

ANNUAL REPORT 2021



Pak-Gulf Leasing Company Limited

COMPANY INFORMATION

Board of Directors

Mr. Sohail Inam Ellahi	Chairman
Mr. Pervez Inam	Director
Mr. Fawad Salim Malik	Director
Brig. Naveed Nasar Khan (Retd.)	Director
Mr. Ismail H. Ahmed	Director
Mr. Jan Ali Khan Junejo	Director
Mr. Naeem Ali Muhammad Munshi	Director
Ms. Naureen Ahmed	Director
Mr. Mahfuz-ur-Rehman Pasha	Chief Executive Officer

Company Secretary

Mr. Suleman Chhagla

Audit Committee

Mr. Ismail H. Ahmed	Chairman
Mr. Naeem Ali Mohammad Munshi	Member
Mr. Pervez Inam	Member
Brig. Naveed Nasar Khan (Retd.)	Member
Ms. Farah Farooq	Secretary

Human Resource & Remuneration Committee

Mr. Jan Ali Khan Junejo	Chairman
Mr. Sohail Inam Ellahi	Member
Mr. Pervez Inam	Member
Mr. Ismail H. Ahmed	Member
Ms. Naureen Ahmed	Member
Mr. Mahfuz-ur-Rahman Pasha	Member
Mr. Suleman Chhagla	Secretary

Senior Management

Mr. Mahfuz-ur-Rahman Pasha	Chief Executive Officer
Lt. Col. Saleem Ahmed Zafar (Retd.)	Chief Operating Officer
Lt. Col. Farhat Pervez Kayani (Retd.)	General Manager Punjab
Mr. Suleman Chhagla	Chief Financial Officer
Ms. Farah Farooq	Head of Audit

Credit Rating Agency

VIS Credit Rating Company Limited

Entity Rating

- A- (Single A Minus) for Medium to Long term
- A-2 (A-Two) for Short term
- Outlook: **Stable**

Auditors

M/s. Grant Thornton Anjum Rahman
Chartered Accountants
1st & 3rd Floor, Modern Motors House
Beaumont Road, Karachi 75530
Tel # : (92-21) 35672951-56
Fax # : (92-21) 35688834

Legal Advisors

M/s. Mohsin Tayebaly & Company
2nd Floor, Dime Centre,
BC-4, Block # 9, Kehkashan, Clifton,
Karachi.
Tel # : (92-21) 111-682-529
Fax # : (92-21) 35870240

Shariah Advisor

M/s. Alhamd Shariah Advisory Services (Pvt) Ltd.

Bankers

Islamic Banks

Albaraka Bank (Pakistan) Limited
MCB Islamic Bank

Conventional Banks

Allied Bank Limited
Askari Commercial Bank Limited
Bank Al-Falah Limited
Bank Al Habib Limited
Bank of Punjab
Habib Bank Limited
JS Bank Limited
MCB Bank Limited
National Bank of Pakistan
Silk bank Limited
Soneri Bank Limited

Registered Office

UNIBRO HOUSE
Ground and Mezzanine Floor,
Plot No. 114, 9th East Street, Phase I, DHA
Karachi, P.O.Box # 12215, Karachi-75600.
Tel #: (92-21) 35820301, 35820965-6
35824401, 35375986-7
Fax #: (92-21) 35820302, 35375985
E-mail: pgl@pakgulfleasing.com
Website: www.pakgulfleasing.com

Branch Office

202, 2nd Floor, Divine Mega II,
Opp. Honda Point, New Airport Road, Lahore.
Tel #: (92-42) 35700010
Fax #: (92-42) 35700011

Registrar / Share Transfer Office

THK Associates (Pvt) Limited
Plot No. C-32 Jami Commercial Street 2
DHA, Phase-VII, Karachi.
Tel # : (92-21) 111-000-322
Fax # : (92-21) 35310190

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **29th Annual General Meeting of Pak-Gulf Leasing Company Limited** will be held at the Company's Registered Office/Video link, UNIBRO House, Ground and Mezzanine Floor, Plot No. 114, 9th East Street, Phase-I DHA, Karachi-75500, on Thursday, December 15, 2022 at 11:00 a.m. to transact the following business:

A. Ordinary Business:

1. To read and confirm the minutes of the Extra Ordinary General Meeting held on April 22, 2022;
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2022 together with Directors' and Auditors' Report thereon;
3. To approve the payment of Cash Dividend to the Shareholders of the Company at the rate of 10% (i.e. Re. 1 per share of Rs.10 each) for the year ended June 30, 2022 as recommended by the Board of Directors; and
4. To appoint Auditors for the year ending June 30, 2023 and fix their remuneration. The present auditors, BDO Ebrahim & Co, Chartered Accountants, retire and being eligible, have offered themselves for reappointment

B. Special Business

5. To obtain consent of the shareholders in terms of S.R.O. 470(I)/2016 dated May 31, 2016 issued by Securities and Exchange Commission of Pakistan, for the transmission of Annual Audited Accounts, notice of the general meetings and other information contained therein of the Company either through CD or DVD or USB or in hard copy (Book form):

"Resolved that consent & approval of the members of Pak-Gulf Leasing Company Limited (the "Company") be and is hereby accorded for the transmission of annual audited accounts, notice of the general meetings and other information contained therein of the Company to the member for future years commencing from the year ending June 30, 2023 through CD or DVD or USB instead of transmitting the same in hard copies"
6. To transact any other business with the permission of the Chair

By Order of the Board

Suleman Chhagla
Company Secretary

Karachi: November 24, 2022

Notes:

1. The Register of Members of the Company shall remain closed from December 9, 2022 to December 15, 2022 (both days inclusive).
2. The shareholders interested to participate in the AGM through video link are requested to share below information at companysecretary@pakgulfleasing.com for their appointment and proxy's verification at least 48 hours before the time of AGM.

Name of Shareholder	CNIC No.	Folio No./CDC Account No.	Cell No.	Email Address

Video link for the meeting will be sent to members at their provided email addresses enabling them to attend the meeting on the given date and time.

Login facility will open thirty (30) minutes before the meeting time to enable the participants to join the meeting after the identification process. Shareholders will be able to login and participate in the AGM proceedings through their devices after completing all the formalities required for the identification and verification of the shareholders.

3. A Member entitled to attend and vote at the Annual General Meeting of Members is entitled to appoint a proxy to attend and vote on his/her behalf.
4. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially certified copy of the power of attorney must be deposited at the registered office of the Company at least 48 hours before the time of the meeting. A form of proxy is enclosed.
5. CDC account holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan (SECP).

A. For attending the meeting:

- (i) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate his/her identity by showing his/her original CNIC or original passport at the time of attending the meeting.
- (ii) In case of corporate entity, the Board of Directors resolution / power of attorney with specimen signature of the nominees shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. For appointing proxies:

- (i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form accordingly.

- (ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- (iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (iv) The proxy shall produce his/her original CNIC or original passport at the time of meeting.
- (v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

Availability of Annual Audited Financial Statements on the Company's website

6. In accordance with the provisions of Section 223(7) of the Companies Act, 2017, the Audited Financial Statements of the Company for the year ended June 30, 2022 are available on the Company's website <http://www.pakgulfleasing.com/Financials.html>, in addition to the annual and quarterly financial Statements for the prior years.

CNIC / NTN

7. The Securities and Exchange Commission of Pakistan (SECP) vide its notification SRO 831(1)/2012 dated 5 July 2012 require that the dividend warrant(s) should bear CNIC number of the registered member or the authorized person, except in case of minor(s) and corporate members. Accordingly, members who have not yet submitted copy of their valid CNIC or NTN in case of corporate entities are requested to submit the same to the Company's Share Registrar. In case of non-compliance, the Company may withhold dispatch of dividend warrants under intimation to regulator till such time they provide the valid copy of their CNIC as per law.

E-Mandate

8. After the promulgation of the Companies Act, 2017 the listed companies are obliged to pay cash dividend through electronic mode only by directly crediting the dividend amount in the designated bank accounts of the entitled shareholders. Accordingly the shareholders who hold shares in physical form are requested to submit the e-dividend mandate to the Company's registered office while the shareholders who hold shares in Central Depository Company are requested to submit the e-dividend mandate to the participants/investor account services of the Central Depository Company Limited. In case of non-compliance, the Company in line with the directions given by the regulator will not be able to make payment of dividend.

Filer and Non-Filer Status

9. Pursuant to the provisions of Finance Act, 2022 effective 1 July 2022, deduction of income tax from dividend payments shall be made on the basis of filers and non-filers as follows:
- For filers of income tax returns 15%
 - For non-filers of income tax returns 30%

Income Tax will be deducted on the basis of Active Tax Payers List posted on the Federal Board of Revenue website. Members seeking exemption from deduction of income tax or are eligible for

deduction at a reduced rate are requested to submit a valid tax certificate or necessary documentary evidence, as the case may be.

The shareholders who have joint shareholdings held by Filers and Non-Filers shall be dealt with separately and in such particular situation, each account holder is to be treated as either a Filer or a Non-Filer and tax will be deducted according to his shareholding. If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the details of their shareholding to the Share Registrar of the Company latest by the AGM date.

Deposit of Physical Share in CDC Account

10. As per Section 72 of the Companies Act, 2017 every listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of this Act, i.e., May 30, 2017.

The Shareholders having physical shareholding are encouraged to open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip-less form.

Unclaimed Dividend and/or Bonus Shares

11. Shareholders, who by any reason, could not claim their dividend and/or bonus shares, if any, are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend and/or bonus shares, if any.
12. Shareholders are requested to notify change of their addresses, if any immediately.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT. 2017

The Securities and Exchange Commission of Pakistan (SECP) vide SRO No. 470(1) 2016 dated May 31, 2016, has allowed listed companies to circulate their Annual Audited Accounts (i.e. the annual balance sheet and profit and loss account, auditor's report and director's report) to its members through CD/DVD/USB at their registered addresses instead of sending them in hard copies, subject to approval obtained from shareholders in General Meeting. Accordingly, approval is hereby sought from members of the Company to comply with the requirements of said SRO vide an ordinary resolution. Subject to the approval of resolution in the AGM, the company will circulate its annual accounts in future through CD/DVD/USB. However, members will have the right to request hard copies free of cost at their registered addresses after submitting the Standard Request Form which shall be made available on Company website. While members who wish to receive hard copies for all future annual audited accounts shall also require to give their preference in writing. The directors of the Company have no direct or indirect interest in this agenda except to the extent of their respective directorships and /or shareholdings.

CHAIRMAN'S REVIEW

It is my pleasure to present to you a review of the general performance of the Board of Directors of the Company and the efficacy of the role played by it, in accomplishing the Company's objectives for the financial year ended June 30, 2022.

At the beginning of the year we saw decline in the COVID-19 pandemic globally, which positively affected both the global economy and the local economy. This has resulted in the business enterprises, particularly the SME sector reviving its operations, and sectors in the entertainment and hospitality industry growing due to higher people contact on the back of mass vaccination against COVID-19 threat both nationally and globally. Once again I am pleased to report that this year not only did we achieve historically high lease writing, but also more than doubled financing of vehicle. The Banking regulator had prohibited consumer auto loans on imported vehicles, and locally manufactured vehicles to the extent of Rs 3 million per consumer, and since no such prohibition was on the NBFC sector, this advantage was exploited by your Company to the benefit of shareholder.

During the year, in line with the SECP's various guidelines and notification, your Company supported its loyal customers and rescheduled and deferred payments of facilities where the Board considered it appropriate and necessary. The concessionary strategy resulted for select customers to be able to make timely payments at a later stage, which was mutually beneficial for both the Company and the customers.

This year the management made extensive efforts to make recoveries for leases in litigation and other long outstanding amounts, resulting in out of court settlements and restructuring and rescheduling of leases. The impact of such efforts has resulted in reversal of provisions and improvement in profit before taxation.

I am pleased to state the due to the efforts of Board and management, our profit before taxation has increased by 598% and similar increase in net profit after taxation, despite a reduction in net investment in finance lease and total assets. The Company's strong governance structure, a clear guidance and direction to management by the Board and thorough review,, discussion and approval of business strategies, corporate policies and objectives, financial reports, plans and proposals, have contributed to the above.

My profound thanks to our loyal customers, members of the Board, stakeholders, and shareholder for their belief and trust in the Company. I would like to appreciate the untiring effort, hard work, and dedication shown by the employees in carrying out the guidance and direction of the Board. I would also thank SECP our regulators for their support during the year.

Chairman

*November 15, 2022
Karachi*

چیرمین کا جائزہ

30 جون 2022 کو ختم ہونے والے مالی سال کے لیے کمپنی کے مقاصد پورے کرنے میں کمپنی کے بورڈ آف ڈائریکٹرز کی عمومی کارکردگی اور اس کی طرف سے ادا کیے گئے کردار کے موثر ہونے کا جائزہ آپ کے سامنے پیش کرنا میرے لیے باعث مسرت ہے۔

سال کے آغاز میں ہم نے عالمی سطح پر کوویڈ-19 عالمی وبا میں کمی دیکھی، جس نے عالمی معیشت اور مقامی معیشت دونوں پر مثبت اثرات مرتب کیے۔ اس کے نتیجے میں کاروباری اداروں، خاص طور پر ایس ایم ای سیکٹر نے اپنی کارروائیوں کو بحال کیا ہے، اور قومی اور عالمی سطح پر کوویڈ-19 کے خطرے کے خلاف بڑے پیمانے پر ویکسینیشن کی وجہ سے لوگوں کے زیادہ راہِ بط کی وجہ سے تفریح اور مہمان نوازی کی صنعت کے شعبوں میں اضافہ ہوا ہے۔ مجھے ایک بار پھر یہ بتاتے ہوئے خوشی ہو رہی ہے کہ اس سال ہم نے نہ صرف تاریخی طور پر زیادہ لیز رائٹنگ میں کامیابی حاصل کی بلکہ گاڑیوں کی فنائنگ میں بھی دو گنا اضافہ ہوا ہے۔ بینکنگ ریگولیٹر نے درآمد شدہ گاڑیوں اور مقامی طور پر تیار کردہ گاڑیوں پر 3 ملین روپے فی صارف کی حد تک کنزیومر آٹولونز پر پابندی عائد کی تھی، اور چونکہ این بی ایف سی سیکٹر پر ایسی کوئی پابندی نہیں تھی، آپ کی کمپنی نے شیئر ہولڈر کے فائدے کے لیے اس سہولت سے استفادہ کیا۔

سال کے دوران، آپ کی کمپنی نے SECP کی مختلف ہدایات اور نوٹیفیکیشن کے مطابق، آپ کی کمپنی نے اپنے معزز کسٹمرز کی معاونت کی اور جہاں بورڈ نے مناسب اور ضروری سمجھا وہاں فیسیلیٹیز کی ادائیگیوں کو دوبارہ شیڈول اور ملتوی کیا۔ رعایت کی حکمت عملی کے نتیجے میں منتخب کسٹمرز کو کسی بعد کے مرحلے پر بروقت ادائیگی کرنے کا موقع دیا گیا، جو کمپنی اور صارفین دونوں کے لیے باہمی طور پر فائدہ مند تھا۔

اس سال انتظامیہ نے قانونی چارہ جوئی والے لیز معاملات اور دیگر طویل عرصے سے واجب الادا دار قوم کی وصولی کے لیے بڑے پیمانے پر کوششیں کیں، جس کے نتیجے میں عدالت سے باہر تصفیے اور لیز کی ری اسٹرکچرنگ اور ری شیڈولنگ ہوئی۔ اس طرح کی کوششوں کے نتیجے میں پروویژنز کی واپسی اور قبل از ٹیکس منافع میں بہتری آئی ہے۔

مجھے یہ بتاتے ہوئے خوشی ہو رہی ہے کہ بورڈ اور انتظامیہ کی کوششوں کی وجہ سے ہمارے قبل از ٹیکس منافع میں 598 فیصد اضافہ ہوا ہے اور بعد از ٹیکس خالص منافع میں بھی اسی کے مطابق اضافہ ہوا ہے، اگرچہ فنائس لیز اور کل اثاثوں میں خالص سرمایہ کاری میں کمی آئی ہے۔ کمپنی کے مضبوط گورننس اسٹرکچر، بورڈ کی جانب سے مینجمنٹ کے لیے واضح رہنمائی اور ہدایات اور کاروباری حکمت عملیوں، کارپوریٹ پالیسیوں اور اہداف، مالیاتی رپورٹوں، منصوبوں اور تجاویز کے مکمل جائزے، بحث اور منظوری نے مذکورہ بالا میں کردار ادا کیا ہے۔

ہمارے معزز کسٹمرز، بورڈ کے ارکان، اسٹیک ہولڈرز اور شیئر ہولڈرز کا کمپنی پر ان کے اعتماد اور بھروسے کے لیے تہ دل سے شکریہ۔ میں بورڈ کی رہنمائی اور ہدایات پر عمل درآمد میں ملازمین کی جانب سے دکھائی جانے والی انتھک کوشش، محنت اور لگن کی تعریف کرنا چاہتا ہوں۔ میں سال کے دوران ان کی حمایت پر ایس ایم سی پی اور ہمارے ریگولیٹرز کا بھی شکریہ ادا کرنا چاہوں گا۔

DIRECTORS' REPORT

Dear Shareholders

Your directors are pleased to present the 29th Annual Report of Pak-Gulf Leasing Company Limited (PGL), including Financial Statements and the Auditors' Report, for the year ended June 30, 2022.

OPERATIONAL OVERVIEW

Your Company maintained, during the year, its time-tested policy of writing repeat leases for some of the Company's most consistently performing and well-established Customers. Simultaneously, efforts were successfully made for marketing fresh client relationships with credit worthy businesses and entrepreneurs enjoying good market credentials. It has, of late, become a cornerstone of the Company's Credit Policy to derive comfort by securing itself against high exposure by obtaining collateral securities, wherever considered necessary for mitigating risk, in addition to the Assets being leased. As opposed to other leasing companies, which usually rely on leased assets to cover their default risk, your Company, as a consequence of adopting this unique policy has, to a great extent covered itself, against volatile economic conditions leading to delinquencies and defaults relating to leasing exposure.

All new business relationships were undertaken by the Company, after taking into account the related financials of the prospective lessees, their respective market reputation and business track record, in addition to applying other standard risk evaluation techniques for arriving at the viability, both in terms of risk and reward, of the financing proposition offered to the Company. All credit approvals, as a matter of Policy and the established Standard Operating Procedure of the Company, are subject to an independent survey and valuation of the assets to be leased, and/or provided by a lessee as a collateral security, to secure the Company against the relative credit exposure. It is also ensured that all leased and collateral assets are comprehensively insured, for the entire lease term and until its full settlement, by at least a AA-rated insurance company, with the Company's name appearing on the relative Policy as a Loss Payee.

With the decline in the COVID-19, the Company was able to not only resume lease writing, but also took to a historic high level. In addition curb by banking regulators on the consumer auto financing to for the banking sector provided the NBFC sector to take advantage of such prohibition and resultantly your company did higher vehicle financing. During the year, due to the improved economic conditions in particularly, the first half of the fiscal year, the Company's recovery was 94%, as compared to 90% in the previous year. In addition, efforts were made to recover from leases in litigation, and due to out of court settlements and rescheduling were able to make significant recoveries which is reflected in reversals of provisions contributing to a positive profitability for the year.

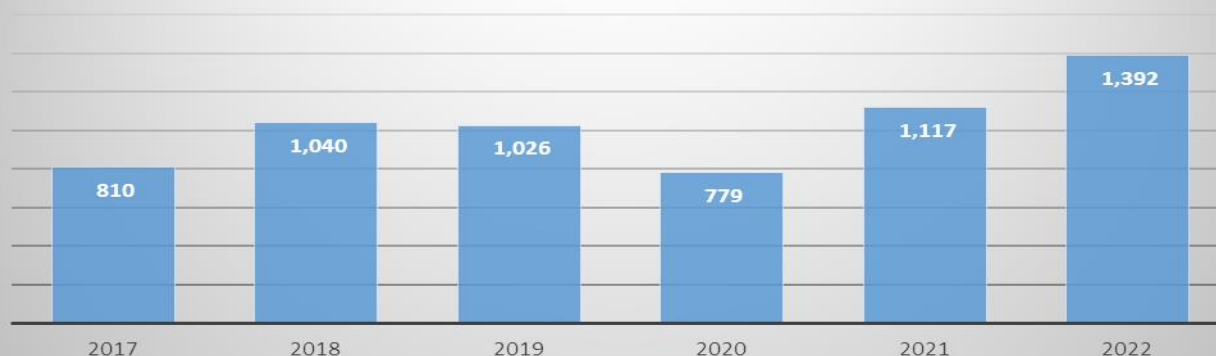
ANALYSIS OF THE COMPANY'S OPERATIONAL AND FINANCIAL PERFORMANCE IN FY-2021-22

Leases Written and Disbursed

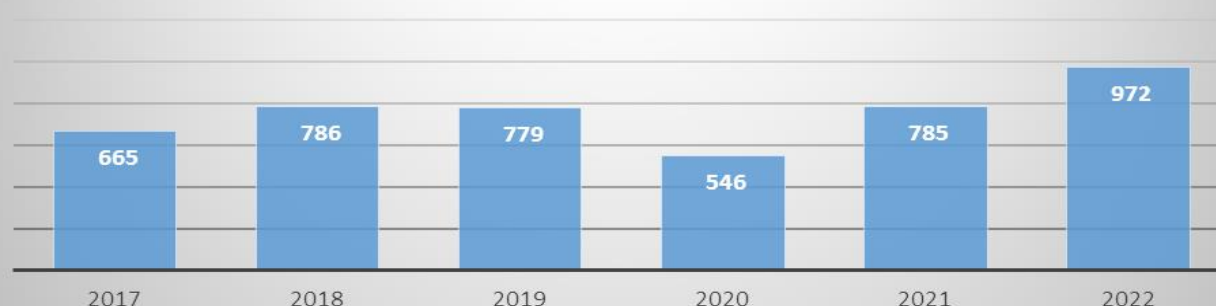
During the year, 80 new leases and 40 Auto-finance Loans of Rs. 1,395 million were written, as compared to 55 leases and 16 Auto-finance Loan of Rs. 1,117 million written in FY-2021-22. The total lease disbursement amount during FY-2021-22 was Rs. 972 million, which was higher than the corresponding amount of Rs. 785 million for FY-2020-21.

