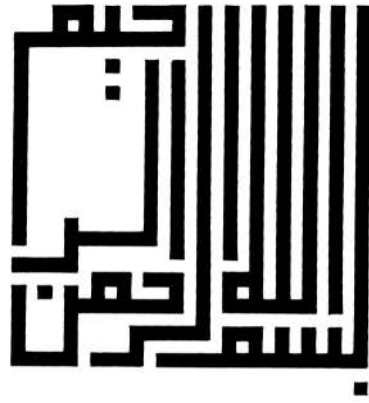




Pak-Gulf Leasing
Company Limited

ANNUAL REPORT 2024





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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
Brig. Haris Nawaz (Retd.)	Director
Mr. Mahfuz-ur-Rehman Pasha	Chief Executive Officer

Company Secretary

Ms. Mehreen Usama

Audit Committee

Ms. Naureen Ahmed	Chairman
Mr. Pervez Inam	Member
Brig. Naveed Nasar Khan (Retd.)	Member
Mr. Ismail H. Ahmed	Member
Mr. Naeem Ali Mohammad Munshi	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-Rehman Pasha	Member
Ms. Mehreen Usama	Secretary

Risk Management Committee

Mr. Jan Ali Khan Junejo	Chairman
Mr. Sohail Inam Ellahi	Member
Mr. Fawad Salim Malik	Member
Mr. Ismail H. Ahmed	Member
Mr. Naeem Ali Muhammad Munshi	Member
Ms. Naureen Ahmed	Member

Senior Management

Mr. Mahfuz-ur-Rahman Pasha	Chief Executive Officer
Lt. Col. Saleem Ahmed Zafar (Retd.)	Chief Operating Officer
Ms. Mehreen Usama	Chief Financial Officer
Lt. Col. Farhat Pervez Kayani (Retd.)	General Manager Punjab
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. BDO Ebrahim & Co.
Chartered Accountants
2nd Floor, Block C Lakson Square Building No. 1
Sarwar Shaheed Road
Karachi-74200.

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

Mission Statement

The Company will:


- Aim to gain the confidence of all its stakeholders by earning a credible reputation for being an innovative enterprise that is prepared to change in the best interests of its stakeholders.
- Continually monitor structural changes in the various sectors of the economy, and accordingly alter the Company's business strategy to benefit from the emerging opportunities.
- Focus on changing customer needs and strive to improve tangible and intangible returns to its customers by providing service and satisfaction at par with the best in the industry, which would be reflected in prompt risk evaluation and facility disbursement procedures and practices.
- Consciously share and remain part of all initiatives by the leasing industry to play a positive role in the evolution of small and medium-size enterprises to expand the country's industrial base and support economic growth, higher employment, and a better future for all.

Notice is hereby given that the 31st 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, October 24, 2024 at 04:30 p.m. to transact the following business:

A. Ordinary Business:

1. To read and confirm the minutes of the 30th Annual General Meeting held on October 26, 2023;
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2024 together with Chairman's Review Report, Directors' Report and Auditors' Report thereon;

In accordance with section 223 of the Companies Act, 2017 and pursuant to S.R.O. 389(1)/2023 dated March 21, 2023, the Annual Report of the Company for the year ended June 30, 2024, including the annual audited financial statements have been uploaded on the website of the company which can be accessed through the following weblink and QR enabled code;

Weblink	QR Enabled code
https://www.pakgulfleasing.com/Financials.html	

3. To appoint Auditors for the year ending June 30, 2025 and fix their remuneration. The present auditors, M/S BDO Ebrahim & Company, Chartered Accountants, retire and being eligible, have offered themselves for reappointment; and

ANY OTHER BUSINESS

4. To transact any other business with the permission of the Chair.

By Order of the Board

Company Secretary
Karachi: October 02, 2024

Notes:

1. The Register of Members of the Company shall remain closed from October 18, 2024 to October 24, 2024 (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
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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.
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 the Companies Act, 2017, and pursuant to S.R.O. 389(1)/2023 dated March 21, 2023, the Annual Audited Financial Statements of the Company for the year ended June 30, 2024 are available on the Company's website <http://www.pakgulfleasing.com/Financials.html>, in addition to the annual reports and quarterly financial Statements for the prior periods.

Transmission of Annual Audited Financial Statements in Hardcopy

7. In pursuance of directions given by the Securities and Exchange Commission of Pakistan (SECP) vide SRO. 389(I)/2023, those shareholders who desire to receive Annual Audited Financial Statements in hard copy, are advised to submit their request for the same on a standard request form available at the Company's website i.e. www.pakgulfleasing.com and send the form duly signed by the shareholder, to the Company's Share Registrar M/s. THK Associates (Pvt) Limited. The Company will provide a hard copy of the Annual Report to such members on their request, free of cost, within seven days of receipt of such request. Further, the shareholders are requested to submit the details of their valid email address to receive the Annual Audited Financial Statements electronically through e-mail.

CNIC / NTN

8. 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 dividend, till such time they provide the valid copy of their CNIC as per law.

E-Mandate

9. 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

10. Pursuant to the provisions of Finance Act, 2024 effective 1 July 2024, 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.

Deposit of Physical Share in CDC Account

11. As per Section 72 of the Companies Act, 2017 every listed company shall be required to replace its physical shares with shares in book-entry form in a manner specified by the Commission. 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

12. 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.
13. Shareholders are requested to notify change of their addresses, if any immediately.

Dear Shareholders,

It gives me pleasure to present to the shareholders a concise review of the general performance of the Board of Directors of the Company and the key role played by it in managing the affairs of the Company for the financial year ended June 30, 2024.

There has been a slight improvement in the state of economy near the end of FY 2024, however due to high KIBOR during the year the Board of Directors followed a cautious and prudent approach by not taking unnecessary risks and limiting the exposure to only well- established, tried, tested and financially sound clients, resulting in reduction of the exposure taken during the year.

All Members of Company's Board of Directors are fully conversant with the Corporate & Financial Reporting Framework and their duties, roles and responsibilities as Directors of the Company. They being fully aware with the challenging business environment of the Company pursue their strategic role in achieving the Company's key objectives as best as they can. Moreover, they are fully focused on the ways and means to regularly enhance the returns on the investment made by the shareholders in the shares and certificate holders in the Cols of the Company.

During the year under review, all the members of the Board diligently performed their duties and thoroughly reviewed, discussed and approved business plans, implementation strategies, corporate policies, intended objectives, financial performance and proposals. All significant issues faced by the management in its performance, during the year, were regularly presented by it before the Board and the management's proposals and the decisions taken by the Board of Directors were duly recorded in the form of Minutes. The Board also exercised rigorous vigilance over compliance made by the Company's management with its internal policies, as well as the prescribed Regulatory Requirements.

An assessment of the performance of the Board, with regard to its responsibilities, is annually undertaken, with a view to determine its contribution and effectiveness, with respect to the progress and growth of the Company. On the basis of the Board's performance evaluation, the Directors are of the opinion that the Board has been productively involved and has been immensely useful in successfully fulfilling all its designated responsibilities, including, but not limited to exercising effective Controls for management of Risks, vigilant supervision of Procedures and mandatory Compliance of all the prescribed Regulatory Reporting Requirements.

Chairman

September 20, 2024
Karachi

**چیئر مین کی جائزہ رپورٹ
محترم شیئر ہولڈرز (حصص یافتگان)**

مجھے حصص یافتگان کے سامنے کمپنی کے بورڈ آف ڈائریکٹرز کی انتظامی کردار اور 30 جون 2024 کو ختم ہونے والے مالی سال کی عمومی کارکردگی اور اس کا ایک اجمالی جائزہ پیش کرتے ہوئے خوشی محسوس ہو رہی ہے۔

مالی سال 2024 کے اختتام کے قریب معیشت کی حالت میں معمولی بہتری آئی ہے، تاہم سال کے دوران مہنگے KIBOR کی وجہ سے بورڈ آف ڈائریکٹرز کی جانب سے محتاط اور ہوشیار رویہ اختیار کیا گیا اور اپنے کاروبار کو صرف آزمودہ اور معاشی طور پر مضبوط گاہوں تک محدود رکھا گیا۔ یہی وجہ تھی کہ کاروبار کا حجم پچھلے سال کی بانسبت کم رہا۔ حصص مالکان کو پرامید رکھنے کے لیے ان مشکل اور نامساعد حالات کے باوجود کمپنی کو اچھے اور تابناک مستقبل کی طرف گامزن رکھنے کیلئے بورڈ نے عبوری منافع کے اجراء کا فیصلہ کیا ہے۔

آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کے تمام ممبران کا رپورٹ اور مالی اصولوں، رپورٹنگ فریم ورک اور کمپنی کے ڈائریکٹرز کے طور پر ان کے فرائض، کردار اور ذمہ داریاں سے پوری طرح واقف ہیں۔

زیر نظر سال کے دوران بورڈ کے تمام ممبران نے اپنی ذمہ داریاں پوری تندرہی اور احسن انداز سے نبھائیں، جائزہ لیا، تبادلہ خیال کیا اور منظور شدہ کاروباری منصوبوں کے نفاذ کی حکمت عملی، کارپوریٹ پالیسیاں، مطلوبہ مقاصد، مالی کارکردگی اور تجاویز، اس میں درپیش تمام انتظامی مسائل سے خوش اسلوبی سے نبرد آزما رہے۔ تمام تجاویز اور بورڈ کی طرف سے لیے گئے تمام فیصلوں کو منٹس کی صورت میں درست طریقے سے ریکارڈ کیا گیا۔ بورڈ نے کمپنی انتظامیہ کی طرف سے اپنی اندرونی پالیسیوں کے ساتھ ساتھ مقررہ ریگولیٹری تقاضوں کی تعمیل پر بھی سختی سے عمل درآمد جاری رکھا۔

ذمہ داریوں کے حوالے سے بورڈ کی کارکردگی کا سالانہ جائزہ لیا جاتا رہا۔ بورڈ کی رائے ہے کہ کمپنی کی ترقی اور نمو کے حوالے سے بورڈ کی شراکت اور اس کی تاثیر نتیجہ خیز رہی اور تمام تر کامیابیوں کو حاصل کرنے میں بے حد مفید رہی اور بورڈ کی ذمہ داریاں، انتظامی کنٹرول کو موثر بنانے، طریقہ کار کی مکمل اور چوکس انداز میں نگرانی اور تمام مقررہ ریگولیٹری قوانین کی لازمی اور موثر انداز میں تعمیل تک محدود نہیں۔

چیئر مین

20 ستمبر 2024

کراچی

Dear Shareholders,

Your directors are pleased to present the 31st Annual Report of Pak-Gulf Leasing Company Limited (PGL), including Financial Statements and the Auditors' Report, for the year ended June 30, 2024.

OPERATIONAL OVERVIEW

During the year there was a sharp decline in the amount of finance facilities provided by your Company mainly due to high KIBOR rate. Despite this fact the financial performance of your Company remained satisfactory due to the performance of leases written by the Company in the previous years, and its time-tested policy of writing repeat leases for some of the Company's most consistently performing and well-established Customers. It has 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 discreet policy has, to a great extent safeguarded itself, against volatile economic conditions leading to delinquencies and defaults relating to leasing exposure.

All new business relationships although few 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 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 an AA-rated insurance company, with the Company's name appearing on the relative Policy as a Loss Payee.

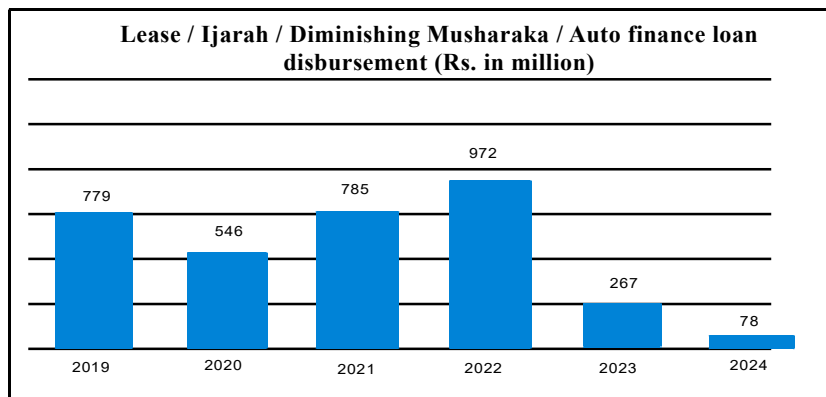
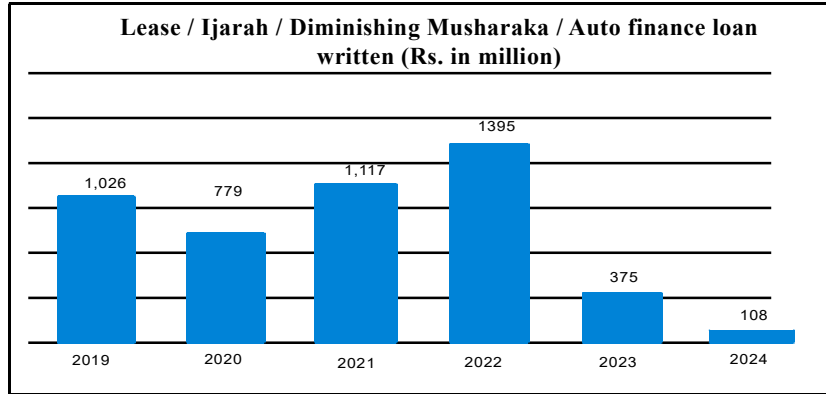
During the year, due to the high credit risk because of high borrowing rate based on excessive KIBOR, inflation and adverse economic conditions the Company proceeded very cautiously taking exposures on only those clients which were considered highly credit worthy by it. Because of the cautious policy less leases and auto-finance loans were written which caused decline in the amount of leases finance and auto loan disbursed. The Company's recovery rate for FY 2023-24 was 89%, as compared to 87% in the last year.

ANALYSIS OF THE COMPANY'S OPERATIONAL AND FINANCIAL PERFORMANCE IN FY-2023-24

Leases and auto-finance loans Written and Disbursed

During the year, only 11 new finance leases and 02 Auto-finance Loans of Rs. 108 million were written, as compared to 23 leases and 02 Auto-finance Loan of Rs. 375 million written in FY-2022-23. The total lease disbursement amount during FY-2023-24 was Rs. 78 million, which was less than the corresponding amount of Rs. 267 million for FY-2022-23.

