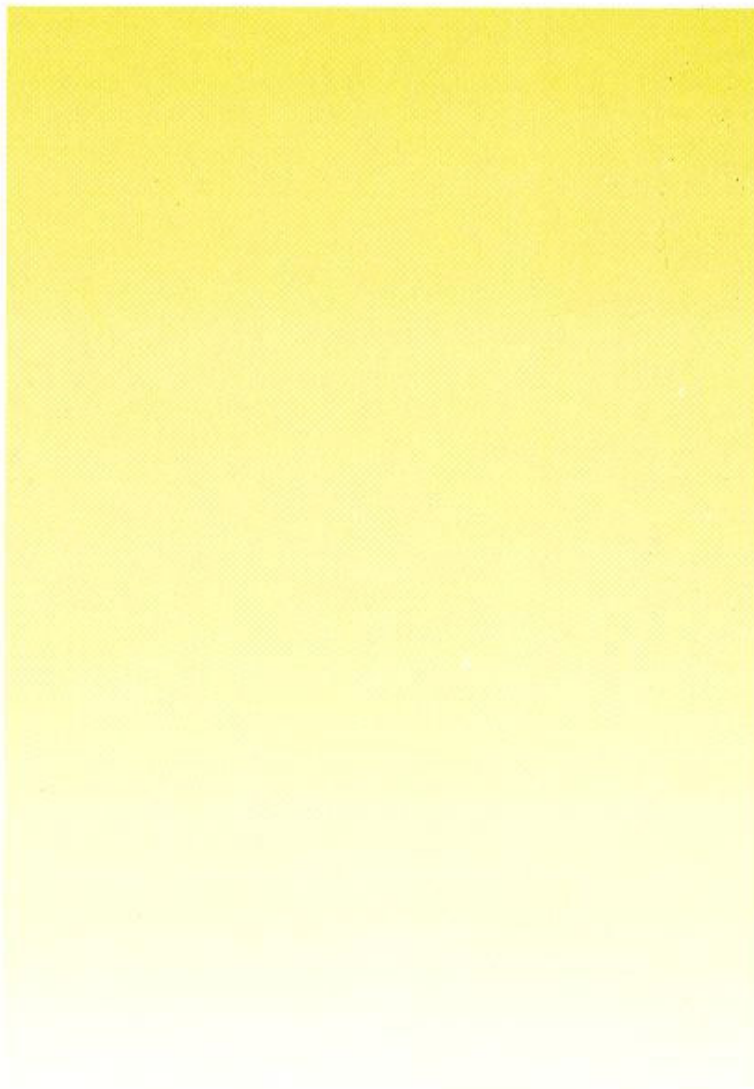
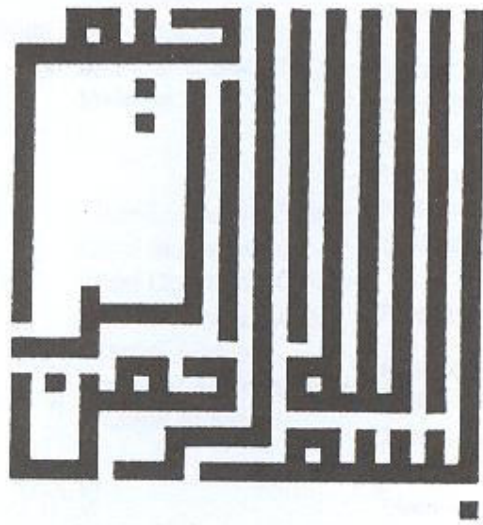




**Financial Statements
(Unaudited)
For the First Quarter
ended September 30, 2010**



Pak-Gulf Leasing Company Limited



Board of Directors

Mr. Sohail Inam Ellahi	CEO/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 Officer
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
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 - 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

Bankers

Soneri Bank Limited
Bank Al-Falah Ltd.
Albarak 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

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.



Dear Shareholders,

The Directors of your Company are pleased to present the financial statements of the company for the quarter ended September 30, 2010. We feel pleasure to inform you that 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 reasonable.

