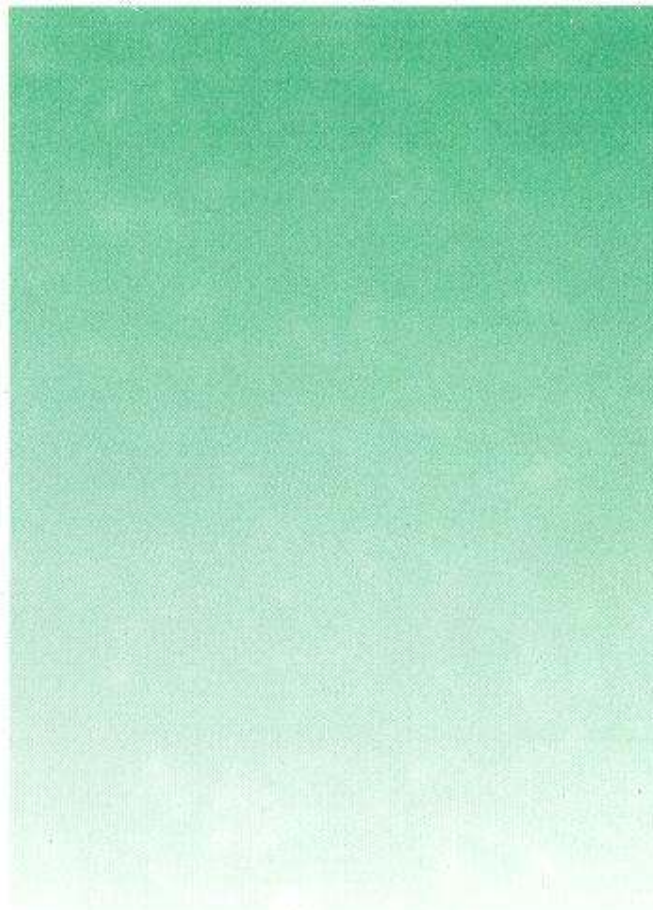
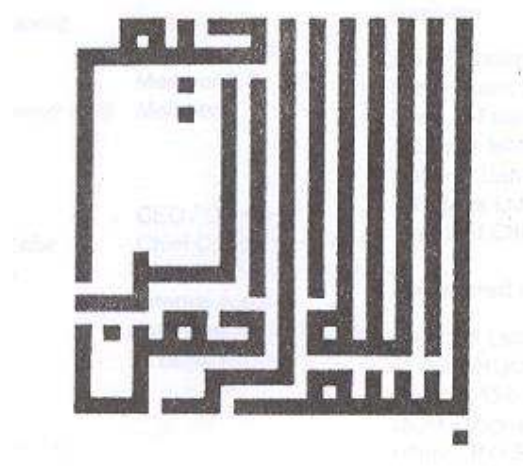




**FINANCIAL STATEMENTS
FOR THE THIRD QUARTER
ENDED MARCH 31, 2010
(UN-AUDITED)**



Pak-Gulf Leasing Company Limited





Company Information

Board of Directors

Mr. Sohail Inam Ellahi	Chairman / CEO
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	CEO / Chairman
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 - 75530

Legal Advisors

M/s. Mohsin Tayebaly & Company
2nd Floor, Dime Centre,
BC-4, Block # 9, Kehkashan, Clifton,
Karachi.
Tel # : 538077, 571653, 5872690
Fax # : 5870240, 5870468

Bankers

Askari Commercial Bank Ltd.
Soneri Bank Limited
Bank Al-Falah Limited
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, 35820956-6
35824401, 35375986-7
Fax #: 35820302, 35375985
E-mail: pgl@cyber.net.pk
Website: www.pakgulfleasing.com

Share Registrar / Transfer Office

THK Associate (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.

Director's review of Operating results

For the period ended March 31, 2010

Dear Shareholders,

The Directors of your Company are pleased to present the financial statements of the company for the period ended March 31, 2010. The arrangements with the banks for credit lines at rates to be more competitive are being arranged and with the borrowing cost at lesser level, the company hopes to gradually improve its profitability and performance in administering and writing leases. 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 and challenging economic conditions of the country, the overall performance of the company was satisfactory. With the tougher competition by commercial lenders, higher interest rates, and trends of pre-mature termination of contractual legal obligations, your company's performance is very good.