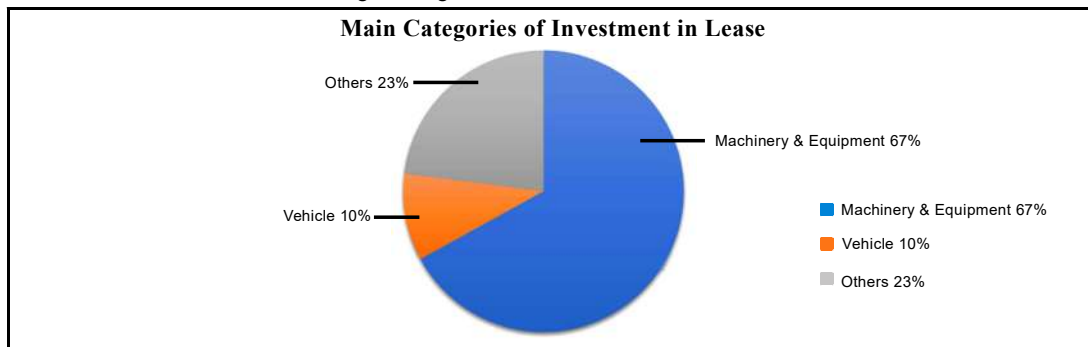
The growth in Financing facilities written and the amount disbursed by your Company, over the past 6 years, is illustrated in the following Chart:



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

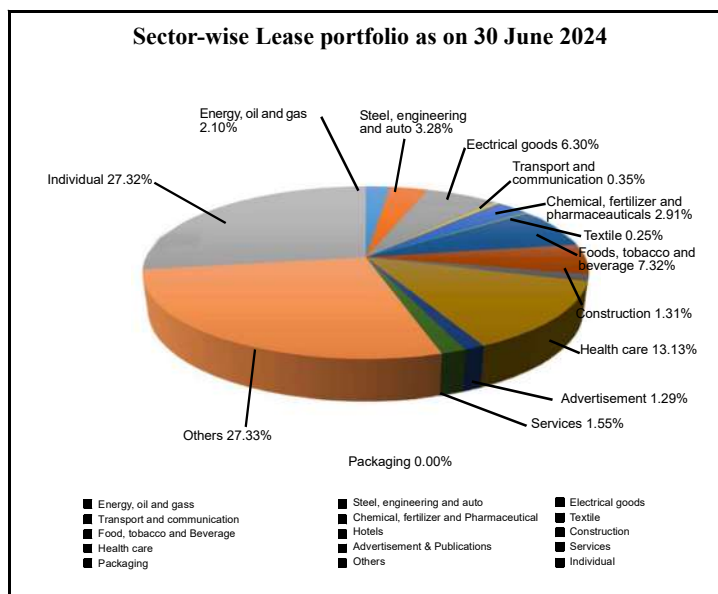
Categories of Investment in Leases

Your Company's core business activity is assets-based financing, as permissible under the various modes prescribed by SECP. In order to ensure a balanced and healthy mix of leased assets that can be readily sold if the situation so warrants, 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 also needs to take into consideration the Tax Benefits accruing from financing a particular category of assets. The Chart below gives the breakdown of the Company's Assets-wise Investment in Leasing, during FY-2023-24:



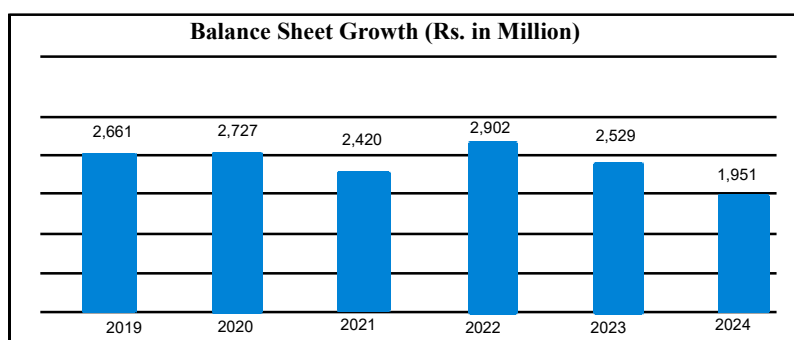
Sector-wise Composition of the Lease Portfolio

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 at the end of FY 2023-24, is as under:

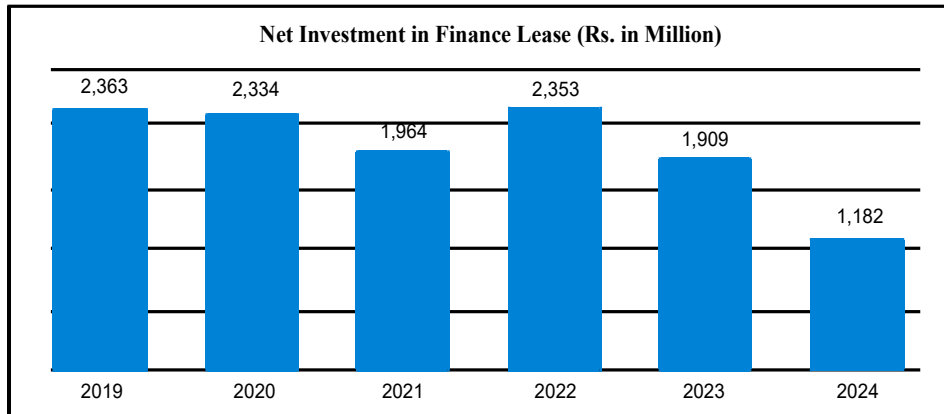


Financial Achievements

The Balance Sheet footings, which stood at Rs. 2,529 million as at June 30, 2023 have decreased to Rs. 1,951 million as at June 30, 2024. This year-on-year decrease of 22.85%, in the total assets of your Company is due to decrease in lease and finance business during the year due to high KIBOR rate. The Balance Sheet footing of the Company for the last 5 FYs and current FY is illustrated in the following Chart:



Gross Investment in Finance Leases stood at Rs. 1,505 million as on June 30, 2024, which is less than the figure as at June 30, 2023 amounting to Rs. 2,369 million. **Net Investment in Finance Leases**, after deduction of Unearned Income, including Mark-up held in Suspense (Rs. 252 million), and a Provision for ECL (Rs. 72 million), amounted to Rs. 1,182 million at the end of FY 2023-24, as compared to the corresponding figure of Rs. 1,909 million as at June 30, 2023. The growth in Net Investment in Leases of the Company, over the past 5 FYs and current FY, is shown in the Chart below:



Profitability Performance

After-tax Profit for the FY 2023-24 at Rs. 78.80 million is Rs. 22.16 million more as compared to Rs. 56.64 million for FY-2022-23.

EPS for FY-2023-24 at Rs. 1.59 / share is Rs. 0.45 / share more as compared to Rs. 1.14 / share for FY-2022-23, due to decrease in borrowings costs and provision for expected credit losses.

Gross Revenue for FY 2023-24 at Rs. 281 million is Rs. 19 million more as compared to Rs. 262 million for FY-2022-23 due to previous years business and increase in KIBOR rates.

Leases Written during FY 2023-24 stood at Rs. 108 million, as compared to leases written in FY-2022-23 for Rs. 375 million.

Lease Amount Disbursed during FY-2023-24 at Rs. 78 million is less than the corresponding amount of Rs. 267 million during FY-2022-23. The decrease in lease disbursement is due to high KIBOR rate.

Equity of your Company, as per NBFC Regulations, as at June 30, 2024 amounted to Rs. 816 million, which is Rs. 316 million in excess of the Minimum Equity Requirement of Rs. 500 million.

Comparative Analysis of Profitability Performance For the year ended 30th June	2024	2023	Change %
	(Rupees in Million)		
Income	281.36	262.20	7.31%
Administrative Expenses	57.65	52.66	9.47%
Financial Charges	77.54	89.85	-13.70%
Profit before provision and tax	146.17	119.69	22.12%
Profit before Taxation	142.95	78.82	81.36%
Provision for Taxation (including Deferred Tax)	64.15	22.18	189.22%
Profit after Taxation	78.80	56.64	39.12%
Un-appropriated Profit Brought Forward	89.04	394.50	-77.43%
Profit Available for Appropriation	167.84	451.14	-62.80%
Appropriations			
Transfer to Statutory Reserve	15.76	11.33	39.10%
Dividend	-	114.16	-100.00%
Bonus issued	-	236.61	-100.00%
Total Appropriations	15.76	362.10	-95.65%
Un-appropriated Profit Carried Forward	152.08	89.04	70.80%
Earnings Per Share (In Rupees)	1.59	1.14	39.47%

ECONOMIC SCENARIO

In the year under review the country's economy continued to grapple with inflationary pressure, which was the result of rising energy costs and supply chain disruptions. Predominant global trends impacted Pakistan's economy, and the current political uncertainty deteriorated it further. Sustained high levels of inflation and interest rates continue to impact the cost of doing business while simultaneously eroding purchasing power of consumers. This, together with political uncertainty and geo-political situation, may lead to a further slowdown in the economy and negative impact on consumer demand. Moreover, despite the improving FX liquidity situation in the country the structural challenges persist. Significant debt repayments over the coming years are expected to keep the country's FX reserves under pressure. This may lead to currency devaluation and supply disruptions as import of critical raw materials might be difficult in periods ahead. Nevertheless, The Company's management is proactively implementing various strategies and plans to mitigate the aforesaid economic headwinds impacting the Company's financial position.

FUTURE PROSPECTS

The country's economic activity is expected to remain subdued, with real GDP growth estimated on the lower side, reflecting continued tight macroeconomic policy. The Government continues to face a challenging macroeconomic environment while maintaining progress towards its stabilization and critical structural reforms.

The management is hopeful to counter the economic and competitive challenges and continue the success line with all the new zeal and ever-growing motivation in the years ahead. The Company will continue to rely on its risk management strategy to deliver optimal results to its stakeholders.

Regulatory and Taxation

Depreciation allowance on Plant & machinery installed in backward rural areas available to the Company under Section 23(A) of the Income Tax Ordinance, 2001 incentivized the leasing companies to take big exposures on entities setting up industries in rural areas. Its withdrawal dis-continuation by the Federal Board of Revenue (FBR) has caused a great set back to the industrialization in rural areas as well as the Company's business.

After a great deal of persuasion based on the upward hike in prices of vehicles over the years the restriction of depreciation allowance up to Rs. 2.5 million on the cost of the passenger transport vehicle not plying for hire was increased to Rs. 7.5 million. However immediately afterwards due to the tremendous devaluation of Pak Rupees the increase which was supposed to incentivize the leasing companies proved to be non-productive, due to corresponding excessive increase in the price of vehicles.

GENDER DIVERSITY

The demanding significance of Gender diversity in the organizations arises from the deficiency of it. It helps in bringing variety of views and perspectives necessary to grow the business in this evolving environment. An equality-based culture is a very influential tool to drive innovation and growth. A diverse and inclusive workforce with a range of perspectives and approaches is more competitive in a globalized economy. Gender diversification is vital in organizations as it helps to bring in various viewpoints, creates inclusive and safer workplaces and increases employee satisfaction. For this reason, the Company provides equal opportunities to both the genders and thus enjoys fruitful results through that.

Following is gender pay gap calculated for the year ended June 30, 2024.

Mean Gender Pay Gap: -90.26%
Median Gender Pay Gap: -112.54%

Any other data /detail as deemed relevant: NIL

ESG STANDARDS

The Company is committed to maintaining the highest standards of corporate governance, including adherence to Environmental, Social, and Governance (ESG) principles. We have implemented policies and practices that ensure our compliance with all applicable ESG regulations, as required by the Securities and Exchange Commission of Pakistan (SECP).

Our environmental initiatives focus on reducing our carbon footprint and optimizing resource usage. Socially, we prioritize employee welfare and diversity, while our governance framework is designed to uphold transparency, accountability, and ethical business conduct. We continually review and enhance our ESG strategies to align with international best practices and stakeholder expectations.

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. The last election of the Board was completed at the Extra-Ordinary General Meeting held on April 22, 2022:

S.No.	Name of Member
1	Mr. Sohail Inam Ellahi
2	Mr. Pervez Inam
3	Mr. Fawad Salim Malik
4	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	Brig. Haris Nawaz (Retd)
10	Mr. Mahfuz-ur-Rehman Pasha

Of a total number of Ten (10) Directors, presently comprising the Board of the Company, Nine (9) directors are male and One (1) is female. The Board has Three (03) Independent directors, Six (06) non-executive directors, and One (01) Executive Director represented by the Chief Executive Officer of the Company.

Till June 30, 2024 Five (05) 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 that took place in the domestic and international business environment, along with regulatory changes that were made in the applicable rules and regulations during the year were regularly brought to the knowledge of the Board of Directors by the Company Secretary, along with the impact of such changes on the Company's operations.

Board Meetings

Four (04) Meetings of the Board of Directors of your Company were held during the year under review. Details of attendance of the BoD Meetings by the individual directors is as follows:

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

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, Four (04) 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.	Ms. Naeen Ahmed	Chairman	4
2.	Mr. Pervez Inam	Member	4
3.	Brig. Naveed Nasar Khan (Retd.)	Member	3
4.	Mr. Naeem Ali Muhammad Munshi	Member	3
5.	Mr. Ismail H. Ahmed	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. Sohail Inam Ellahi	Member
3.	Mr. Pervez Inam	Member
4.	Mr. Ismail H. Ahmed	Member
5.	Ms. Naueen Ahmed	Member
6.	Mr. Mahfuz-ur-Rehman Pasha	Member

Risk Management Committee (RMC)

In line with the requirements of the Code of Corporate Governance, the Risk Management Committee (RMC) 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. Sohail Inam Ellahi	Member
3.	Mr. Fawad Salim Malik	Member
4.	Mr. Ismail H. Ahmed	Member
5.	Mr. Naeem Ali Muhammad Munshi	Member
6.	Ms. Naueen Ahmed	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 September 21, 2023, had 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 2023-24, BDO Ebrahim & Co., 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 2024-25.

The Board of Directors wishes to place, on record, its appreciation for the high standards of professionalism, integrity and ethics maintained by BDO Ebrahim & Co., Chartered Accountants as External 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 2024-25, 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 every staff member, for their hard work and dedication, which is duly reflected in the performance of your Company even 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 maintaining the business growth and its 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, particularly by the Securities and Exchange Commission of Pakistan (SECP) for the resolution of its genuine issues. 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, 2024, 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 2019 – 2024

Year ended 30th June	2024	2023	2022	2021	2020	2019
Operational Results:	----- Rupees -----					
Revenues	281,355,563	262,202,401	255,230,917	206,094,628	265,444,647	243,892,047
Revenue from financing operations	218,733,152	227,292,442	228,427,580	191,485,801	245,567,212	218,862,571
Profit before Taxation	142,947,672	78,816,891	167,687,787	28,015,220	21,619,234	71,185,355
Profit after Taxation	78,798,526	56,635,687	146,979,027	24,566,337	10,894,248	64,378,140
Finance Cost	77,541,090	89,848,800	69,054,807	42,062,089	114,025,954	78,012,463
Provision for Potential Lease & Loan Losses	(1,969,975)	(47,207,690)	(10,807,355)	3,625,701	(30,838,117)	(1,307,173)
Interim / Final Dividend %	0.00%	35.00%	10.00%	0.00%	2.50%	7.50%
Interim / Bonus Issue	-	95 shares for every 100 shares	-	-	-	-
Balance Sheet:						
Shareholders Equity	815,948,770	737,474,869	796,707,062	675,435,528	655,727,867	664,814,384
Surplus on Revaluation of Assets	90,504,204	90,504,204	90,504,204	90,504,204	90,504,204	90,504,204
Other Reserves	325,141,208	244,318,378	543,640,182	424,678,818	405,412,115	414,443,364
Working Capital	623,281,718	490,189,387	26,801,934	186,123,903	381,076,282	208,524,942
Non-current Liabilities	702,126,736	1,016,637,986	1,330,132,844	1,016,256,185	1,262,394,151	1,286,555,078
Long-term Loans	37,500,000	104,166,661	133,333,324	95,833,329	29,166,665	49,999,996
Investments	40,549,837	55,575,097	55,205,847	34,002,899	64,508,233	63,465,086
Financial Ratios:						
Income / Expense Ratio	2.08	1.84	1.92	2.00	1.46	1.55
Earning per Share (in Rs)	1.59	1.14	2.97	0.97	0.43	2.54
Debt / Equity Ratio	0.33	0.86	0.91	0.42	0.68	0.67
Current Ratio	2.84	1.72	1.04	1.29	1.53	1.34

Statutory Payment of Rs. 6,019,595 on account of taxes, duties, levies and/or charges was outstanding against the Company as on June 30, 2024.