During quarter under review, the balance sheet footing of your company was Rs.702 million as on September 30,2010 as compared to Rupees 700 million on June 30,2010. The total revenue of the company was Rs. 16.34 million for the quarter ended September 30, 2010 as compared to Rs.18.50 million reflecting a decline 11.67 percent over the revenue for the corresponding period which is mainly due to the lesser number of new leases as compared to leases matured during the period. Profit before taxation was Rs.6.71 million as compared to Rs.6.65 million for the corresponding period. Net profit after tax was Rs.6.08 million for the period ended as compared to Rs.6.36 million for the corresponding period of last year. Shareholders equity of the company rose from Rs. 390.27 million as at June 30, 2010 to Rs. 396.55 million as at September 30, 2010. Earning per share was Rs.0.24 as compared to Rs.0.25 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.

October 29,2010

Chief Executive

Director

	NOTE	September 30, 2010 (Unaudited)	June 30, 2010 (Audited)
----- Rupees -----			
Assets			
Cash and bank balances		41,697,963	6,233,344
Other receivables - net		21,170,288	28,452,633
Loans and advances		251,634	740,442
Accrue mark-up / return on investment		-	111,061
Deposits and prepayments		930,386	836,387
Current portion of net investment in lease finance	4	211,033,893	215,096,678
Short Term Investments		1,423,203	1,529,631
Taxation recoverables-net		-	-
Total current assets		276,507,367	253,000,176
Long-term investments		2,914,640	2,914,640
Net investment in lease finance	4	347,199,952	366,450,399
Long-term loans		-	-
Long-term deposits		206,500	206,500
Operating fixed assets	6	76,082,385	77,531,795
Total non-current assets		426,403,477	447,103,334
Total assets		702,910,844	700,103,510
Liabilities			
Trade and other payables		4,851,794	7,187,499
Profit / mark-up accrued		2,111,089	1,542,707
Certificates of investment		17,089,649	17,089,649
Current portion of long term financing		16,666,667	16,666,668
Current portion of Long term deposits	4	33,647,242	31,460,409
Provision for taxation		252,405	17,559
Total current liabilities		74,618,846	73,964,491
Long-term financing	7	4,166,671	8,333,332
Long-term deposits	4	178,515,406	178,168,201
Deferred taxation - net		49,063,784	49,370,549
Total non-current liabilities		231,745,861	235,872,082
Total liabilities		306,364,707	309,836,573
Net assets		396,546,138	390,266,937
Financed by			
Share capital		253,698,000	253,698,000
Reserves		99,374,342	92,419,010
		353,072,342	346,117,010
Surplus on revaluation of AFS Investment		229,007	335,431
		353,301,349	346,452,441
Surplus on revaluation of asset-net of tax		43,244,789	43,814,496
		396,546,138	390,266,937
Contingencies and commitments	8		

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

Chairman / Chief Executive

Director



**Profit and Loss Account
(Unaudited)**

For the quarter ended September 30, 2010

	Period Ended	
	September 30, 2010	September 30, 2009
	----- Rupees -----	
Income		
Income from leasing operations	15,306,683	18,284,221
Profit on bank accounts / return on investments	974,907	176,475
Other income	55,002	43,013
	<u>16,336,592</u>	<u>18,503,709</u>
Expenses		
Administrative and operating expenses	5,591,713	4,744,988
Finance cost	1,495,305	3,059,306
Provision for potential lease losses	2,539,228	4,052,767
	<u>9,626,246</u>	<u>11,857,061</u>
Profit before taxation	<u>6,710,346</u>	<u>6,646,648</u>
Taxation		
- Current	633,926	282,885
- Deferred	-	-
	<u>633,926</u>	<u>282,885</u>
Profit after taxation	<u>6,076,420</u>	<u>6,363,763</u>
Earning per share-basic	<u>0.24</u>	<u>0.25</u>

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

Chairman / Chief Executive

Director

**Statement of Comprehensive Income
(Unaudited)
For the quarter ended September 30, 2010**

	Period Ended	
	September 30, 2010	September 30, 2009
	----- Rupees -----	
Profit / (Loss) for the period	6,076,420	6,363,763
Other Comprehensive Income		
Unrealized gain / (loss) on revaluation of available for sale assets	(106,424)	195,480
Total Comprehensive income	<u><u>5,969,996</u></u>	<u><u>6,559,243</u></u>