The growth in Financing facilities written and the amount disbursed by your Company, over the past 6 years, is illustrated in the following Chart:

Lease / Ijarah / Diminishing Musharaka / Auto-finance loan written (Rs. in Million)



Lease / Ijarah / Diminishing Musharaka / Auto-finance loan disbursement (Rs. in Million)



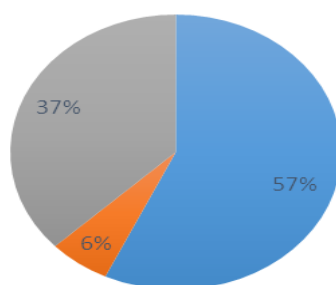
Note: W.E.F 20 April 2016 Ijarah financing has been discontinued.

Categories of Investment in Leases

Your Company's core business activity is assets-based financing, as permissible under the various modes prescribed by SECP. With the ultimate recourse for recovery of the Company's exposure being the assets it finances, it is essential that the quality of such assets is well evaluated and an intelligent Assets Diversification Policy is adopted. Keeping in mind the prevailing economic and business conditions affecting the Forced Sale Values of the cumulative Assets Portfolio, over the average life of a financing transaction, a diligent assessment is also made of the marketability of the relative assets in the event of any foreclosures. Collateral securities offered by the Customers are also gauged on the same standards. While doing so, the Company's needs also to attend to the Tax Benefits accruing from financing a particular category of assets. The Chart below pictures the breakdown of the Company's Assets-wise Investment in Leasing, during FY-2021-22:

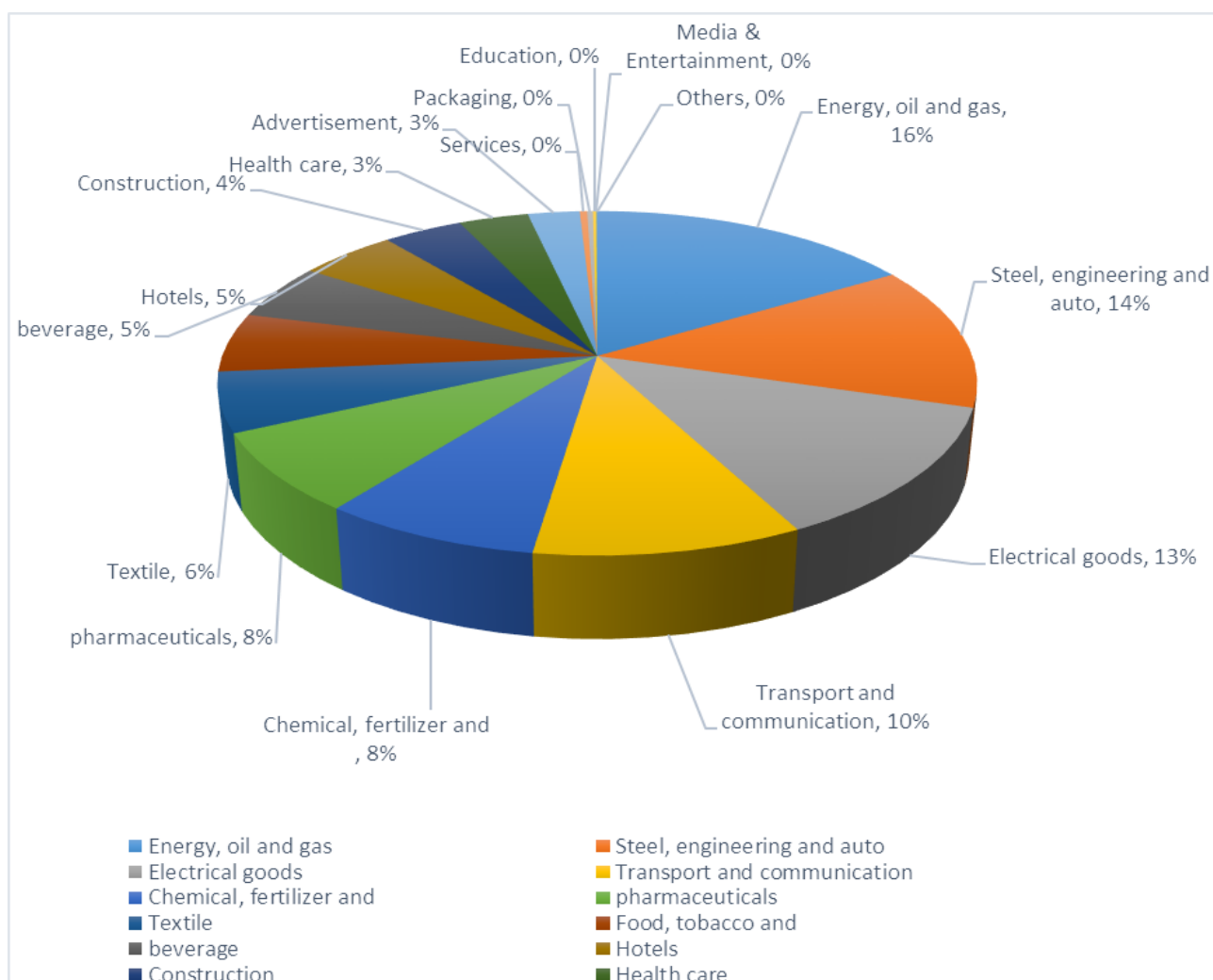
Main Categories of Investment in Lease

■ Machinery & Equipment ■ Vehicle ■ Equipment



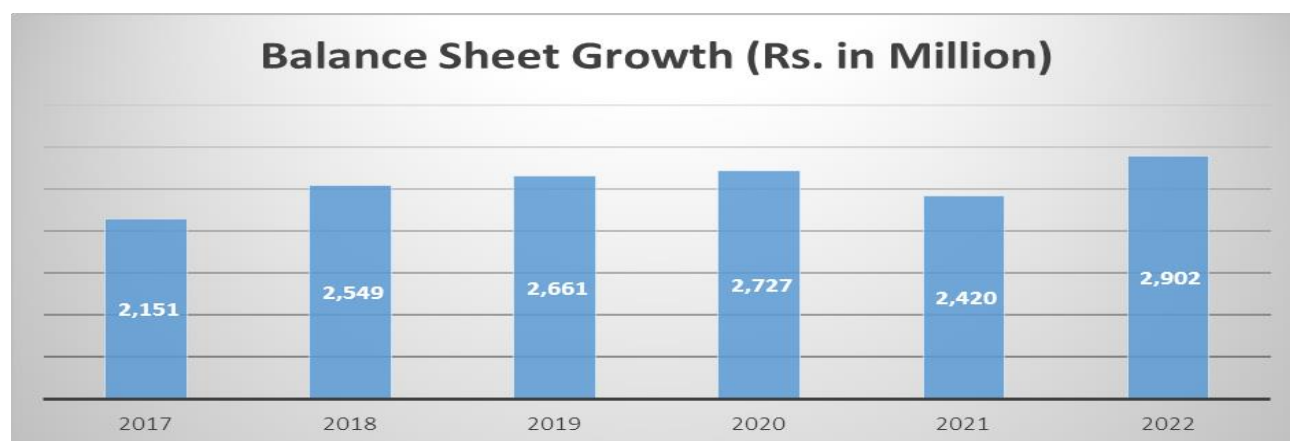
Sector-wise Composition of the Lease Portfolio

Notwithstanding the consideration of the present and the anticipated value of the Assets Portfolio, a prudent Risk Management Policy further demands that the Sector-wise Distribution of the Company's financing transactions is also well-diversified in the light of the contemporary business environment prevailing in the Country. A Chart illustrating, in graphical details, the manner in which the Sector-wise composition of the Company's Lease Portfolio stood as at end of FY 2021-22, is as under:

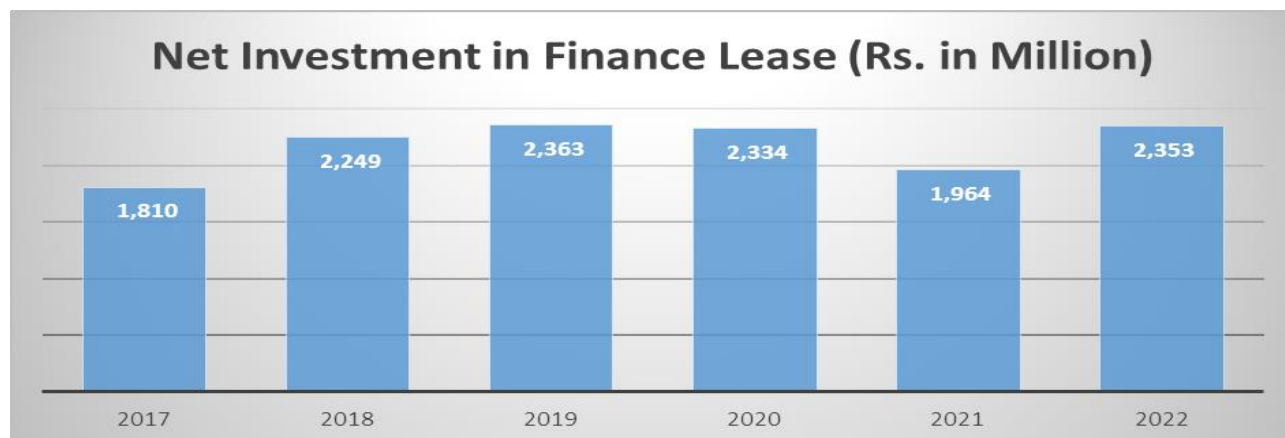


Financial Achievements

The Balance Sheet footings, which stood at Rs. 2,420 million as at June 30, 2021 have increase to Rs. 2,902 million as at June 30, 2022. This year-on-year decrease of 20%, in the total assets of your Company, is consistent with the increase in lease and finance business during the year. The Balance Sheet growth of the Company is illustrated in the following Chart:



Gross Investment in Finance Leases stood at Rs. 2,783 million as on June 30, 2022, which was higher than the figure as at June 30, 2021 amounting to Rs. 2,249 million). **Net Investment in Finance Leases**, after deduction of Unearned Income (Rs. 352 million), Mark-up held in Suspense (Rs. 15 million) and a Provision for ECL (Rs. 64 million), amounted to Rs. 2,353 million at the end of FY-2021-22, as compared to the corresponding figure of Rs. 1,973 million as at June 30, 2021. The growth in Net Investment in Leases of the Company, over the past six (6) years, is shown in the Chart below:



Profitability Performance

After-tax Profit which, for the Financial Year 2021-22 has been recorded at Rs. 146.98 million, as compared to Rs. 24.57 million for FY-2021-22, due to high business volume, significant recoveries, and reversal of provisions.

EPS for FY-2021-22, due to increase in KIBOR and increase in borrowings costs, did not change much and hovered at lower 4, however, due to reversals of provisioning due to recoveries and rescheduling and restructuring, this ended at 5.79 as compared to 0.97 for FY-2021-22.

Gross Revenue for the year is 24% higher at Rs. 255 million, as compared to Rs. 206 million, for the previous year.

Leases Written during FY 2021-22 stood at Rs. 1,392 million, as compared to leases written in FY-2020-21 for Rs. 1,117 million.

Lease Amount Disbursed during FY-2021-22 was Rs.972 million was higher than the corresponding amount of Rs. 785 million during FY-2020-21. The increase in lease disbursement is reflective of an improved economy and

Equity of your Company, as per NBFC Regulations, as at June 30, 2022 amounted to Rs. 796 million, which is Rs. 296 million in excess of the Minimum Equity Requirement of Rs. 500 million.

Comparative Analysis of	2022	2021	Change
Profitability Performance			%
For the year ended 30 th June			
	Rs. in million		+ or (-)
Income	255.23	206.09	23.84%
Administrative Expenses	64.139	60.98	5.18%
Financial Charges	69.05	42.06	64.17%
Profit before provision	122.03	103.052	18.42%

Profit before Taxation	167.68	28.02	498.43%
Provision for Taxation (including Deferred Tax)	20.708	3.44	501.98%
Profit after Taxation	146.97	24.57	498.17%
Un-appropriated Profit Brought Forward	304.372	291.06	4.57%
Profit Available for Appropriation	401.69	315.62	27.27%

Appropriations			
Transfer to Statutory Reserve	23.905	4.913	386.57%
Dividend	0	0	0.00%
Total Appropriations	11.26	11.26	0.00%
Un-appropriated Profit Carried Forward	401.69	304.37	31.97%
Earnings Per Share (In Rupees)	5.79	0.97	496.91%

Dividend / Post Balance Sheet Date Event

Your Directors are pleased to recommend a Cash Dividend of 10% to be declared for the Financial Year ended June 30, 2022. The financial statements do not reflect this proposed dividend.

ECONOMIC SCENARIO

FY22 saw real GDP growth at 5.97%, though underlying macroeconomic imbalances and associated domestic and international risks persist. After contraction of 0.94% in FY20, the economy rebounded and continued to a post a V shaped recovery, which is higher than 5.74% in the previous year. The GDP growth was composed of 4.4% growth in Agriculture, 7.19% in Industry, and 6.19% in Services.. On the external side pressure on exchange rate continued due to the quantum. For July-AprFY22 the current account deficit remained at USD 13.8 billion against the deficit of USD 0.5 billion in the previous year.of current account deficit. Inflationary challenges continued with the State Bank of Pakistan intervening with cumulative policy rate increase of 675bp. These were primarily on account of significant uncertainty around the outlook for international commodity prices and global financial conditions. Headline inflation averaged at 12.15% whereas year-on-year inflation stood at 21.32% in FY22.

FUTURE PROSPECTS

With the thread of COVID-19 almost contained barring an occasional surge, the global situation has been affected by the conflict between Ukraine-Russia. Rising commodity prices globally and domestically, along with the surge in inflation, and rising interest rates will impact the business growth. Lease writing and financing in such a scenario will be limited until the political uncertainty continues, alongwith the inflationary outlook which appears to persist due to continued international conflict and high commodity prices, coupled with a recession setting in the European and North American markets. Under the circumstances, although there will be opportunities to lease and finance, it will be imperative to maintain prudence and any substantial risk taking will be avoided. The business is expected to continue with tried and tested customers and where there is a continued profitability track and sectoral stability exists.

Regulatory and Taxation

Federal Board of Revenue (FBR)'s measure of withdrawal of Initial Depreciate Allowance of 90% for plant and machinery in rural sector under Section 23(A) continues due. However, the maximum depreciation allowance on

passenger cars which was limited to Rs 2.5 million, has been increased to Rs 7.5 million, giving impetus to vehicle lease writing.

SECP restrictive fund raising policy instituted in the 2021 of keeping the certificate of deposits non-redeemable to maturity, has now been relaxed, with redemption permissible in 45 days, however any new fund raising through Certificate of Investments will have a minimum maturity of 1 year. This is also positive for the industry and the Company.

CORPORATE GOVERNANCE

Your Company is complying with the requirements of "The Listed Companies (Code of Corporate Governance) Regulations, 2019" (the 'Code') as and where applicable in both letter and spirit. The Review Report of the External Auditors to the Members, represented by the Statements in Compliance with the Best Practices of the Code of Corporate Governance, is appended to this Report

Board of Directors

The Board of your Company comprises of the following Members, appointed at the Extra-Ordinary General Meeting held on April 22, 2022, each for a tenure of three (3) years:

S.No.	Name of Director
1	Mr. Sohail Inam Ellahi
2	Mr. Pervez Inam
3	Mr. Fawad Salim Malik
4	Mr. Brig.Naveed Nasar Khan (Retd.)
5	Mr. Ismail H.Ahmed
6	Mr. Jan Ali Khan Junejo
7	Mr. Naeem Ali Muhammad Munshi
8	Ms. Naeen Ahmed
9	Mr. Mahfuz-ur-Rehman Pasha

Of a total number of Nine (09) Directors, presently comprising the Board of the Company, Eight (8) directors are male and One (1) is female. The Board has Three (03) Independent and Five (05) non-executive directors, and One (01) Executive Director represented by the Chief Executive Officer of the Company.

Till June 30, 2022 Four (04) directors of the Company have acquired the required Certificate of Directors Training Course, while One (01) is exempted from this requirement.

It is to be noted that changes taking place, from time to time, in the domestic and international business environment, along with regulatory changes, were regularly discussed between the Directors in the BOD Meetings held during the year.

Board Meetings

Five (05) Meetings of the Board of Directors of your Company were held during the year under review. Details of attendance are as follows:

S.No.	Name of Director	No. of Meetings Attended
1	Mr. Sohail Inam Ellahi	5
2	Mr. Pervez Inam	5
3	Mr. Fawad Salim Malik	1
4	Brig. Naveed Nasar Khan (Retd.)	4

5	Mr. Ismail H. Ahmed	5
6	Mr. Jan Ali Khan Junejo	4
7	Mr. Naeem Ali Muhammad Munshi	4
8	Ms. Naureen Ahmed	4
9	Mr. Mahfuz-ur-Rehman Pasha	5

Audit Committee

The Board of Directors, in compliance with the Code of Corporate Governance, has established an Audit Committee consisting of the following directors. During the year under review, Five (05) meetings of the Audit Committee were held. The meeting-wise attendance details of are given below:

S.No.	Name of Member	Designation	No. of Meetings Attended
1.	Mr. Ismail H. Ahmed	Chairman	5
2.	Mr. Pervez Inam	Member	4
3.	Brigadier (R) Naveed Nasar Khan	Member	4
4.	Mr. Naeem Ali Muhammad Munshi	Member	4

Human Resource and Remuneration Committee (HR & RC)

In line with the requirements of the Code of Corporate Governance, the Human Resource and Remuneration Committee (HR & RC) of the Board of Directors of your Company comprises of the following members:

S.No.	Name of Member	Designation
1.	Mr. Jan Ali Khan Junejo	Chairman
2.	Mr. Pervez Inam	Member
3.	Mr. Sohail Inam Ellahi	Member
4.	Mr. Ismail H. Ahmed	Member
5.	Ms. Naureen Ahmed	Member
6.	Mr. Mahfuz-ur-Rehman Pasha	Member

Directors' Remuneration

The Company has a policy in place that ensures formal and transparent procedures for fixing the remuneration of Directors. The remuneration payable to the Directors for attending Board meetings is duly fixed and approved by the Board.

Credit Rating

It should be a matter of great satisfaction for the Company's Shareholders to note that VIS, following a detailed analysis and evaluation of your Company's performance, on May 16, 2022, re-affirmed the Company's Entity Ratings as under:

- Medium to Long-term Rating: **A-**;
- Short-term Rating: **A-2**; and
- Outlook: **Stable**.

Auditors

For FY 2021-22, BDO Ebrahim, Chartered Accountants were appointed as statutory auditors of the Company. The retiring auditors being eligible for re-appointment have given their consent to act as statutory auditors of the Company for FY 2022-23.

The Board of Directors wishes to place, on record, its appreciation for the high standards of professionalism, integrity and ethics maintained by BDO Ebrahim, Chartered Accountants as Auditors of the Company.

As recommended by the Audit Committee, the Board has approved the proposal to re-appoint the retiring auditors, BDO Ebrahim & Co, Chartered Accountants as the statutory auditors of the Company for FY 2022-23, subject to fixing of remuneration and approval of the shareholders in the forthcoming Annual General Meeting of the Company.

Acknowledgements

The Board would like to place on record its appreciation for the management team of your Company, and each and every member of its staff, for their hard work and dedication, which has been reflected in a consistently maintained and satisfactory performance of your Company under a challenging economic environment. We, the Members of the Board, as representatives of the Shareholders of the Company, assure the management and staff of the Company of our continued support and commitment towards strengthening the Company and leading it to maintain its growth and performance. We are confident, that the management and the staff will continue to serve the customers of the Company with the same zeal, as demonstrated by them in all the previous years, enabling your Company to further improve its reputation in the financial services sector of Pakistan.

The Board also acknowledges the cooperation and guidance extended to the Company by the Securities and Exchange Commission of Pakistan (SECP), the State Bank of Pakistan (SBP) 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. The Board would also like to praise the NBFIs & Modaraba Association of Pakistan for its assistance and support in professionally safe-guarding your Company's interest.

At the end, we would like to thank our valued Shareholders, Customers, Bankers, Investors and other Stakeholders for their valuable support during the year. We look forward to reinforcing and building this relationship further, in the years to come.

Statements in Compliance with the Code of Corporate Governance

The Board of Directors has reviewed the Code of Corporate Governance and confirms the correctness of the following statements to the best of its knowledge and belief:

- Financial statements prepared by the management of Pak-Gulf Leasing Company Limited present fairly, its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates presented in the report are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures therefrom have been adequately disclosed and explained.
- The system of internal control is sound in design, and has been effectively implemented and monitored.
- There is no significant doubt upon the Company's ability to continue as a going concern.
- There was no trade in shares of the Company, carried out by its directors, CEO, COO, CFO, Company Secretary, Head of Internal Audit and/or their spouses and minor children.
- There has been no material departure from best practices of corporate governance, as detailed in the listing regulations.

Pattern of Shareholding

Pattern of Shareholdings, as required by the Code of Corporate Governance, as at June 30, 2022, is appended at the end of this Report.

Significant deviations in the operating results, from the preceding financial year, have been explained at the beginning of this Report, along with reasons thereof.