Value of Investments of the Staff Provident Fund stood at Rs. 8,415,595 as at June 30, 2024. This represents funds placed with a rated commercial bank and investment in the registered units of the National Investment Trust.

Chief Executive Officer

Director

September 20, 2024
Karachi

2019	2020	2021	2022	2023	2024	اختتام سال 30 جون
7.50%	2.50%	0.00%	10.00%	35.00%	0.00%	سفراتش کردہ حصص منافع
-	-	-	-	100 شیئرز ایک کے لیے 95 شیئرز	-	عبوری / بونس آمدنی
664,814,384	655,727,867	675,435,528	796,707,062	737,474,869	815,948,770	بیلنس شیٹ
90,504,204	90,504,204	90,504,204	90,504,204	90,504,204	90,504,204	شیئرز ہولڈرز ایکویٹی قدر کے دوبارہ تعین کے بعد فاضل آمدنی
414,443,364	405,412,115	424,678,818	543,640,182	244,318,378	325,141,208	محفوظ سرمایہ
208,524,942	381,076,282	186,123,903	26,801,934	490,189,387	623,281,718	کاروباری سرمایہ
1,286,555,078	1,262,394,151	1,016,256,185	1,330,132,844	1,016,637,986	702,126,736	متبادلہ واجبات
49,999,996	29,166,665	95,833,329	133,333,324	104,166,661	37,500,000	طویل مدتی قرض
63,465,086	64,508,233	34,002,899	55,205,847	55,575,097	40,549,837	سرمایہ کاری
						مالیاتی شرح
1.55	1.46	2.00	1.92	1.84	2.08	آمدنی و خرچ کی شرح
2.54	0.43	0.97	2.97	1.14	1.59	فی شیئر آمدنی
0.67	0.68	0.42	0.91	0.86	0.33	قرض / ایکویٹی شرح
1.34	1.53	1.29	1.04	1.72	2.84	موجودہ شرح

ٹیکس، ڈیویڈنڈ، لیویز اور چارجز کی مد میں 6,019,595 روپے کی قانونی ادائیگی مورخہ 30 جون 2024 تک کمپنی پر واجب الادا ہے۔

اسٹاف پراویڈنٹ فنڈ (Provident Fund) میں سرمایہ کی مالیت 30 جون 2024 کو 8,415,595 روپے ہے۔ یہ نیشنل سیونگ ٹرسٹ کے رجسٹرڈ پونٹ میں سرمایہ کاری اور کمرشل بینک میں رکھے ہوئے فنڈز کا مجموعہ ہے۔

ڈائریکٹر

چیف ایگزیکٹو آفیسر
20 ستمبر 2024
کراچی

- ☆ 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 کر دی 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، انٹرنل آڈٹ کے ہیڈ اور ان کے خاندان/ بیوی اور بچوں نے کمپنی کے حصص کا لین دین نہیں کیا ہے۔
- ☆ لسٹنگ کے ضابطے کی دی گئی تفصیلات کے مطابق کا پورہٹ گورننس کے بہترین طریقوں میں سے کسی سے بھی انحراف نہیں کیا گیا۔
- ☆ انٹرنل 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 2024 کی شیئر ہولڈنگ کی ساخت جو کا پورہٹ 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۔

2019 تا 2024، پچھلے چھ سال کا اہم آپریٹنگ اور فنانس ڈیٹا

2019	2020	2021	2022	2023	2024	اختتام سال 30 جون
						آپریٹنگ نتائج
243,892,047	265,444,647	206,094,628	255,230,917	262,202,401	281,355,563	آمدنی
218,862,571	245,567,212	191,485,801	228,427,580	227,292,442	218,733,152	لیز آمدنی
71,185,355	21,619,234	28,015,220	167,687,787	78,816,891	142,947,672	قبل از ٹیکس منافع
64,378,140	10,894,248	24,566,337	146,979,027	56,635,687	78,798,526	بعد از ٹیکس منافع
78,012,463	114,025,954	42,062,089	69,054,807	89,848,800	77,541,090	مالیاتی لاگت
(1,307,173)	(30,838,117)	3,625,701	(10,807,355)	(47,207,690)	(1,969,975)	مکملہ لیز نقصان کے لئے مختص رقم

آڈیٹرز

مالی سال 2023-24 کے لیے BDO ابراہیم اینڈ کمپنی، 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 2024-25 کے لیے کمپنی کے قانونی آڈیٹرز کی حیثیت سے کام کرنے کی رضامندی ظاہر کی ہے۔ بورڈ آف ڈائریکٹرز BDO ابراہیم اینڈ کمپنی، 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 کمپنی 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 اینڈ کمپنی، 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 اس کے عملے کے ہر رکن کی، ان کی محنت اور لگن کے لیے اپنی تعریف ریکارڈ پر رکھنا چاہتا ہے، جو کہ ایک مشکل معیشت کے باوجود بھی آپ کی کمپنی کی تسلی بخش کارکردگی سے ظاہر ہوتا ہے۔ ہم، بورڈ کے اراکین، کمپنی کے حصص ماکان کے نمائندے کے طور پر، کمپنی کی انتظامیہ اور عملے کو کمپنی کو مضبوط بنانے اور کاروباری ترقی اور اس کی کارکردگی کو برقرار رکھنے کے لیے اپنی حمایت اور عزم کا یقین دلاتے رہتے ہیں۔ ہمیں یقین ہے کہ انتظامیہ اور عملہ کمپنی کے صارفین کی اسی جوش و جذبے کے ساتھ خدمت جاری رکھیں گے، جس کا مظاہرہ انہوں نے پچھلے تمام سالوں میں کیا ہے، جس سے آپ کی کمپنی پاکستان کے مالیاتی خدمات کے شعبے میں اپنی ساکھ کو مزید بہتر کر سکے گی۔

بورڈ کمپنی کو فراہم کیے گئے تعاون اور رہنمائی کا بھی اعتراف کرتا ہے، خاص طور پر سیکورٹی اینڈ ایڈجسٹمنٹ کمیشن آف پاکستان (SECP) کی جانب سے اور اس کے حقیقی مسائل کے حل کے لیے۔ مالیاتی خدمات کے شعبے کی ترقی میں ان کا کردار اہم ہے اور ہم امید کرتے ہیں کہ ان کے اقدامات اس شعبے کو تقویت دیتے رہیں گے۔

بورڈ NBFI اور مضاربہ ایسوسی ایشن آف پاکستان کی پیشہ ورانہ طور پر آپ کی کمپنی کے مفاد کی حفاظت میں مدد اور تعاون کے لیے بھی تعریف کرنا چاہے گا۔ آخر میں، ہم اپنے قابل قدر حصص ماکان (شیئر ہولڈرز)، صارفین، بینکرز، سرمایہ کاروں اور دیگر اسٹیک ہولڈرز کا سال کے دوران ان کی قیمتی مدد کے لیے شکریہ ادا کرنا چاہیں گے۔ ہم آنے والے سالوں میں اس رشتے کو مزید مضبوط اور مضبوط تر کرنے کے منتظر 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 گلف لیزنگ 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 کی کھاتا جات (بکس آف اکاؤنٹس) بالکل درست رکھنے کا اہتمام کیا گیا ہے۔

نمبر شمار	ممبر کا نام	عہدہ
1	جان علی خان جو نیجو	چیرمین
2	سہیل انعام الہی	ممبر
3	پرویز انعام	ممبر
4	اسماعیل ایچ احمد	ممبر
5	محترمہ نوین احمد	ممبر
6	محمود الرحمان پاشا	ممبر

رسک مینجمنٹ کمیٹی (RMC)

”کوڈ آف کارپوریٹ گورننس“ کے تقاضوں کے مطابق، آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی رسک مینجمنٹ کمیٹی (RMC) درج ذیل ممبران پر مشتمل ہے:

نمبر شمار	ممبر کا نام	عہدہ
1	جان علی خان جو نیجو	چیرمین
2	سہیل انعام الہی	ممبر
3	فواد سلیم ملک	ممبر
4	اسماعیل ایچ احمد	ممبر
5	محترمہ نوین احمد	ممبر
6	نعیم علی محمد منشی	ممبر

ڈائریکٹرز کا معاوضہ

ڈائریکٹروں 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 21 ستمبر 2023 کو آپ کی کمپنی کی کارکردگی کے تفصیلی تجزیے اور تشخیص کے بعد، کمپنی کی بطور ادارہ ریٹنگ کی برطانیہ ذیل دوبارہ توثیق کی:

درمیانی سے طویل مدتی ریٹنگ: A-

• قلیل مدتی ریٹنگ: A-2 اور

• امکانات: مستحکم

نمبر شمار	ڈائریکٹرز کا نام	اجلاس میں حاضر یوں کی تعداد
1	سہیل انعام الہی	3
2	پرویز انعام	4
3	فواد سلیم ملک	3
4	برگیڈیئر (ر) نوید نصر خان	3
5	اسماعیل ایچ احمد	4
6	جان علی خان جوئیو	4
7	نعیم علی محمد منشی	3
8	محترمہ نوین احمد	4
9	برگیڈیئر (ر) حارث نواز	1
10	محموظ الرحمان پاشا	4

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 چار (4) 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	محترمہ نوین احمد	چیئر مین	4
2	پرویز انعام	ممبر	4
3	برگیڈیئر (ر) نوید نصر خان	ممبر	3
4	نعیم علی محمد منشی	ممبر	3
5	اسماعیل ایچ احمد	ممبر	4

ہیومن ریسورسز اور ایمونیشن کمیٹی (HR & RC)

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

ڈائریکٹرز کا نام	نمبر شمار
سہیل انعام الہی	1
پرویز انعام	2
فواد سلیم ملک	3
برگیڈیئر (ر) نوید نصر خان	4
اسماعیل ایچ احمد	5
جان علی خان جونجو	6
نعیم علی محمد شی	7
محترمہ نوین احمد	8
برگیڈیئر (ر) حارث نواز	9
محفوظ الرحمان پاشا	10

اس وقت کمپنی کا بورڈ تشکیل دینے والے کل دس (10) ڈائریکٹرز میں سے نو (9) ڈائریکٹرز مرد اور ایک (1) خاتون ہیں۔ بورڈ میں تین (03) آزاد اور چھ (06) نان ایگزیکٹو ڈائریکٹرز، اور ایک (01) ایگزیکٹو ڈائریکٹر ہیں جن کی نمائندگی کمپنی کے چیف ایگزیکٹو آفیسر کرتے ہیں۔ 30 جون 2024 تک کمپنی کے پانچ (5) ڈائریکٹرز نے ڈائریکٹرز ٹریننگ کورس کا مطلوبہ سرٹیفکیٹ 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 چار (4) اجلاس منعقد ہوئے۔ حاضری کی تفصیلات درج ذیل ہیں:

صنفي تنوع

تنظیموں میں صنفی تنوع کی اہم اہمیت اس کی کمی سے پیدا ہوتی ہے۔ یہ اس بدلتے ہوئے ماحول میں کاروبار کو بڑھانے کے لیے ضروری مختلف آراء اور نقطہ نظر لانے میں مدد کرتا ہے۔ مساوات پر مبنی ثقافت جدت اور ترقی کو آگے بڑھانے کا ایک بہت ہی بااثر ذریعہ ہے۔ ایک متنوع اور جامع افرادی قوت جس میں مختلف نقطہ نظر موجود ہیں، عالمی معیشت میں زیادہ مسابقتی ہے۔ تنظیموں میں صنفی تنوع بہت ضروری ہے کیونکہ یہ مختلف نقطہ نظر کو سامنے لانے میں مدد کرتا ہے، جامع اور محفوظ کام کی جگہیں بناتا ہے اور ملازمین کے اطمینان میں اضافہ کرتا ہے۔ اس وجہ سے، کمپنی دونوں جنسوں کو یکساں مواقع فراہم کرتی ہے اور اس طرح اس کے ذریعے نتیجہ خیز نتائج حاصل کرتی ہے۔

30 جون 2024 کو ختم ہونے والے سال کے لئے صنفی تنوع کا فرق کا حساب درج ذیل ہے۔

اوسط صنفی تنوع کا فرق: 90.24%

درمیانی اوسط صنفی تنوع کا فرق: 112.54%

کوئی دوسرا ڈیٹا تفصیل جیسا کہ متعلقہ سمجھا جاتا ہے: صفر

ای ایس جی معیارات

کمپنی کارپوریٹ گورننس کے اعلیٰ ترین معیارات کو برقرار رکھنے کے لئے پرعزم ہے، جس میں ماحولیاتی، سماجی اور گورننس (ای ایس جی) کے اصولوں کی تعمیل بھی شامل ہے۔ ہم نے ایسی پالیسیوں اور طریقوں کو نافذ کیا ہے جو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کی ضرورت کے مطابق تمام قابل اطلاق ای ایس جی قواعد و ضوابط کی تعمیل کو یقینی بناتی ہیں۔ ہمارے ماحولیاتی اقدامات ہمارے کاربن فٹ پرنٹ کو کم کرنے اور وسائل کے استعمال کو بہتر بنانے پر توجہ مرکوز کرتے ہیں۔ سماجی طور پر، ہم ملازمین کی فلاح و بہبود اور تنوع کو ترجیح دیتے ہیں، جبکہ ہمارا گورننس فریم ورک شفافیت، احتساب اور اخلاقی کاروباری طرز عمل کو برقرار رکھنے کے لئے بنایا گیا ہے۔ ہم بین الاقوامی بہترین طریقوں اور اسٹیک ہولڈرز کی توقعات کے ساتھ ہم آہنگ ہونے کے لئے اپنی ای ایس جی حکمت عملی کا مسلسل جائزہ لیتے ہیں اور ان میں اضافہ کرتے ہیں۔