During nine months under review, the balance sheet footing of your company was Rs.680 million as on March 31, 2010 as compared to Rs. 706 million on June 30, 2009. The total revenue of the company was Rs. 54.65 million for the period ended March 31, 2010 as compared to Rs.40.33 million reflecting an increase of 35.51 percent over the revenue for the corresponding period. Profit before taxation was Rs.17.46 million as compared to Rs.12.56 million for the corresponding period. Net profit after tax was Rs.16.70 million for the period ended as compared to Rs.4.80 million for the corresponding period of last year. Shareholders equity of the company rose from Rs. 381.63 million as at June 30, 2009 to Rs. 388.05 million as at March 31, 2010. Earning per share was Rs.0.66 as compared to Rs.0.19 for the corresponding period.

In March 2010, JCR-VIS had upgraded entity rating of the company to BBB from BBB- for medium to long-term and had reaffirmed short-term rating at A-3 where as outlook of the Company has been 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 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: April 20, 2010

Chairman / C.E.O.

Director

**Condensed Interim
Balance Sheet
AS AT March 31, 2010**

	Note	March 31, 2010 (Unaudited)	June 30, 2009 (Audited)
----- Rupees -----			
Assets			
Cash and bank balances		41,882,912	22,921,743
Other receivables - net		16,837,567	24,736,450
Loans and advances		23,736	198,412
Deposits and prepayments		326,289	365,749
Current portion of net investment in lease finance	3	217,865,503	182,278,994
Investments	4	1,708,278	1,457,955
Taxation recoverables-net		2,056,732	651,994
Total current assets		280,701,016	232,611,297
Long-term investments			
Net investment in lease finance	3	321,104,504	391,012,915
Long-term loans		-	14,547
Long-term deposits		206,500	206,500
Operating fixed assets	5	78,209,368	82,709,719
Total non-current assets		399,520,372	473,943,681
Total assets		680,221,388	706,554,978
Liabilities			
Trade and other payables		8,494,673	11,853,671
Profit / mark-up accrued		1,559,858	1,413,621
Certificates of investment		17,089,649	13,509,086
Current portion of long term financing	6	24,167,667	46,666,667
Current portion of Long term deposits		27,602,160	23,724,303
Total current liabilities		78,914,007	97,167,348
Long-term financing	6	12,499,003	25,000,000
Long-term deposits		161,621,399	161,465,472
Deferred taxation - net		39,140,406	41,291,373
Total non-current liabilities		213,260,808	227,756,845
Total liabilities		292,174,815	324,924,193
Net assets		388,046,573	381,630,785
Financed by			
Share capital		253,698,000	253,698,000
Reserves		88,042,459	81,245,418
		341,740,459	334,943,418
Surplus on revaluation of asset-net of tax	7	46,306,114	46,687,367
		388,046,573	381,630,785
Contingencies and commitments	8		

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

Chairman / C.E.O.

Director



**Condensed Interim
Profit and Loss Account
(Unaudited)**

For the Period Ended March 31, 2010

	Period ended		Quarter ended	
	March 31 2010	March 31 2009	March 31 2010	March 31 2009
	Rupees			
Income				
Income from leasing operations	50,315,126	37,280,259	15,484,556	11,849,911
Profit on bank accounts / return on investments	3,736,004	2,971,588	1,334,858	1,818,213
Other income	602,333	77,621	68,065	21,470
	<u>54,653,463</u>	<u>40,329,468</u>	<u>16,887,479</u>	<u>13,689,594</u>
Expenses				
Administrative and operating expenses	15,357,872	14,871,349	5,131,369	5,583,046
Finance cost	7,941,977	7,391,451	2,313,505	3,077,451
Provision for potential lease losses	13,889,741	5,501,888	6,007,723	1,873,330
	<u>37,189,590</u>	<u>27,764,689</u>	<u>13,452,597</u>	<u>10,533,828</u>
Profit before taxation	<u>17,463,872</u>	<u>12,564,779</u>	<u>3,434,881</u>	<u>3,155,766</u>
Taxation				
- Current	1,846,104	7,766,853	275,686	(3,530,391)
- Deferred	(1,081,661)	-	-	-
	<u>764,443</u>	<u>7,766,853</u>	<u>275,686</u>	<u>(3,530,391)</u>
Profit after taxation	<u>16,699,429</u>	<u>4,797,926</u>	<u>3,159,195</u>	<u>6,686,157</u>
Earning per share-basic	<u>0.66</u>	<u>0.19</u>	<u>0.12</u>	<u>0.26</u>

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

Chairman / C.E.O.

