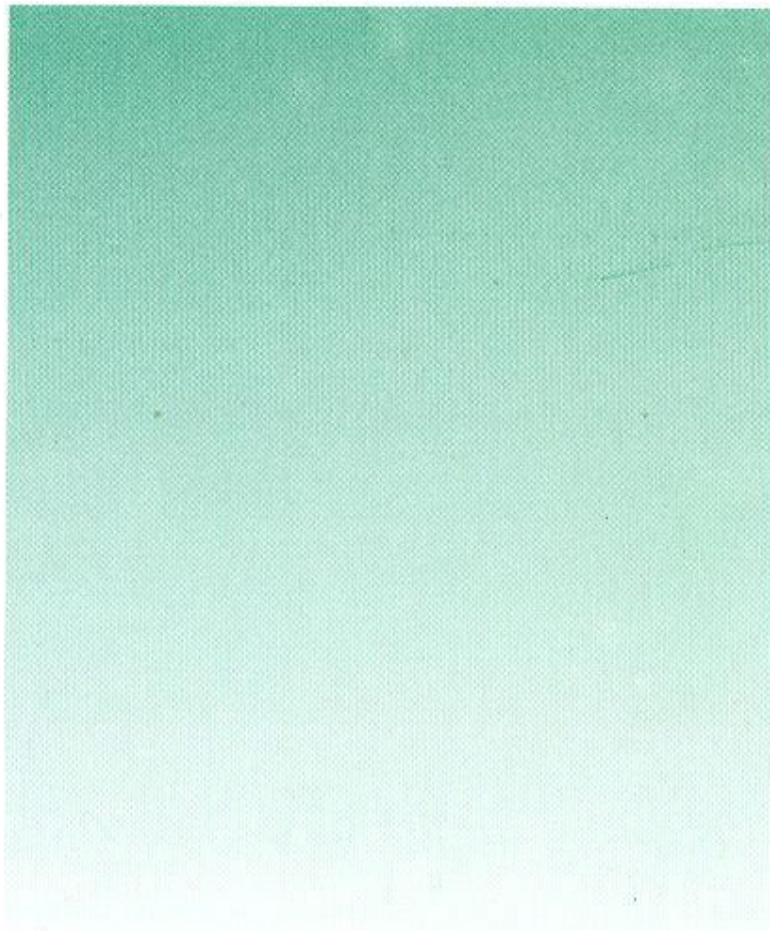
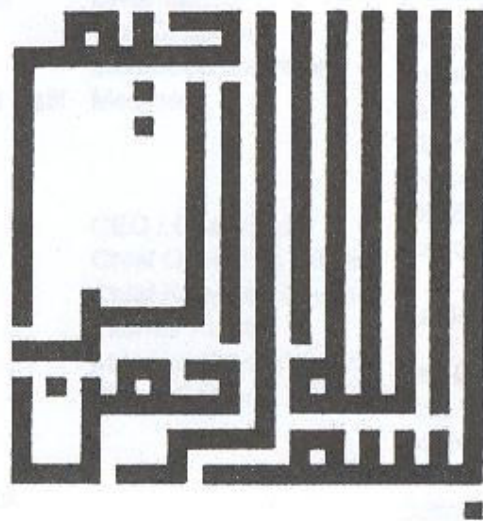




**CONDENSED INTERIM
FINANCIAL STATEMENTS
(UN-AUDITED)
FOR THE SIX MONTHS PERIOD
ENDED 31 DECEMBER, 2009**



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	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 Stable

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.

Dear Shareholders,

The Directors of your Company are pleased to present the financial statements of the the company for the half-year ended December 31, 2009 along with the auditors' review report thereon. The arrangements with the banks for credit lines at more competitive rate are being made and with the borrowing cost at lesser level, the company hopes to improve its profitability and performance in administering and writing leases. Further 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 markets and depressed market conditions, the overall performance of the company was reasonable. With the tougher competitions by commercial lenders, higher interest rates, and trends of pre-mature termination of contractual legal obligations, company's performance was satisfactory.