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 تین (3 سال) ہے۔

اقتصادی منظر نامہ

زیر غور سال میں ملکی معیشت افراط زر کے دباؤ سے دوچار رہی جو توانائی کی بڑھتی ہوئی لاگت اور سپلائی چین میں خلل کا نتیجہ تھا۔ غالب عالمی رجحانات نے پاکستان کی معیشت کو متاثر کیا اور موجودہ سیاسی غیر یقینی صورتحال نے اسے مزید خراب کر دیا۔ افراط زر اور شرح سود کی مسلسل بلند سطح کا روبرو کرنے کی لاگت پر اثر انداز ہوتی رہتی ہے جبکہ اس کے ساتھ ساتھ صارفین کی قوت خرید میں بھی کمی واقع ہوتی ہے۔ یہ سیاسی غیر یقینی صورتحال اور جغرافیائی سیاسی صورتحال کے ساتھ معیشت میں مزید ست روی اور صارفین کی طلب پر منفی اثرات کا باعث بن سکتا ہے۔ مزید برآں، ملک میں ایف ایکس لیکویڈٹی کی صورتحال میں بہتری کے باوجود ساختی چیلنجز بدستور موجود ہیں۔ توقع ہے کہ آنے والے سالوں میں قرضوں کی اہم ادائیگیوں سے ملک کے ایف ایکس ذخائر دباؤ میں رہیں گے۔ اس سے کرنسی کی قدر میں کمی اور رسد میں خلل پڑ سکتا ہے کیونکہ آنے والے ادوار میں اہم خام مال کی درآمد مشکل ہو سکتی ہے۔ اس کے باوجود، کمپنی کی انتظامیہ کمپنی کی مالی پوزیشن کو متاثر کرنے والی مذکورہ بالا معاشی مشکلات کو کم کرنے کے لئے مختلف حکمت عملیوں اور منصوبوں پر سرگرمی سے عمل درآمد کر رہی ہے۔

مستقبل کے امکانات

ملک کی معاشی سرگرمی دباؤ میں رہنے کی توقع ہے، جس کی وجہ سے حقیقی جی ڈی پی نمو کا تخمینہ نچلی طرف رہے گا، جو مسلسل سخت معاشی پالیسی کی عکاسی کرتا ہے۔ حکومت اپنے استحکام اور اہم ڈھانچہ جاتی اصلاحات کی جانب پیش رفت کو برقرار رکھتے ہوئے ایک چیلنجنگ میکرو اکنامک ماحول کا سامنا کر رہی ہے۔

انتظامیہ معاشی اور مسابقتی چیلنجوں کا مقابلہ کرنے اور آنے والے سالوں میں تمام نئے جوش اور مسلسل بڑھتے ہوئے حوصلہ کے ساتھ کامیابی کو جاری رکھنے کے لیے پرامید ہے۔ کمپنی اپنے اسٹیک ہولڈرز کو بہترین نتائج فراہم کرنے کے لیے اپنی رسک مینجمنٹ حکمت عملی پر انحصار کرتی رہے گی۔

ریگولٹری اور ٹیکسیشن محصول

انٹرنیشنل آرڈیننس 2001 کے سیکشن 23(A) کے تحت کمپنی کو دستیاب پس ماندہ دیہی علاقوں میں نصب پلانٹ اور مشینری پر فرسودگی الاؤنس نے لیز پر دینے والی کمپنیوں کو دیہی علاقوں میں صنعتیں قائم کرنے والے اداروں پر بڑی نمائش کرنے کی ترغیب دی۔ فیڈرل بورڈ آف ریونیو (ایف بی آر) کی جانب سے اس کی واپسی کو جاری رکھنے سے دیہی علاقوں میں صنعت کاری کے ساتھ ساتھ کمپنی کے کاروبار کو زبردست نقصان پہنچا ہے۔

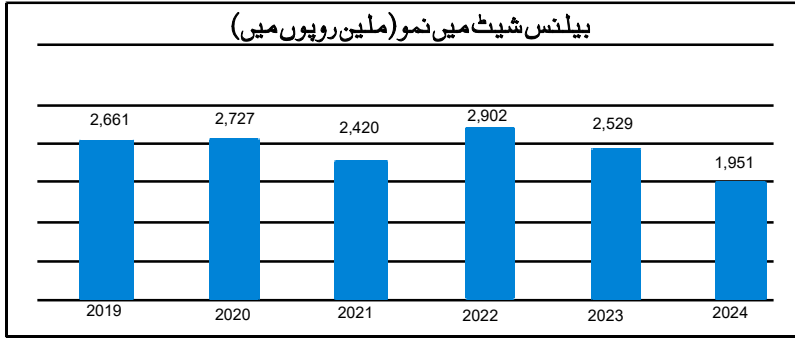
کئی سالوں میں گاڑیوں کی قیمتوں میں اضافے کی بنیاد پر کافی ترغیب کے بعد فرسودگی الاؤنس کی پابندی جو کہ کرایہ پر نہ لینے والی مسافر ٹرانسپورٹ گاڑی پر 2.5 ملین روپے تھی، اس میں 7.5 ملین روپے تک اضافہ کر دیا گیا۔ تاہم اس کے فوراً بعد پاک روپے کی قدر میں زبردستی کمی کی وجہ سے جو اضافہ لیز پر دینے والی کمپنیوں کو ترغیب دینا تھا وہ گاڑیوں کی قیمتوں میں اسی حد سے زیادہ اضافے کی وجہ سے غیر نتیجہ خیز ثابت ہوا۔

مالی سال 2023-24 کے دوران تحریر کی گئی لیزز 108 ملین روپے ہے، گزشتہ سال 2022-23 کے لیے 375 ملین روپے تھی۔
مالی سال 2023-24 کے دوران تقسیم کی گئی لیزز کی رقم 78 ملین روپے ہے، جو گزشتہ سال 2022-23 کے لیے 267 ملین روپے کم تھی۔ لیزز کی تقسیم میں کمی کی وجہ KIBOR میں خطیر اضافہ اور دیگر گولگی معاشی حالات رہے۔
آپ کی کمپنی کے لیے ایکویٹی کی مالیت، بمطابق NBFC ریگولیشن، بمطابق 30 جون، 2024 میں 816 ملین روپے رہی، جو 500 ملین روپے کی کم از کم مطلوب ایکویٹی سے 316 ملین روپے زیادہ ہے۔

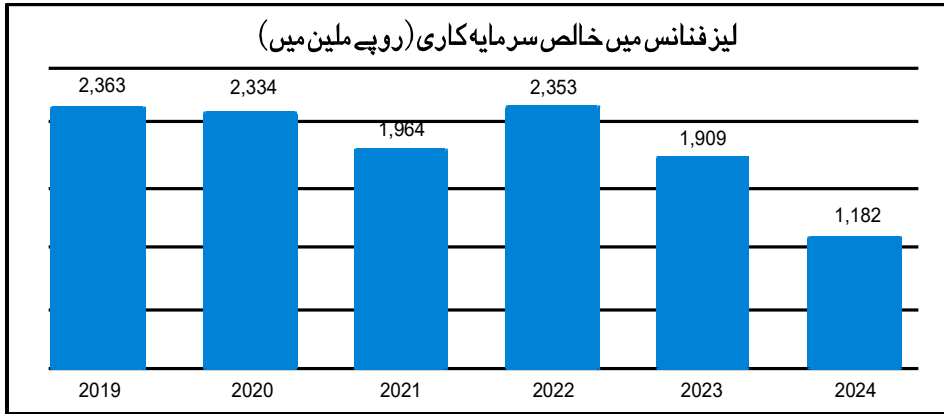
تبدیلی کی شرح فیصد	2023	2024	تقابلی تجزیہ بالحاظ منافع کارکردگی 30 جون
+ یا (-)	ملین روپوں میں		
7.31%	262.20	281.36	آمدنی
9.47%	52.66	57.65	انتظامی اخراجات
-13.70%	89.85	77.54	مالیاتی مصارف
22.12%	119.69	146.17	قبل از پرویشن منافع
81.36%	78.82	142.95	قبل از ٹیکس منافع
189.22%	22.18	64.15	ٹیکس کے لیے پرویشن (بشمول ملتوی ٹیکس)
39.12%	56.64	78.80	بعد از ٹیکس منافع
-77.43%	394.50	89.04	غیر مختص شدہ آمدنی جو کہ آگے لائی گئی
-62.80%	451.14	167.84	آمدنی جو تخصیص کے لئے دستیاب ہے
			تخصیص
39.10%	11.33	15.76	دستوری محفوظ سرمایہ کی طرف منتقلی
-100.00%	114.16	-	ڈیویڈنڈ (حصص منافع)
-100.00%	236.61	-	بونس شیئر کا اجراء
-95.65%	362.10	15.76	کل تخصیص
70.80%	89.04	152.08	غیر مختص آمدنی جو آگے لائی گئی
39.47%	1.14	1.59	فی شیئر آمدنی (روپے میں)

مالیاتی کامیابیاں

بیلنس شیٹ کی بنیادوں میں 30 جون 2023 کو 2,529 ملین روپے پر موجود تھی، اس میں 30 جون 2024 کو 1,951 ملین روپے تک کمی واقع ہوئی۔ جو کہ آپ کی کمپنی کے کل اثاثوں کا 22.85% ہے، جو کہ سال کے دوران لیز اور فنانس کے کاروبار میں کمی سے مطابقت رکھتی ہے۔ جس کی وجہ KIBOR میں اضافہ ہے۔ پچھلے 5 سال کی کمپنی کی بیلنس شیٹ کی نمونہ مندرجہ ذیل چارٹ میں دکھایا گیا ہے:



لیز میں مجموعی سرمایہ کاری 30 جون 2024 تک 1,505 ملین روپے رہی، جو کہ 30 جون 2023 تک کے اعداد و شمار سے کم تھی جس کی مالیت 2,369 ملین روپے تھی۔ لیز میں خالص سرمایہ کاری، غیر حاصل شدہ آمدنی (252 ملین روپے)، تعطل میں رکھے گئے مارک اپ (72 ملین روپے) اور لیز کے ممکنہ نقصانات کے لیے مختص رقم کی کٹوتی کے بعد مالی سال 2023-24 کے اختتام پر 1,182 ملین روپے تھی جو کہ اسی اعداد و شمار کے مقابلے میں 30 جون 2023 تک 1,909 ملین روپے تھی۔ کمپنی کی لیز فنانس میں خالص سرمایہ کاری جو کہ پچھلے پانچ (5) سالوں میں نمونہ پر تھی، نیچے چارٹ میں دکھائی گئی ہے۔



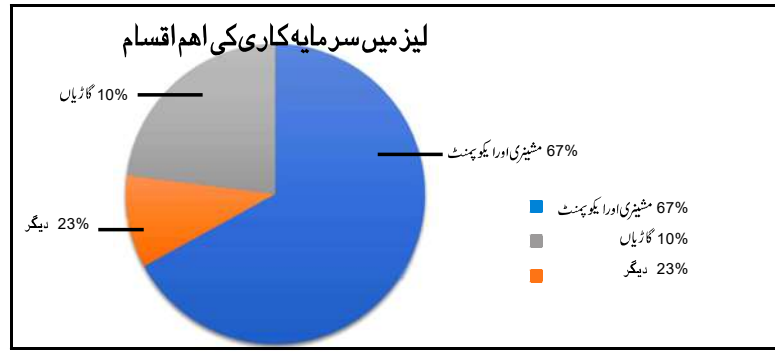
کارکردگی بالحاظ منافع

مالی سال 2023-24 کے لیے بعد از ٹیکس منافع 78.80 ملین روپے ریکارڈ کیا گیا ہے۔ جو کہ 22.16 ملین روپے پچھلے سال کے مقابلے میں زیادہ رہا۔ جبکہ مالی سال 2023-24 کے EPS کے 1.59 روپے فی حصص تھے جو کہ سال 2022-23 میں 1.14 روپے فی حصص تھے۔ مالی سال 2023-24 کے لیے مجموعی آمدنی 281 ملین روپے ہے، جو پچھلے سال کے مقابلے میں 19 ملین زیادہ ہے۔ گزشتہ سال 2022-23 کے لیے مجموعی آمدنی 262 ملین روپے تھی۔

لیز میں سرمایہ کاری کی اقسام

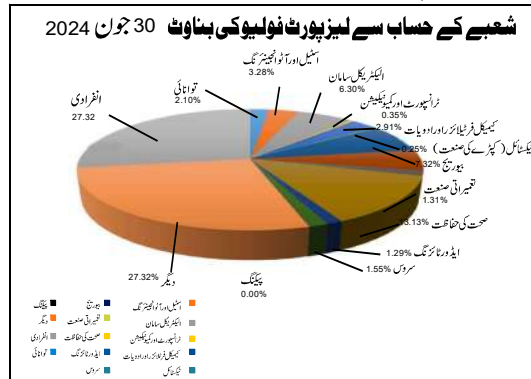
آپ کی کمپنی کی مرکزی کاروباری سرگرمی اثاثوں پر مبنی تمویل (فنانس لیز) ہے، جسکی ایس ای سی پی کی طرف سے طے کردہ مختلف طریقوں کے تحت اجازت ہے۔ کمپنی کا اپنی سرکاری کی وصولی کا حتمی ذریعہ وہ اثاثے ہیں، جن کی یہ تمویل کرتی ہے۔ ایسے اثاثوں کی عمرگی سے قدر پیمائی کی جاتی ہے اور متعلقہ خطرات کم کرنے کے لیے اثاثوں 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 2023-24 کے دوران لیزنگ میں کمپنی کی اثاثوں کی نوعیت کے مطابق سرمایہ کاری کے مجموعی تجزیہ کو تصویری شکل میں دکھایا گیا ہے:



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 بالحاظ شعبہ تقسیم عمدہ تنوع کی حامل ہو۔ مالی سال 2023-24 کے اختتام پر کمپنی کے لیز پورٹ فولیو کی بالحاظ شعبہ تفصیل کی گراف کی شکل میں تفصیلات کی درج ذیل چارٹ میں عکاسی کی گئی ہے:

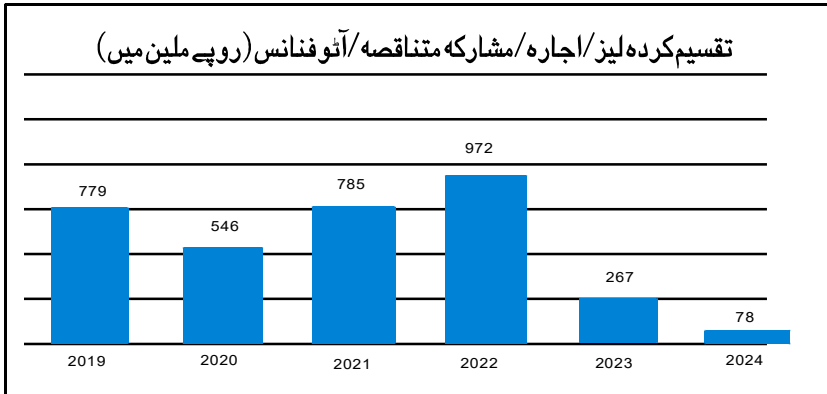
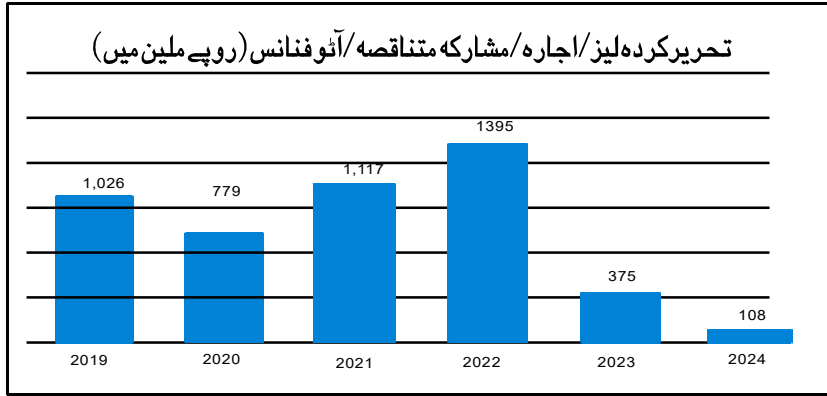