Key Operating and Financial Data for the last six (6) years 2017 – 2022

Year ended 30 th June	2022	2021	2020	2019	2018	2017
Operational Results:						
Revenues	255,230,917	206,094,628	265,444,647	243,892,047	200,380,195	172,211,411
Lease Revenue	228,427,580	191,485,801	245,567,212	218,862,571	178,154,663	153,030,380
Profit before Taxation	167,687,787	28,015,220	21,619,234	71,185,355	80,602,379	65,501,467
Profit after Taxation	146,979,027	24,566,337	10,894,248	64,378,140	69,368,392	47,076,209
Finance Cost	69,054,807	42,062,089	114,025,954	78,012,463	47,682,251	30,121,776
Provision for Potential Lease Losses	(10,807,355)	3,625,701	(30,838,117)	(1,307,173)	(442,820)	-
Proposed Dividend %	10.00%	0.00%	2.50%	7.50%	12.50%	7.50%
Balance Sheet:						
Shareholders' Equity	796,707,062	675,435,528	655,727,867	664,814,384	632,104,936	581,720,337
Surplus on Revaluation of Assets	90,504,204	90,504,204	90,504,204	90,504,204	90,504,204	89,229,496
Other Reserves	487,847,306	424,678,818	405,412,115	414,443,364	382,833,609	329,676,712
Working Capital	28,505,715	186,123,903	381,076,282	208,524,942	10,454,214	-102,605,219
Non-current Liabilities	1,330,132,845	1,016,256,185	1,262,394,151	1,286,555,078	986,792,933	755,442,822
Long-term Loans	133,333,324	95,833,329	29,166,665	49,999,996	20,833,331	37,499,999
Investments	55,205,847	34,002,899	64,508,233	63,465,086	62,555,748	66,467,011
Financial Ratios:						
Income / Expense Ratio	1.92	2.00	1.46	1.55	1.66	1.61
Earnings per Share (in Rs)	5.79	0.97	0.43	2.54	2.73	1.86
Debt / Equity Ratio	0.59	0.42	0.68	0.67	0.31	0.06
Current Ratio	1.04	1.29	1.53	1.34	1.01	0.86

Statutory Payment of Rs. 5,455,432 on account of taxes, duties, levies and/or charges was outstanding against the Company as on June 30, 2022.

Value of Investments of the Staff Provident Fund stood at Rs. 6,895,345 as at June 30, 2022. This represents funds placed with a rated commercial bank and investment in the registered units of the National Investment Trust.

Chairman

Chief Executive Officer

**November 15, 2022
Karachi**

ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز (حصص یافتگان)

آپ کے ڈائریکٹرز انتہائی مسرت کے ساتھ پاک گلف لیزنگ کمپنی لمیٹڈ (PGL) کی 29 ویں سالانہ رپورٹ بشمول مالی گوشوارے اور آڈیٹرز رپورٹ برائے ختمہ سال 30 جون 2022 پیش کر رہے ہیں۔

آپریشنل جائزہ

آپ کی کمپنی نے، سال کے دوران، کمپنی کے سب سے زیادہ تسلسل سے کارکردگی کا مظاہرہ کرنے والے اور اچھی طرح سے مستحکم کسٹمرز میں سے کچھ کے لیے متواتر لیز لکھنے کی آزمودہ پالیسی کو جاری رکھا۔ اس کے علاوہ، اچھی ساکھ والے کاروباروں اور مارکیٹ میں اعلیٰ اعتماد سے لطف اندوز ہونے والے کاروباری افراد کے ساتھ تازہ کلائنٹ ریلیشن شپ کی مارکیٹنگ کے لیے کوششیں کی گئیں۔

یہ، حال ہی میں، کمپنی کی کریڈٹ پالیسی کی ایک بنیاد بن گئی ہے، جس میں اثاثوں کو لیز کرنے کے علاوہ، رسک کم کرنے کے لیے جہاں ضروری سمجھا جاتا ہے، ضمانت کی سکیورٹیز حاصل کرنے کے ذریعے خطرے کی بلند سطح کے خلاف خود کو محفوظ کرنے کی طرف سے اطمینان حاصل کیا جاتا ہے۔ دیگر لیزنگ کمپنیوں کے برخلاف، جو عام طور پر اپنے طے شدہ رسک سے بچاؤ کے لیے لیز پر دیے گئے اثاثوں پر انحصار کرتی ہیں، آپ کی کمپنی، اس منفرد پالیسی کو اپنانے کے نتیجے میں، خود کو ان غیر مستحکم معاشی حالات کے خلاف کافی حد تک محفوظ بنالیتی ہے جو لیزنگ کی سرمایہ کاری سے متعلق کوتاہیوں اور ناہندگیوں کا سبب بنتے ہیں۔

کمپنی کی طرف سے ممکنہ لیسز کی مالی تاریخ، مارکیٹ میں ان کی متعلقہ ساکھ اور کاروباری ٹریک ریکارڈ کو مد نظر رکھتے ہوئے نئے کاروباری تعلقات قائم کیے گئے، اس کے علاوہ، کمپنی کو پیش کی جانے والی تمویل کی پیشکش کے خطرات و ثمرات، دونوں حوالوں سے کامیاب نمونہ پر پہنچنے کے لیے رسک کی تشخیص کی دیگر معیاری تکنیکوں کو لاگو کیا گیا۔ بطور ایک پالیسی اور کمپنی کے طے شدہ معیاری آپریٹنگ طریقہ کار کے معاملے کے طور پر، کمپنی کو کریڈٹ سے متعلق خطرے سے محفوظ بنانے کے لیے، کریڈٹ کی تمام منظوریوں پر دیے جانے والے اثاثوں کے ایک آزاد سروے اور تشخیص، اور/یا لیز لینے والے کی طرف سے فراہم کردہ ضمانت کے حصول کے ساتھ مشروط ہیں۔ اس بات کو بھی یقینی بنایا جاتا ہے کہ تمام لیز پر دیے گئے اور مکفولہ اثاثوں کا لیز کی پوری مدت اور اس کے حتمی تصفیے تک کم از کم AA کی درجہ بندی والی کسی انشورنس کمپنی کے ذریعے مکمل بیمہ کرایا گیا ہے، جہاں کمپنی کا نام بطور نقصان کے وصول کنندہ متعلقہ پالیسی پر درج ہوتا ہے۔

COVID-19 میں کمی کے ساتھ، کمپنی نہ صرف لیز تحریر کرنے کے دوبارہ آغاز میں کامیاب رہی، بلکہ تاریخی سطح پر بھی پہنچ گئی۔ اس کے علاوہ بینکنگ ریگولیٹرز کی طرف سے بینکنگ سیکٹر کے لیے کنزیومر آٹو فنانسنگ پر پابندی نے NBFC شعبے کو اس طرح کی پابندی سے فائدہ اٹھانے کا موقع دیا اور اس کے نتیجے میں آپ کی کمپنی نے گاڑیوں کی زیادہ فنانسنگ کی۔

سال کے دوران، خاص طور پر مالی سال کے پہلے نصف میں بہتر معاشی حالات کی وجہ سے، کمپنی کی ریکوری پچھلے سال کے 90% کے مقابلے میں 94% رہی۔ اس کے علاوہ، قانونی چارہ جوئیوں والے لیز معاملات سے بازیابی کے لئے کوششیں کی گئیں، اور عدالتوں سے باہر کے معاہدوں اور دوبارہ شیڈولنگ کی وجہ سے نمایاں وصولیاں کرنے میں کامیاب رہے جس کی عکاسی پروویژنز کی واپسی سے ہوتی ہے جس نے سال کے منافع میں مثبت حصہ ڈالا۔

PGL کی آپریشنل اور مالیاتی کارکردگی کا تجزیہ برائے مالی سال 2021-22

تحریر اور تقسیم کردہ لیزز

مالی سال 2021-22 میں تحریر کردہ 1,117 ملین روپے مالیت کی 55 لیزز اور 16 آٹوفنانس لون کے مقابلے میں اس سال میں 1,395 ملین روپے مالیت کی 80 نئی لیزز (Leases) اور 40 آٹوفنانس لونز تحریر کیے گئے۔ مالی سال 2021-22 کے دوران لیز کی تقسیم کی مجموعی مالیت 972 ملین روپے تھی جو مالی سال 2020-21 کے لیے تقابلی رقم 785 ملین روپے سے زیادہ تھی۔

گزشتہ 6 سال میں آپ کی کمپنی کی طرف سے تحریر کردہ تمویلی سہولیات اور تقسیم کردہ رقم میں نمو کی عکاسی درج ذیل چارٹ سے ہوتی ہے:

[تحریر کردہ لیزز/اجارہ/مشارکہ متناقصہ/آٹوفنانس (روپے ملین میں)]

[تقسیم کردہ لیزز/اجارہ/مشارکہ متناقصہ/آٹوفنانس (روپے ملین میں)]

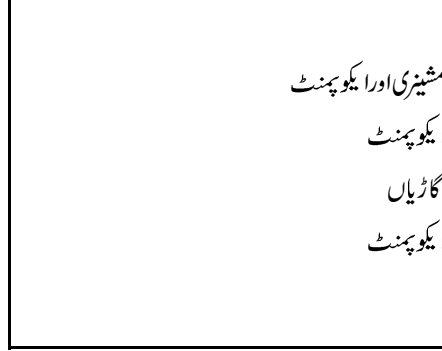
نوٹ: 20 اپریل 2016 سے اجارہ فنانسنگ کا سلسلہ منقطع کر دیا گیا ہے۔

لیز میں سرمایہ کاری کی اقسام

آپ کی کمپنی کی مرکزی کاروباری سرگرمی اثاثوں پر مبنی تمویل (فنانسنگ) ہے، جیسا کہ ایس ای سی پی کی طرف سے طے کردہ مختلف طریقوں کے تحت اجازت ہے۔ کمپنی کا اپنی سرکاری کی وصولی کا حتمی ذریعہ وہ اثاثے ہیں، جن کی یہ تمویل کرتی ہے۔ ایسے اثاثوں کی عمدگی سے قدر پیمائی کی جاتی ہے اور متعلقہ خطرات کم کرنے کے لیے اثاثوں کو متنوع رکھنے کی ایک دانش مندانہ پالیسی اختیار کی جاتی ہے۔ تمویلی رقم منتقلی کی اوسط مدت کے دوران اثاثوں کے مجموعی پورٹ فولیو کی جبری قیمت فروخت متاثر کرنے والے موجودہ معاشی اور کاروباری حالات ذہن میں رکھتے ہوئے، کسی عدم ادائیگی کی صورت میں متعلقہ اثاثوں کے قابل فروخت ہونے کی اہلیت کا باریک بینی سے تجزیہ کیا جاتا ہے۔ کسٹمرز کی مکفولہ ضمانتوں کا بھی اس معیار پر تجزیہ کیا جاتا ہے۔ ایسا کرتے ہوئے کمپنی مخصوص درجہ بندی کے اثاثوں کی تمویل سے حاصل ہونے والے ٹیکس فوائد کا بھی تجزیہ کرتی ہے۔

درج ذیل چارٹ میں مالی سال 2021-22 کے دوران لیزنگ میں کمپنی کی اثاثوں کی نوعیت کے مطابق سرمایہ کاری کے مجموعی تجزیہ کو تصویری شکل میں دکھایا گیا ہے:

[لیز میں سرمایہ کاری کی اہم اقسام]



شعبے کے حساب سے لیز پورٹ فولیو کی بناوٹ

اثاثوں کے پورٹ فولیو کی موجودہ اور متوقع قدر پر غور سے قطع نظر، ایک دانش مندانہ رسک منیجمنٹ پالیسی مزید تقاضا کرتی ہے کہ ملک میں موجودہ کاروباری ماحول کی روشنی میں کمپنی کے مالیاتی لین دین کی بالفاظ شعبہ تقسیم عمدہ تنوع کی حامل ہو۔ مالی سال 2021-22 کے اختتام پر کمپنی کے لیز پورٹ فولیو کی بالفاظ شعبہ تشکیل کی گراف کی شکل میں تفصیلات کی درج ذیل چارٹ میں عکاسی کی گئی ہے:

- کروڈ آئل اینڈ گیس
- الیکٹریکل سامان
- کیمیکل، فرٹیلائزر
- ٹیکسٹائل
- بیوریج
- کنسٹرکشن
- اسٹیل، انجینئرنگ اور آٹو
- ٹرانسپورٹ اور کمیونیکیشن
- فارما سیوٹیکلز
- خوراک، تمباکو اور
- ہوٹلز

مالیاتی کامیابیاں:

بیلنس شیٹ کی بنیادوں میں، جو، 3 جون 2021 کو 2,420 ملین روپے پر موجود تھی، 30 جون 2022 کو 2,902 ملین روپے تک اضافہ ہو گیا۔ جو کہ آپ کی کمپنی کے کل اثاثوں میں 20% کا اضافہ ہے، اور سال کے دوران لیز اور فنانس کے کاروبار میں اضافے سے مطابقت رکھتا ہے۔ کمپنی کی بیلنس شیٹ کی نمو کو مندرجہ ذیل چارٹ میں دکھایا گیا ہے:

بیلنس شیٹ میں نمو (ملین روپوں میں)

لیز میں مجموعی سرمایہ کاری 30 جون 2022 تک 2,783 ملین روپے رہی، جو کہ 30 جون 2021 تک کے اعداد و شمار سے کم تھی جس کی مالیت 2,249 ملین روپے تھی۔ لیز میں خالص سرمایہ کاری، غیر حاصل شدہ آمدنی (352 ملین روپے)، تعطل میں رکھے گئے مارک اپ (15 ملین روپے) اور لیز کے ممکنہ نقصانات کے لیے مختص رقم (64 ملین روپے) کی کٹوتی کے بعد مالی سال 2021-22 کے اختتام پر 2,353 ملین روپے ہو گئی جب کہ اس کے مقابلے میں 30 جون 2021 تک متعلقہ اعداد و شمار 1,973 ملین روپے تھے۔ کمپنی کی لیز فنانس میں خالص سرمایہ کاری میں پچھلے چھ (6) سالوں میں نمو، نیچے چارٹ میں دکھائی گئی ہے۔

[لیز فنانس میں خالص سرمایہ کاری (روپے ملین میں)]

بالحاظ منافع کارکردگی:

مالی سال 2021-22 کے لیے بعد از ٹیکس منافع 146.98 ملین روپے ریکارڈ کیا گیا ہے۔ اس کے مقابلے میں مالی سال 2021-22 کے دوران 24.57 ملین روپے منافع حاصل ہوا تھا، کاروبار کے خطیر حجم کے باعث نمایاں وصولیاں اور پروویژنز کی واپسی ہوئی۔

رواں سال KIBOR میں اضافے اور قرضوں کی لاگت میں اضافے کی وجہ سے مالی سال 2020-21 کے لیے فی شیئر آمدنی میں زیادہ تبدیلی نہیں ہوئی اور 4 روپے کی نچی سطح پر معلق رہی، تاہم، وصولیوں کی وجہ سے پروویژنگ کی واپسی اور ری شیڈولنگ کی بدولت، مالی سال 2021-22 کے لیے 0.97 روپے کے مقابلے میں 5.79 روپے فی شیئر آمدنی کے ساتھ مالی سال 2021-22 کا اختتام کیا۔

سال کے لیے مجموعی آمدنی گزشتہ سال کے لیے 206 ملین روپے کے مقابلے میں 255 ملین روپے پر 24% زیادہ رہا۔ مالی سال 2021-22 کے دوران تحریر کی گئی لیزز مالی سال 2020-21 کے لیے تحریر کی گئی 1,117 ملین روپے کی لیزز کے مقابلے میں 1,392 ملین روپے رہے۔

مالی سال 2021-22 کے دوران تقسیم کی گئی لیزز کی رقم مالی سال 2020-21 کے دوران تقسیم کی گئی 785 ملین روپے کی رقم کے مقابلے میں 972 ملین روپے رہی۔ لیز کی تقسیم میں یہ اضافہ ایک بہتر ہوتی معیشت کا آئینہ دار ہے اور

آپ کی کمپنی کے لیے ایکویٹی کی مالیت، بمطابق NBFC ریگولیشن، بمطابق 30 جون، 2022 ملین روپے رہی، جو 500 ملین روپے کی کم از کم مطلوب ایکویٹی سے 296 ملین روپے زیادہ ہے۔

تبدیلی کی شرح فیصد	2021	2022	بالحاظ منافع کارکردگی کا تقابلی تجزیہ برائے مختتمہ سال 30 جون 2022۔
+ یا (-)	ملین روپوں میں		
23.84%	206.09	255.23	آمدنی
5.18%	60.98	64.139	انتظامی اخراجات
64.17%	42.06	69.05	مالیاتی مصارف
18.42%	103.052	122.03	قبل از پرویشن منافع
498.43%	28.02	167.68	قبل از ٹیکس منافع
501.98%	3.44	20.708	ٹیکس کے لیے پرویشن (بشمول ملتوی ٹیکس)
498.17%	24.57	146.97	بعد از ٹیکس منافع
4.57%	291.06	304.372	غیر مختص شدہ آمدنی جو کہ آگے لائی گئی
27.27%	315.62	401.69	آمدنی جو تخصیص کے لئے دستیاب ہے
			تخصیص
386.57%	4.913	23.905	دستوری محفوظ سرمایہ کی طرف منتقلی
0%	0	0	ڈیویڈنڈ (حصص منافع)
0%	11.26	11.26	کل تخصیص
31.97%	304.37	401.69	غیر مختص آمدنی جو آگے لائی گئی
496.91%	0.97	5.79	نی شیر آمدنی (روپے میں)

ڈیویڈنڈ (حصص منافع) / بیلنس شیٹ کی تاریخ کے بعد کے واقعات

آپ کے ڈائریکٹر مختتمہ مالی سال 30 جون 2022 کے لیے 10% کیش ڈیویڈنڈ کے اعلان کی سفارش کرتے ہوئے خوش محسوس کر رہے ہیں۔

اقتصادی منظر نامہ:

مالی سال 2022 میں حقیقی جی ڈی پی میں 5.97% کی نمو ہوئی، حالانکہ بنیادی مجموعی اقتصادی عدم توازن اور اس سے وابستہ ملکی اور بین الاقوامی خطرات برقرار ہیں۔ مالی سال 2020 میں 0.94% فیصد کی تخفیف کے بعد، معیشت میں بہتری آئی اور اس نے V شکل کی بحالی جاری رکھی، جو پچھلے سال کے

5.74 فیصد سے زیادہ ہے۔ جی ڈی پی میں اضافے کی شرح زراعت میں %4.4، صنعت میں %7.19 اور خدمات میں %6.19 تھی۔ پیش رفت کی وجہ سے بیرونی طرف شرح مبادلہ پر دباؤ جاری رہا۔ جولائی سے اپریل 2022 کے دوران کرنٹ اکاؤنٹ خسارہ 13.8 بلین امریکی ڈالر رہا جبکہ گزشتہ سال کرنٹ اکاؤنٹ خسارہ 0.5 بلین امریکی ڈالر تھا۔ افراط زر کے چیلنجز جاری رہے اور اسٹیٹ بینک آف پاکستان نے مجموعی پالیسی ریٹ میں 675 بنیادی پوائنٹس اضافے کے ساتھ مداخلت کی۔ یہ بنیادی طور پر عالمی سطح پر خام مال کی قیمتوں اور عالمی مالی حالات کے امکانات کے بارے میں غیر یقینی صورتحال کی وجہ سے تھا۔ مالی سال 2022 میں مجموعی مہنگائی اوسطاً %12.15 جبکہ سالانہ مہنگائی %21.32 رہی۔

مستقبل کے امکانات

COVID-19 کے خطرے کو تقریباً قابو میں رکھا گیا ہے ماسوائے اس کے کہ اس میں کبھی کبھار تیزی آجائے، عالمی صورتحال یوکرین اور روس کے درمیان تنازع سے متاثر ہوئی ہے۔ عالمی اور ملکی سطح پر اجناس کی بڑھتی ہوئی قیمتوں کے ساتھ ساتھ مہنگائی میں اضافے اور بڑھتی ہوئی سود کی شرحوں کا کاروبار کی نمو پر اثر پڑے گا۔ اس طرح کے منظر نامے میں لیز کے معاہدوں کی تحریر اور مالی اعانت محدود ہوگی جب تک کہ سیاسی غیر یقینی صورتحال جاری رہتی ہے، اور افراط زر کے امکانات کے ساتھ ساتھ جو لگتا ہے کہ بین الاقوامی تنازع اور اجناس کی بلند قیمتوں کے ساتھ ساتھ یورپی اور شمالی امریکہ کی منڈیوں میں کساد بازاری کے ماحول کی وجہ سے برقرار رہیں گے۔ ان حالات کے تحت، اگرچہ لیز اور مالی اعانت کے مواقع ہوں گے، لیکن احتیاط برقرار رکھنا ضروری ہے اور کسی بھی نمایاں خطرے سے بچنے سے بچنا ہوگا۔ توقع کی جاتی ہے کہ یہ کاروبار آزمودہ صارفین کے ساتھ جاری رہے گا اور جہاں منافع بخش ٹریک جاری ہے اور شعبہ جاتی استحکام موجود ہے۔

ریگولیٹری اور ٹیکسیشن محصول

فیڈرل بورڈ آف ریونیو (ایف بی آر) کی طرف سے، سیکشن 23(A) کے تحت دیہی شعبے میں پلانٹ اور مشینری کے لیے %90 فیصد ابتدائی فرسودگی الاؤنس بدستور واجب الادا ہے۔ تاہم، مسافر گاڑیوں پر زیادہ سے زیادہ فرسودگی الاؤنس، جو 2.5 ملین روپے تک محدود تھا، 7.5 ملین روپے تک بڑھا دیا گیا ہے، جس سے گاڑیوں کی لیز تحریر کرنے کو تحریک ملی ہے۔

ڈیپازٹس کے ٹیوٹیلیٹ کو میچورٹی کے لیے ناقابل نقد وصولی رکھنے کے لیے 2021 میں عاید کی گئی ایس ای سی پی کی پابندی سے متعلق فنڈ ریزنگ پالیسی میں اب نرمی لائی گئی ہے اور اب 45 دن میں نقد وصولی کی جاسکتی ہے، تاہم سرٹیفیکیٹس آف انویسٹمنٹس کے ذریعے فنڈ ریزنگ کے لیے کم از کم میچورٹی ایک سال ہوگی۔ یہ بھی انڈسٹری اور کمپنی کے لیے ایک مثبت پیش رفت ہے۔