During half year under review, the balance sheet footing of your company was Rs. 680 million as on December 31, 2009 as compared to Rs. 706 million on June 30, 2009. The total revenue of the company was Rs.37.77 million for the half year ended December 31, 2009 as compared to Rs.26.64 million depicting an increase of 41.78% over the revenue for the corresponding period. The net profit before tax was Rs. 14.03 million for the period under review as compared to Rs.9.41 million for the corresponding period. Shareholders equity of the company was Rs. 382.67 million as at December 31, 2009 as compared to Rs. 381.63 million as at June 30, 2009. Earning per share was Rs. 0.53 as compared to loss per share of Rs. 0.09 for the corresponding period.

In September 2009, SECP had extended time frame respecting the minimum equity requirement to be met by NBFCs by two years.

In February 2009, JCR-VIS had reaffirmed the entity rating of the company to BBB-for medium to long-term and A-3 for the short-term with stable outlook.

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:February 25, 2010

Chairman/Chief Executive

Director

Auditor's Report

First Half 2009-10

Independent Report on Review of Condensed Interim Financial Information to the Members of Pak Gulf Leasing Company Limited

Introduction

We have reviewed the accompanying condensed interim balance sheet of **Pak-Gulf Leasing Company Limited** ("the Company") as of December 31, 2009 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed statement of changes in equity for the six months period then ended (here-in-after-referred to as "the interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan relating to interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at and for the six month period ended 31 December, 2009 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan relating to interim financial reporting.

Other matters

The figures for the quarters ended 31 December 2009 in the condensed interim profit and loss account have not been reviewed and we do not express a conclusion thereon.

The financial statements of the company for the year ended 30 June 2009 and condensed interim financial information for six months period ended 31 December 2008 were audited and reviewed respectively by another firm of chartered accountants who had expressed unqualified opinion and conclusion thereon vide their reports dated 28 September 2009 and 27 February 2009, respectively.

KPMG Taseer Hadi & Co.
Chartered Accountants
Mazhar Saleem

Date: February 25, 2010
Karachi

CONDENSED INTERIM BALANCE SHEET AS AT DECEMBER 31, 2009

	Note	(Un-audited) December 31, 2009	(Audited) June 30, 2009 Restated
----- Rupees -----			
ASSETS			
Current Assets			
Cash and bank balances		51,154,544	22,921,743
Investments	4	1,642,575	1,457,955
Other receivables - net	5	17,413,830	24,736,450
Deposits and prepayments		690,078	365,749
Loans and advances to employees-considered good		42,412	198,412
Current portion of net investment in lease finance	6	195,166,515	182,278,994
Taxation recoverable-net		1,050,435	651,994
Total current assets		267,160,389	232,611,297
Non-current Assets			
Net investment in finance leases	6	332,403,877	391,012,915
Loans and advances to employees-considered good		-	14,547
Long-term deposits		206,500	206,500
Operating fixed assets	7	79,945,123	82,709,719
Total non-current assets		412,555,500	473,943,681
Total Assets		679,715,889	706,554,978
LIABILITIES			
Current Liabilities			
Trade and other payables		12,589,160	11,853,671
Profit / mark-up accrued		1,190,348	1,413,821
Certificates of investment	8	15,089,649	13,509,086
Current portion of long-term financing-secured	9	31,666,667	46,666,667
Current portion of long term deposits		18,337,213	23,724,303
Total current liabilities		78,873,037	97,167,348
Non-current Liabilities			
Long-term financing	9	16,666,669	25,000,000
Long-term deposits		161,295,764	161,465,472
Deferred taxation - net		40,209,712	41,291,373
Total non-current liabilities		218,172,145	227,756,845
Total Liabilities		297,045,182	324,924,193
NET ASSETS		382,670,707	381,630,785
FINANCED BY			
Share capital		253,698,000	253,698,000
Reserves		83,240,133	81,245,418
		336,938,133	334,943,418
Surplus on revaluation of investments		448,375	263,755
Total equity		337,386,508	335,207,173
Surplus on revaluation of asset-net of tax	10	45,284,199	46,423,612
		382,670,707	381,630,785
CONTINGENCIES AND COMMITMENTS	11		

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

Chairman/Chief Executive

Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)