PGL کی آپریشنل اور مالیاتی کارکردگی کا تجزیہ برائے مالی سال 2023-24

تحریر اور تقسیم کردہ لیزز اور آٹوفنانس

مالی سال 2023-24 میں 11 نئی لیزز اور 2 آٹوفنانس جو 108 ملین روپے مالیت کے تھے تحریر کیے گئے، بمقابلہ پچھلے سال مالی سال 2022-23 میں 23 لیزز اور 2 آٹوفنانس کے 375 ملین روپے مالیت کی تحریر کیے گئے۔ مالی سال 2023-24 کے دوران لیزز کی تقسیم کی مجموعی مالیت 78 ملین روپے تھی جبکہ مالی سال 2022-23 کے لیے تقابلی رقم 267 ملین روپے تھی۔

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



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

ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز (حصص یافتگان)

آپ کے ڈائریکٹرز مسرت کے ساتھ پاک گلف لیزنگ کمپنی لمیٹڈ (PGL) کی 31 ویں سالانہ رپورٹ بشمول مالی گوشوارے اور آڈیٹرز رپورٹ برائے سال 30 جون 2024 پیش کر رہے ہیں۔

آپریشنل جائزہ

اس سال کے دوران آپ کی کمپنی کی طرف سے فراہم کردہ مالیاتی سہولیات کی مقدار میں خاصی کمی واقع ہوئی جس کی وجہ KIBOR میں اضافہ تھا۔ ان حقائق کے باوجود آپ کی کمپنی کی مالی کارکردگی تسلی بخش رہی کیونکہ آپ کی کمپنی نے اس 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 کی شہرت رکھنے 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 سیکورٹیز 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 بنا لیتی ہے جو لیزنگ کی سرمایہ کاری سے متعلق کوتاہیوں اور ناہندگیوں کا سبب بنتے ہیں۔

کمپنی کی طرف سے مکمل لیسیر 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 مبنی 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 لیز 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۔

سال کے دوران، ضرورت سے زیادہ KIBOR، افراتر اور منفی معاشی حالات کی بنیاد پر قرض لینے کی بلند شرح کی وجہ سے، کمپنی نے انتہائی احتیاط کے ساتھ صرف ان کلائنٹس کے لیے ایکسپوزرز کو آگے بڑھایا جو اس کے لیے انتہائی قابل ادھار سمجھے جاتے تھے۔ محتاط پالیسی کی وجہ سے کم لیز اور لون لکھے گئے جس کی وجہ سے لیز فننس اور آؤٹفانس کی رقم میں کمی واقع ہوئی۔ مالی سال 2023-24 کے لیے کمپنی کی ریکوری کی شرح 89% رہی جو پچھلے سال 87% تھی۔

**STATEMENT OF COMPLIANCE WITH LISTED
COMPANIES (CODE OF CORPORATE
GOVERNANCE) REGULATIONS, 2019
FOR THE YEAR ENDED JUNE 30, 2024**

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

1. The total number of directors are ten (10) as per the following categories, and includes Chief Executive who is a deemed director under Section 188 of the Companies Act 2017:
 - a. Male: Nine (9)
 - b. Female: One (1)

2. The composition of the Board of Directors (the Board) as on June 30, 2024 was as follows:

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

*Chief Executive and deemed director

** Ms. Naeen Ahmed (female director) is an Independent Director

Note: The Board of the Company comprises of ten (10) directors including the chief executive and one-third works out to be 3.33. The fraction 0.33 being less than 0.5 has not been rounded up to four (4), as three (3) independent directors elected by the shareholders in terms of Section 166 of the Companies Act, 2017 who have the requisite competencies, skills, knowledge, and experience are considered adequate to discharge and execute their duties competently as per laws and regulations.

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, 2024, following five (5) directors of the Company have acquired the required certificate of Directors Training Program while one (1) is exempt from this requirement:

**STATEMENT OF COMPLIANCE WITH LISTED
COMPANIES (CODE OF CORPORATE
GOVERNANCE) REGULATIONS, 2019
FOR THE YEAR ENDED JUNE 30, 2024**

- Directors**
- i. Mr. Mahfuz-ur-Rahman Pasha
 - ii. Mr. Pervez Inam
 - iii. Mr. Fawad Salim Malik
 - iv. Mr. Ismail H. Ahmed
 - 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**

Ms. Naureen Ahmed	Chairman
Mr. Pervez Inam	Member
Brig. Naveed Nasar Khan (Retd.)	Member
Mr. Naeem Ali Muhammad Munshi	Member
Mr. Ismail H Ahmed	Member
 - b) **Human Resources and 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-Rehman Pasha	Member
 - c) **Risk Management Committee**

Mr. Jan Ali Khan Junejo	Chairman
Mr. Sohail Inam Ellahi	Member
Mr. Fawad Salim Malik	Member
Mr. Ismail H Ahmed	Member
Mr. Naeem Ali Muhammad Munshi	Member
Ms. Naureen Ahmed	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 - (One meeting)
 - c) Risk Management Committee - (No meeting)
 15. The Board has set up an effective internal audit function comprising of Head of Audit who is suitably qualified and experienced for the purpose and is well conversant with the policies and the 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.
 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.

**STATEMENT OF COMPLIANCE WITH LISTED
COMPANIES (CODE OF CORPORATE
GOVERNANCE) REGULATIONS, 2019
FOR THE YEAR ENDED JUNE 30, 2024**

20. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 (non-mandatory requirements) are noted below:

Sr. #	Requirement	Explanation	Reg #
1	The board is responsible for governance and oversight of sustainability risks and opportunities and takes appropriate measures to address it. Further, the board ensures that the Company's sustainability and DE&I related strategies are periodically reviewed and monitored.	The board will ensure that the company has addressed sustainability related risk and opportunities. Also, it will ensure that company's sustainability and DE&I related strategies are periodically reviewed and monitored in future. The requirement introduced recently by SECP through notification dated June 12, 2024 will be complied with in due course.	10A (1)(3) (4)
2	The board may establish a dedicated sustainability committee or assign additional responsibilities to an existing board committee.	Currently, the board has not constituted a separate Sustainability Committee. The requirement introduced recently by SECP through notification dated June 12, 2024 will be complied with in due course.	10A(5)
3	It is encouraged that all the directors on their Boards have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	The Directors of the Board are well acquainted with the roles and responsibilities and applicable laws and regulations. Till June 30, 2024, five (5) directors of the Company have acquired the required certificate of Directors Training Program while one (1) is exempt from this requirement and others will comply with the requirement in due course of time.	19(1)
4	Companies are also encouraged to arrange training for: (i) at least one female executive every year under the Directors' Training program from year July 2020; and (ii) at least one head of department every year under the Directors' Training program from July 2022.	In-house training of key executives, including female executives, is a continuous process and the Company will also arrange for Directors' Training program of key executives including female executives in due course of time.	19(3)
5	The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	Since the constitution of the Committee is non-mandatory, therefore the responsibilities prescribed for the nomination Committee are being taken care of by the Board of Directors.	29
6	The Company may post the following on its website: (1) key elements of its significant policies including but not limited to the following: (i) communication and disclosure policy; (ii) code of conduct for members of board of directors, senior management and other employees; (iii) risk management policy; (iv) internal control policy; (v) whistle blowing policy; (vi) corporate social responsibility/sustainability/environmental, social and governance related policy.	Since the Regulation does not require mandatory disclosure of significant policies on the website, therefore the Company has not updated the website accordingly. In future, as desired, the Company will post the key elements of the significant policies on the website.	35

On behalf of the Board of Directors

Chairman
September 20, 2024
Karachi



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Lakson Square, Building No.1
Sarwar Shaheed Road
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Pakistan

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, 2024 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. 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.

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, 2024.

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: September 23, 2024

UDIN:CR202410166cSD8CkFOX

BDO EBRAHIM & CO.

CHARTERED ACCOUNTANTS

Engagement Partner: Tariq Feroz Khan



ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

Shariah Review Report

for the year ended June 30, 2024

In pursuit of Shariah compliance, Pak Gulf Leasing Company Limited (PGL) established its Islamic Finance Division on March 1st, 2013. PGL successfully introduced and operationalized Shariah-compliant Ijarah and Diminishing Musharakah products.

We hereby affirm that PGL meticulously adhered to Shariah principles in the execution of Ijarah and Diminishing Musharakah, maintaining full compliance with the associated rules and regulations. It is noteworthy, that no new transactions were executed/terminated during the current fiscal year for both Ijarah and Diminishing Musharakah.

We 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 Islamic Finance.

Mufti Muhammad Ibrahim Essa

For and on behalf of

Alhamd Shariah Advisory Services (Pvt.) Limited



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

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ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

شریہ ریویو رپورٹ

30 جون 2024

پاک گلف لیزنگ کمپنی لمیٹڈ نے یکم مارچ 2013 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 مالی سال 2024 میں اجارہ یا شرکت متناقصہ کا کوئی نیا معاملہ انجام نہیں دیا گیا۔

ہم اس موقع پر اللہ تعالیٰ کا شکر بھی ادا کرتے ہیں اور اس سے مزید رہنمائی اور نعمتوں کے بھی طلبگار ہیں، ساتھ ہی ساتھ میں اسلامک فنانس کی مزید ترقی اور خوشحالی کے لیے اپنی نیک تمناؤں کا بھی اظہار کرتے ہیں۔ والسلام

محمد ابراہیم

مفتی محمد ابراہیم عسلی

المحد شریہ ایڈوائزری سروسز (پرائیویٹ) لمیٹڈ



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

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INDEPENDENT AUDITORS' 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, 2024, 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 material accounting policies information 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, 2024 and of the profit, its 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 Auditors' 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
<p>Existence and valuation of Net Investment in Finance Lease (NIFL) (Refer notes 4.4, 4.6 and 9 of the financial statements)</p> <p>As disclosed in note 8 to the financial statements, NIFL amounts to Rs. 1,181.683 million which constitute 61% of the total assets of the Company.</p> <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 position and performance.</p> <p>Determining the provision and calculating the ECL for leases involves significant judgment and estimation. In assessing the adequacy of the ECL, management takes into account several factors, such as the nature and characteristics of the obligor, prevailing economic conditions, credit concentrations, changes in collateral quality, historical loss experience, and delinquency rates.</p> <p>In view of significance of NIFL in relation to total assets and the financial statements as a whole, and determining the provision for NIFL involves substantial judgements and estimation, and the materiality of the NIFL in relation to the Company's overall financial statements, we have identified the existence and valuation of NIFL as a key audit matter.</p>	<p>Our audit procedures to assess and test the design and operations of key controls over the valuation and existence of NIFL included, amongst others, the following:</p> <ul style="list-style-type: none"> • We tested controls over addition, termination and periodic valuation of the lease portfolio and performed other substantive audit procedures on the year end balances. • Obtained an understanding of the design and tested the operating effectiveness of the relevant controls established by the Company to identify loss events and for determining the extent of provisioning required against NIFL. • 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 of parties on sample basis. In addition, we have circulated confirmations to sampled lessees and checked repayments. • Assessed the ECL model used by the management to calculate the provision against NIFL assets of the Company for appropriateness of the assumptions used and the methodology applied. We also tested the mathematical accuracy of the model.



Key audit matters	How the matter was addressed in our audit
	<ul style="list-style-type: none">Assessed the relevant disclosures made in the financial statements to determine whether they are complied with the accounting and reporting standards as applicable in Pakistan.

Information Other than the Financial Statements and Auditors' 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 auditors' 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.



Auditors' 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 auditors' 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 auditors' 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 auditors' 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 auditors' 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.

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

KARACHI

DATED: 23 SEP 2024

UDIN: AR202410166qxJKFRws8


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

**STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2024**

	Note	2024	2023
		----- Rupees -----	
ASSETS			
Non-current assets			
Property and equipment	5	7,298,508	2,637,826
Right of use assets	6	17,160,784	147,563
Investment property	7	169,884,000	164,736,000
Intangible assets	8	324,625	-
Net investment in finance lease	9	773,389,541	1,140,097,764
Long-term loans	10	21,025,572	48,244,628
Long-term security deposits		118,500	118,500
Total non-current assets		989,201,530	1,355,982,281
Current assets			
Current portion of net investment in finance lease	9	408,293,631	769,028,755
Current portion of long-term loans	10	52,100,860	83,085,527
Short term investments	11	40,549,837	55,575,097
Advance to employees		4,940	96,929
Prepayments		467,419	485,670
Other receivables	12	105,044,504	59,503,860
Cash and bank balances	13	354,856,487	205,090,460
Total current assets		961,317,678	1,172,866,298
Total assets		1,950,519,208	2,528,848,579
EQUITY AND LIABILITIES			
Share Capital and reserves			
Share capital	14	494,711,100	494,711,100
Reserve	15	415,645,412	334,822,582
Total Equity		910,356,512	829,533,682
Non-current liabilities			
Long-term deposits	16	342,798,193	520,381,058
Long-term loan	17	4,166,668	37,499,989
Lease liabilities	18	8,662,199	-
Certificates of investment	19	225,475,007	340,590,008
Deferred taxation	20	121,024,669	118,166,931
Total non-current liabilities		702,126,736	1,016,637,986
Current liabilities			
Trade and other payables	21	55,121,276	81,418,746
Short term borrowings	22	-	186,974,518
Unclaimed dividend		3,235,057	3,507,719
Taxation - net	23	37,977,148	33,603,085
Accrued mark-up	24	60,539,007	21,191,306
Current portion of long-term deposits	16	139,912,877	287,844,766
Current portion of long-term loan	17	33,333,332	66,666,672
Current portion of lease liabilities	18	6,315,124	636,978
Current portion of certificates of investment	19	1,602,139	833,121
Total current liabilities		338,035,960	682,676,911
Total liabilities		1,040,162,696	1,699,314,897
Total Equity and Liabilities		1,950,519,208	2,528,848,579

Contingencies and commitments

25

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

Chief Executive Officer
Director
Chief Financial Officer

**STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024	2023
----- Rupees -----			
INCOME			
Income from financing operations	26	218,733,152	227,292,442
Income from other activities			
Return on investments	27	43,667,655	22,454,916
Other income	28	18,954,756	12,455,043
		<u>62,622,411</u>	<u>34,909,959</u>
EXPENSES			
Administrative and operating expenses	29	(57,648,813)	(52,663,085)
Finance cost	30	(77,541,090)	(89,848,800)
		<u>(135,189,903)</u>	<u>(142,511,885)</u>
Operating profit before provision		146,165,660	119,690,516
(Provision)/ Reversal against lease receivables held under litigation	12.4	(793,763)	6,334,065
Provision for insurance premium and other receivables		(454,250)	-
Provision for potential lease and loan losses	9.3 & 10.2	(1,969,975)	(47,207,690)
Profit before taxation		<u>142,947,672</u>	<u>78,816,891</u>
Taxation	31	(64,149,146)	(22,181,204)
Profit for the year		<u>78,798,526</u>	<u>56,635,687</u>
Earning per share-basic and diluted	32	1.59	1.14