Director



**Condensed Interim
Statement of Comprehensive
Income (Unaudited)**
For the Period Ended March 31, 2010

	Period ended		Quarter ended	
	March		March	
	2010	2009	2010	2009
	Rupees			
Profit / (Loss) for the period	16,699,429	4,797,926	3,159,195	6,686,157
Other Comprehensive Income	-	-	-	-
Unrealized gain / (loss) on revaluation of available for sale assets	250,323	(1,468,815)	65,703	105,885
Comprehensive income transferred to equity	<u>16,949,752</u>	<u>3,329,111</u>	<u>3,224,898</u>	<u>6,792,042</u>
Component of comprehensive income not reflected in equity	-	-	-	-
Surplus on revaluation of fixed asset	-	39,056,900	-	39,056,900
deferred tax on revaluation of fixed asset	-	(13,669,815)	-	(13,669,815)
Total Comprehensive income	<u>16,949,752</u>	<u>25,387,085</u>	<u>3,224,898</u>	<u>25,387,085</u>

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

Chairman / C.E.O.

Director

Cash Flow Statement (Unaudited)

For the Period Ended March 31, 2010

	March 31 2010	March 31 2009
	----- Rupees -----	
Cash flow from operating activities		
Profit before taxation	17,463,872	12,564,779
Adjustments for non cash items:		
Depreciation	4,317,653	3,675,986
Amortization of deferred costs	-	-
Gain on disposal of fixed assets	(167,306)	-
Financial charges	7,941,977	7,391,451
Provision for potential lease losses	13,889,741	5,501,888
	25,982,065	16,569,326
Operating profit before working capital changes	43,445,938	29,134,105
Movements in working capital		
Increase in current assets		
Accrued return on investments	-	-
Other receivables - net	(3,993,769)	(6,404,494)
Loan and advances	189,223	-
Deposits and prepayments	39,460	40,874
	(3,765,085)	(6,363,620)
Increase in current liabilities		
Trade and other payables	(3,358,998)	3,587,622
CASH GENERATED FROM OPERATIONS	36,321,855	26,358,107
Financial cost paid	(7,795,741)	(10,749,239)
Taxes paid	(2,169,180)	(822,283)
Deposits received from lessees	4,033,784	433,862
Decrease/(Increase) in net investment in lease finance	32,324,814	34,301,989
Decrease / (increase) in long-term loans	-	99,552
	26,393,678	23,263,881
Net cash flow on operating activities	62,715,534	49,621,988
Cash flow from investing activities		
Capital expenditure	-	(181,398)
Proceeds from disposal of fixed assets	350,000	-
Net cash flow on investing activities	350,000	(181,398)
Cash flow from financing activities		
Proceeds from issue of certificate of investments	3,580,563	(5,679,589)
Dividend Paid	(12,684,932)	-
Proceeds from long term financing	(34,999,997)	37,251,477
Issue of right shares	-	60,000,000
Repayment of short term financing	-	(30,000,000)
Net cash flow from financing activities	(44,104,366)	61,571,888
Net increase/ (decrease) in cash and cash equivalents	18,961,168	111,012,478
Cash and Cash equivalents at beginning of the period	22,921,743	(33,043,320)
Cash and cash equivalents at the end of the period	41,882,912	77,969,158

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

Chairman / C.E.O.

Director



**Pak-Gulf Leasing
Company Limited**

**STATEMENT OF CHANGES IN EQUITY
(Unaudited)
For the Period Ended March 31, 2010**

	Share capital	Statutory reserve	Reserve for issue of bonus shares	Unappropriated profit	Total	Surplus on revaluation of Available for Sale Investments	Total
	Rupees.....						
Balance as at June 30, 2008	193,698,000	25,178,410	4,402,000	33,424,000	256,702,410	1,648,405	258,350,815
Right shares issued	60,000,000	-	-	-	60,000,000	-	60,000,000
Loss/Profit after taxation for the half year ended ended Dec.31, 2008	-	-	-	(1,888,231)	(1,888,231)	-	(1,888,231)
Surplus on remeasurement of available for sale investments	-	-	-	-	-	(1,574,700)	(1,574,700)
Transfer from surplus on revaluation of fixed asset to unappropriated profit	-	-	-	799,098	799,098	-	799,098
Transferred to statutory reserve	-	-	-	-	-	-	-
Balance at December 31,2008	253,698,000	25,178,410	4,402,000	32,334,867	315,613,277	73,705	315,686,982
Total comprehensive income for the period ended 30 June 2009	-	-	-	-	-	-	-
Profit after taxation other comprehensive income	-	-	-	16,766,162	16,766,162	-	16,766,162
Deficit on revaluation of available for sale investment	-	-	-	-	-	190,050	190,050
	-	-	-	16,766,162	16,766,162	190,050	16,956,212
Transfer from surplus on revaluation of operating fixed assets	-	-	-	1,386,902	1,386,902	-	1,386,902
Transfer to statutory reserve	-	2,975,586	-	(2,975,586)	-	-	-
Balance as at 30 June 2009 as previously stated	253,698,000	28,153,996	4,402,000	47,512,345	333,766,341	263,755	334,030,096
Correction of error	-	-	-	1,177,077	1,177,077	-	1,177,077
Balance as at 30 June 2009 as restated	253,698,000	28,153,996	4,402,000	48,689,422	334,943,418	263,755	335,207,173
Total comprehensive income for the period ended 31 March 2010	-	-	-	-	-	-	-
profit after taxation	-	-	-	16,699,429	16,699,429	250,323	16,699,429
deficit on revaluation of available for sale investment	-	-	-	-	-	-	250,323
	-	-	-	16,699,429	16,699,429	250,323	16,949,752
Transaction with owners, recorded directly in equity	-	-	-	-	-	-	-
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	-	-	-	2,782,544	2,782,544	-	2,782,544
Transfer to statutory reserve	-	3,339,886	-	(3,339,886)	-	-	-
Balance at March 31,2010	253,698,000	31,493,882	4,402,000	52,146,577	341,740,459	514,078	342,254,537