FOR THE SIX MONTHS PERIOD
ENDED DECEMBER 31, 2009

	Note	Six months period ended		Three months period ended	
		December 31		December 31	
		2009	2008	2009	2008
		Rupees			
INCOME					
Income from leasing operations	12	34,830,570	25,430,348	16,546,349	12,531,399
Other operating income					
Profit on bank accounts / return on investments		2,401,146	1,153,375	1,231,417	893,375
Other income		534,268	56,151	491,255	24,486
		2,935,414	1,209,526	1,722,672	917,861
Operating profit before provisions		37,765,984	26,639,874	18,269,021	13,449,260
OPERATING EXPENSES					
Administrative and operating expenses		10,226,503	9,288,303	5,437,198	4,786,909
Finance cost		5,628,472	4,314,000	2,517,751	3,328,858
		15,854,975	13,602,303	7,954,949	8,115,767
Operating profit before provisions		21,911,009	13,037,571	10,314,072	5,333,493
Provision for potential lease losses		(2,753,476)	(326,209)	(2,398,315)	(326,209)
Provision against terminated leases		(5,128,542)	(3,302,349)	(720,614)	(889,822)
Profit before taxation		14,028,991	9,409,013	7,195,143	4,117,462
Taxation - current		(1,570,418)	(10,784,886)	(1,287,533)	(10,528,899)
- deferred		1,081,661	(512,358)	1,081,661	(512,358)
Profit / (loss) after taxation		13,540,234	(1,888,231)	6,989,271	(6,923,795)
		Rupees			
Earning / (loss) per share - basic and diluted		0.53	(0.09)	0.28	(0.34)

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

Chairman/Chief Executive

Director



**CONDENSED INTERIM
STATEMENT OF COMPREHENSIVE
INCOME (UN-AUDITED)
FOR THE SIX MONTHS PERIOD
ENDED DECEMBER 31, 2009**

	Six months period ended		Three months period ended	
	31 December		31 December	
	2009	2008	2009	2008
	Rupees			
Profit / (loss) for the period	13,540,234	(1,888,231)	6,989,271	(6,923,795)
Other Comprehensive Income				
Unrealized gain / (loss) on revaluation of available for sale investments	184,620	(1,574,700)	(10,860)	(543,000)
Comprehensive income transferred to equity	13,724,854	(3,462,931)	6,978,411	(7,466,795)
Components of comprehensive income not reflected in equity				
Surplus on revaluation of fixed assets	-	39,056,900	-	39,056,900
Deferred tax on revaluation of fixed assets	-	(13,669,915)	-	(13,669,915)
Total Comprehensive income	13,724,854	21,924,054	6,978,411	17,920,190

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

Chairman/Chief Executive

Director

**CONDENSED INTERIM
CASH FLOW STATEMENT
(UN-AUDITED)
FOR THE SIX MONTHS PERIOD
ENDED DECEMBER 31, 2009**

	Six months period ended	
	31 December	
	2009	2008
	----- Rupees -----	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	14,028,991	9,409,013
Adjustment for:		
- Depreciation	2,581,750	1,732,164
- Finance cost	5,628,472	4,314,000
- Provision for potential lease losses	2,753,476	326,209
- Provision for doubtful receivables	5,128,542	3,302,349
- Gain on disposal of fixed assets	(167,306)	-
	<u>15,924,934</u>	<u>9,674,722</u>
Operating profit before working capital changes	<u>29,953,925</u>	<u>19,083,735</u>
Movement in working capital		
(Increase) / decrease in operating assets		
- Other receivables	2,194,079	363,571
- Loans and advances	170,547	55,875
- Prepayments	(324,329)	(200,088)
	<u>2,040,297</u>	<u>219,358</u>
(Decrease) / increase in operating liabilities		
- Trade and other payables	735,489	(2,674,133)
	<u>735,489</u>	<u>(2,674,133)</u>
Cash generated from operations	<u>32,729,711</u>	<u>16,628,960</u>
Finance cost paid	(5,851,745)	(5,401,592)
Tax paid	(1,968,708)	(565,842)
Deposits returned to lessees	(5,556,798)	(1,907,236)
Decrease in net investment in finance lease	42,968,041	47,605,336
Increase in long-term loans	-	(10,725)
	<u>29,590,790</u>	<u>39,719,941</u>
Net cash generated from operating activities	<u>62,320,501</u>	<u>56,348,901</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure	-	(131,500)
Proceeds from disposal of fixed assets	350,000	-
Net cash inflow / (outflow) from investing activities	<u>350,000</u>	<u>(131,500)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of certificates	1,580,563	26,848,939
Payments made upon maturity of certificates of investment	-	(31,528,528)
Long term financing	(23,333,331)	41,418,143
Repayment of short term financing	-	(14,852,775)
Dividend paid	(12,684,932)	-
Issue of right shares	-	60,000,000
Net cash (outflow) / inflow from financing activities	<u>(34,437,700)</u>	<u>81,885,779</u>
Net increase in cash and cash equivalents	<u>28,232,801</u>	<u>138,103,180</u>
Cash and cash equivalents at beginning of the period	<u>22,921,743</u>	<u>(33,043,320)</u>
Cash and cash equivalents at end of the period	<u>51,154,544</u>	<u>105,059,860</u>