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

Chief Executive Officer

Director

Chief Financial Officer

**STATEMENT OF
COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2024**

	Note	2024	2023
		----- Rupees -----	
Net profit for the year		78,798,526	56,635,687
Other comprehensive income / (loss) for the year			
<i>Items that will not be reclassified to statement of profit or loss in subsequent periods:</i>			
Gain / (loss) on revaluation of FVOCI investments	11	2,024,304	(780,291)
Total comprehensive income for the year		<u>80,822,830</u>	<u>55,855,396</u>

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

Chief Executive Officer

Director

Chief Financial Officer



**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2024**

	Share capital	Reserves				Revenue	Total reserves	Total equity
		Capital						
	Statutory reserve	Reserve for issue of bonus shares	Surplus on revaluation of property and equipment (note 15.2)	Surplus on revaluation of FVOCI investments	Unappropriated profit			
----- (Rupees) -----								
Balance as at July 1, 2022	253,698,000	142,398,442	4,402,000	90,504,204	2,334,900	394,504,840	634,144,386	887,842,386
Final dividend for the year ended June 30, 2022 Rs. 1 per share	-	-	-	-	-	(25,369,800)	(25,369,800)	(25,369,800)
Interim Dividend for the year ended June 30, 2023 @ Rs.3.5 per share	-	-	-	-	-	(88,794,300)	(88,794,300)	(88,794,300)
Interim bonus issue for the year ended June 30, 2023 at the rate of 95 shares for every 100 shares	241,013,100	-	(4,402,000)	-	-	(236,611,100)	(241,013,100)	-
Net Profit for the year	-	-	-	-	-	56,635,687	56,635,687	56,635,687
Other comprehensive loss	-	-	-	-	(780,291)	-	(780,291)	(780,291)
Total comprehensive income/ (loss) for the year	-	-	-	-	(780,291)	56,635,687	55,855,396	55,855,396
Transfer to statutory reserve	-	11,327,137	-	-	-	(11,327,137)	-	-
Balance as at June 30, 2023	494,711,000	153,725,579	-	90,504,204	1,554,609	89,038,190	334,822,582	829,533,682
Net Profit for year	-	-	-	-	-	78,798,526	78,798,526	78,798,526
Other comprehensive income	-	-	-	-	2,024,304	-	2,024,304	2,024,304
Total comprehensive income for the year	-	-	-	-	2,024,304	78,798,526	80,822,830	80,822,830
Transfer to statutory reserve	-	15,759,705	-	-	-	(15,759,705)	-	-
Balance as at June 30, 2024	494,711,100	169,485,284	-	90,504,204	3,578,913	152,077,011	415,645,412	910,356,512

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

Chief Executive Officer

Director

Chief Financial Officer

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2024

	Note	2024	2023
----- Rupees -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		142,947,672	78,816,891
Adjustment for:			
Depreciation and Amortization	29	5,583,233	5,297,577
Finance cost	30	77,541,090	89,848,800
Allowance for potential lease and loan losses	9.3 & 10.2	1,969,975	47,207,690
Unrealized gain on revaluation of investment property	28	(5,148,000)	-
Provision / (reversal) for lease receivable held under litigation	12.4	793,763	(6,334,065)
Provision for insurance premium and other receivables		454,250	-
		<u>81,194,311</u>	<u>136,020,002</u>
Operating profit before working capital changes		224,141,983	214,836,893
(Increase) / decrease in current assets			
Advance to employees		91,988	(39,990)
Other receivables		(90,387,377)	5,282,472
Prepayments		18,251	83,760
		<u>(90,277,138)</u>	<u>5,326,242</u>
Decrease in current liabilities			
Trade and other payables		(26,297,471)	(32,976,002)
Cash generated from operations		107,567,374	187,187,133
Finance cost paid		(34,804,482)	(88,939,748)
Tax paid - net	23	(56,917,345)	(84,828,132)
Long-term deposits - net		(325,514,754)	(127,373,726)
Long-term loans - net		58,218,313	106,464,718
Net investment in finance lease		769,057,502	394,669,416
		<u>410,039,235</u>	<u>199,992,528</u>
Net cash generated from operating activities		517,606,609	387,179,661
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in property and equipment	5	(5,597,913)	(176,120)
Additions in intangible assets	8	(367,500)	-
Investments redeem / (made) during the year		17,049,564	(1,149,541)
Net cash generated from / (used in) investing activities		11,084,151	(1,325,661)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Paid) / received against certificates of investment		(114,345,983)	4,355,664
Dividend paid		(272,662)	(112,088,019)
Lease payments	18	(10,664,909)	(5,253,652)
Payments of long-term loan installments		(66,666,661)	(29,166,663)
Net cash used in financing activities		(191,950,215)	(142,152,670)
Net increase in cash and cash equivalents		<u>336,740,545</u>	<u>243,701,330</u>
Cash and cash equivalents at the beginning of the year		<u>18,115,942</u>	<u>(225,585,388)</u>
Cash and cash equivalents at the end of the year	33	354,856,487	18,115,942

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

Chief Executive Officer

Director

Chief Financial Officer

1 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.
- 1.2 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. The Company also have a branch office located at Office No. 202, 2nd Floor, Divine Mega II, Opp Honda Point, New Airport Road, Lahore.
- 1.3 VIS Credit Rating Company Limited (VIS) has assigned a long term credit rating of A- and short term credit rating of A-2 to the Company on September 21, 2023.
- 1.4 Regulation 4 of Non-Banking Finance Companies and Notified Entities Regulations, 2008, requires an existing NBFC with valid deposit taking permission having leasing licence to maintain, at all times, minimum equity of Rs. 500 million. The equity of the Company as at June 30, 2024 is Rs. 815.948 million which is Rs. 315.948 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;
- Provision of and directive issued under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), and 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, 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 stated otherwise in the relevant notes to the financial statements.

2.3 Functional and presentation currency

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

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS TO PUBLISHED APPROVED ACCOUNTING AND REPORTING STANDARDS

- 3.1 **New accounting standards, amendments and IFRS interpretations that are effective for the year ended June 30, 2024.**

The following standards, amendments and interpretations are effective for the year ended June 30, 2024. These standards, amendments and interpretations are either not relevant to the Company's operations or did not have significant impact on the financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IAS 1 'Presentation of Financial Statements' and IFRS Practice Statement 2 Making Materiality Judgements- Disclosure of Accounting Policies	January 1, 2023
Amendments to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Definition of Accounting Estimates	January 1, 2023
Amendments to IAS 12 'Income Taxes' - Deferred Tax related to Assets and Liabilities arising from a single transaction	January 1, 2023
Amendments to IAS 12 'Income Taxes' - Temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes	January 1, 2023

The Company adopted the narrow-scope amendments to the International Accounting Standard (IAS) 1, Presentation of Financial Statements which have been effective for annual reporting periods beginning on or after 1 January 2023. Although the amendments did not result in any changes to accounting policy themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material' rather than 'significant' accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting the Company to provide useful entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and updates to the information disclosed in Note 4 Material accounting policies (2023: Significant accounting policies) in certain instances in line with the amendments and concluded that all its accounting policies are material for disclosure.

3.2 New accounting standards, amendments and interpretations that are not yet effective

The following standards, amendments and interpretations are only effective for accounting periods, beginning on or after the date mentioned against each of them. These standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures.

	Effective date (annual periods beginning on or after)
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Supplier finance arrangements	January 1, 2024
Amendments to IFRS 7 'Financial Instruments: Disclosures' - Amendments regarding the classification and measurement of financial instruments	January 1, 2026
Amendments to IFRS 9 'Financial Instruments' - Amendments regarding the classification and measurement of financial instruments	January 1, 2026
Amendments to IFRS 16 'Leases' - Amendments to clarify how a seller-lessee subsequently measures sale and leaseback transactions	
Amendments to IAS 1 'Presentation of Financial Statements' - Classification of liabilities as current or non-current	January 1, 2024
Amendments to IAS 1 'Presentation of Financial Statements' - Non-current liabilities with covenants	January 1, 2024
Amendments to IAS 7 'Statement of Cash Flows' - Supplier finance arrangements	January 1, 2024
Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' - Lack of Exchangeability	January 1, 2025
IFRS 17 Insurance Contracts	January 1, 2026

IFRS 1 'First-time Adoption of International Financial Reporting Standards' has been issued by IASB effective from July 01, 2009. However, it has not been adopted yet locally by Securities and Exchange Commission of Pakistan (SECP).

IFRS 17 - 'Insurance contracts' has been notified by the IASB to be effective for annual periods beginning on or after January 1, 2023. However SECP has notified the timeframe for the adoption of IFRS - 17 which will be adopted by January 01, 2026.

IFRS 18 'Presentation and Disclosures in Financial Statements' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

IFRS 19 'Subsidiaries without Public Accountability: Disclosures' has been issued by IASB effective from January 01, 2027. However, it has not been adopted yet locally by SECP.

4. MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

4.1 Cash and cash equivalents

Cash in hand and at banks are carried at cost. For the purpose of statement of cash flows, 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.

4.2 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 recognized in statement of profit and loss. Fair value is evaluated annually by an independent professional valuer and hence no depreciation is charged. Investment property is derecognized 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 recognized as income and expense 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 capitalized and the assets so replaced, if any, are retired.

4.3 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.

4.4 Net investment in finance lease

Leases where the Company transfers substantially all the risks and rewards incidental to ownership of an asset to the lessees are classified as finance leases. A lease receivable is recognized at an amount equal to the present value of the minimum lease payments, including any guaranteed residual value, if any. The difference between the gross lease receivables and the present value of the lease receivables is recognized as unearned finance income.

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 recognized 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.

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 Provision for potential lease losses and provision for terminated leases

The Company applies IFRS 9 general approach for lease and loan losses respectively to determine Expected Credit Losses (ECL). A lifetime ECL is recorded on lease and loans in which there has been Significant Increase in Credit Risk (SICR) from the date of initial recognition and on lease and loans which are credit impaired as on the reporting date. A 12 months ECL is recorded for lease and loan which do not meet the criteria for SICR or "credit impaired" as at the reporting date. To assess whether there is a significant increase in the credit risk, the Company compares the risk of a default occurring on the loans and lease as at the reporting date with the risk of default as at the date of initial recognition. The Company also considers reasonable and supportive forward-looking information in the determination of ECL. The allowance is increased by provisions charged to the statement of profit or loss and is decreased by charge-offs, net of recoveries.

Calculating ECL for lease and loan is subject to numerous judgments and estimates. In evaluating the adequacy of ECL, the management considers various factors, including the nature and characteristics of the obligor, current economic conditions, credit concentrations or deterioration in collateral, historical loss experience and delinquencies. The management further considers the impact of forward-looking information and its resulting impact on the provision for lease and loan portfolio of the Company.

4.7 Property and equipment**Owned assets**

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

Subsequent costs are included in the asset's carrying amounts or recognized 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 5 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.

4.8 Intangible assets

An intangible asset is recognized if it is probable that the future economic benefits attributable to the asset will flow to the Company and that the cost of such asset can also be measured reliably.

Intangible assets, where applicable, are amortized from the month when such assets are available for use on straight line method whereby the cost of an intangible asset is allocated over its estimated useful life, at the rates given in note 8.

The useful lives of intangible assets are reviewed at each reporting date to determine whether events and circumstances continue to support an indefinite useful life assessment for the asset.

Software

Costs that are directly associated with identifiable computer software and have probable economic benefits exceeding one year, are recognized as an intangible asset. Costs include the purchase cost of software, implementation cost and related overhead cost. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses thereon.

Expenditure which enhances or extends the performance of computer software beyond its original specification and useful life is recognized as a capital improvement and added to the original cost of the software.

4.9 Right of use assets and related liabilities

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 recognized 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 recognized 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 amortized cost using the effective interest rate. Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the statement of profit or loss.

4.10 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.

4.11 Financial instruments

Classification

4.11.1 The Company classifies its financial assets in the following measurement categories:

- a) Fair value through profit or loss
- b) Fair value through other comprehensive income
- c) Amortized cost

The classification depends on the entity's business model for managing the financial assets. The management determines the classification of its financial assets at initial recognition.

All the financial assets of the Company as at statement of financial position date are carried at amortized cost.

Amortized cost

A financial asset is measured at amortized cost if it meets both the following conditions and is not designated as at fair value through statement of profit or loss:

- (i) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- (ii) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Impairment

The Company recognizes loss allowance for Expected Credit Losses (ECLs) on financial assets measured at amortized cost and contract assets. The Company measures loss allowance at an amount equal to lifetime ECLs.

Lifetime ECLs are those that result from all possible default events over the expected life of a financial instrument. The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

At each reporting date, the Company assesses whether the financial assets carried at amortized cost are credit-impaired. A financial asset is credit-impaired when one or more events that have detrimental impact on the estimated future cash flows of the financial assets have occurred.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

4.11.2 Financial liabilities

Financial liabilities are initially recognized at fair value, net of transaction costs incurred and subsequently carried at amortized cost using the effective interest method.

Financial liabilities are classified as current liabilities unless the Company has an unconditional / contractual right to defer settlement of the liability for at least twelve months after the statement of financial position date.

4.11.3 Recognition and measurement

All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

4.11.4 Derecognition

The financial assets are de-recognized when the Company loses control of the contractual rights that comprise the financial assets. The financial liabilities are de-recognized when they are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired.

4.12 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Company has a legally enforceable right to set-off the recognized amounts and the Company intends to settle either on a net basis or realize the asset and settle the liability simultaneously.

4.13 Trade and other payables

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

4.14 Provisions

Provisions are recognized 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

Income tax expense comprises current and final tax. Income tax expense is recognized in statement of profit or loss except to the extent that it relates to items recognized directly in other comprehensive income in which case it is recognized in the statement of comprehensive income.

The Institute of Chartered Accountants of Pakistan has issued International Accounting Standard (IAS-12) "Income Taxes" - Application Guidance on Accounting for Minimum Taxes and Final Taxes. The Company has assessed the implications of the guidance on the annexed financial statements and concluded that since the income tax liability is based on the taxable profits of the Company and need not to be bifurcated between the income tax and levy (as per the requirements of IFRIC-21 / IAS-37) as contained in the above guidance, therefore, it does not affect the overall presentation of the financial statements. According to the guidelines the final tax paid is classified as levy and not income tax in the statement of profit or loss.

Current

Current tax is the expected tax payable on the taxable profit for the year based on taxable profits, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred

Deferred tax is recognized, 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 recognized for all taxable temporary differences, whereas deferred tax assets are recognised for all deductible temporary differences. A deferred tax asset is recognized 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 recognized 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 Revenue recognition**Finance leases**

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. Unrealized 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 realized.

Auto finance

Income on loan is recognized on a time proportionate basis using effective interest rate method taking into account the principal outstanding and applicable rate of interest / return thereon.