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

Chairman / Chief Executive

Director

Cash Flow Statement (Unaudited)
For the quarter ended September 30, 2010

	September 30, 2010	September 30, 2009
	----- Rupees -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	6,710,346	6,646,648
Adjustment for:		
Depreciation	1,590,402	1,528,055
Financial charges	1,495,305	3,059,306
(Reversal of provision) / provision for potential lease losses	(1,142,674)	(355,161)
Provision against terminated leases	2,539,228	4,407,928
Operating profit before working capital changes	<u>11,192,607</u>	<u>15,286,776</u>
Movement in working capital		
(Increase) / decrease in current assets		
Other receivables	6,585,566	1,524,378
Accrued markup	111,061	-
Prepayments	(93,999)	(313,426)
	<u>6,602,628</u>	<u>1,210,952</u>
Increase / (decrease) in current liabilities		
Trade and other payables	(2,335,705)	(4,668,432)
	<u>(2,335,705)</u>	<u>(4,668,432)</u>
Cash generated from operations	<u>15,459,531</u>	<u>11,829,297</u>
Financial charges paid	(926,924)	(1,516,953)
Tax paid	(399,081)	(493,516)
Deposits received from lessees	2,534,038	2,001,380
(Increase) / decrease in net investment in finance lease	22,615,907	20,057,326
Decrease in long-term deposits	-	156,697
(Increase) / decrease in long-term loans and advances to employees	488,808	-
	<u>24,312,748</u>	<u>20,204,934</u>
Net cash (outflow on) / inflow from operating activities	<u>39,772,279</u>	<u>32,034,231</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Capital expenditure	(141,000)	-
Net cash (outflow on) / inflow from investing activities	<u>(141,000)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from / (repayment of) long-term financing	(4,166,661)	(11,666,665)
Net cash inflow from / (outflow on) financing activities	<u>(4,166,661)</u>	<u>(11,666,665)</u>
Net increase in cash and cash equivalents		
Net increase / (decrease) in cash and cash equivalents	35,464,619	20,367,566
Cash and cash equivalents at the beginning of the year	6,233,344	22,921,743
Cash and cash equivalents at the end of the year	<u><u>41,697,963</u></u>	<u><u>43,289,309</u></u>

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

Chairman / Chief Executive

Director

**Statement of Changes in Equity
(Unaudited)
For the quarter ended September 30, 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	63,004,410	1,648,405	258,350,815
Total Comprehensive income for the year ended June 30, 2009							
Profit after taxation	-	-	-	14,877,931	14,877,931	-	14,877,931
Other comprehensive income							
Deficit on revaluation of available for sale investment	-	-	-	-	-	(1,384,650)	(1,384,650)
	-	-	-	14,877,931	14,877,931	(1,384,650)	13,493,281
Transaction with owners, recorded directly in equity							
Issue of right shares	60,000,000	-	-	-	-	-	60,000,000
Others							
Transfer from surplus on revaluation of operating fixed assets to unappropriated profit -net of deferred tax	-	-	-	2,186,000	2,186,000	-	2,186,000
Transfer to statutory reserve	-	2,975,586	-	(2,975,586)	-	-	-
Balance as at June 30, 2009 as previously stated	253,698,000	28,153,996	4,402,000	47,512,345	80,068,341	263,755	334,030,096
Correction of error	-	235,416	-	941,661	1,177,077	-	1,177,077
Balance as at June 30, 2009 as restated	253,698,000	28,389,412	4,402,000	48,454,006	81,245,418	263,755	335,207,173
Total Comprehensive income for the year ended June 30, 2010							
Profit after taxation	-	-	-	21,249,408	21,249,408	-	21,249,408
Other comprehensive income							
Deficit on revaluation of available for sale investment	-	-	-	-	-	71,676	71,676
	-	-	-	21,249,408	21,249,408	71,676	21,321,084
Transaction with owners, recorded directly in equity							
First interim dividend for the year ended June 30, 2010 @ Re. 0.5 per share	-	-	-	(12,684,932)	(12,684,932)	-	(12,684,932)
Others							
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	-	4,249,882	-	(4,249,882)	-	-	-
Balance as at June 30, 2010	253,698,000	32,639,294	4,402,000	55,380,156	92,421,450	335,431	346,454,881
Total Comprehensive income for the quarter ended Sept 30, 2010							
Profit after taxation	-	-	-	6,076,420	6,076,420	-	6,076,420
Other comprehensive income							
Deficit on revaluation of available for sale investment	-	-	-	-	-	(106,424)	(106,424)
Transfer from surplus on revaluation of operating fixed assets to unappropriated profit -net of deferred tax	-	-	-	6,076,420	6,076,420	(106,424)	5,969,996
Transfer to statutory reserve	-	1,215,284	-	(1,215,284)	-	-	-
	253,698,000	33,854,578	4,402,000	61,117,764	99,374,342	229,007	353,301,349