The annexed notes 1 to 18 form an integral part of these condensed interim financial statements.

Chairman/Chief Executive

Director

1. STATUS AND NATURE OF BUSINESS

Pak-Gulf Leasing Company ("the company") was incorporated in Pakistan on 27 December 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. BASIS OF PREPARATION

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan for Interim Financial Reporting. These condensed interim financial statements do not include all of the information required for full financial statements and should be read in conjunction with the financial statements of the Company for the year ended 30 June 2009.

3. ACCOUNTING POLICIES

3.1 The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual audited financial statements of the Company for the year ended 30 June 2009, except for the following:

(i) Presentation of financial statements

The Company has applied "Revised IAS 1 Presentation of Financial Statements (2007)" which became effective from period beginning after 1 January 2009. This standard requires the Company to present in the statement of changes in equity, all owner changes in equity, whereas all non-owner changes in equity are presented in statement of comprehensive income. This presentation has been applied in these condensed interim financial statements as of and for the six months period ended on 31 December 2009.

(ii) Determination and Presentation of Operating Segments

As of 1 January 2009 the Company determines and presents operating segments based on the information that is internally provided to the Chief Executive Officer, which is the Company's chief operating decision maker. This change in accounting policy is due to the adoption of IFRS 8 Operating Segments. The new accounting policy in respect of segment operating disclosures is presented as follows:

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the Chief Executive Officer to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Chief Executive Officer reviews the Company's performance on overall basis. Therefore management has determined the Company as a whole to be a reportable segment.

Comparative information has been re-presented so that it is in conformity with the revised / new standards. Since the changes in accounting policies only affects presentation of financial statements, there is no impact on earnings per share.

3.2 Significant Estimates and judgements/Financial risk management

The preparation of this condensed interim financial statements in conformity with approved accounting standards requires management to make estimates, assumptions and use judgements that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognised prospectively commencing from the period of revision.

Judgments and estimates made by the management in the preparation of this condensed interim financial statements are the same as those that were applied to the financial statements as at and for the year ended 30 June 2009.

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 30 June 2009.

4. INVESTMENTS	(Unaudited) 31 December 2009	(Audited) 30 June 2009
Available for sale		
	(Rupees)	
Cost		
54,300 units of National Investment Trust (June 2009: 54,300 units)	1,194,200	1,194,200
Revaluation surplus / (deficit)		
Opening balance	263,755	1,648,405
Surplus / (deficit) for the period / year	184,620	(1,384,650)
	448,375	263,755
Closing balance	1,642,575	1,457,955

5. OTHER RECEIVABLES-NET

Lease receivables held under litigation	5.1	44,442,118	45,375,118
Insurance premium receivable	5.2	6,878,252	8,436,314
Others		964,805	667,822
		52,285,175	54,479,254
Less: Provision against terminated leases		(34,871,345)	(29,742,804)
		17,413,830	24,736,450

5.1 The net investment in finance lease for cases terminated by the company , and where litigation has commenced is transferred to other receivables.

5.2 This represents insurance premium receivable from lessees for leased assets insured on their behalf by the company. These amounts will be recovered either during the lease period or on termination/ maturity of the lease contract.