4.19 Return on investments

Return on debt securities and deposits accounts is recognized using the effective interest method. Dividend income from investments is recognized when the company's right to receive the dividend is established.

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 recognized 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, Lease finance and Auto finance.

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 respect of the following:

- i) Classification and valuation of investments (notes 11).
- ii) Depreciation on property and equipment (note 5).
- iii) Expected credit loss (note 4.6).
- v) Contingencies (note 25.1).
- vi) Provision for current and deferred taxation (notes 20, 23 and 31).
- vii) Classification and provision of net investment in finance lease (notes 9 and 9.3).
- viii) Measurement of investment property (note 7).
- ix) Determination and measurement of right of use assets and lease liabilities (notes 6 and 18)

5. PROPERTY AND EQUIPMENT

Description	Leasehold improvements	Furniture and fittings	Office equipment	Vehicles	Computer equipment	Total
	----- Rupees -----					
Year ended June 30, 2024						
Net carrying value basis						
Opening net book value (NBV)	-	679,877	309,987	1,571,655	76,307	2,637,826
Additions	-	305,485	269,550	3,494,878	1,528,000	5,597,913
Depreciation charge	-	(187,949)	(96,503)	(279,590)	(373,189)	(937,231)
Closing - net book value (NBV)	-	797,413	483,034	4,786,943	1,231,118	7,298,508
Gross carrying value basis						
Cost	1,168,197	3,576,636	4,275,978	14,755,811	6,659,666	30,436,288
Accumulated depreciation	(1,168,197)	(2,779,223)	(3,792,944)	(9,968,868)	(5,428,548)	(23,137,780)
NBV	-	797,413	483,034	4,786,943	1,231,118	7,298,508
Year ended June 30, 2023						
Opening - net book value (NBV)	-	812,103	261,665	2,243,213	188,170	3,505,151
Additions	-	44,000	132,120	-	-	176,120
Depreciation charge	-	(176,226)	(83,798)	(671,558)	(111,863)	(1,043,445)
Closing - Net book value (NBV)	-	679,877	309,987	1,571,655	76,307	2,637,826
Gross carrying values basis						
Cost	1,168,197	3,271,151	4,006,428	11,260,933	5,131,666	24,838,375
Accumulated depreciation	(1,168,197)	(2,591,274)	(3,696,441)	(9,689,278)	(5,055,359)	(22,200,549)
NBV	-	679,877	309,987	1,571,655	76,307	2,637,826
Depreciation rate % per annum	5	10	20	20	33.33	

5.1 The cost of fully depreciated assets which are still in use as at June 30, 2024 is Rs. 22.32 million (2023: Rs. 17.8 million).

5.2 Depreciation amounting Rs. 0.937 million (2023: Rs. 1.04 million) are charged to administrative and operating expenses.

6. RIGHT OF USE ASSETS

	Note	2024	2023
----- Rupees -----			
Opening net book value		147,563	4,401,695
Addition during the year		21,616,348	-
Depreciation charged during the year	29	(4,603,127)	(4,254,132)
Closing net book value		17,160,784	147,563
Depreciation rate		22%	22%

6.1 This represent registered office located in Phase-1, DHA, Karachi and branch office located at New Airport Road, Lahore. Term of the lease is five years and the increment borrowing rate is 24.27% (1 year KIBOR plus 1%) .

	Note	2024	2023
7. INVESTMENT PROPERTY		----- Rupees -----	
Office Premises		<u><u>169,884,000</u></u>	<u><u>164,736,000</u></u>

7.1 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 28, 2024 on the basis of market value.

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

7.2 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.

7.3 Forced sale value - investment property

Forced sales value of investment property as at June 30, 2024 amounted to Rs. 144.401 million (2023: Rs. 140.025 million).

7.4 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.

8. INTANGIBLE ASSETS

	Note	2024	2023
		----- Rupees -----	
Computer software / license		<u><u>324,625</u></u>	<u><u>-</u></u>
8.1 Computer software / license			
Gross Cost		<u><u>1,334,298</u></u>	<u><u>966,798</u></u>
Accumulated depreciation		<u><u>(1,009,673)</u></u>	<u><u>(966,798)</u></u>
Net Book Value		<u><u>324,625</u></u>	<u><u>-</u></u>
Opening		<u><u>-</u></u>	<u><u>-</u></u>
Addition during the year		<u><u>367,500</u></u>	<u><u>-</u></u>
Charge for the year		<u><u>(42,875)</u></u>	<u><u>-</u></u>
Closing NBV		<u><u>324,625</u></u>	<u><u>-</u></u>
Amortization rate % per annum		<u><u>20%</u></u>	<u><u>20%</u></u>

8.2 Amortization amounting Rs. 0.324 million (2023: Nil) are charged to administrative and operating expenses.

Note 2024 2023

9. NET INVESTMENT IN FINANCE LEASE ----- Rupees -----

Secured

Net investment in finance lease	9.1	1,181,683,172	1,909,126,519
Current portion shown under current assets		<u>(408,293,631)</u>	<u>(769,028,755)</u>
		<u>773,389,541</u>	<u>1,140,097,764</u>

9.1 Net investment in finance lease

		2024		
Note	Not later than one year	Later than one year and less than five years	Total	
----- Rupees -----				
Minimum lease payments	478,607,101	543,830,484	1,022,437,585	
Residual value of leased assets	139,912,877	342,798,193	482,711,070	
Gross investment in finance lease	618,519,978	886,628,677	1,505,148,655	
Unearned lease income	(138,686,290)	(113,239,136)	(251,925,426)	
	479,833,688	773,389,541	1,253,223,229	
Allowance for potential lease losses	(71,540,057)	-	(71,540,057)	
Net investment in finance lease	408,293,631	773,389,541	1,181,683,172	
2023				
Note	Not later than one year	Later than one year and less than five years	Total	
----- Rupees -----				
Minimum lease payments	790,956,474	769,937,994	1,560,894,468	
Residual value of leased assets	287,844,766	520,381,058	808,225,824	
Gross investment in finance lease	1,078,801,240	1,290,319,052	2,369,120,292	
Unearned lease income	(196,618,273)	(150,221,288)	(346,839,561)	
	882,182,967	1,140,097,764	2,022,280,731	
Allowance for potential lease losses	(113,154,212)	-	(113,154,212)	
Net investment in finance lease	769,028,755	1,140,097,764	1,909,126,519	

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 63% (2023: 1% to 63%) 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. 518.7 million (2023: Rs. 343.486 million). Furthermore, certain leases are secured in the form of mortgages / corporate / personal guarantees of associated companies / directors.

9.3	Allowance for potential lease losses	Note	2024	2023
			----- Rupees -----	
	Balance as at July 01		113,154,212	64,012,402
	Transfer to lease receivable held under litigation	12.4	(43,598,720)	-
	Charge for the year - net		1,984,565	49,141,810
	Balance as at June 30		<u>71,540,057</u>	<u>113,154,212</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 29.50% (2023: 9.31% to 31.46%) per annum. Net investment in finance lease includes Rs. 162.745 million (2023: Rs. 342.797 million) which has been placed under non-performing status.			
9.5	Lease rentals received during the year aggregate to Rs. 548.268 million (2023: Rs. 612.764 million).			
9.6	This includes accumulated suspended income as at June 30, 2024 amounting to Rs. 28.16 million (2023: Rs. 47.44 million)			
10.	LONG-TERM LOANS			
	Secured			
	Auto-finance loan	10.1	75,264,334	133,482,647
	Current portion shown under current assets		(52,100,860)	(83,085,527)
	Allowance for potential loan losses	10.2	(2,137,902)	(2,152,492)
			<u>21,025,572</u>	<u>48,244,628</u>
10.1	Represents auto-finance loan provided to various customers. The mark-up on these loans ranging from 11.57% to 27.11% (2023: 11.57% to 21.95%) per annum. These loans are repayable within a period of 1 to 5 years and are secured against lien on the vehicles.			
10.2	Allowance for potential loan losses			
	Balance as at July 01		2,152,492	4,086,612
	Reversal for the year - net		(14,590)	(1,934,120)
	Balance as at June 30		<u>2,137,902</u>	<u>2,152,492</u>
11.	SHORT TERM INVESTMENTS			
	At fair value through other comprehensive income - FVOCI			
	National Investment (Unit) Trust		2,748,809	3,529,100
	Remeasurement gain / (loss) on revaluation at fair value		2,024,304	(780,291)
		11.1	<u>4,773,113</u>	<u>2,748,809</u>
	Amortized cost:			
	Government securities	11.2 & 11.3	35,776,724	52,826,288
			<u>40,549,837</u>	<u>55,575,097</u>
11.1	This represents investments in 54,300 units (2023: 54,300 units) at net asset value.			
11.2	This represent investment in Market Treasury Bills having cost of Rs. 34.70 million (2023: Rs. 52.385 million) and interest accrued thereon of Rs. 1.076 million (2023: Rs 0.441 million). The effective rate of return 21.35% (2023: 21.95%) per annum. These will be matured on July 11, 2024.			

11.3 As per the requirements of Regulation 14(4)(g) 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 or instruments or investments as notified by the Commission. As at June 30, 2024, the Company had 15.76% (2023: 15.47%) of its funds raised through Certificates of Investments invested in Market Treasury Bills.

12. OTHER RECEIVABLES	Note	2024	2023
----- Rupees -----			
Considered good			
Insurance premium and other receivables		16,794,504	13,253,860
Considered doubtful			
Lease receivable held under litigation	12.1	193,882,902	102,491,073
Insurance premium and other receivables	12.2	3,046,701	2,592,451
Diminishing musharakah receivable	12.3	18,788,999	18,788,999
		215,718,602	123,872,523
Provision			
Lease receivable held under litigation	12.4	(87,953,657)	(43,561,174)
Insurance premium and other receivables		(3,046,701)	(2,592,451)
Mark-up held in suspense account against lease receivable held under litigation		(17,679,245)	(12,679,899)
Diminishing musharakah receivable	12.3	(18,788,999)	(18,788,999)
		(127,468,602)	(77,622,523)
		105,044,504	59,503,860

12.1 These represents net investment in finance lease which is terminated by the Company and are in litigations.

12.2 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. However, full provision is provided against these insurance balances.

12.3 The Company has filed litigation for claim of receivables due under the diminishing musharakah arrangement from Muhandaseen (Pvt) Limited. However, as a matter of prudence, full provision has been made against the receivables.

12.4. Provision against lease receivable held under litigation

Balance as at July 01		43,561,174	49,895,239
Transfer from net investment in finance lease	9.3	43,598,720	-
Charge / (reversal) for the year - net		793,763	(6,334,065)
Balance as at June 30	12.4.1	87,953,657	43,561,174

12.4.1 The provision is net of forced sale value benefit amounting to Rs. 88.25 million (2023: Rs. 46.25 million).

13. CASH AND BANK BALANCES	Note	2024	2023
		----- Rupees -----	
Cash in hand		104,905	155,510
Balance with banks:			
- in current accounts		6,798,778	42,842,868
- in saving accounts	13.1	<u>347,952,804</u>	<u>162,092,082</u>
		<u><u>354,856,487</u></u>	<u><u>205,090,460</u></u>

13.1 These carry mark-up rates ranging from 20.50% to 21% (2023: 20.50% to 21%) per annum.

14. SHARE CAPITAL

Authorised share capital

2024	2023		Note	2024	2023
----- Shares -----				----- Rupees -----	
<u>50,000,000</u>	<u>50,000,000</u>	Ordinary shares of Rs. 10 each		<u>500,000,000</u>	<u>500,000,000</u>
Issued, subscribed and paid up capital					
10,000,000	10,000,000	Ordinary shares of Rs.10 each fully paid in cash		100,000,000	100,000,000
26,471,110	26,471,110	Ordinary shares of Rs. 10 each issued as fully paid bonus shares		264,711,100	264,711,100
13,000,000	13,000,000	Ordinary shares of Rs. 10 each issued as fully paid Right shares		<u>130,000,000</u>	<u>130,000,000</u>
<u>49,471,110</u>	<u>49,471,110</u>			<u>494,711,100</u>	<u>494,711,100</u>

14.1 As at June 30, 2024; 20,715,479 shares (2023: 20,715,479 shares) of the Company were held by related parties.

14.2 All ordinary shares rank equally with regard to entitlement of dividend, voting rights, board selection, right of final refusal and block voting.

15. RESERVES	Note	2024	2023
		----- Rupees -----	
Capital reserve			
Statutory reserve	15.1	169,485,284	153,725,579
Reserve for issue of bonus shares		-	-
Surplus on revaluation of property and equipment - net	15.2	90,504,204	90,504,204
Surplus on revaluation of FVOCI investments		3,578,913	1,554,609
		<u>263,568,401</u>	<u>245,784,392</u>
Revenue reserve			
Unappropriated profit		<u>152,077,011</u>	89,038,190
		<u><u>415,645,412</u></u>	<u><u>334,822,582</u></u>

15.1 In accordance with the requirements of NBFC Regulations no 16, 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 20 percent of after tax profits amounting to Rs. 15.760 million (2023: Rs. 11.327 million) to its statutory reserve.

15.2 Represents surplus on revaluation in respect of office premises at The Forum Mall, Karachi as disclosed in note 7.1. The said property was transferred from property and equipment to investment property in year June 30, 2017.

	Note	2024	2023
----- Rupees -----			
16. LONG-TERM DEPOSITS			
Long-term deposits	9.1	482,711,070	808,225,824
Current portion shown under current liabilities		(139,912,877)	(287,844,766)
		<u>342,798,193</u>	<u>520,381,058</u>
17. LONG TERM LOANS			
Secured			
Long-term loan	17.1	37,500,000	104,166,661
Current portion shown under current liabilities		(33,333,332)	(66,666,672)
		<u>4,166,668</u>	<u>37,499,989</u>

17.1 The Company has arranged long term finance facilities from a commercial bank amounting to Rs. 350 million (2023: Rs. 350 million) for a tenure of three years which is repayable in equal quarterly installments. These facilities carries mark-up at the rate of 3 month KIBOR plus 1% per annum (2023: 3 month KIBOR plus 1% per annum) and are secured by hypothecation charge over specific leased assets and lease rentals receivable.

18. LEASE LIABILITIES			
Opening balance		636,978	5,819,078
Lease liability recognized		21,616,347	-
Payments made during the year		(10,664,909)	(5,253,652)
Finance cost incurred during the year	18.3	3,388,907	71,552
Closing balance		14,977,323	636,978
Current portion shown under current liabilities		(6,315,124)	(636,978)
		<u>8,662,199</u>	<u>-</u>

18.1 These liabilities are computed at incremental borrowing rate of 24.27% (1 year KIBOR plus 1%) of the Company and over a term of 5 years.