کارپوریٹ گورننس (کمپنی کا انتظام و انصرام)

آپ کی کمپنی لسٹڈ کمپنیز (”کوڈ آف کارپوریٹ گورننس“) ریگولیشنز، 2019 کی حسب موقع روحاً و عملاً تعمیل کر رہی ہے۔ ممبران کے لیے ایکسٹرنل آڈیٹرز کی جائزہ رپورٹ میں اس بات کا اعتراف کیا گیا ہے کہ کمپنی کے معاملات میں کوڈ آف کارپوریٹ گورننس کا عمل بہترین طریقے سے نافذ ہے، جو اس رپورٹ کے ہمراہ منسلک ہے۔

بورڈ آف ڈائریکٹرز

آپ کی کمپنی کا بورڈ درج ذیل ممبران پر مشتمل ہے جو 22 اپریل 2022 کو منعقدہ غیر معمولی اجلاس عام میں منتخب ہوئے ہیں، اور ان میں ہر ایک کی میعاد

نمبر شمار	ڈائریکٹرز کا نام
1	جناب سہیل انعام الہی
2	جناب پرویز انعام
3	جناب فواد سلیم ملک
4	بریگیڈیئر (ر) نوید نصر خان
5	جناب اسماعیل ایچ احمد
6	جناب جان علی خان جونیجو
7	جناب نعیم علی محمد منشی
8	محترمہ نوین احمد
9	جناب محفوظ الرحمان پاشا

اس وقت کمپنی کا بورڈ تشکیل دینے والے کل نو (09) ڈائریکٹرز میں سے آٹھ (8) ڈائریکٹرز مرد اور ایک (1) خاتون ہیں۔ بورڈ میں تین (03) آزاد اور پانچ (05) نان ایگزیکٹو ڈائریکٹرز، اور ایک (01) ایگزیکٹو ڈائریکٹر ہیں جن کی نمائندگی کمپنی کے چیف ایگزیکٹو آفیسر کرتے ہیں۔ 30 جون 2022 تک کمپنی کے چار (04) ڈائریکٹرز نے ڈائریکٹرز ٹریننگ کورس کا مطلوبہ سٹوفکیٹ حاصل کر لیا ہے، جبکہ ایک (01) اس تقاضے سے مستثنیٰ ہے۔

واضح رہے کہ مقامی اور بین الاقوامی کاروباری ماحول میں وقتاً فوقتاً ہونے والی تبدیلیوں کے ساتھ ساتھ ریگولیٹری تبدیلیوں پر ڈائریکٹرز کے درمیان سال کے دوران ہونے والی BOD میٹنگز میں باقاعدگی سے تبادلہ خیال کیا گیا۔

بورڈ اجلاس

زیر جائزہ سال کے دوران آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کے پانچ (5) اجلاس منعقد ہوئے۔ حاضری کی تفصیلات درج ذیل ہیں:

نمبر شمار	ڈائریکٹرز کا نام	اجلاس میں حاضریوں کی تعداد
1	جناب سہیل انعام الہی	5
2	جناب پرویز انعام	5
3	جناب فواد سلیم ملک	1
4	بریگیڈیئر (ر) نوید نصر خان	4

5	جناب اسماعیل ایچ احمد	5
4	جناب جان علی خان جوئیجو	6
4	جناب نعیم علی محمد منشی	7
4	محترم مدنوین احمد	8
5	جناب محفوظ الرحمان پاشا	9

آڈٹ کمیٹی

بورڈ آف ڈائریکٹرز نے ”کوڈ آف کارپوریٹ گورننس“ کی پیروی کرتے ہوئے ایک آڈٹ کمیٹی قائم کی ہے جو درج ذیل ڈائریکٹرز پر مشتمل ہے۔ زیر جائزہ سال کے دوران آڈٹ کمیٹی کے پانچ (5) اجلاس منعقد ہوئے جن کی بالفاظ اجلاس حاضری کی تفصیلات درج ذیل ہیں:

نمبر شمار	ممبر کا نام	عہدہ	میٹنگز کی تعداد جن میں شرکت کی
1	جناب اسماعیل ایچ احمد	چیئر مین	5
2	جناب پرویز انعام	ممبر	4
3	بریگیڈیئر (ر) نوید نصر خان	ممبر	4
4	جناب نعیم علی محمد منشی	ممبر	4

ہیومن ریسورسز اور ریمونیریشن کمیٹی (HR & RC)

”کوڈ آف کارپوریٹ گورننس“ کے تقاضوں کے مطابق، آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی ہیومن ریسورسز اور ریمونیریشن کمیٹی (HR&RC) درج ذیل ممبران پر مشتمل ہے:

نمبر شمار	ممبر کا نام	عہدہ
1	جناب جان علی خان جوئیجو	چیئر مین
2	جناب پرویز انعام	ممبر
3	جناب سہیل انعام الہی	ممبر
4	جناب اسماعیل ایچ احمد	ممبر
5	محترم مدنوین احمد	ممبر
6	جناب محفوظ الرحمان پاشا	ممبر

ڈائریکٹرز کا معاوضہ

انٹرکٹروں کے معاوضے کا تعین کرنے کا طریقہ کار یقینی طور پر رسمی اور شفاف بنانے کے لیے کمپنی میں ایک پالیسی رائج ہے۔ بورڈ کے اجلاسوں میں شرکت کے لیے ڈائریکٹروں کو قابل ادا معاوضہ باضابطہ طے شدہ اور بورڈ کی طرف سے منظور شدہ ہے۔

کریڈٹ ریٹنگ

کمپنی کے شیئر ہولڈرز کے لیے یہ بات قابل اطمینان ہے کہ VIS نے 16 مئی 2022 کو آپ کی کمپنی کی کارکردگی کے تفصیلی تجزیے اور تشخیص کے بعد، کمپنی کی بطور ادارہ ریٹنگز کی بمطابق ذیل دوبارہ توثیق کی:

درمیانی سے طویل مدتی ریٹنگ: A-؛

• قلیل مدتی ریٹنگ: A-2 اور

• امکانات: مستحکم

آڈیٹرز

مالی سال 2021-22 کے لیے BDO ابراہیم، چارٹرڈ اکاؤنٹنٹس کو دستوری آڈیٹرز کی حیثیت سے دوبارہ مقرر کیا گیا تھا۔ ریٹائر ہونے والے آڈیٹرز نے اپنی اہلیت کی بنا پر مالی سال 2022-23 کے لیے کمپنی کے قانونی آڈیٹرز کی حیثیت سے کام کرنے کی رضامندی ظاہر کی ہے۔ بورڈ آف ڈائریکٹرز BDO ابراہیم، چارٹرڈ اکاؤنٹنٹس کی طرف سے کمپنی کے آڈیٹرز کے طور پر اپنی پوری مدت کے دوران برقرار رکھے گئے پروفیشنلزم، دیانت اور اخلاقیات کے بلند معیار کے لیے اپنا خراج تحسین ریکارڈ پر لانا چاہتا ہے۔

آڈٹ کمیٹی کی تجویز پر آپ کے ڈائریکٹرز آئندہ ہونے والے کمپنی کے آئندہ سالانہ جنرل اجلاس میں مشاہرہ کے تعین اور شیئر ہولڈرز کی منظوری کی شرط پر ریٹائر ہونے والے آڈیٹرز، BDO ابراہیم، چارٹرڈ اکاؤنٹنٹس کی کمپنی کے دستوری آڈیٹرز کے طور پر تقرری کی تجویز کی منظوری دے دی ہے۔

اعتراف خدمات

بورڈ آپ کی کمپنی کی انتظامی ٹیم اور اپنے اسٹاف کے ہر فرد کی محنت اور لگن کے لیے اپنی ستائش ریکارڈ پر لانا چاہتا ہے، جو کہ ان کا ایک چیلنجنگ معاشی ماحول میں کمپنی کے لیے مستقل مزاجی کے ساتھ انتہائی اطمینان بخش خدمات کی عکاسی کرتا ہے۔ بورڈ کے ممبران کمپنی کے شیئر ہولڈر کے نمائندوں کی حیثیت سے کمپنی کی انتظامیہ اور اسٹاف کو کمپنی کے کاروبار کے استحکام اور بہتر کارکردگی کے لئے اپنے مسلسل تعاون اور عزم کا یقین دلاتے ہیں۔ ہمیں یقین ہے کہ انتظامیہ اور اسٹاف کمپنی صارفین کو اسی تندہی کے ساتھ معیاری خدمات فراہم کریں گے جس کا مظاہرہ انہوں نے پچھلے سالوں میں کیا ہے جس سے آپ کی کمپنی کو پاکستان کے مالیاتی خدمات کے شعبے میں اپنی ساکھ کو مزید بہتر بنانے میں مدد ملے گی۔

بورڈ، سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP)، اسٹیٹ بینک آف پاکستان اور دیگر ریگولیٹری اداروں کے تعاون اور رہنمائی کا بھی اعتراف کرتا ہے۔ مالی خدمات کے شعبے میں ان کا کردار بہت اہم رہا ہے اور انہیں امید ہے کہ ان کا اس شعبے کو مضبوط کرنے کا عمل جاری رہے گا۔ بورڈ NBFI's اور مضاربہ ایسوسی ایشن آف پاکستان کا آپ کی کمپنی کے مفادات کے پیشہ ورانہ تحفظ میں مدد اور تعاون کا بھی شکر گزار ہے۔

آخر میں ہم اس سال کے دوران شیئر ہولڈرز، بینکرز، انویسٹرز اور دوسرے اسٹیک ہولڈرز کے قابل قدر تعاون کے شکر گزار ہیں اور آنے والے سالوں میں

ان کے ساتھ مزید مضبوط تعلقات استوار کرنے کے خواہاں ہیں۔

کارپوریٹ گورننس کے انتظامی اصولوں کی تعمیل سے متعلق بیانات

بورڈ آف ڈائریکٹرز نے کارپوریٹ گورننس کے انتظامی اصولوں کا جائزہ لیا ہے اور اپنے بہترین علم اور یقین کے مطابق درج ذیل بیانات کے صحیح ہونے کی تصدیق کرتا ہے:

☆ پاک گل فیزنگ کمپنی لمیٹڈ کے تیار کردہ مالی گوشوارے منصفانہ انداز میں اس کے معاملات کی کیفیت، آپریشنز کے نتائج، نقد بہاؤ اور ایکویٹی میں تبدیلی کو ظاہر کرتے ہیں۔

☆ کمپنی کے کھاتہ جات (بکس آف اکاؤنٹس) بالکل درست رکھنے کا اہتمام کیا گیا ہے۔

☆ مالیاتی گوشواروں کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیوں کا تسلسل کے ساتھ اطلاق کیا گیا ہے اور رپورٹ میں پیش کردہ اکاؤنٹنگ کے تخمینے کی بنیاد دانشمندانہ اور معقول فیصلے پر مبنی ہیں۔

☆ مالیاتی گوشواروں کی تیاری میں مالیاتی رپورٹنگ کے بین الاقوامی معیارات کو لاگو کیا گیا ہے جو کہ پاکستان میں قابل عمل ہوں، البتہ کسی انحراف کی صورت میں اس کی مناسب وضاحت کردی گئی ہے۔

☆ اندرونی کنٹرول کا نظام مستحکم ہے اور اس پر موثر طریقے سے عمل درآمد کیا جاتا ہے اور اس کی نگرانی کی جاتی ہے۔

☆ کمپنی کے کاروبار بخوبی جاری رکھنے کی صلاحیت کے حوالے سے کوئی قابل ذکر شک و شبہ نہیں۔

☆ کمپنی کے ڈائریکٹرز، CEO، COO، CFO، کمپنی سیکریٹری، انٹرل آڈٹ کے ہیڈ اور ان کے خاوند / بیوی اور بچوں نے کمپنی کے حصص کا لین دین نہیں کیا ہے۔

☆ لسٹنگ کے ضابطے کی دی گئی تفصیلات کے مطابق کارپوریٹ گورننس کے بہترین طریقوں میں سے کسی سے بھی انحراف نہیں کیا گیا۔

☆ انٹرل کنٹرول کا نظام اپنے ڈیزائن کے اعتبار سے مستحکم ہے اور اس کا موثر نفاذ اور نگرانی کی جاتی ہے۔

شیئر ہولڈنگ کی ساخت

مورخہ 30 جون 2022 کی شیئر ہولڈنگ کی ساخت جو کارپوریٹ گورننس کا تقاضا ہے وہ اس رپورٹ کے آخر میں منسلک ہے۔

اس سال کے کاروباری نتائج میں پچھلے سال کی نسبت نمایاں تبدیلیوں کو بشمول ان کی وجوہات کے، اس رپورٹ کے شروع میں اجاگر کیا گیا ہے۔

2017 تا 2022، پچھلے چھ سال کا اہم آپریٹنگ اور فنانشل ڈیٹا

2017	2018	2019	2020	2021	2022	اختتام سال 30 جون
						آپریٹنگ نتائج
172,211,411	200,380,195	243,892,047	265,444,647	206,094,628	255,230,917	آمدنی
153,030,380	178,154,663	218,862,571	245,567,212	191,485,801	228,427,917	لیز آمدنی
65,501,467	80,602,379	71,185,355	21,619, 234	28,015,220	167,687,787	قبل از ٹیکس منافع
47,067,209	69,368,392	64,378,140	10,894,248	24,566,337	146,979,027	بعد از ٹیکس منافع
30,121,776	47,682,251	78,012,463	114,025, 954	42,062,089	69,054,807	مالیاتی لاگت
-	(442,820)	(1,307,173)	(30,838,117)	3,625,701	(10,807,355)	ممکنہ لیز نقصان کے لئے مختص رقم
7.50%	10%	7.50%	2.50%	0.00%	10.00%	سفارش کردہ حصص منافع
						بیلنس شیٹ
581,720,337	632,104,936	664,814,384	655,727,867	675,435,528	796,707,062	شیر ہولڈرز ایکویٹی
89,229,496	90,504,204	90,504,204	90,504,204	90,504,204	90,504,204	قدر کے دوبارہ تعین کے بعد فاضل آمدنی
329,676,712	382,833,609	414,443,394	405, 412,115	424,678,818	487,847,306	محفوظ سرمایہ
-102,605,219	10,454,214	208,524,942	381,076,282	186,123,903	28,505,715	کاروباری سرمایہ
755,442,822	986,792,933	1,286,555,078	1,262,394,151	1,016,256,185	1,330,132,845	متبادلہ واجبات
37,499,999	20,833,331	49,999,996	29,166,665	95,833,329	133,333,324	طویل مدتی قرض
66,467,011	66,467,011	63,465,086	64,508,233	34,002,899	55,205,847	سرمایہ کاری
						مالیاتی شرح
1.61	1.66	1.55	1.46	2.00	1.92	آمدنی و خرچ کی شرح
1.86	2.73	2.54	0.43	0.97	5.79	فی شیر آمدنی
0.06	0.03	0.67	0.68	0.42	0.59	قرض / ایکویٹی شرح

0.86	1.01	1.34	1.53	1.29	1.04	موجودہ شرح
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ٹیکس، ڈیوٹیز، لیویز اور چارجز کی مد میں 5,455,432 روپے کی قانونی ادائیگی مورخہ 30 جون 2022 تک کمپنی پر واجب الادا ہے۔

اسٹاف پراویڈنٹ فنڈ (Provident Fund) میں سرمایہ کی مالیت 30 جون 2022 کو 6,895,345 روپے ہے۔ یہ نیشنل سیونگ ٹرسٹ کے رجسٹرڈ پونٹ میں سرمایہ کاری اور کمرشل بینک میں رکھے ہوئے فنڈز کا مجموعہ ہے۔

چیف ایگزیکٹو آفیسر

چیرمین

15 نومبر 2022

کراچی

**Statement of Compliance with Listed Companies (Code of Corporate Governance)
Regulations, 2019 (the Regulations)**

Pak-Gulf Leasing Company Limited (the Company)

For the year ended June 30, 2022

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are nine (9) as per the following categories, and includes Chief Executive who is a deemed director under Section 188 of the Companies Act 2017:
 - a. Male: Eight (8)
 - b. Female: One (1)
2. The composition of the Board of Directors (the Board) as on June 30, 2022 was as follows:

Independent Directors	Mr. Ismail H. Ahmed Mr. Jan Ali Khan Junejo Ms. Naeen Ahmed
Non-Executive Directors	Mr. Sohail Inam Ellahi Mr. Fawad Salim Malik Mr. Pervez Inam Brig. Naveed Nasar Khan (R) Mr. Naeem Ali Muhammad Munshi
Executive Director	Mr. Mahfuz-ur-Rahman Pasha*
Female Director	Ms Naeen Ahmed

*Chief Executive and deemed director

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the Regulations;
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.
9. Till June 30, 2022, following five (5) directors of the Company have acquired the required certificate of Directors Training Program while one (1) is exempt from this requirement:

Directors

- i. Mahfuz-ur-Rahman Pasha
 - ii. Pervez Inam
 - iii. Ismail H. Ahmed
 - iv. Fawad Salim Malik
 - v. Mr. Jan Ali Khan Junejo
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
 11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
 12. The Board has formed committees comprising of members given below:

a) Audit Committee

Mr. Ismail H Ahmed	Chairman
Mr. Naeem Ali Muhammad Munshi	Member
Mr. Pervez Inam	Member
Brig. Naveed Nasar Khan (Retd)	Member

b) HR and Remuneration Committee

Mr. Jan Ali Khan Junejo	Chairman
Mr. Sohail Inam Ellahi	Member
Mr. Pervez Inam	Member
Mr. Ismail H Ahmed	Member
Ms. Naeen Ahmed	Member
Mr. Mahfuz-ur-Rehman Pasha	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings of the committee were as per following:
 - a) Audit Committee: (four quarterly meetings)
 - b) HR and Remuneration Committee: (two meetings)
15. The Board has set up an effective internal audit function comprising of people who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all the requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. With regard to the Regulation 24, it is stated that the Chief Financial Officer is also working as the Company Secretary of the Company. The arrangement is in the best interest of the Company as it is cost effective. Moreover, the workload of the Company Secretary is not much as to justify a full time Company Secretary.

On behalf of the Board of Directors

SOHAIL INAM ELLAHI
Chairman of the Board

Karachi

Dated: November 15, 2022

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PAK-GULF LEASING COMPANY LIMITED ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Pak-Gulf Leasing Company Limited for the year ended June 30, 2022 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2022.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

S. No.	Paragraph reference	Description
(i)	19	that the Chief Financial Officer is also working as the Company Secretary of the Company.

KARACHI

DATED: NOVEMBER 15, 2022

UDIN: CR202210166H5Vgi7wWT



CHARTERED ACCOUNTANTS

Engagement Partner: Tariq Feroz Khan



ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

Shariah Review Report

for the year ended June 2022

Pak Gulf Leasing Company Limited (PGL) established an Islamic Finance Division on 1st March 2013. PGL developed and executed Shariah-complaint *Ijarah* and *Diminishing Musharakah* products.

This is to certify that PGL has followed the rules and regulations of Shariah in the implementation of *Ijarah* and *Diminishing Musharakah*. However, no new transaction was executed this year.

I would like to take this opportunity to offer praise to Almighty and seek His Guidance and Blessings and to express my best wishes for further progress, development and prosperity of Pak Gulf Leasing Company Limited and Islamic Finance.

Mufti Muhammad Ibrahim Essa

For and on behalf of

Alhamd Shariah Advisory Services (Pvt.) Limited

14th November 2022



Address: Flat 503, 8th Floor Ibrahim Residency, C.P & Berar Society, Karachi.



+92 322 2671867 |



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info@alhamdshariahadvisory.com



ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

نحمدہ ونصلی علی رسولہ الکریم

شریعہ ریویو رپورٹ

جون ۲۰۲۲

پاک گلف لیزنگ کمپنی لمیٹڈ نے یکم مارچ ۲۰۱۳ کو اپنا اسلامی مالیاتی ڈویژن قائم کیا۔ تحریری دستاویزات اور مشاورت کے بعد پاک گلف لیزنگ کمپنی لمیٹڈ نے اجارہ اور شرکت متناقصہ کی پراڈکٹس کا اجراء کیا۔

ہم اس بات کی تصدیق کرتے ہیں کہ پاک گلف لیزنگ کمپنی لمیٹڈ، اجارہ اور شرکت متناقصہ کے معاملات انجام دینے میں شریعت کے اصولوں کی پاسداری کرتی ہے۔ تاہم اس مالی سال میں اجارہ یا شرکت متناقصہ کا کوئی نیا معاملہ انجام نہیں دیا گیا۔

میں اس موقع پر اللہ تعالیٰ کا شکر بھی ادا کرتا ہوں اور اس سے مزید رہنمائی اور نعمتوں کا بھی طلبگار ہوں، ساتھ ہی ساتھ میں پاک گلف لیزنگ کمپنی لمیٹڈ اور اسلامک فنانس کی مزید ترقی اور خوشحالی کے لیے اپنی نیک تمناؤں کا بھی اظہار کرتا ہوں۔ والسلام

مفتی محمد ابراہیم عیسیٰ

الحمد شریعہ ایڈوائزری سروسز (پرائیوٹ) لمیٹڈ

۱۲ نومبر ۲۰۲۲



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INDEPENDENT AUDITOR'S REPORT ON AUDIT OF FINANCIAL STATEMENTS TO THE MEMBERS

Opinion

We have audited the annexed financial statements of Pak-Gulf Leasing Company Limited (the Company), which comprise the statement of financial position as at June 30, 2022, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of cash flows, the statement of changes in equity together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2022 and of the profit and other comprehensive income, its cash flows and the changes in equity for the year then ended.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matters:

Key audit matters	How the matter was addressed in our audit
Existence and valuation of Net Investment in Finance Lease (NIFL)	
As disclosed in note 9 to the financial statements, NIFL amounting to Rs. 1,870 million constitute 64% of the total assets of the company.	Our audit procedures included assessing and testing the design and operations of key controls over the recognition, valuation and existence of NIFL.