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

Chairman / Chief Executive

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, 2010

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.

4 NET INVESTMENTS IN LEASE FINANCE - secured

	September 30, 2010			June 30, 2010		
	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 receivable	219,566,009	200,655,980	420,221,989	241,470,650	215,592,351	457,063,001
Add: Estimated residual value of leased assets	33,647,242	178,515,406	212,162,648	31,460,409	178,168,201	209,628,610
Minimum lease payments	253,213,251	379,171,386	632,384,637	272,931,059	393,760,552	666,691,611
Less : Unearned lease income	(42,179,358)	(28,789,209)	(70,968,567)	(57,834,381)	(24,825,253)	(82,659,634)
	211,033,893	350,382,177	561,416,070	215,096,678	368,935,299	584,031,977
Less : Provision for potential lease losses	-	(3,182,225)	(3,182,225)	-	(2,484,900)	(2,484,900)
Net investment in leases	<u>211,033,893</u>	<u>347,199,952</u>	<u>558,233,845</u>	<u>215,096,678</u>	<u>366,450,399</u>	<u>581,547,077</u>

		September 30, 2010 <u>(Unaudited)</u>	June 30, 2010 <u>(Audited)</u>
		Rupees	
5	INVESTMENTS		
	Available for sale		
	Cost		
	54,300 units of National Investment Trust (June 2010 : 54,300 units)	1,194,200	1,194,200
	Revaluation surplus / (deficit)		
	Opening balance	335,431	263,755
	Surplus/(Deficit) for the period / year	(106,428)	71,676
		229,003	335,431
		1,423,203	1,529,631
6	OPERATING FIXED ASSETS		
	Opening balance	93,423,586	62,326,423
	Additions / Revaluation	41,000	31,500,163
		93,464,586	93,826,586
	Less: Accumulated deperciation	(18,093,711)	(11,728,377)
		75,370,875	82,098,209
	Add: Capital work in progress	711,510	611,510
		76,082,385	82,709,719
7	LONG TERM FINANCING-Secured		
	Long-term loans - secured	20,833,338	25,000,000
	Less: Current maturity shown under current liabilities	(16,666,667)	(16,666,668)
		4,166,671	8,333,332

This represents financing facility obtained from a Bank. This facility is secured by way of first charge on specific leased assets and related lease rentals receivable. This facility carries mark-up at rate of 3 month KIBOR plus 1.65 percent. This facility is repayable in twelve quarterly installments commencing from March 30,2009.

Chairman / Chief Executive

Director

8 COMMITMENTS

Leasing contracts committed but not executed at the balance sheet date amounted to Rs.1,420 million(June 30,2010 Rs.Null).

9 TRANSACTION WITH ASSOCIATED UNDERTAKING / RELATED PARTIES	Jul-Sep 2010	Jul-Sep 2009
	----- Rupees -----	
Other then Leasing		
Certificates of investment issued to close relatives of chairman and chief executive	15,089,649	13,509,086
Profit paid on certificates of investment	494,444	447,465
Contribution to the employees provident fund	59,214	55,597
Director's meeting fee	-	-
Leasing		
Total financing provided	2,031,400	347,400
Rentals received	211,704	35,685
Implicit rate of return (IRR) percentage	15.66	15.00

10 GENERAL

Figures have been rounded off to the nearest Rupee.

11 DATE OF AUTHORIZATION

These financial statements were authorized for issue on October 29, 2010 by the Board of Directors of the Company.

Chairman / Chief Executive

Director