Executive

Vice Chairman

Director