Key audit matters	How the matter was addressed in our audit
<p>As NIFL represents a significant element of the financial statements, a discrepancy in the existence or valuation of NIFL could cause the financial statements to be materially misstated which would also impact the Company's reported performance as the valuation of NIFL is the main driver of the performance of the Company.</p> <p>In view of significance of NIFL in relation to total assets and the financial statements as a whole, we have considered the existence and valuation of NIFL as a key audit matter.</p>	<p>We performed detailed assessment of the credit approval procedures of the leases sanctioned in accordance with Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and performed credit review on sample basis for identification of subjective provisioning. In addition, we have circulated confirmations to sampled lessees and checked repayment received from the same.</p> <p>We tested controls over addition, termination and periodic valuation of the lease portfolio and performed other substantive audit procedures on the year end balances. Moreover, we have reviewed documentation required in the lease files of the parties and verified income from financing during the year by recalculation performed through lease amortization schedule on a sample basis as per applicable standards.</p> <p>We also evaluated the adequacy of the overall disclosures in the financial statements in accordance with the applicable financial reporting framework.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement in this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) The statement of financial position, the statement of profit or loss, and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

Other Matter

The financial statements of the Company for the year ended June 30, 2021 were audited by another firm of chartered accountants who expressed an unmodified opinion thereon vide their report dated November 03, 2021.

The engagement partner on the audit resulting in this independent auditor's report is Tariq Feroz Khan.

KARACHI

DATED: 15 NOV 2022

UDIN: AR2022101662o9ZUuVIR

BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

We also provide the Board of Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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KARACHI

DATED: 15 NOV 2022

UDIN: AR2022101662o9ZUuVIR


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

PAK-GULF LEASING COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

		2022	2021
	Note	-----Rupees-----	
ASSETS			
CURRENT ASSETS			
Cash and bank balances	5	26,040,004	35,972,488
Short term investments	6	55,205,847	34,002,899
Other receivables	7	58,452,267	90,727,035
Ijarah rental receivables		-	278,062
Advance to employees		56,939	84,669
Prepayments		569,430	862,378
Current portion of net investment in finance lease	9	481,967,960	623,493,104
Current portion of long-term loans	10	88,418,588	36,309,466
TOTAL CURRENT ASSETS		710,711,035	821,730,101
NON-CURRENT ASSETS			
Net investment in finance lease	9	1,870,969,785	1,349,584,136
Long-term loans	10	147,442,165	81,892,476
Long-term security deposits		118,500	118,500
Investment property	12	164,736,000	154,440,000
Property, plant and equipment	13	3,505,151	4,256,389
Right of use assets	14	4,401,695	8,676,875
Intangible assets	15	-	39,928
TOTAL NON-CURRENT ASSETS		2,191,173,296	1,599,008,304
TOTAL ASSETS		2,901,884,331	2,420,738,405
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	16	114,394,748	29,875,067
Taxation - net	8	68,662,934	16,647,758
Unclaimed dividend		1,431,636	1,474,330
Accrued mark-up	17	20,353,808	16,403,208
Short term borrowings	18	251,625,391	353,831,937
Current portion of certificates of investment	19	267,908	23,297,675
Current portion of long-term loan	20	66,666,672	45,833,325
Current portion of lease liabilities	21	5,251,117	4,357,851
Current portion of long-term deposits	22	155,254,885	143,885,047
TOTAL CURRENT LIABILITIES		683,909,099	635,606,198
NON-CURRENT LIABILITIES			
Certificates of investment	19	336,799,557	167,826,029
Long-term loan	20	66,666,652	50,000,004
Lease liabilities	21	567,961	7,434,418
Long-term deposits	22	780,344,665	610,638,604
Deferred taxation	23	145,754,010	180,357,130
TOTAL NON-CURRENT LIABILITIES		1,330,132,845	1,016,256,185
TOTAL LIABILITIES		2,014,041,944	1,651,862,383
NET ASSETS			
FINANCED BY:			
Share capital	24	253,698,000	253,698,000
Statutory reserve	25	142,398,443	113,002,637
Reserve for issue of bonus shares	25	4,402,000	4,402,000
Surplus on revaluation of property, plant and equipment - net	25	90,504,204	90,504,204
Surplus on revaluation of FVOCI investments	25	2,334,900	2,896,362
		239,639,547	210,805,203
Revenue reserve			
Unappropriated profit	25	394,504,840	304,372,819
		887,842,387	768,876,022

The annexed notes from 1 to 45 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

PAK-GULF LEASING COMPANY LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2022

		2022	2021
	Note	-----Rupees-----	
INCOME			
Income from financing operations	27	228,427,580	191,485,801
Other operating income			
Return on investments	28	5,249,185	4,459,989
Other income	29	21,554,152	10,148,838
		<u>26,803,337</u>	<u>14,608,827</u>
		255,230,917	206,094,628
Administrative and operating expenses	30	(64,139,650)	(60,980,271)
Finance cost	31	(69,054,807)	(42,062,089)
		<u>(133,194,457)</u>	<u>(103,042,360)</u>
Operating profit before provisions		122,036,460	103,052,268
Reversal / (provision) for lease receivables held under litigation	7.3	56,458,682	(78,549,749)
Reversal / (provision) against insurance premium and other receivables	7.4	-	(113,000)
(Provision) / reversal for allowance for ECL	9.3	(10,807,355)	3,625,701
Profit before taxation		<u>167,687,787</u>	<u>28,015,220</u>
Taxation	32	(20,708,760)	(3,448,883)
Net profit for the year		<u><u>146,979,027</u></u>	<u><u>24,566,337</u></u>
Earnings per share - basic and diluted	33	<u><u>5.79</u></u>	<u><u>0.97</u></u>

The annexed notes from 1 to 45 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

PAK-GULF LEASING COMPANY LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

		2022	2021
	Note	-----Rupees-----	
Net profit for the year		146,979,027	24,566,337
Other comprehensive income for the year			
Items that may not be reclassified to statement of profit or loss in subsequent periods:			
Surplus on revaluation of FVOCI investments	6	<u>(561,462)</u>	<u>1,037,816</u>
Total comprehensive income for the year		<u><u>146,417,565</u></u>	<u><u>25,604,153</u></u>

The annexed notes from 1 to 45 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

PAK-GULF LEASING COMPANY LIMITED
STATEMENT OF CASHFLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
Note	-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	167,687,787	28,015,220
Adjustment for:		
Depreciation and amortization	5,426,633	7,905,846
Intangible written off	-	1,440,217
Finance cost	69,054,807	42,062,089
Amortisation of (discount) / premium on PIBs	-	-
Allowance / (Reversal) for ECL	10,807,355	(3,625,701)
Unrealize gain on revaluation of investment property	(10,296,000)	-
Provision against insurance premium and other receivables	-	113,000
Provision for lease receivables held under litigation	(56,458,682)	78,549,749
Gain on disposal of fixed assets	(20,900)	(15,000)
	18,513,213	126,430,200
Operating profit before working capital changes	186,201,000	154,445,420
Movement in working capital		
Decrease / (increase) in current assets		
Advance to employees	27,731	(73,169)
Accrued mark-up / return on investments	-	-
Other receivables	88,733,450	(161,003,954)
Ijarah rental receivables	278,062	-
Prepayments	292,948	1,582,299
	89,332,191	(159,494,824)
Increase / (decrease) in current liabilities		
Trade and other payables	82,815,901	(9,774,263)
Unclaimed dividend	(42,694)	(1,486,078)
	82,773,207	(11,260,341)
Cash (used in) / generated from operations	358,306,398	(16,309,745)
Finance cost paid	(65,104,207)	(85,874,072)
Tax paid - net	(4,113,426)	(1,887,122)
Long-term deposits- net	181,075,899	(128,020,754)
Long-term loans	(121,745,423)	(94,724,995)
Advance against Ijarah leasing	-	(633,942)
Net investment in finance lease	(414,032,449)	364,238,725
	(423,919,606)	53,097,840
Net cash (used in) / generated from operating activities	(65,613,208)	36,788,095
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(360,287)	(254,995)
Proceeds from disposal of fixed assets	15,000	15,000
Investments made during the year	-	-
Investments matured during the year	(21,764,410)	31,543,150
Net cash (used in) / generated from investing activities	(22,109,697)	31,303,155
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from / (redemption of) certificates of investment	145,943,761	(213,048,149)
Dividend paid		(6,342,450)
Lease payments	(3,446,790)	(3,446,790)
Proceeds from long-term loan	37,499,995	66,666,664
Net cash used in financing activities	179,996,966	(156,170,725)
Net increase / (decrease) in cash and cash equivalents	92,274,061	(88,079,475)
Cash and cash equivalents at the beginning of the year	(317,859,449)	(229,779,974)
Cash and cash equivalents at the end of the year	(225,585,388)	(317,859,449)

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The annexed notes from 1 to 45 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

PAK-GULF LEASING COMPANY LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2022

Share capital	Reserves					Total reserves	Total equity	
	Capital				Revenue			
	Statutory reserve	Reserve for issue of bonus shares	Surplus on revaluation of property, plant and equipment (note 25.3)	Surplus on revaluation of FVOCI investments	Unappropriated profit			
----- (Rupees) -----								
Balance as at July 01, 2020	253,698,000	108,089,370	4,402,000	90,504,204	1,858,546	291,062,199	495,916,319	749,614,319
Final dividend for the year ended June 30, 2020 @ Rs. 0.25 per share	-	-	-	-	-	(6,342,450)	(6,342,450)	(6,342,450)
Net profit for the year	-	-	-	-	-	24,566,337	24,566,337	24,566,337
Other comprehensive income	-	-	-	-	1,037,816	-	1,037,816	1,037,816
Total comprehensive income for the year	-	-	-	-	1,037,816	24,566,337	25,604,153	25,604,153
Transfer to statutory reserve	-	4,913,267	-	-	-	(4,913,267)	-	-
Balance as at June 30, 2021	253,698,000	113,002,637	4,402,000	90,504,204	2,896,362	304,372,819	515,178,022	768,876,022
Impact of Initial application of IFRS 9	-	-	-	-	-	(27,451,201)	(27,451,201)	(27,451,201)
Balance as at July 1 2021 (Adjusted)	253,698,000	113,002,637	4,402,000	90,504,204	2,896,362	276,921,618	487,726,821	741,424,821
Net profit for the year	-	-	-	-	-	146,979,027	146,979,027	146,979,027
Other comprehensive income	-	-	-	-	(561,462)	-	(561,462)	(561,462)
Total comprehensive income for the year	-	-	-	-	(561,462)	146,979,027	146,417,565	146,417,565
Transfer to statutory reserve	-	29,395,805	-	-	-	(29,395,805)	-	-
Balance as at June 30, 2022	253,698,000	142,398,443	4,402,000	90,504,204	2,334,900	394,504,840	634,144,386	887,842,386

The annexed notes from 1 to 45 form an integral part of these financial statements.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

PAK-GULF LEASING COMPANY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1. LEGAL STATUS AND NATURE OF BUSINESS

- 1.1 Pak-Gulf Leasing Company Limited ("the Company") was incorporated in Pakistan on December 27, 1994 as a public limited company under the repealed Companies Ordinance, 1984 (the Companies Act, 2017) and commenced its operations on September 16, 1996. The Company is principally engaged in the business of leasing and is listed on Pakistan Stock Exchange Limited.

The registered office of the Company is located at UNIBRO House, Ground and Mezzanine Floor, Plot No. 114, 9th East Street, Phase-1, Defence Housing Authority, Karachi and a branch office is located at Office No. 202, 2nd Floor, Divine Mega II, Opp Honda Point, New Airport Road, Lahore.

VIS Credit Rating Company Limited (VIS) has re-affirmed A- and A-2 ratings to the Company for long term and short term, respectively on May 16, 2022.

- 1.2 Regulation 4 of Non-Banking Finance Companies and Notified Entities Regulations, 2008 vide SRO 1002(I)/2015 dated October 15, 2015, requires an existing deposit taking leasing company to maintain, at all times, minimum equity of Rs. 500 million by November 25, 2016. The equity of the Company as at June 30, 2022 is Rs.796.003 million which is Rs. 296.003 million in excess of the minimum equity requirement.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprising of:

- International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017;
- Provisions of and directives issued under the Companies Act, 2017 along with Part VIIIA of the repealed Companies Ordinance, 1984;
- Islamic Financial Accounting Standard - 2 Ijarah (IFAS-2) issued by the Institute of Chartered Accountants of Pakistan; and
- Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations).

Where provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations differ from the IFRS Standards and IFAS-2, the provisions of and directives issued under the Companies Act, 2017, Part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that investment property is stated at fair value and certain investments which have been classified as fair value through OCI.

2.3 Functional and presentation currency

These financial statements are presented in Pakistani Rupee which is the Company's functional and presentation currency.

3. NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO THE

3.1 Standards, amendments and interpretations adopted during the current year

There are certain other new standards, interpretations and amendments that are mandatory for the Company's accounting period beginning on July 1, 2021, but are considered either to be not relevant or not to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements.

3.2 Standards not yet effective

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
Interest Rate Benchmark Reform ---- Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 1, 2021
IFRS 16 - Covid-19-Related Rent Concessions beyond June 30, 2022	April 1, 2021

Annual improvements to IFRS standards 2018 - 2020 Cycle	January 1, 2022
Fees in the '10 percent' Test for Derecognition of Financial Liabilities (Amendments to IFRS 9)	January 1, 2022

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IFRS 16 - 'Leases' (amendment)	April 1, 2021
Onerous Contracts—Cost of Fulfilling a Contract (Amendments to IAS 37)	January 1, 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)	January 1, 2022
Subsidiary as a First-time Adopter (Amendment to IFRS 1)	January 1, 2022
Taxation in Fair Value Measurements (Amendment to IAS 41)	January 1, 2022
References to the Conceptual Framework (Amendments to IFRS 3)	January 1, 2022
Classification of Liabilities as Current or Non-current (Amendments to IAS 1)	January 1, 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)	January 1, 2023
Disclosures of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023
Definition of Accounting Estimates (Amendments to IAS 8)	January 1, 2023
IAS 1 - 'Presentation of financial statements' (amendment)	January 1, 2023
IAS 8 - 'Accounting policies, change in accounting estimates and errors' (amendment)	January 1, 2023
IAS 12 - 'Income taxes' (amendment)	January 1, 2023
IAS 12 - 'Income Taxes' (amendment)	January 01, 2023

The following new standards and interpretations have been issued by the International Accounting Standard Board (IASB), which have not been adopted locally by the Securities and Exchange Commission of Pakistan (SECP):

IFRS 1 - First Time Adoption of International Financial Reporting Standards, and
IFRS 17 - Insurance Contracts

The above amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Change in accounting policy

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective for reporting period / year ending on or after June 30, 2021. However, on September 29, 2022 SECP has deferred the effective day for applicability for IFRS-9 for NBFC and Modarabas as reporting period/year ending on or after June 30, 2024. However, during the year the Company has early adopted IFRS 09 and has assessed and evaluated the impact which is set forth in the ensuing paragraphs.

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

4.1.1 Financial assets

Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

it is held within a business model whose objective is to hold assets to collect contractual cash

flows; and

its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Fund may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets:

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (ii) below). Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss.
Financial assets at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets as at July 1, 2021.

	IAS 39		IFRS 9	
	Classification	Measurement	Classification	Measurement
Cash and bank balances	Loan and receivables	35,972,488	Amortised Cost	35,972,488
Short term investments				
- National Investment (Unit) Trust	Available for Sale	4,090,562	FVOCI	4,090,562
- Government Securities (T-bills)	Held to maturity	29,912,337	Amortised Cost	29,912,337
Other receivables	Loan and receivables	90,727,035	Amortised Cost	90,727,035
Advance to employees	Loan and receivables	84,669	Amortised Cost	84,669
Net investment in finance lease (net of security deposit)	Loan and receivables	1,973,077,240	Amortised Cost	1,973,077,240
Long-term loans	Loan and receivables	81,892,476	Amortised Cost	81,892,476
Long-term security deposits	Loan and receivables	118,500	Amortised Cost	118,500
		<u>2,215,875,307</u>		<u>2,215,875,307</u>

- These financial assets classified as 'loans and receivables', 'held to maturity', have been classified as amortised cost. Financial assets classified as 'available for sale' have been classified as 'fair value through other comprehensive income'.

The adopted Expected Credit Loss ("ECL") model under IFRS 9 has an impact on the financial assets of the Company which are exposed to credit risk. Previously, the provision was determined in accordance with the requirements of the NBFC Rules. Upon adoption of ECL model under IFRS 9, the company while recognising provision for impaired assets has considered the amount which is higher of :

- the provision required under IFRS 9 using the Expected Credit Loss (ECL) model.
- the provision under NBFC rules and regulations

The impact of applying ECL approach on the opening and current year balances in the retained earnings is as follow:

	Note	Equity -----Rupees-----
Closing balance at June 30, 2021 as reported		768,876,022
Impact on recognition of ECL on NIFL:		
ECL under IFRS 9 for NIFL	9.3	(25,242,930)
ECL under IFRS 9 for Long term loan	10.2	(2,208,271)
		<u>(27,451,201)</u>
Adjusted opening balance as at July 01, 2021		<u><u>741,424,821</u></u>

The company applies the IFRS 9 simplified approach to measure ECL for Net investment in finance lease. A lifetime ECL is recorded in which there have been significant increase in credit risk (SICR) from the date of initial recognition and which are credit impaired at the reporting date. 12 months ECL is recorded which do not meet the criteria for SICR or "credit impaired" at the reporting date. To assess whether there is a significant increase in credit risk the company compares the risk of a default occurring on the asset at the reporting date with the risk of default at the date of initial recognition. The Company also considers reasonable and supportable forwarding-looking information in determination of ECL.

4.1.2 Transition

The Company has early adopted IFRS 09 and taken impact retrospectively by adopting modified retrospective approach and not restated comparative periods and any adjustments on adoption of IFRS 9 have been recognized in statement of changes in equity as on July 1, 2021.

4.1.3 Impairment

The company assesses on a forward-looking basis the Expected Credit Losses (ECL) associated with its investments carried at amortised cost and FVOCI. The Company recognises a loss allowance for such losses at each reporting date. The measurement of ECL reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

4.2 Cash and cash equivalents

Cash in hand and at banks are carried at cost. For the purpose of cash flow statement, cash and cash equivalents consist of cash in hand and at bank and short term borrowing. Short term borrowings are classified as current liabilities unless the Company has unconditional right to defer settlement of the liability for at least twelve months after the statement of financial position date.

4.3 Net investment in finance lease

Leases where the Company transfers substantially all the risks and rewards incidental to ownership of the leased assets to the lessees, are classified as finance leases.

The leased asset is derecognised and the present value of the lease receivable (net of initial direct costs for negotiating and arranging the lease) is recognised on the statement of financial position. The difference between the gross lease receivables and the present value of the lease receivables is recognised as unearned finance income.

A receivable is recognised at an amount equal to the present value of the minimum lease payments under the lease agreements, including guaranteed residual value, if any.

Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned finance income. The finance income is

recognised in the statement of profit or loss on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivables.

Initial direct costs incurred by the Company in negotiating and arranging finance leases are added to finance lease receivables and are recognised as an expense in the statement of profit or loss over the lease term on the same basis as the finance lease income.

4.4 Provision for potential lease losses and provision for terminated leases

Calculating the provision for net investment in finance lease losses and provision for terminated leases is subject to numerous judgments and estimates. In evaluating the adequacy of provision, management considers various factors, including the requirements of the NBFC Regulations, the nature and characteristics of the obligor, current economic conditions, credit concentrations, historical loss experience and delinquencies. Lease receivables are charged off, when in the opinion of management, the likelihood of any future collection is believed to be minimal.

4.5 Long-term loans

Long-term loans are initially recognized at cost being the fair value of consideration. Subsequently, these are carried at amortized cost using the effective interest rate method.

4.6 Other receivables

Other receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts at the year end. Balances considered bad and irrecoverable are written off when considered irrecoverable.

4.7 Property, plant and equipment

Owned assets

These are stated at cost less accumulated depreciation and impairment losses, if any.

Subsequent costs are included in the assets' carrying amounts or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other subsequent costs including repairs and maintenance are charged to the statement of profit or loss as and when incurred.

Depreciation is charged using the straight line method, whereby the depreciable amount of an asset is written off over its estimated useful life at the rates specified in note 13.1 after taking into account residual value, if any. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each statement of financial position date.

Depreciation on additions is charged from the month the assets are put to use while no depreciation is charged in the month in which the assets are disposed off.

Gains or losses on sale of assets are charged to the statement of profit or loss in the period in which they arise, except that the related surplus on revaluation of assets (net of deferred taxation) is transferred directly to unappropriated profit.

Ijarah assets

Rental from Ijarah arrangements are recognised in the statement of profit or loss on accrual basis as and when rentals become due. Costs including depreciation, incurred in earning the Ijarah income are recognised as expense. Initial direct costs incurred specifically to earn revenues from Ijarah are recognised as an expense in the period in which they are incurred. Assets leased out are depreciated over the period of lease term on straight line basis and at the end of the Ijarah term the leased assets are transferred to the lessee.

4.8 Right of use assets and related

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The extension and termination options are incorporated in determination of lease term only when the Company is reasonably certain to exercise these options.

Leases are recognised as right-of-use assets and corresponding liabilities at the date at which the leased assets are available for use by the Company.

Right-of-use assets are initially measured based on the initial amount of the lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentive received. The right -of-use assets are depreciated on a straight line method over the lease term as this method most closely reflects the expected pattern of consumption of future economic benefits. The carrying amount of the right-of-use asset is reduced by impairment losses, if any. At transition, the Company recognised right to use assets equal to the present value of lease payments.

The lease liabilities are initially measured at the present value of the remaining lease payments at the commencement date, discounted using the interest rate implicit in the lease, or if that rate

cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Lease payment includes fixed payments with annual increments. The lease liabilities are subsequently measured at amortised cost using the effective interest rate. Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in the statement of profit or loss.

4.9 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. These are amortised using the straight line method reflecting the pattern in which the economic benefits of the asset are consumed by the Company as mentioned in note 15.