	(Unaudited)	
	Six months period ended	
	December 31	
6. NET INVESTMENT IN FINANCE LEASES	2009	2008
	----- Rupees -----	
Net investment in finance leases	527,570,392	573,291,909
Less: Current portion shown under current assets	(195,166,515)	(182,278,994)
	<u>332,403,877</u>	<u>391,012,915</u>

	(Unaudited)			(Audited)		
	December 31, 2009			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 -----					
Minimum lease payments	225,693,367	200,369,218	426,062,585	211,767,220	268,917,194	480,684,414
Add: Residual value of leased assets	18,337,213	161,295,764	179,632,977	23,683,603	161,506,322	185,189,925
Gross investment in leases	<u>244,030,580</u>	<u>361,664,982</u>	<u>605,695,562</u>	<u>235,450,823</u>	<u>430,423,516</u>	<u>665,874,339</u>
Less: Unearned lease income	<u>(46,009,317)</u>	<u>(29,261,105)</u>	<u>(75,270,422)</u>	<u>(53,171,829)</u>	<u>(38,297,755)</u>	<u>(91,469,584)</u>
	198,021,263	332,403,877	530,425,140	182,278,994	392,125,761	574,404,755
Less: Provision against net investment in finance leases	(2,854,748)	-	(2,854,748)	-	(1,112,846)	(1,112,846)
Net investment in finance leases	<u>195,166,515</u>	<u>332,403,877</u>	<u>527,570,392</u>	<u>182,278,994</u>	<u>391,012,915</u>	<u>573,291,909</u>

	(Unaudited)	
	Six months period ended	
	December 31	
7. OPERATING FIXED ASSETS - Tangible	2009	2008
	----- Rupees -----	
Details of additions / revaluation during the period are as follows:		
Leasehold premises (revaluation)	-	39,056,900
Vehicles	-	31,500
	<u>-</u>	<u>39,088,400</u>

Disposals of fixed assets during the half year were as follows:

Vehicles	<u>403,000</u>	<u>-</u>
----------	----------------	----------

	(Unaudited)	(Audited)
	31 December	30 June
8. CERTIFICATES OF INVESTMENT -Unsecured	2009	2009
	----- Rupees -----	
Opening balance		
Interest / principal rolled over	13,509,086	19,188,675
Payments made during the period	1,580,563	1,420,411
Closing balance	<u>-</u>	<u>(7,100,000)</u>
	<u>15,089,649</u>	<u>13,509,086</u>

These represent Certificate of Investment issued by the company with the permission of Securities and Exchange Commission of Pakistan .The term of these certificates is one year (30 June 2009: three months to one year). And carry mark-up rate of 13% (30 June 2009: 11.5 percent to 13 percent per annum).

9. LONG TERM FINANCING - secured	(Unaudited)	(Audited)
	31 December 2009	30 June 2009
	----- Rupees -----	
Long-term loans - secured	48,333,336	71,666,667
Current maturity shown under current liabilities	(31,666,667)	(46,666,667)
	<u>16,666,669</u>	<u>25,000,000</u>

These represent financing facilities obtained from banks. These facilities are secured by first hypothecation charge on specific leased assets and the related lease rentals receivable. These facilities carry mark-up at rate of 3 month KIBOR plus 1.65 percent to 6 month KIBOR +1.75. These facilities are repayable in equal quarterly instalments.

10. SURPLUS ON REVALUATION OF OPERATING FIXED ASSETS-NET OF TAX	(Unaudited)	(Audited)
	31 December 2009	30 June 2009 Restated
	----- Rupees -----	
Surplus on revaluation of operating fixed assets at the beginning of the period / year	71,420,942	35,727,119
Surplus arising on revaluation of operating fixed assets during the period / year	-	39,056,900
Transferred to retained earnings in respect of incremental depreciation charged during the period /year- net of deferred tax	(1,139,413)	(2,186,000)
Related deferred tax liability	(613,530)	(1,177,077)
	<u>(1,752,943)</u>	<u>(3,363,077)</u>
Surplus on revaluation of operating fixed assets at the end of the period / year	<u>69,667,999</u>	<u>71,420,942</u>
Less: Related deferred tax liability on:		
- Revaluation at the beginning of the period / year	24,997,330	12,504,492
- Incremental depreciation charged during the period / year	-	13,669,915
- Transferred to profit and loss account	(613,530)	(1,177,077)
	<u>24,383,800</u>	<u>24,997,330</u>
Surplus on revaluation of operating fixed assets at the end of the period / year- net of tax	<u>45,284,199</u>	<u>46,423,612</u>

11. CONTINGENCIES AND COMMITMENTS

There are no contingencies and commitments at the end of the period.