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

Chairman / C.E.O.

Director



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, 2009.

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, 2010			June 30, 2009		
	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					
Lease rentals receivables	239,549,733	187,481,010	427,030,742	211,767,220	268,917,194	480,684,414
Add: Estimated residual value of leased assets	27,602,160	161,621,548	189,223,708	23,683,603	161,506,322	185,189,925
Minimum lease payments	267,151,893	349,102,558	616,254,450	235,450,823	430,423,516	665,874,339
Less : Unearned lease income	(49,286,390)	(24,888,119)	(74,174,509)	(53,171,829)	(38,297,755)	(91,469,584)
	217,865,503	324,214,439	542,079,941	182,278,994	392,125,761	574,404,755
Less : Provision for potential lease losses	-	(3,109,935)	(3,109,935)	-	(1,112,846)	(1,112,846)
Net investment in leases	217,865,503	321,104,504	538,970,006	182,278,994	391,012,915	573,291,909

4 INVESTEMENTS

Available for sale

Cost

54,300 units of National Investment Trust
(June 2009 : 54,300 units)

Revaluation surplus / (deficit)

Opening balance

Surplus/(Deficit) for the period / year

**March 31,
2010
Rupees**

**June 30,
2009
Rupees**

1,194,200	1,194,200
263,755	1,648,405
250,323	(1,384,650)
514,078	263,755
1,708,278	1,457,955



5	OPERATING FIXED ASSETS	March 31, 2010 Rupees	June 30, 2009 Rupees
	Opening balance	93,423,582	62,326,423
	Additions /Revaluation	-	31,500,163
		<u>93,423,582</u>	<u>93,826,586</u>
	Less: Accumulated depreciation	<u>15,825,724</u>	<u>11,728,377</u>
		77,597,858	82,098,209
	Add:Capital work in progress	611,510	611,510
		<u>78,209,368</u>	<u>82,709,719</u>
6	LONG-TERM FINANCING - secured	March 31, 2010 Rupees	June 30, 2009 Rupees
	Long-term loans - secured	36,666,670	71,666,667
	Less: Current maturity shown under current liabilities	<u>(24,167,667)</u>	<u>(46,666,667)</u>
		<u>12,499,003</u>	<u>25,000,000</u>
These represent financing facilities obtained from Banks and Non Banking Finance Companies (NBFC). These facilities are secured by first charge on specific assets and the related lease rentals receivable. These facilities carry mark-up at rate of 3 moth KIBOR plus 1.65 percent to 6 month KIBOR +1.75. These facilities are repayable in equal quarterly installments commencing from March 30,2009			
7	SURPLUS ON REVALUATION-NET OF TAX	March 31, 2010 Rupees	June 30, 2009 Rupees
	Operating fixed assets	45,792,036	46,423,612
	Available for sale investment	<u>514,078</u>	<u>250,323</u>
		<u>46,306,114</u>	<u>46,673,935</u>
8	COMMITMENTS		
Leasing contracts committed but not executed at the balance sheet date amounted to Rs.35.523 million (June 2009: Rs.9.915 million).			
9	TRANSACTION WITH ASSOCIATED UNDERTAKING / RELATED PARTIES	July-March 2010 Rupees	July-March 2009 Rupees
	The transactions with the related parties comprise of the following:		
	Certificates of investment Issued to:		
	Director / Close relative of Director and Chairman	<u>15,089,649</u>	<u>13,509,086</u>
	Contribution to provident fund-Employees	<u>172,846</u>	<u>164,696</u>
	Director's meeting fee	<u>30,000</u>	<u>30,000</u>



10 GENERAL

Figures have been rounded off to the nearest rupee.

11 DATE OF AUTHORISATION

These financial statements were authorised for issue on April 20, 2010 by the Board of Directors of the company.

Chairman / C.E.O.

Director