4.10 Investment property

Investment property is stated at fair value, which reflects market conditions at the reporting date. Gain or loss on remeasurement of investment property at fair value is recognised in statement of other comprehensive income. Fair value is evaluated annually by an independent professional valuer. Investment property is derecognised when either it has been disposed off or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised as income in the period of derecognition. Maintenance and normal repairs are charged to the statement of profit or loss as and when incurred. Major renewals and improvements are capitalised and the assets so replaced, if any, are retired. Gains or losses on disposal of investment property, if any, are included in income currently.

4.11 Surplus on revaluation of property, plant and equipment

Any revaluation increase arising on the revaluation of property, plant and equipment is recognised in other comprehensive income and presented under capital reserves as "Surplus on revaluation of property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in statement of profit or loss, in which case the increase is credited to statement of profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation is charged to statement of

profit or loss to the extent that it exceeds the balance, if any, held in the surplus on revaluation of property, plant and equipment relating to a previous revaluation of that asset. The surplus on revaluation to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit.

4.12 Borrowings

Loans and borrowings are recorded at the proceeds received. Finance cost are accounted for on accrual basis and are shown as interest and mark-up accrued to the extent of the amount remaining unpaid.

Short term borrowings are classified as current liabilities unless the Company has unconditional right to defer settlement of the liability for at least twelve months after the statement of financial position date.

4.13 Trade and other payables

Liabilities for trade and other payables are recognised initially at fair value and subsequently carried at amortised cost.

4.14 Provisions

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each statement of financial position date and are adjusted to reflect the current best estimate.

4.15 Taxation

Current

Provision for current taxation is based on taxable income at current rates of taxation after taking into account all tax credits and tax rebates available, if any. The tax charge as calculated above is compared with turnover tax under Section 113 and Alternate Corporate Tax under Section 113C of the Income Tax Ordinance, 2001, and whichever is higher is provided for in the financial statements.

Deferred

Deferred tax is recognised, using the statement of financial position liability method, on all

temporary differences arising between the tax base of assets and liabilities and their carrying amount. Deferred tax is calculated using the rates that are expected to apply to the period when the differences reverse based on the tax rates that have been enacted at the statement of financial position date.

Deferred tax liabilities are recognised for all taxable temporary differences, whereas deferred tax assets are recognised for all deductible temporary differences. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits or taxable temporary differences will be available against which the asset can be utilised.

4.16 Defined contribution plan

The Company operates an approved defined contributory provident fund for all its permanent employees. Monthly contributions are made to the Fund equally by the Company and the employees in accordance with the rules of the Fund. The contributions are recognised as employee benefit expense when they become due.

4.17 Employees' compensated absences

The Company accounts for the liability in respect of employees' compensated absences in the year in which these are earned. Provision to cover the obligations under the scheme is made based on the current leave entitlements of the employees and by using the current salary level of the employees.

4.18 Foreign currency transactions

Foreign currency transactions during the year are recorded at the exchange rates approximating those ruling on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange which approximate those prevailing on the balance sheet date. Gains and losses on translation are taken to income currently. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

4.19 Revenue recognition

The Company follows the finance lease method in accounting for the recognition of lease income. Under this method, the unearned lease income i.e. the excess of gross lease rentals and the estimated residual value over the cost of the leased assets is deferred and taken to income over the term of the lease contract, so as to produce a systematic return on the net investment in

finance lease. Unrealised lease income is held in suspense account, where necessary, in accordance with the requirements of the NBFC Regulations. Documentation charges, late payment charges and processing fee are taken to income when realised.

In accordance with the requirements of IFAS 2 - Ijarah, rental from Ijarah arrangements are recognised in the statement of profit or loss on accrual basis as and when rentals become due.

Dividend income is recognised when the Company's right to receive dividend is established.

Return on investments, bank deposits and long-term loans is recognised on time proportion basis using the effective interest method.

Capital gain or losses arising on sale of investments are taken to income in the period in which they arise.

4.20 Earnings per share

The Company presents basic and diluted earnings per share (EPS) for its shareholders. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares, if any.

4.21 Dividend distribution and transfer between reserves

Dividend distribution (including stock dividend) to the Company's shareholders and transfer between reserves, except appropriations which are required under law, are recognised in the financial statements in the period in which such dividends are declared or such transfers between reserves are made.

4.22 Segment reporting

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. All operating segments' results are reviewed regularly by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

The Company has two primary business segments, namely, Vehicle Auto Finance and the Finance Lease.

Financing, revenue, expenses and income taxes that are managed on an overall basis are not allocated to any segment.

Assets, liabilities and capital expenditures that are directly attributable to segments have been assigned to them. Those assets and liabilities, which cannot be allocated to a particular segment on a reasonable basis, are reported as unallocated corporate assets and liabilities.

4.23 Accounting estimates and judgements

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making judgments about carrying values of assets and liabilities. The estimates and underlying assumptions are reviewed on an ongoing basis.

The estimates and judgments that have a significant effect on the financial statements are in

- i) Classification and valuation of investments (notes 4.1 and 6).
- ii) Provision for current and deferred taxation (notes 4.15, 8 and 32).
- iii) Classification and provision of net investment in finance lease (notes 4.3, 4.4 and 9).
- v) Measurement of investment property. (note 4.10 and 12).
- vi) Determination and measurement of right of use assets and lease liabilities (4.8, 14 and 21)

5. CASH AND BANK BALANCES	Note	2022 -----Rupees-----	2021
Cash in hand		106,002	100,633
Balances with banks:			
in current accounts		23,123,314	21,348,338
in saving accounts	5.1	2,810,688	14,523,517
		<u>26,040,004</u>	<u>35,972,488</u>

5.1 These carry mark-up rates ranging from 6.5% to 12.75% (2021: 5.5% to 6.5%) per annum.

6. SHORT TERM INVESTMENTS

FVOCI:

54,300 units of National Investment Unit Trust		4,090,562	3,052,746
Fair value loss		(561,462)	1,037,816
	6.3	<u>3,529,100</u>	<u>4,090,562</u>

Amortised Cost:

Government Securities (T-bills)	6.1	<u>51,676,747</u>	<u>29,912,337</u>
		<u>55,205,847</u>	<u>34,002,899</u>

6.1 These represent Market Treasury Bills having cost of Rs. 51.677 (2021: Rs.29.544) million and interest accrued thereon of Rs.0.340 (2021: Rs.0.368) million. The effective rate of return 14.53% (2021: 7.22%) per annum. These will mature on July 28, 2022 & Sep 08, 2022.

6.2 As per the requirements of Regulation 14 (4) (i) of the NBFC Regulations, the Company is required to invest at least 15% of its outstanding funds raised through issue of Certificates of Investments in Government Securities. As at June 30, 2022, the Company had 15.33% of its funds raised through Certificates of Investments invested in Market Treasury Bills.

6.3 The company has invested 54,300 units (2020: 54,300 units) in National Investment Unit Trust (NIT).

7. OTHER RECEIVABLES

Considered good

Insurance premium and other receivables		12,202,267	6,986,834
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Considered doubtful

Lease receivable held under litigation	7.1	108,825,138	214,454,564
Insurance premium and other receivables	7.2	2,592,451	2,592,451
Provision against lease receivable held under litigation	7.3	(49,895,239)	(106,353,921)
Provision against insurance premium and other receivables	7.4	(2,592,451)	(2,592,451)
Mark-up and other income held in suspense against lease receivable held under litigation		(12,679,899)	(24,360,442)
		<u>46,250,000</u>	<u>83,740,201</u>
		<u>58,452,267</u>	<u>90,727,035</u>

- 7.1 These include net investment in finance lease terminated by the Company and where litigation has commenced.
- 7.2 These include insurance premium receivable from lessees for leased assets insured on their behalf by the Company. These amounts are recovered either during the lease period or on termination / maturity of the lease contracts.

2022 **2021**
Note -----**Rupees**-----

7.3 Provision against lease receivable held under litigation

Balance as at July 01,	106,353,921	49,636,528
Charge for the year - net	-	78,549,749
Write off for the year	-	(21,832,356)
Reversal for the year	(56,458,682)	-
Balance as at June 30,	7.3.1 <u>49,895,239</u>	<u>106,353,921</u>

7.3.1 The provision is net of forced sale value benefit amounting to Rs. 46.25 (2021: Rs. 83.75) million.

7.4 Provision against insurance premium and other receivables

Balance as at July 01,	2,592,451	2,479,451
Charge for the year	-	113,000
Balance as at June 30,	<u>2,592,451</u>	<u>2,592,451</u>

8. TAXATION - NET

Balance as at July 01,	(16,647,758)	3,107,203
Advance tax paid	3,296,717	1,887,118
Charge for the year	32 <u>(55,311,893)</u>	<u>(21,642,079)</u>
Balance as at June 30,	<u>(68,662,934)</u>	<u>(16,647,758)</u>

9. NET INVESTMENT IN FINANCE LEASE - SECURED

Net investment in finance lease	9.1	2,352,937,745	1,973,077,240
Current portion shown under current assets		(481,967,960)	(623,493,104)

1,870,969,785	1,349,584,136
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9.1 Net investment in finance lease

2022			
	Not later than one year	Later than one year and less than five years	Total
Note	-----Rupees-----		
Minimum lease payments	584,569,500	1,263,559,867	1,848,129,367
Residual value of leased assets	155,254,885	780,344,665	935,599,550
Gross investment in finance lease	739,824,385	2,043,904,532	2,783,728,917
Unearned lease income	(178,821,044)	(172,934,747)	(351,755,791)
Mark-up held in suspense	(15,022,979)	-	(15,022,979)
	(193,844,023)	(172,934,747)	(366,778,770)
	545,980,362	1,870,969,785	2,416,950,147
Allowance for ECL	(64,012,402)	-	(64,012,402)
Net investment in finance lease	481,967,960	1,870,969,785	2,352,937,745
2021			
	Not later than one year	Later than one year and less than five years	Total
	-----Rupees-----		
Net investment in finance lease			
Minimum lease payments	651,033,449	843,535,926	1,494,569,375
Residual value of leased assets	143,885,047	610,638,604	754,523,651
Gross investment in finance lease	794,918,496	1,454,174,530	2,249,093,026
Unearned lease income	(128,950,546)	(104,590,394)	(233,540,940)
Mark-up held in suspense	(12,634,388)	-	(12,634,388)
	(141,584,934)	(104,590,394)	(246,175,328)
	653,333,562	1,349,584,136	2,002,917,698
Provision for potential lease losses	(29,840,458)	-	(29,840,458)
Net investment in finance lease	623,493,104	1,349,584,136	1,973,077,240

- 9.2 These represent interest free security deposits received against lease contracts and are refundable / adjustable at the expiry / termination of the respective leases. Security deposits ranging from 1% to 89% (2021: 2% to 89%) of the lease amount and are obtained at the time of entering into the lease arrangement. The amount is net of security deposit held against matured leases amounting to Rs. 324.18 (2021: Rs. 264.401) million. In certain leases, the Company has security, in addition to leased assets, in the form of mortgages / corporate / personal guarantees of associated companies / directors.

	2022	2021
9.3 Allowance for ECL	Note -----Rupees-----	

Balance as at July 01,	29,840,458	33,466,159
Adjustment under opening equity	25,242,930	-
Charge for the year	8,929,014	(3,625,701)
Balance as at June 30,	<u>64,012,402</u>	<u>29,840,458</u>

9.4 The Company has entered into various lease agreements for periods ranging from one to seven years. The rate of return implicit in the leases ranges from 9.31% to 31.46% (2021: 9.31% to 31.46%) per annum. Net investment in finance lease includes Rs. 107.66 (2021: Rs. 74.992) million which has been placed under non-performing status.

9.5 Lease rentals received / receivable during the year aggregate to Rs. 782.41(2021: Rs. 717.570) million.

	2022	2021
Note	-----Rupees-----	

10. LONG-TERM LOANS - SECURED

Auto-finance loan	10.1	239,947,365	118,201,942
Current portion shown under current assets		(88,418,588)	(36,309,466)
Allowance for ECL	10.2	<u>(4,086,612)</u>	<u>-</u>
		<u>147,442,165</u>	<u>81,892,476</u>

10.1 Represents auto-finance loan provided to various customers. The mark-up on these loans ranging from 11.57% to 20.54% per annum. These loans are repayable within a period of 1 to 5 years and are secured against lien of the vehicles.

10.2 Allowance for ECL

Balance as at July 01,	-	-
Adjustment in opening equity	2,208,271	-
Charge for the year	1,878,341	-
Balance as at June 30,	<u>4,086,612</u>	<u>-</u>

11. DIMINISHING MUSHARAKAH RECEIVABLE

Considered doubtful	18,788,999	18,788,999
Provision for doubtful receivables	<u>(18,788,999)</u>	<u>(18,788,999)</u>
	<u>-</u>	<u>-</u>

11.1 During the year ended June 30, 2019, the Company filed litigation for claim of receivable due under the diminishing musharakah arrangement from Muhandaseen (Pvt) Limited. However, as a

matter of prudence, full provision has been made against the receivable.

12. INVESTMENT PROPERTY

Office premises	12.1	<u>164,736,000</u>	<u>154,440,000</u>
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12.1 Fair value measurement

Fair value measurement of investment property is based on the valuations carried out by an independent valuer M/s. Akbani and Javed Associates as on June 30, 2022 on the basis of market value.

Fair value measurement of revalued premises is based on assumptions considered to be level 2 inputs.

12.2 Valuation techniques used to derive level 2 fair values - investment property

Fair value of investment property has been derived using a sales comparison approach. The valuation is considered on the basis of location, needs of the buyer, the overall prevailing market situation and other consideration associated with such type of property. The most significant input in this valuation approach is price / rate per square feet in particular locality. This valuation is considered to be level 2 in fair value hierarchy due to significant observable inputs used in the valuation.

12.3 Forced sale value - investment property

Forced sales value of investment property as at June 30, 2022 amounted to Rs. 140.025 million (2021: Rs. 131.274 million).

12.4 Location and area - investment property

The investment property is located at Office No. 125, 126 and 127, 1st Floor, The Forum, Plot No. G-20, Block 9, Clifton, Karachi and its total covered area is 5148 sq.ft.

13. PROPERTY, PLANT AND EQUIPMENT	Note	2022	2021
		-----Rupees-----	
Fixed assets	13.1	3,505,151	4,256,389
		<u>3,505,151</u>	<u>4,256,389</u>

13.1 Fixed Assets

Description	Leasehold improvements	Furniture and fittings	Office equipment	Vehicles	Computer equipment	Total

Year ended June 30, 2022

Net carrying value basis

Opening - net book value (NBV)	-	958,140	118,096	2,914,771	265,382	4,256,389
Additions	-	26,120	274,900	-	59,267	360,287
Depreciation charge	-	(172,157)	(131,331)	(671,558)	(136,479)	(1,111,525)
Closing - NBV	-	812,103	261,665	2,243,213	188,170	3,505,151

Gross carrying value basis

Cost / revalued amount	1,168,197	3,227,151	3,874,308	11,260,933	5,131,666	24,662,255
Accumulated depreciation	(1,168,197)	(2,415,048)	(3,612,643)	(9,017,720)	(4,943,496)	(21,157,104)
NBV	-	812,103	261,665	2,243,213	188,170	3,505,151

Year ended June 30, 2021

Opening - NBV	-	1,131,427	622,099	3,586,330	153,618	5,493,474
Additions	-	-	-	-	254,995	254,995
Depreciation charge	-	(173,287)	(504,003)	(671,559)	(143,231)	(1,492,080)
Closing - NBV	-	958,140	118,096	2,914,771	265,382	4,256,389

Cost / revalued amount	1,168,197	3,201,031	3,680,658	11,260,933	5,072,399	24,383,218
Accumulated depreciation	(1,168,197)	(2,242,891)	(3,562,562)	(8,346,162)	(4,807,017)	(20,126,829)
NBV	-	958,140	118,096	2,914,771	265,382	4,256,389

Depreciation rate % per annum	5	10	20	20	33.33	
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13.2 The cost of fully depreciated assets which are still in use as at June 30, 2022 is Rs. 18.813 million and written down value is NIL (2021: Rs. 14.08 million and written down value is Rs. 0.93 million).

		2022	2021
	Note	-----Rupees-----	
14. RIGHT OF USE ASSETS			
Opening NBV		8,676,875	12,909,967
Depreciation charged during the year		(4,275,180)	(4,233,092)
Closing NBV		<u>4,401,695</u>	<u>8,676,875</u>
14.1 This represent registered office located in Phase-1, DHA, Karachi and branch office located at New Airport Road, Lahore.			
15. INTANGIBLE ASSETS			
Computer software	15.1	-	39,928
		<u>-</u>	<u>39,928</u>
16. TRADE AND OTHER PAYABLES			
Accrued liabilities		3,984,994	3,043,736
Sundry creditors - lease		96,741,273	20,252,921
Security deposit		2,393,820	2,393,820
Other liabilities		11,274,661	4,184,590
		<u>114,394,748</u>	<u>29,875,067</u>
17. ACCRUED MARK-UP			
Certificates of investment		7,987,244	12,882,374
Short term borrowings		10,264,189	2,586,792
Long-term loan		2,102,375	934,042
		<u>20,353,808</u>	<u>16,403,208</u>
18. SHORT TERM BORROWINGS - SECURED			
Running finances	18.1	<u>251,625,391</u>	<u>353,831,937</u>
18.1 The Company has availed short-term running finance facilities from various commercial banks having sanctioned limit amounting to Rs. 530 million (2021: Rs. 550 million). The facilities carry mark-up at the rate ranging from 3 months KIBOR plus 1% per annum to 3 months KIBOR plus 2.5% per annum. The facilities are secured by hypothecation charge over leased assets and lease rentals receivable.			
19. CERTIFICATES OF INVESTMENT - UNSECURED			
Certificates of Investment	19.1	337,067,465	191,123,704
Current portion shown under current liabilities		(267,908)	(23,297,675)
		<u>336,799,557</u>	<u>167,826,029</u>
19.1 These represent certificates of investment issued by the Company for periods ranging from 12 to 36 (2021: 12 to 36) months and carry mark-up rates ranging from 10% to 13.50% (2021: 7.25% to 9%) per annum.			
20. LONG-TERM LOAN - SECURED			
Long-term loan	20.1	133,333,324	95,833,329
Current portion shown under current liabilities		(66,666,672)	(45,833,325)
		<u>66,666,652</u>	<u>50,000,004</u>
20.1 The Company has arranged long term finance facilities from Allied Bank Limited amounting to Rs.350 million (2021: Rs.250 million) for a tenure of three years which is repayable in quarterly instalments. The			

final maturity date of the facilities is on November 25, 2024. The facility carries mark-up at the rate of 3 month KIBOR plus 1% per annum and is secured by hypothecation charge over specific leased assets and lease rentals receivable.

	Note	2022	2021
		-----Rupees-----	
21. LEASE LIABILITIES			
Opening balance		11,792,269	15,239,126
Finance cost incurred during the year		693,356	1,313,015
Lease payments during the year		(4,962,767)	(4,759,872)
Closing balance		5,819,078	11,792,269
Current portion shown under current liabilities		(5,251,117)	(4,357,851)
		<u>567,961</u>	<u>7,434,418</u>

21.1 These liabilities are computed at incremental borrowing rates 12.51% of the Company and over a term of 5 years.

22. LONG-TERM DEPOSITS

Long-term deposits	9.2	935,599,550	754,523,651
Current portion shown under current liabilities		(155,254,885)	(143,885,047)
		<u>780,344,665</u>	<u>610,638,604</u>

23. DEFERRED TAXATION

Taxable temporary difference arising in respect of:

Surplus on revaluation of property, plant and equipment	36,966,507	36,966,506
Unrealised gain on revaluation of investment property	8,957,520	5,971,680
Accelerated tax depreciation	929,085	877,723
Net investment in finance lease	140,246,951	183,657,734
	<u>187,100,064</u>	<u>227,473,643</u>

Deductible temporary difference arising in respect of:

Provision against potential lease losses	(19,748,714)	(8,653,733)
Provision against diminishing musharakah receivable	(5,448,810)	(5,448,810)
Provision against other receivables	(15,221,430)	(31,594,448)
RoU assets and lease liabilities- net	(411,041)	(903,464)
Provision for leave encashment	(516,058)	(516,059)
	<u>(41,346,053)</u>	<u>(47,116,513)</u>
	<u>145,754,011</u>	<u>180,357,130</u>

23.1 Movement in temporary differences is as follows:

	Balance as at July 1, 2021	Recognised in statement of profit or loss	Balance as at June 30, 2022
	----- (Rupees) -----		
Surplus on revaluation of			
Property, plant and equipment	36,966,506	-	36,966,507
Unrealised gain on revaluation of			
Investment property	5,971,680	2,985,840	8,957,520
Accelerated tax depreciation	877,723	51,362	929,085
Net investment in finance lease	183,657,734	(43,410,783)	140,246,951

RoU assets and lease liabilities- net	(903,464)	492,423	(411,041)
Provision against potential lease losses	(8,653,733)	(11,094,981)	(19,748,714)
Provision against diminishing musharakah receivable	(5,448,810)	(12)	(5,448,810)
Provision against other receivables	(31,594,448)	16,373,018	(15,221,430)
Provision for leave encashment	(516,059)	-	(516,058)
	<u>180,357,130</u>	<u>(34,603,133)</u>	<u>145,754,011</u>

24. SHARE CAPITAL

Authorised share capital

2022	2021		2022	2021
-----Shares-----			-----Rupees-----	
50,000,000	50,000,000	Ordinary shares of Rs. 10 each	500,000,000	500,000,000
10,000,000	10,000,000	Ordinary shares of Rs. 10 each fully paid in cash	100,000,000	100,000,000
2,369,800	2,369,800	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	23,698,000	23,698,000
13,000,000	13,000,000	Ordinary shares of Rs. 10 each issued as fully paid right shares	130,000,000	130,000,000
25,369,800	25,369,800		253,698,000	253,698,000

- 24.1 As at June 30, 2022, 10,617,438 (2021: 10,617,438) shares of the Company were held by related parties.