Leasing contracts committed but not executed at the balance sheet date amounted to Rs.9.204 million (30 June 2009: Rs.9.915 million).

12. INCOME FROM LEASE OPERATIONS	Six months period ended 31 December		Three months period ended 31 December	
	2009	2008	2009	2008
	----- Rupees -----			
Income on lease contracts	31,297,562	24,843,972	15,613,198	12,082,265
Gain / (loss) on lease termination	79,645	(231,102)	(125,054)	(32,779)
Other income	3,453,363	817,478	1,058,205	481,913
	<u>34,830,570</u>	<u>25,430,348</u>	<u>16,546,349</u>	<u>12,531,399</u>

13. CAPITAL MANAGEMENT

Capital requirements applicable to the Company are set and regulated by the Securities and Exchange Commission of Pakistan (SECP). These requirements are put in place to ensure sufficient solvency margins. The Company manages its capital requirements by assessing its capital structure against the required capital level on regular basis. SECP extended the minimum equity requirement as per NBFC regulations 2008 vide SRO 764(I)/2009 dated September 2, 2009 wherein the Company is required to meet the minimum equity requirements of Rs. 350 million, Rs. 500 million and Rs. 700 million by 2011, 2012 and 2013 respectively.

The Company manages the capital structure and made adjustments to it in the light of changes in economic conditions, risk of the lease assets, and the regulatory requirements. In order to maintain the capital structure, the Company may adjust the amount of dividend or issues new shares.

14. TRANSACTION WITH RELATED PARTIES

The Company has related party relationships with its associated companies, key management personnel, non-executive directors and contributory employee plan:

	(Unaudited)	
	Six months period ended December 31	
	2009	2008
	----- Rupees -----	
Profit on Certificates of Investment	<u>1,756,181</u>	<u>790,659</u>
Contribution to Provident Fund	<u>38,898</u>	<u>111,223</u>
Director fee	<u>20,000</u>	<u>52,000</u>
Salary and allowance	<u>1,458,000</u>	<u>-</u>
Balances outstanding at the period / year end	(Unaudited) 31 December 2009	(Audited) 30 June 2009
	----- Rupees -----	
Certificates of Investments issued to : Close relatives of directors and Chairman	<u>15,089,649</u>	<u>13,509,086</u>

15. RESTATEMENT OF PRIOR YEAR FINANCIAL STATEMENTS

During the year ended 30 June 2009, the deferred tax liability recorded in respect of revaluation of operating fixed assets carried out during the year was erroneously understated by Rs.1.177 million resulting in overstatement of Surplus on revaluation of operating fixed assets and understatement of profit for the year ended 30 June 2009 by the said amount.

The said error has been corrected retrospectively in these condensed interim financial statements in accordance with International Accounting Standard – 8 'Accounting Policies, Changes in Accounting Estimates and Errors' (IAS – 8).

Three statements of financial position as required by paragraph 39 of IAS – 1 'Presentation of Financial Statements' has not been presented as the effect of the above adjustment, do not affect the financial statements beyond 30 June 2009.

Due to the above correction of error following adjustments and restatements have been made in the financial statements for the year ended 30 June 2009.

	Balance previously reported	Correction	Restated balance
	----- Rupees -----		
Balance Sheet item As at 30 June 2009			
Surplus on revaluation of asset-net of tax	47,600,689	(1,177,077)	46,423,612
Profit and Loss Account For the year ended 30 June 2009			
Taxation - deferred	(7,626,514)	1,177,077	(6,449,437)

16. RECLASSIFICATIONS

Following corresponding figures have been reclassified for better presentations.

	From	To	Six months period ended 31 December		Three months period ended 31 December	
			2009	2008	2009	2008
	----- Rupees -----					
Operating expenses	Other charges	Administrative and operating expenses	237,500	255,878	118,750	128,814

Chairman/Chief Executive

Director

17. GENERAL

- 17.1 The quarterly figures of the profit and loss account of the current and corresponding periods have not been subject to the limited scope review by the external auditors.
- 17.2 Figure have been rounded off to the nearest rupee.

18. DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on 25 February, 2010 by the board of Directors of the company.

Chairman/Chief Executive

Director

**Certificates of Investment
(COI)
Sound Investment
Better Returns!**



**Pak-Gulf Leasing
Company Limited**

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