25. RESERVES	Note	2022	2021
		-----Rupees-----	
Capital reserves			
Statutory reserve	25.1	142,398,443	113,002,637
Reserve for issue of bonus shares		4,402,000	4,402,000
Surplus on revaluation of property, plant and equipment - net	25.2 & 25.3	90,504,204	90,504,204
Surplus on revaluation of investments	6 & 25.2	2,334,900	2,896,362
		239,639,547	210,805,203
Revenue reserve			
Unappropriated profit		394,504,840	304,372,819
		634,144,386	515,178,022

- 25.1 In accordance with the requirements of NBFC Regulations, an amount of not less than 20 percent of after tax profits shall be transferred to statutory reserve till such time when the reserve equals the amount of paid-up capital, and thereafter a sum of not less than 5 percent shall be transferred. Consequently, during the current year the Company has transferred an amount of Rs. 29.39 (2021: Rs. 4.91) million to its statutory reserve.
- 25.2 In accordance with the requirements of NBFC Rules, surplus on revaluation of property, plant and equipment and surplus on revaluation of investments shall not be included in equity, therefore, the amount of equity shown in note 1.2 to these financial statements does not include the said surplus.
- 25.3 Represents surplus on revaluation in respect of office premises at The Forum Mall, Karachi as disclosed in note 12.1.

26. CONTINGENCIES AND COMMITMENTS

26.1 Contingencies

- 26.1.1 Alternate Corporate Tax charge (ACT) for the tax years 2021, 2020, 2019, 2018, 2017, 2016, 2015 and 2014 amounted to Rs. 4.763 million, Rs 3.675 million, Rs. 12.101 million, Rs. 13.702 million, Rs. 11.135 million, Rs. 8.702 million, Rs. 9.233 million and Rs. 8.100 million respectively, which is Rs. 2.178 mullion, Rs. 0.357 million, Rs 9.265 million, Rs. 11.411 million, Rs. 9.464 million, Rs. 7.127 million, Rs. 8.005 million and Rs. 7.140 million in excess of the minimum tax payable under section 113 of the Income Tax Ordinance, 2001 against each

The Company had filed a Civil Suit against the levy and payment of ACT on its accounting income in the Honorable High Court of Sindh. The Court on December 29, 2014 had issued an order restraining the Federal Board of Revenue (FBR) from taking any coercive action against the Company. Later on, on the basis of directions given by the Honorable Supreme Court of Pakistan vide its order dated June 27, 2018 in another case to the effect that civil suits shall only be entertained by the High Courts if 50% of the tax calculated by the tax authorities is deposited upfront by the filers of the civil suit, Management was advised by its legal advisor to withdraw the civil suit and to file a constitution petition instead as and when a notice for the recovery of the tax demand is received from the FBR. Accepting the legal advice of the legal advisor, the Company has withdrawn the civil suit and is waiting to be served by a recovery notice by the FBR. As soon as the notice is received the management will file a Constitutional Petition in the Court. Since, in view of the legal advice, the management is confident that it will get the desired relief from the Court, no provisioning for the disputed tax demand has been made in these financial statements amounting to Rs. 54.714 (2021: 52.769) million.

- 26.1.2 On June 15, 2016, Order-in-original No.551 of 2016 was passed by the Assistant Commissioner of Sindh Revenue Board (SRB) under section 23, 43(2)(3)(6d) of the Sindh Sales Tax on Services Act, 2011(the Act) whereby sales tax demand of Rs. 3.199 million was created against the Company for tax years 2012 to 2015. This demand included sum of Rs. 2.353 million being sales tax charged on income from gross Ijarah operations. An appeal was filed against the said Order before the Commissioner (Appeals) of the SRB by the Company under section 57 of the Act which was not allowed by the Commissioner (Appeals) vide his Order-in-Appeal No. 20 of 2017 dated March 01, 2017. An appeal against the order of Assistant Commissioner of SRB and Order-in-Appeal of Commissioner (Appeals) was also filed by the Company in the Appellate Tribunal (AT) of SRB under section 61 of the Act which has also been dismissed by the AT of SRB vide its Order in Appeal No. AT-18/2017 dated April 30, 2020 on the ground that Ijarah transactions being undertaken by the Company are similar to an operating lease arrangement in which sales tax is chargeable on gross Ijarah rental amount. The Company has filed a reference against the order of the AT of SRB in the Court and on June 10, 2019 has been granted a stay against the recovery of the disputed tax demand by the SRB. The Management, based on legal advice, is confident that the outcome of the appeal will be in the Company's favor. Accordingly, no provision has been made in respect of the matter.

26.1.2 The cumulative financial impact of income tax related contingencies is estimated to be Rs. 57.913 (2021: Rs. 55.968) million.

		2022	2021
	Note	-----Rupees-----	
26.2	Commitments		
Commitments for finance lease		4,399,999	30,892,550
Commitments for auto-finance loan		16,777,000	-
27.	INCOME FROM FINANCING OPERATIONS		
Finance income		187,764,487	164,271,192
Gain on lease termination		4,828,104	9,995,170
Late payment charges		4,058,626	4,260,283
Processing fee		2,345,025	1,771,100
Documentation charges		1,253,465	814,800
Income from Ijarah operations	27.1	-	2,538,830
Mark-up on auto-finance loan		28,177,873	7,834,426
		<u>228,427,580</u>	<u>191,485,801</u>
27.1	Income from Ijarah Operations		
Ijarah rental income		-	2,538,830
		<u>-</u>	<u>2,538,830</u>
28.	RETURN ON INVESTMENTS		
Profit on bank accounts	28.1	1,362,431	1,963,883
Interest on Government Securities		3,812,445	2,426,059
Dividend income	28.2	74,309	70,047
		<u>5,249,185</u>	<u>4,459,989</u>
28.1	This amount includes Rs. 163 (2021: Rs. 727) which represents profit on bank accounts maintained with Islamic banks.		
28.2	This amount represents dividend income earned during the year on investment in NI(U)T (National Investment Unit Trust).		
29.	OTHER INCOME		
Gain on disposal of fixed assets		20,900	15,000
Rental income on investment property		11,234,992	10,133,838
Unrealized gain on investment property		10,296,000	-
Others		2,260	-
		<u>21,554,152</u>	<u>10,148,838</u>

	Note	2022 -----Rupees-----	2021
30. ADMINISTRATIVE AND OPERATING EXPENSES			
Salaries, allowances and benefits	30.1	38,636,275	36,224,725
Depreciation and ammortisation	13.1, 13.2 & 14	5,426,633	7,905,846
Intangible written off		-	1,440,217
Legal and professional charges		3,595,326	2,943,722
Postage, subscription, printing and stationary		1,913,604	2,230,926
Vehicle running and maintenance		2,349,980	1,751,820
Office utilities		2,172,318	1,709,364
Insurance		1,578,572	1,492,753
Office repair and general maintenance		1,081,841	1,045,407
Workers' Welfare Fund		3,422,200	725,000
Auditors' remuneration	30.2	525,000	525,000
Advertisement		728,742	207,240
Travelling and conveyance		70,870	94,715
General		2,638,289	2,683,536
		<u>64,139,650</u>	<u>60,980,271</u>
30.1 Salaries and benefits include Rs. 0.659 (2021: Rs. 0.653 million) in respect of staff provident fund.			
30.2 Auditors' remuneration			
Audit fee		335,000	335,000
Review report on the statement of compliance with the Code of Corporate Governance		50,000	50,000
Half yearly review fee		115,000	115,000
Out of pocket expenses		25,000	25,000
		<u>525,000</u>	<u>525,000</u>
31. FINANCE COST			
Mark-up/Interest on			
Short term borrowings		29,014,773	11,972,089
Certificate of investment		25,255,655	22,057,377
Long-term loan		13,908,110	6,576,799
Lease liabilities		693,356	1,313,015
Bank charges		182,913	142,809
		<u>69,054,807</u>	<u>42,062,089</u>

		2022	2021
	Note	-----Rupees-----	
32. TAXATION			
Current	32.1	55,311,893	21,642,079
Deferred	23.1	(34,603,133)	(18,193,196)
		<u>20,708,760</u>	<u>3,448,883</u>

32.1 Effective tax rate reconciliation

	2022		2021	
	Effective tax rate (%)	Rupees	Effective tax rate (%)	Rupees
Profit before taxation		<u>167,687,787</u>		<u>28,015,220</u>
Tax at current rate	29%	48,629,458	29%	8,124,414
Tax effect of income subject to FTR	0%	(12,261)	0%	(11,558)
Tax effect of rebates / credits	-0.4%	(651,630)	-25%	(6,919,146)
Others	-16.3%	(27,256,808)	8%	2,255,173
	12%	<u>20,708,760</u>	12%	<u>3,448,883</u>

	2022	2021
	-----Rupees-----	
33. EARNINGS PER SHARE - BASIC AND DILUTED		
Profit after taxation attributable to ordinary shareholders	<u>146,979,027</u>	<u>24,566,337</u>
	-----Shares-----	
Weighted average number of outstanding ordinary shares	<u>25,369,800</u>	<u>25,369,800</u>
	-----Rupee(s)-----	
Earnings per share - basic and diluted	<u>5.79</u>	<u>0.97</u>

33.1 There were no convertible dilutive potential ordinary shares in issue as at June 30, 2022.

34. CASH AND CASH EQUIVALENTS		2022	2021
		-----Rupees-----	
Cash and bank balances		26,040,004	35,972,488
Short term borrowings	18.1	(251,625,391)	(353,831,937)
		<u>(225,585,388)</u>	<u>(317,859,449)</u>

34.1 Reconciliation of movement of liabilities to cash flows arising from financing activities.

Description	Liabilities			Total
	Long term Loan	Certificates of investment	Lease Payments	
Balance as at July 1, 2021	95,833,329	191,123,704	11,792,269	298,749,302
Receipt of long term loan	100,000,000	-	-	100,000,000
Repayment of long term loan	(62,500,005)	-	-	(62,500,005)
Issued and rolled forward during the year	-	219,656,946	-	219,656,946
Payments made during the year	-	(73,713,185)	(3,446,790)	(77,159,975)
	<u>37,499,995</u>	<u>145,943,761</u>	<u>(3,446,790)</u>	<u>179,996,966</u>
Balance as at June 30, 2022	<u>133,333,324</u>	<u>337,067,465</u>	<u>8,345,479</u>	<u>478,746,268</u>

35. REMUNERATION OF CHIEF EXECUTIVE OFFICER DIRECTORS AND EXECUTIVES

	2022		
	Chief Executive Officer	Directors	Executives
	-----Rupees-----		
Managerial remuneration	1,920,004	-	7,518,978
Housing and utilities	1,055,997	-	4,231,418
Reimbursable expenses	176,601	-	835,663
Provident Fund contribution	-	-	140,432
Directors' meeting fees	-	1,280,000	-
	<u>3,152,602</u>	<u>1,280,000</u>	<u>12,726,491</u>
Number of persons	<u>1</u>	<u>8</u>	<u>4</u>

	2021		
	Chief Executive Officer	Directors	Executives
	-----Rupees-----		
Managerial remuneration	1,749,683	-	7,107,502
Housing and utilities	962,317	-	4,181,363
Reimbursable expenses	101,118	-	531,737
Provident Fund contribution	-	-	214,928
Directors' meeting fees	-	1,560,000	-
	<u>2,813,118</u>	<u>1,560,000</u>	<u>12,035,530</u>
Number of persons	<u>1</u>	<u>8</u>	<u>4</u>

35.1 The executives of the Company are also entitled to free use of Company owned and maintained vehicles.

36 TRANSACTIONS AND BALANCES WITH RELATED PARTIES

The Company has related party relationships with the companies with common directorship, directors of the Company, key management personnel and employee's contribution plan.

Contributions to the provident fund are made in accordance with the terms of employment. Salaries and allowances of the key management personal are in accordance with the terms of employment. Other transactions are on agreed terms.

36.1 Transactions during the year

Nature of transaction	Nature of relationship	% of share holding in the company	2022	2021
			-----Rupees-----	
Certificates of investment				
Issued during the year	Board of Directors and their relatives		210,000,000	-
Rolled over during the year	Board of Directors and their relatives		167,000,000	167,100,000
Repaid during the year	Board of Directors and their relatives		50,000,000	382,174,853
Finance cost	Board of Directors and their relatives		25,255,655	16,217,728
Net investment in finance lease				
Rental received				
MACPAC Films Limited	Associated undertaking (Common Directorship)		20,207,128	22,733,019
Office rent				
Rent paid during the year				
Unibro House	Associated undertaking (Common Directorship)		4,858,656	4,519,684
Dividend				
Dividend paid during the year				
Board members	Board of Directors and their relatives		-	3,773,475
Unibro Industries Limited	Associated undertaking (Common Directorship)		-	374,946
Mid-East Agencies (Pvt) Limited	Associated undertaking (Common Directorship)		-	321,749
Staff retirement benefit fund				
Contribution for the year	Provident fund		659,250	652,953
Short Term Borrowing				
Unibro Industries Limited - Loan Obtained	Associated undertaking (Common Directorship)		120,000,000	-
Unibro Industries Limited - Loan Repaid	Associated undertaking (Common Directorship)		120,000,000	-

36.2 Year ended balances

Certificates of investment (COI)	Board of Directors and their relatives	54%	336,341,436	167,100,000
Accrued mark-up	Board of Directors and their relatives	54%	26,870,685	9,951,390
Net investment in finance lease	Associated undertaking (Common Directorship) and Board of Directors and their relatives		-	20,207,128
Security deposits	Associated undertaking (Common Directorship) and Board of Directors and their relatives		-	10,075,000

37 **DEFINED CONTRIBUTION PLAN**

	2022		2021	
	-----Rupees-----	%	-----Rupees-----	%
Mutual Funds	530,903	100	615,371	100

The management, based on the un-audited financial statements of the Fund, is of the view that the investments out of provident fund have been made in accordance with the provisions of Section 218 of the Companies Act, 2017 and Rules formulated for this purpose.

38. **FINANCIAL INSTRUMENTS BY CATEGORY**

Particulars	2022			
	Amortised Cost	FVTPL	FVTOCI	Total
	----- Rupees-----			
Financial assets				
Cash and bank balances	26,040,004	-	-	26,040,004
Short term investments	51,676,747	-	3,529,100	55,205,847
Other receivables	58,452,267	-	-	58,452,267
Ijarah rental receivables	-	-	-	-
Advance to employees	56,939	-	-	56,939
Net investment in finance lease (net of security deposit)	1,417,338,195	-	-	1,417,338,195
Long-term loans	235,860,753	-	-	235,860,753
Long-term security deposits	118,500	-	-	118,500
	1,789,543,405	-	3,529,100	1,793,072,505

Particulars	2022			
	Amortised Cost	FVTPL	FVTOCI	Total
	----- Rupees-----			
Financial liabilities				
Trade and other payables	10,364,810	-	-	10,364,810
Unclaimed dividend	1,431,636	-	-	1,431,636
Accrued mark-up	20,353,808	-	-	20,353,808
Short term borrowings	251,625,391	-	-	251,625,391
Certificate of investment	337,067,465	-	-	337,067,465
Long-term loan	133,333,324	-	-	133,333,324
Lease liabilities	5,819,078	-	-	5,819,078
	759,995,512	-	-	759,995,512

Particulars	2021			
	At Amortised Cost	FVTPL	FVTOCI	Total
	----- Rupees-----			
Financial assets				
Cash and bank balances	35,972,488	-	-	35,972,488
Short term investments	29,912,337	-	4,090,562	34,002,899
Other receivables	90,727,034	-	-	90,727,034
Ijarah rental receivables	278,062	-	-	278,062
Advance to employees	84,669	-	-	84,669
Net investment in finance lease (net of security deposit)	1,218,553,589	-	-	1,218,553,589
Long-term loans	118,201,942	-	-	118,201,942
Long-term security deposits	118,500	-	-	118,500
	1,493,848,621	-	4,090,562	1,497,939,183

Particulars	2021			
	At Amortised Cost	FVTPL	FVTOCI	Total
----- Rupees-----				
Financial liabilities				
Trade and other payables	5,483,379	-	-	5,483,379
Unclaimed dividend	1,474,330	-	-	1,474,330
Accrued mark-up	16,403,208	-	-	16,403,208
Short term borrowings	353,831,937	-	-	353,831,937
Certificate of investment	191,123,704	-	-	191,123,704
Long-term loan	95,833,329	-	-	95,833,329
Lease liabilities	8,345,412	-	-	8,345,412
	<u>672,495,299</u>	<u>-</u>	<u>-</u>	<u>672,495,299</u>

39. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to the following risks:

39.1 Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the Company's income or the value of its holdings of financial instruments. The Company manages the market risk by monitoring exposure on marketable securities by following internal risk management policies and regulations laid down by SECP. As of June 30, 2022, the Company is mainly exposed to interest rate risk only.

39.1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of changes in market interest rates relates primarily to the Company's fixed and floating rates financial assets and financial liabilities, Fixed rates financial assets as at June 30, 2022 aggregate to Rs. 67.mmm (2021: Rs. 67.482) million and financial liabilities Rs. 404.mmm (2021: Rs. 404.172) million.

Floating rates financial assets as at June 30, 2022 aggregate to Rs. 2,373.445 (2021: Rs. 2,373.244) million and financial liabilities Rs. 388.991 (2021: Rs. 388.991) million. The maturity analysis and risk rate profile of the Company's significant interest bearing financial instruments are as follows:

2022							
Effective mark-up / interest / profit rate	Total	Exposed to mark-up / interest / profit rate risk				Not exposed to mark-up / interest / profit rate risk	
		Upto three months	More than three months and upto one year	More than one year and upto five years	Over five years		
Percent (%)	------(Rupees)-----						
Financial assets							
Cash and bank balances	6.5 - 12.75	25,934,002	2,810,688	-	-	-	23,123,314
Short term investments	12.53	55,205,847	51,676,747	-	-	-	3,529,100
Other receivables - net	-	58,452,267	-	-	-	-	58,452,267
Ijarah rental receivables	-	-	-	-	-	-	-
Advance to employees	-	56,939	-	-	-	-	56,939
Net investment in finance lease (net of security deposit)	9.31 - 31.46	1,848,129,367	139,246,369	445,323,131	1,263,559,867	-	-
Long-term loans	11.57 - 20.54	235,860,753	22,821,714	65,596,874	147,442,165	-	-
Long-term deposits	12.00 - 21.95	118,500	-	-	-	-	118,500
		2,223,757,675	216,555,518	510,920,005	1,411,002,032	-	85,280,120
Financial liabilities							
Trade and other payables	-	10,364,810	-	-	-	-	10,364,810
Unclaimed dividend	-	1,431,636	-	-	-	-	1,431,636
Accrued mark-up	-	20,353,808	-	-	-	-	20,353,808
Certificates of investment	12.50 - 13.50	337,067,465	-	267,908	336,799,557	-	-
Short term borrowings	16.16 - 17.66	251,625,391	251,625,391	-	-	-	-
Lease Liabilities	12.51 - 13.15	5,819,078	-	-	5,819,078	-	-
Long-term loan	10.03 - 13.65	133,333,324	16,666,668	50,000,004	66,666,652	-	-
		759,995,512	268,292,059	50,267,912	409,285,287	-	32,150,254
On balance sheet gap		1,463,762,163	(51,736,541)	460,652,093	1,001,716,745	-	53,129,866
2021							
Effective mark-up / interest / profit rate	Total	Exposed to mark-up / interest / profit rate risk				Not exposed to mark-up / interest / profit rate risk	
		Upto three months	More than three months and upto one year	More than one year and upto five years	Over five years		
Percent (%)	------(Rupees)-----						
Financial assets							
Cash and bank balances	5.5 - 6.5	35,871,855	14,523,517	-	-	-	21,348,338
Short term investments	7.22	34,002,889	29,912,337	-	-	-	4,090,552
Other receivables - net	-	90,727,034	-	-	-	-	90,727,034
Ijarah rental receivables	-	278,062	-	-	-	-	278,062
Advance to employees	-	84,559	-	-	-	-	84,559
Net investment in finance lease (net of security deposit)	9.31 - 31.46	1,218,553,591	108,821,324	370,786,735	738,945,532	-	-
Long-term loans	11.57 - 20.54	118,201,642	5,392,441	28,837,644	83,971,557	-	-
Long-term deposits	-	118,500	-	-	-	-	118,500
		1,504,546,596	164,867,080	387,459,972	823,905,085	-	128,314,459
Financial liabilities							
Trade and other payables	-	5,483,379	-	-	-	-	5,483,379
Unclaimed dividend	-	1,474,330	-	-	-	-	1,474,330
Accrued mark-up	-	16,403,208	-	-	-	-	16,403,208
Certificates of investment	7.25 - 9.00	191,123,704	-	23,297,675	167,826,029	-	-
Short term borrowings	8.45 - 9.95	353,326,819	353,326,819	-	-	-	-
Lease Liabilities	12.51 - 13.15	7,434,418	-	-	7,434,418	-	-
Long-term loan	9.59	95,833,337	12,500,000	33,333,333	50,000,004	-	-
		662,345,018	357,493,486	27,208,772	258,290,365	-	19,352,395
On balance sheet gap		842,201,578	(192,626,406)	360,251,200	565,614,720	-	108,962,064

a) Sensitivity analysis for variable rate instruments

In case of increase / decrease in KIBOR by 100 basis points on the last pricing date with all other variables held constant, the profit before tax for the year ended June 30, 2022 would have been lower/higher by Rs. 16.990 (2021: 16.347) million.

39.2 Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company, resulting in a financial loss to the Company. The risk is generally limited to principal amounts and accrued interest thereon, if any, and arises principally from the Company's receivables from customers and balances with the banks. The Company attempts to control credit risk by monitoring credit exposures, limiting transactions with specific counter parties, and continually assessing the credit worthiness of counter parties.

The maximum exposure to credit risk at the reporting date is:

	2022	2021
	----- (Rupees) -----	
Cash and bank balances	26,040,004	35,972,488
Other receivables	58,452,267	90,727,035
Ijarah rental receivables	-	278,062
Investments	3,529,100	4,090,562
Advance to employees	56,939	84,669
Net investment in finance lease	1,417,338,195	1,218,553,589
Long-term loans	239,947,365	118,201,942
Long-term security deposits	118,500	118,500
	<u>1,745,482,370</u>	<u>1,468,026,847</u>

Aging analysis of net investment in finance lease and long-term loans

	2022		
	Net Investment in Finance Lease	Long-term Loans	Total
	----- (Rupees) -----		
Past due			
Neither over due not impaired	2,027,623,969	238,337,001	2,265,960,970
less than 90 days	251,022,826	1,610,364	252,633,190
more than 90 days	138,303,352	-	138,303,352
Gross carrying amount	<u>2,416,950,147</u>	<u>239,947,365</u>	<u>2,656,897,512</u>
Less: ECL & Specific Provisions made	(64,012,402)	(4,086,812)	(68,099,214)
Net Carrying amount	<u>2,352,937,745</u>	<u>235,860,553</u>	<u>2,588,798,298</u>

	2021		
	Net Investment in Finance Lease	Long-term Loans	Total
	----- (Rupees) -----		
Past due			
Neither over due not impaired	1,926,055,296	118,201,942	2,044,257,238
less than 90 days	1,870,731	-	1,870,731
more than 90 days	74,991,671	-	74,991,671
Gross carrying amount	<u>2,002,917,698</u>	<u>118,201,942</u>	<u>2,121,119,640</u>
Less: NBFC based provisions made	(29,840,458)	-	(29,840,458)
Net Carrying amount	<u>1,973,077,240</u>	<u>118,201,942</u>	<u>2,091,279,182</u>

The analysis below summarises the credit rating quality of Company's banks balances as at June 30, 2022:

Ratings	2022	2021
AAA	76.34%	57.37%
AA+	18.43%	34.20%
AA	2.63%	0.00%
AA-	1.70%	6.03%
A+	0.00%	0.00%
A	0.79%	2.32%
A-	0.11%	0.08%
	<u>100.00%</u>	<u>100.00%</u>

39.2.1 Concentration of credit risk - gross investment in finance lease

The Company seeks to manage its credit risk through diversification of financing activities to avoid undue concentration of credit risk with individuals or groups of customers in specific locations or business sectors.

The management of the Company follows two sets of guidelines. Internally, it has its own operating policy duly approved by the Board of Directors whereas externally it adheres to the regulations issued by the SECP. The operating policy defines the extent of exposures with reference to a particular sector or group of leases.

	2022		2021	
	Rupees	Percentage	Rupees	Percentage
Energy, oil and gas	504,335,700	16.23%	673,057,502	26.78%
Steel, engineering and auto	420,581,472	13.53%	117,730,414	4.68%
Electrical goods	393,091,741	12.65%	12,269,343	0.49%
Transport and communication	308,313,294	9.92%	163,627,850	6.51%
Chemical, fertilizer and pharmaceuticals	250,846,239	8.07%	189,195,146	7.53%
Textile	174,471,969	5.61%	5,497,376	0.22%
Food, tobacco and beverage	172,929,053	5.56%	367,108,140	14.61%
Hotels	150,740,565	4.85%	34,999,269	1.39%
Construction	122,568,843	3.94%	229,456,436	9.13%
Health care	107,445,589	3.46%	119,793,865	4.77%
Advertisement	80,136,065	2.58%	13,114,534	0.52%
Services	11,398,301	0.37%	110,044,112	4.38%
Packaging	8,759,989	0.28%	1,231,912	0.05%
Education	5,174,547	0.17%	1,860,868	-
Media & Entertainment	806,184	0.03%	51,392,772	2.04%
Others	683,509	0.02%	423,114,545	16.83%
	<u>3,107,914,974</u>	<u>100%</u>	<u>2,513,494,083</u>	<u>100%</u>

39.2.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulty in raising funds to meet commitments associated with financial liabilities as they fall due.

The Company manages liquidity risk by following the internal guidelines of the management such as monitoring maturities of financial liabilities, continuously monitoring its liquidity position and ensuring availability of the funds by maintaining flexibility in funding by keeping committed credit lines available, under both normal and stress conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Maturity analysis for financial liabilities

2022						
	Total	Contractual cash flow	Upto three months	More than three months and upto one year	More than one year and upto five years	Over five years
	(Rupees)					
Trade and other payables	-	10,364,810	10,364,810	-	-	-
Unclaimed dividend	1,431,636	1,431,636	1,431,636	-	-	-
Accrued mark-up	20,353,808	20,353,808	10,264,189	10,089,619	-	-
Certificates of investment	337,067,465	337,067,465	-	267,908	336,799,557	-
Short term borrowing	251,625,391	251,625,391	251,625,391	-	-	-
Lease Liabilities	5,819,078	5,819,078	1,125,173	3,375,519	1,318,386	-
Long-term loan	133,333,324	133,333,324	16,666,664	49,999,992	66,666,668	-
	<u>749,630,702</u>	<u>759,995,512</u>	<u>291,477,863</u>	<u>63,733,039</u>	<u>404,784,611</u>	<u>-</u>

2021						
	Total	Contractual cash flow	Upto three months	More than three months and upto one year	More than one year and upto five years	Over five years
	(Rupees)					
Trade and other payables	5,483,379	5,483,379	5,483,379	-	-	-
Unclaimed dividend	1,474,330	1,474,330	1,474,330	-	-	-
Accrued mark-up	16,403,208	16,403,208	3,520,834	2,887,495	9,994,879	-
Certificates of investment	191,123,704	240,313,476	-	27,242,588	213,070,888	-
Short term borrowing	353,831,937	353,831,937	353,831,937	-	-	-
Lease Liabilities	11,792,269	11,792,269	1,229,901	3,689,702	6,872,666	-
Long-term loan	95,833,329	95,833,329	12,500,000	33,333,325	50,000,004	-
	<u>675,942,156</u>	<u>725,131,928</u>	<u>378,040,381</u>	<u>67,153,110</u>	<u>279,938,437</u>	<u>-</u>

40. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The carrying values of the financial assets and financial liabilities approximate their fair values except for investments held to maturity.

The Company's accounting policy on fair value measurements is discussed in note 4.

The Company measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

		June 30, 2022						
		Carrying amount				Fair value		
		Fair value through other comprehensive income	Amortized cost	Fair value through profit or loss	Total	Level 1	Level 2	Total
Note		(Rupees)						
On-balance sheet financial instruments								
Financial assets measured at fair value								
	6	3,529,100	-	-	3,529,100	3,529,100	-	3,529,100
	12	164,736,000	-	-	164,736,000	-	164,736,000	164,736,000
		168,265,100	-	-	168,265,100	3,529,100	-	168,265,100
Financial assets not measured at fair value								
	6	-	51,676,747	-	51,676,747	51,676,747	-	51,676,747
	5	-	26,040,004	-	26,040,004	26,040,004	-	26,040,004
	7	-	58,452,267	-	58,452,267	58,452,267	-	58,452,267
		-	-	-	-	-	-	-
		-	56,939	-	56,939	56,939	-	56,939
		-	569,430	-	569,430	569,430	-	569,430
	9	-	1,870,969,785	-	1,870,969,785	1,870,969,785	-	1,870,969,785
	10	-	147,442,165	-	147,442,165	147,442,165	-	147,442,165
		-	118,500	-	118,500	118,500	-	118,500
		-	2,155,325,837	-	2,155,325,837	2,155,325,837	-	2,155,325,837
Financial liabilities not measured at fair value								
	16	-	114,394,748	-	114,394,748	114,394,748	-	114,394,748
	17	-	20,353,808	-	20,353,808	20,353,808	-	20,353,808
	18	-	251,625,391	-	251,625,391	251,625,391	-	251,625,391
	19	-	336,799,557	-	336,799,557	336,799,557	-	336,799,557
	20	-	66,666,652	-	66,666,652	66,666,652	-	66,666,652
	22	-	780,344,665	-	780,344,665	780,344,665	-	780,344,665
		-	1,570,184,821	-	1,570,184,821	1,570,184,821	-	1,570,184,821
		June 30, 2021						
		Carrying amount				Fair value		
		Fair value through other comprehensive income	Amortized cost	Fair value through profit or loss	Total	Level 1	Level 2	Total
Note		(Rupees)						
On-balance sheet financial instruments								
Financial assets measured at fair value								
	6	4,090,562	-	-	4,090,562	4,090,562	-	4,090,562
	12	154,440,000	-	-	154,440,000	-	154,440,000	154,440,000
		158,530,562	-	-	158,530,562	4,090,562	-	158,530,562
Financial assets not measured at fair value								
	6	-	29,912,337	-	29,912,337	29,912,337	-	29,912,337
	5	-	35,972,488	-	35,972,488	35,972,488	-	35,972,488
	7	-	90,727,035	-	90,727,035	90,727,035	-	90,727,035
		-	278,062	-	278,062	278,062	-	278,062
		-	84,669	-	84,669	84,669	-	84,669
		-	862,378	-	862,378	862,378	-	862,378
	9	-	1,349,584,136	-	1,349,584,136	1,349,584,136	-	1,349,584,136
	10	-	81,892,476	-	81,892,476	81,892,476	-	81,892,476
		-	118,500	-	118,500	118,500	-	118,500
		-	1,589,432,081	-	1,589,432,081	1,589,432,081	-	1,589,432,081
Financial liabilities not measured at fair value								
	16	-	29,875,067	-	29,875,067	29,875,067	-	29,875,067
	17	-	16,403,208	-	16,403,208	16,403,208	-	16,403,208
	18	-	353,831,937	-	353,831,937	353,831,937	-	353,831,937
	19	-	167,826,029	-	167,826,029	167,826,029	-	167,826,029
	20	-	50,000,004	-	50,000,004	50,000,004	-	50,000,004
	22	-	610,638,604	-	610,638,604	610,638,604	-	610,638,604
		-	1,228,574,849	-	1,228,574,849	1,228,574,849	-	1,228,574,849

As at June 30, 2022, fair value through OCI were valued using level 1 inputs.

Transfer between levels of the fair value hierarchy are recognised at the end of the reporting year during which the changes have occurred. However, there were no transfers between levels of fair value hierarchy during the year.

41. CAPITAL RISK MANAGEMENT

The Company's prime objective when managing capital is to safeguard its ability to continue as a going concern in order to provide adequate returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce its cost of capital.

Consistent with others in the industry, the Company monitors capital on the basis of the gearing ratio (total liabilities/total equity). The Company finances its operations through equity, borrowings and management of its working capital with a view to maintaining an appropriate mix between various sources of finance to minimise liquidity risk. Taken as a whole, the Company's risk arising from financial instruments is limited as there is no significant exposure to price and cash flow risk in respect of such instruments.

	2022	2021
	-----Rupees-----	
Total debt	727,845,258	649,134,382
Total equity	887,842,387	700,779,769
Total capital employed	<u>1,615,687,645</u>	<u>1,349,914,151</u>
Gearing ratio	<u>45.05%</u>	<u>48.09%</u>

42. SEGMENT INFORMATION

The Company has two primary reporting segments namely, "Conventional finance" and "Vehicle finance". Other operations, which are not deemed by management to be sufficiently significant to disclose as separate items and do not fall into the above segment categories, are reported under "Others".

	2022			
	(Rupees)			
	Conventional	Vehicle finance	Others	Total
Segment revenue	187,764,487	28,177,873	39,288,557	255,230,917
Administrative and operating expenses	49,177,487	3,999,264	7,540,699	60,717,450
Segment result	138,587,000	24,178,609	31,747,858	194,513,467
Provision for Workers' Welfare Fund				(3,422,200)
Reversal / Provision for doubtful debts				45,651,327
Unallocated expenses				
Result from operating activities				236,742,594
Finance cost				(69,054,807)
Provision for taxation				(20,708,760)
Profit for the year				146,979,027
<u>Other Information</u>				
Segment assets	2,437,997,672	235,860,753	224,463,817	2,898,322,242
Unallocated assets				3,562,089
Total assets				2,901,884,331
Segment liabilities	1,032,340,823	-	8,212,898	1,040,553,721
Unallocated liabilities				(152,711,335)
Total liabilities				887,842,386
Capital expenditure	-	-	-	-
Depreciation	-	-	5,386,705	5,386,705
Unallocated capital expenditure				4,275,180
Unallocated depreciation				1,111,525

	2021			
	(Rupees)			
	Conventional	Vehicle finance	Others	Total
Segment revenue	188,946,971	2,539,557	14,608,100	206,094,628
Administrative and operating expenses	108,134,773	2,696,551	6,800,657	117,631,981
Segment result	80,812,198	(156,994)	7,807,443	88,462,647
Provision for Workers' Welfare Fund				(725,000)
Reversal / Provision for Litigation				(17,660,337)
Unallocated expenses				-
Result from operating activities				70,077,309
Finance cost				(42,062,089)
Provision for taxation				(3,448,883)
Profit for the year				24,566,337
Other Information				
Segment assets	2,181,761,217	659,339	232,955,985	2,415,376,541
Unallocated assets				5,361,864
Total assets				2,420,738,405
Segment liabilities	1,032,343,623	-	10,197,582	788,962,661
Unallocated liabilities				862,899,722
Total liabilities				1,651,862,383
Capital expenditure	-	-	-	-
Depreciation	-	2,137,180	4,233,029	6,370,209
Unallocated capital expenditure				254,995
Unallocated depreciation				1,492,080

43. NON-ADJUSTING EVENT AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The Board of Directors in its meeting held on November 15, 2022 proposed a final dividend of Rs. 1 (2021: nil) per share for the year ended June 30, 2022, amounting to Rs. 25,369,800 (2021: nil) for approval of members at the Annual General Meeting to be held on December 15, 2022. These financial statements do not reflect the impact of this proposed dividend.

44. GENERAL

44.1 Number of employees

Total number of employees at as June 30, 2022 is 35 (2021: 39) and the average number of employees during the year were 36 (2021: 39).

44.2 Rounding off

Figures have been rounded off to nearest Pak Rupee, unless otherwise stated.

45. DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on November 15, 2022 by the Board of Directors of the Company.

CHIEF EXECUTIVE OFFICER

DIRECTOR

CHIEF FINANCIAL OFFICER

**PATTERN OF SHAREHOLDING
AS OF JUNE 30, 2022**

No. of Share Holders	Having Shares		Shares Held	Percentage
	From	To		
56	1	100	719	0.00
34	101	500	15333	0.06
24	501	1000	18828	0.07
41	1001	5000	97093	0.38
9	5001	10000	65619	0.26
5	10001	15000	63686	0.25
4	15001	20000	68975	0.27
3	20001	25000	69845	0.28
2	25001	30000	50736	0.20
1	45001	50000	49950	0.20
4	55001	60000	229241	0.90
1	90001	95000	94080	0.37
1	100001	105000	103000	0.41
1	115001	120000	116787	0.46
1	125001	130000	128560	0.51
2	195001	200000	399800	1.58
3	340001	345000	1030563	4.06
1	495001	500000	500000	1.97
1	685001	690000	687042	2.71
1	700001	705000	702542	2.77
1	795001	800000	799899	3.15
1	810001	815000	813885	3.21
1	1145001	1150000	1148770	4.53
1	1285001	1290000	1286994	5.07
1	1495001	1500000	1499785	5.91
1	1685001	1690000	1689434	6.66
1	2450001	2455000	2451090	9.66
2	3615001	3620000	7234150	28.51
1	3950001	3955000	3953394	15.58
205	Company Total		25,369,800	100.00

PAK-GULF LEASING COMPANY LIMITED
CATEGORIES OF SHAREHOLDERS
AS AT JUNE 30, 2022

Category of Shareholder	Number	Shares Held	Total Share holding	Percentage %
Associated companies, undertakings and related parties				
Unibro Industries Ltd		1,499,785		
Mid East Agencies (Pvt.) Ltd		1,286,994		
Total	2		2,786,779	10.98
NIT and ICP	-	-	-	-
Directors, chief executive & their spouses and minor children				
Mr. Sohail Inam Ellahi		2,451,090		
Mr. Pervez Inam		3,953,394		
Mr. Fawad S. Malik		199,900		
Mrs. Atteqa Fawad		75,005		
Mr. Ismail H. Ahmed		500		
Brig. Naveed Nasar Khan (Retd)		500		
Mr. Naeem Ali Muhammad Munshi		500		
Mr. Jan Ali Khan Junejo		500		
Ms. Naureen Ahmed		500		
Total	9		6,681,889	26.34
Executives	-	-	-	-
Public sector companies	-	-	-	-
Banks, DFIs, NBFCs, Insurance Companies, Modaraba and Mutual Funds				
Bank of Punjab	1	799,899	799,899	3.15
Foreign Companies	-	-	-	-
Individuals	189	15,099,606	15,099,606	59.52
Others	4	1,627	1,627	0.01
Total	205	25,369,800	25,369,800	100
Holding 5 % or more.				
Mr. Pervez Inam		3,953,394		15.58%
Mr. Muhammad Ali Pervez		3,617,075		14.26%
Mr. Hassan Sohail		3,617,075		14.26%
Mr. Sohail Inam Ellahi		2,451,090		9.66%
Mr. Javed Inam Ellahie		1,689,434		6.66%
Unibro Industries Ltd		1,499,785		5.91%
Mr. Fawad S. Malik		1,348,670		5.32%
Mid East Agencies (Pvt.) Ltd		1,286,994		5.07%
Total			19,463,517	76.71%

I /We _____ of
_____ being member(s) of
PAK-GULF LEASING COMPANY LIMITED holding _____ ordinary shares as
per Registered Folio No./ CDC A/C No. (for members who have shares in CDS)
_____ hereby appoint _____ of
_____ or failing him/her
_____ of _____ as
my/our Proxy to attend and vote for me/us and on my/our behalf at the 29th Annual General
Meeting to be held on Thursday, December 15, 2022 at 11:00 am and at any adjournment
thereof.

As witness my/our hand this day of _____ 2022.

Signed by _____ in presence of _____

Please affix.
Rs. 5/- Revenue
Stamp

Signature and address of witness

Signature of Member(s)

Share Folio No.

Share Folio No.

A member entitled to attend, speak and vote at a General Meeting is entitled to appoint a proxy to attend, speak and vote for him/her. A proxy must be a member of the Company.

The instrument appointing a proxy shall be in writing under the hand of the appointer of this attorney duly authorized in writing if the appointer is a corporation under its common seal or the hand of an officer or attorney duly authorized.

The instrument appointing a proxy together with the Power of Attorney if any under which it is signed or a notarially certified copy thereof, should be deposited at the Company's Registered Office not later than 48 hours before the time of holding the meeting.

میں / ہم ساکن _____

بحیثیت شراکت دار پاک - گلف لیزنگ کمپنی لمیٹڈ اور بوسیلہ ملکیت
_____ عمومی حصص مندرجہ

رجسٹرڈ فولیو نمبر _____ سی ڈی سی اکاؤنٹ نمبر
_____ (ان شراکت داران کے لئے جن کے عمومی حصص کا اندراج سی
ڈی ایس میں ہے) بذریعہ دستاویز ہذا مسمیٰ / مسماۃ

_____ ساکن یا انکی / اسکی غیر

موجودگی میں مسمیٰ / مسماۃ _____ ساکن

_____ اپنا متبادل (پراکسی) مقرر کرتا/ کرتی ہوں اور یہ حقوق

تفویض کرتا/ کرتی ہوں جس کے تنہا وہ میری / ہماری جگہ مندرجہ بالا کمپنی کے شراکت داران کے

29 ویں سالانہ اجلاس میں شرکت اور ووٹ ڈالنے کے مجاز ہوں، جسکا انعقاد بوقت 11:00 بجے بروز

منگل، مورخہ 15 دسمبر 2022 طلب و مقرر کیا گیا ہے بمع اس اجلاس یا اس کے کسی

مؤخر کردہ اجلاس کے۔

اس دستاویز کی تصدیق بقلم خود کرتا / کرتی ہوں بتاریخ _____ 2022

_____ کا دستخط شدہ بمعیت و موجودگی

براہ مہربانی یہاں 5
روپے کا ریوبنیو
اسٹامپ چسپاں کریں

_____ ممبر کے دستخط بمع حصص فولیو نمبر
_____ گواہان کے دستخط بمع پتے

کمپنی کا کوئی بھی شراکت دار جو کمپنی کے شراکت داران کے کسی بھی اجلاس میں موجود ہونے،
بولنے، حصہ لینے اور ووٹ دینے کے قانونی حقوق رکھتا ہو وہ یہ تمام حقوق اپنے کسی متبادل اور
مقرر کردہ شخص کو بحیثیت اپنی پراکسی اور مختیار کے تفویض کر سکتا ہے بشرطیکہ مقرر کردہ شخص
بھی کمپنی کا شراکت دار اور حصص دار ہو۔

پراکسی دستاویز ہمیشہ تحریر شدہ ہوگی اور اسپر پراکسی دینے والے کے دستخط ہونے لازم ہیں۔ اگر
پراکسی دینے والا حصص دار / شراکت دار کوئی کارپوریشن یا اسی قسم کا کوئی اور رجسٹرڈ ادارہ ہے
جسکی ملکیت ایک سے زیادہ اشخاص کے نام پر ہے تو ایسے حصص دار یا شراکت دار کے لئے ضروری
ہوگا کہ وہ اپنے قانونی طور پر مجاز دستخط کنندگان سے دستخط شدہ ایک باضابطہ تصدیق شدہ مختارنامہ
جس پر نوٹری پبلک کی مہر اور کارپوریشن کی کامن سیل بھی ہو اپنے پراکسی فارم کے ساتھ منسلک
کرے۔

یہ تمام دستاویزات مجوزہ اجلاس کے مقرر کردہ وقت اور تاریخ سے کم از کم اڑتالیس 48 گھنٹے قبل
پاک-گلف لیزنگ کمپنی لمیٹڈ کے رجسٹرڈ دفتر میں جمع کرانا اور اسکی رسید وصول کرنا ضروری
ہے۔