18.2 The future minimum lease payments to which the Company is committed under the agreement will be due as follows:

		2024		
		Upto one year	From one year to five years	Total
		----- Rupees -----		
	Minimum lease payments	6,315,124	15,750,890	22,066,014
	Finance cost allocated to future periods	<u>(2,881,468)</u>	<u>(4,207,223)</u>	<u>(7,088,691)</u>
	Present value of minimum lease payment	<u>3,433,656</u>	<u>11,543,667</u>	<u>14,977,323</u>
		2023		
		Upto one year	From one year to five years	Total
		----- Rupees -----		
	Minimum lease payments	691,051	-	691,051
	Finance cost allocated to future periods	<u>(54,073)</u>	-	<u>(54,073)</u>
	Present value of minimum lease payment	<u>636,978</u>	<u>-</u>	<u>636,978</u>
		Note	2024	2023
18.3	Amount recognized in the statement of profit or loss	----- Rupees -----		
	Interest expense on lease liabilities	30	<u>3,388,907</u>	<u>71,552</u>
19.	CERTIFICATES OF INVESTMENT			
	Unsecured			
	Certificates of investment	19.1	227,077,146	341,423,129
	Current portion shown under current liabilities		<u>(1,602,139)</u>	<u>(833,121)</u>
			<u>225,475,007</u>	<u>340,590,008</u>
19.1	These represent certificates of investment issued by the Company for periods ranging from 12 to 36 (2023: 12 to 36) months and carry mark-up rates ranging from 14.75% to 21.75% (2023: 13.50% to 21.75%) per annum.			
20.	DEFERRED TAXATION - Net			
	Taxable temporary difference arising in respect of:			
	Surplus on revaluation of property and equipment		36,966,506	36,966,506
	Unrealized gain on revaluation of investment property		10,450,440	8,957,520
	Accelerated tax depreciation		1,208,708	920,723
	Net investment in finance lease		124,692,928	123,424,907
	Right of use assets		4,976,627	42,794
			178,295,210	170,312,450
	Deductible temporary difference arising in respect of:			
	Provision against potential lease losses		(20,746,617)	(32,814,721)
	Provision against diminishing musharakah receivable		(5,448,810)	(5,448,810)
	Provision against other receivables		(26,390,104)	(13,384,551)
	Lease liabilities		(4,343,424)	(184,724)
	Provision for leave encashment		(341,586)	(312,713)
			<u>(57,270,541)</u>	<u>(52,145,519)</u>
			<u>121,024,669</u>	<u>118,166,931</u>

20.1 Movement in temporary differences is as follows:

	Balance as at July 1, 2023	Recognized in statement of profit or loss	Balance as at June 30, 2024
	----- Rupees -----		
Surplus on revaluation of Property and equipment	36,966,506	-	36,966,506
Unrealised gain on revaluation of Investment property	8,957,520	1,492,920	10,450,440
Accelerated tax depreciation	920,723	287,985	1,208,708
Net investment in finance lease	123,424,907	1,268,022	124,692,929
Right of use assets	42,794	4,933,833	4,976,627
Lease liabilities	(184,724)	(4,158,700)	(4,343,424)
Provision against potential lease losses	(32,814,721)	12,068,104	(20,746,617)
Provision against diminishing musharakah receivable	(5,448,810)	-	(5,448,810)
Provision against other receivables	(13,384,551)	(13,005,553)	(26,390,104)
Provision for leave encashment	(312,713)	(28,873)	(341,586)
	<u>118,166,931</u>	<u>2,857,738</u>	<u>121,024,669</u>
	Note	2024	2023

21. TRADE AND OTHER PAYABLES

	----- Rupees -----	
Accrued liabilities	2,173,322	1,282,589
Sundry creditors - lease	41,211,188	52,559,181
Security deposit	2,393,820	2,393,820
Other liabilities	9,342,946	12,287,751
Tax deducted on dividend	-	12,895,405
	<u>55,121,276</u>	<u>81,418,746</u>

22. SHORT TERM BORROWINGS
Secured

Bank Al Habib Limited	22.1	-	186,974,518
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22.1 The Company had short-term running finance facility from Bank Al Habib Limited having sanctioned limit amounting to Rs. 300 million (2023: Rs. 300 million). The facility carried mark-up at the rate of 3 months KIBOR plus 1% per annum is secured by hypothecation charge over leased assets and receivables. The loan was completely paid off during the year.

22.2 The company has renewed facility of Silk Bank Limited having sanctioned limit amounting to Rs. 150 million (2023: 150 million). The facility carry mark-up at the rate of 3 months KIBOR plus 2.5% per annum and is secured by first charge over specific lease assets along with the related lease rental receivables.

23. TAXATION - NET

Balance as at July 01		33,603,085	68,662,934
Current for the year (Current + Prior)	31	61,291,408	49,768,282
Taxes paid		<u>(56,917,345)</u>	<u>(84,828,131)</u>
Balance as at June 30		<u>37,977,148</u>	<u>33,603,085</u>

	Note	2024	2023
----- Rupees -----			
24. ACCRUED MARK-UP			
Certificates of investment		59,744,820	15,312,591
Short term borrowings		-	3,556,782
Long-term loan		794,187	2,321,933
		<u>60,539,007</u>	<u>21,191,306</u>

25. CONTINGENCIES AND COMMITMENTS
25.1 Contingencies

- 25.1.1 Alternate Corporate Tax charge (ACT) for the tax years 2014 through 2024 amounting Rs.137.624 million, which is Rs. 64.783 million (2023: Rs. 27.78 million) lower than corporate tax (minimum tax or normal tax whichever is higher) payable under the Income Tax Ordinance, 2001.

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 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.

- 25.1.2 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. 3.915 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.

25.2 Commitments

There were no commitments at the reporting date.

	Note	2024	2023
----- Rupees -----			
26. INCOME FROM FINANCING OPERATIONS			
Finance income	26.1	201,871,696	217,378,421
Gain on lease termination		3,662,328	3,045,317
Late payment charges		12,635,573	6,080,008
Processing fee		562,345	767,075
Documentation charges		1,210	21,621
		<u>218,733,152</u>	<u>227,292,442</u>
26.1 Finance income			
Net investment in finance lease		178,626,713	180,604,993
Auto-finance loan		23,244,983	36,773,428
		<u>201,871,696</u>	<u>217,378,421</u>
27. RETURN ON INVESTMENTS			
Profit on bank accounts		32,553,449	5,643,936
Interest on Government Securities		10,856,280	16,562,204
Dividend income on NIT units		257,926	248,776
		<u>43,667,655</u>	<u>22,454,916</u>
28. OTHER INCOME			
Rental income on investment property		13,806,756	12,455,043
Unrealized gain on investment property		5,148,000	-
		<u>18,954,756</u>	<u>12,455,043</u>
29. ADMINISTRATIVE AND OPERATING EXPENSES			
Salaries, allowances and benefits	29.1	34,159,871	31,737,688
Depreciation on property and equipment	5	937,231	1,043,445
Depreciation on right of use assets	6	4,603,127	4,254,132
Amortization	8	42,875	-
Legal and professional charges		1,788,939	2,753,588
Postage, subscription, printing and stationary		1,204,391	1,208,264
Vehicle running and maintenance		2,471,060	2,532,287
Office utilities		2,990,709	2,149,401
Insurance expenses	29.2	2,959,485	2,827,987
Office repair and general maintenance		939,807	789,028
Workers' Welfare Fund		2,858,953	1,608,508
Auditors' remuneration	29.3	633,750	525,000
Advertisement expenses		361,800	180,900
Travelling and conveyance expenses		46,190	81,900
Other expenses		1,650,625	970,957
		<u>57,648,813</u>	<u>52,663,085</u>

29.1 Salaries and benefits include Rs. 0.720 million (2023: Rs. 0.530 million) in respect of staff provident fund.

29.2 The Company has sufficient insurance coverage from an insurance company rated minimum A- by a credit rating agency registered with the Commission against any losses that may be incurred as a result of employee's fraud or gross negligence.

29.3 Auditors' remuneration	Note	2024	2023
		----- Rupees -----	
Audit fee		402,000	335,000
Review report on the statement of compliance with the Code of Corporate Governance		60,000	50,000
Half yearly review fee		138,000	115,000
Out of pocket expenses		33,750	25,000
		<u>633,750</u>	<u>525,000</u>

30. FINANCE COST

Mark-up/Interest on:

Short term borrowings		1,084,583	12,983,894
Certificate of investment - net		57,080,642	51,356,112
Long-term loan		15,894,215	25,126,752
Lease liabilities		3,388,907	71,552
Bank charges		92,743	310,490
		<u>77,541,090</u>	<u>89,848,800</u>

31. TAXATION

Current		60,397,420	47,358,703
Deferred	20.1	2,857,738	(27,587,078)
Prior		893,988	2,409,579
	31.1	<u>64,149,146</u>	<u>22,181,204</u>

31.1 Effective tax rate reconciliation

	2024		2023	
	Effective tax rate %	Rupees	Effective tax rate %	Rupees
Accounting profit before taxation		<u>142,947,672</u>		<u>78,816,891</u>
Tax at current rate	29%	41,454,825	29%	22,856,898
Tax effect of income subject to FTR	0.0%	36,110	0.1%	41,048
Tax effect of rebates / credits	-0.5%	(800,792)	-0.9%	(722,392)
Others	16.4%	23,459,003	0.0%	5,650
	<u>44.9%</u>	<u>64,149,146</u>	<u>28.2%</u>	<u>22,181,204</u>

	Note	2024	2023
32. EARNINGS PER SHARE - BASIC AND DILUTED		----- Rupees -----	
Profit after taxation attributable to ordinary shareholders		<u>78,798,526</u>	<u>56,635,687</u>
		-----Number of shares-----	
Weighted average number of outstanding ordinary shares		<u>49,471,110</u>	<u>49,471,110</u>
		-----Rupees-----	
Earning per share - basic and diluted		<u>1.59</u>	<u>1.14</u>

32.1 There were no convertible dilutive potential ordinary shares in issue as at June 30, 2024.

33. CASH AND CASH EQUIVALENTS

Cash and bank balances	13	354,856,487	205,090,460
Short term borrowings	22	-	(186,974,518)
		<u>354,856,487</u>	<u>18,115,942</u>

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

	Liabilities				Total
	Long-term loan	Certificates of investment	Lease Payments	Unclaimed dividend	
Balance as at July 1, 2023	104,166,661	341,423,129	636,978	3,507,719	449,734,487
Issued and rolled forward during the year	-	9,175,139	21,616,347	-	30,791,486
Payments made during the year	(66,666,661)	(123,521,122)	(10,664,909)	(272,662)	(201,125,654)
	(66,666,661)	(114,345,983)	(10,951,438)	(272,662)	(170,333,868)
Other changes					
Finance cost	-	-	3,388,907	-	3,388,907
	-	-	3,388,907	-	3,338,907
Balance as at June 30, 2024	<u>37,500,000</u>	<u>227,077,146</u>	<u>14,977,323</u>	<u>3,235,057</u>	<u>282,789,526</u>

34. REMUNERATION OF CHIEF EXECUTIVE OFFICER, DIRECTORS AND EXECUTIVES

	2024			2023		
	Chief Executive Officer	Non Executive Directors	Executives	Chief Executive Officer	Non Executive Directors	Executives
	----- Rupees -----					
Managerial remuneration	1,635,096	-	5,416,278	1,669,164	-	6,701,483
Housing and utilities and other allowances	1,348,104	-	4,050,945	918,040	-	3,781,817
Reimbursable expenses	234,437	-	1,279,161	199,265	-	1,003,838
Provident Fund contribution	-	-	303,030	-	-	129,024
Directors' meeting fees	-	920,000	-	-	1,010,000	-
	<u>3,217,637</u>	<u>920,000</u>	<u>11,049,414</u>	<u>2,786,469</u>	<u>1,010,000</u>	<u>11,616,162</u>
Number of persons	<u>1</u>	<u>9</u>	<u>4</u>	<u>1</u>	<u>9</u>	<u>4</u>

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

35. 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.

The Company in the normal course of business carries out transactions with various related parties. These transactions are executed substantially on the same terms as those prevailing at the time of comparable transactions with unrelated parties and do not involve more than a normal risk. Amounts due from and due to related parties are disclosed in the note below:

35.1 Transactions during the year

Nature of transaction	Nature of relationship	2024	2023
		----- Rupees -----	
Certificates of investment			
Rolled over during the year	Board of Directors and their relatives	7,000,000	1,189,627,528
Repaid during the year	Board of Directors and their relatives	115,555,001	30,000,000
Finance cost	Board of Directors and their relatives	56,718,394	51,248,867
Office rent			
Rent paid during the year			
Unibro House	Associated undertaking (Common Directorship)	5,378,987	5,081,340

Nature of transaction	Nature of relationship	2024	2023
		----- Rupees -----	
Dividend			
Dividend Paid during the year			
Board Members	Board of Directors and their relatives	-	67,818,127
Unibro Industries Limited	Associated Company (Common Directorship)	-	6,749,033
Mid-East Agencies (Pvt) Limited	Associated Company (Common Directorship)	-	5,791,473
Bonus Shares Issued			
Bonus Shares Issued during the year			
Board members	Board of Directors and their relatives	-	14,316,683
Unibro Industries Limited	Associated Company (Common Directorship)	-	1,424,795
Mid-East Agencies (Pvt) Limited	Associated Company (Common Directorship)	-	1,222,644
Staff retirement benefit fund			
Contribution for the year	Provident fund	720,263	529,759

35.2 Year ended balances

Certificates of investment (COI)	Board of Directors and their relatives	224,741,012	340,296,013
Accrued mark-up	Board of Directors and their relatives	59,382,874	15,143,380

35.3 Following are the related parties with whom the Company had entered in to transactions or has arrangement / agreement in place.

Name	Basis of Relation	% of shareholding in the company
Unibro Industries Limited	Associated company (Common Directorship)	5.91
Mid-East Agencies (Pvt) Limited	Associated company (Common Directorship)	5.07
Staff retirement benefit fund	Provident fund	Nil
Hina Sheraz	Close family member of Director	Nil
Yasmeen Pervez	Spouse of director	Nil
Pervez Inam	Director of the Company	15.58
Mubeena Sohail	Close family member of Chairman	Nil
Mehreen Luqman	Close family member of Director	Nil
Nida Farhan	Close family member of Chairman	Nil
Mohammad Ali Pervez	Close family member of Director	14.26
Sohail Inam Ellahi	Chairman of the Board of Directors	9.68

36. DEFINED CONTRIBUTION PLAN

	2024		2023	
	Rupees	%	Rupees	%
Mutual funds	696,734	100	413,515	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.

37. FINANCIAL INSTRUMENTS BY CATEGORY

	June 30, 2024			
	Amortized Cost	FVTPL	FVTOCI	Total
Financial assets	----- Rupees -----			
Cash and bank balances	354,856,487	-	-	354,856,487
Short term investments	35,776,724	-	4,773,113	40,549,837
Other receivables	104,735,504	-	-	104,735,504
Advance to employees	4,940	-	-	4,940
Net investment in finance lease (net of security deposit)	698,972,102	-	-	698,972,102
Long-term loans	73,126,432	-	-	73,126,432
Long-term security deposits	118,500	-	-	118,500
	1,267,590,689	-	4,773,113	1,272,363,802

	June 30, 2024			
	Amortized Cost	FVTPL	FVTOCI	Total
Financial liabilities	----- Rupees -----			
Trade and other payables	2,509,102	-	-	2,509,102
Unclaimed dividend	3,235,057	-	-	3,235,057
Accrued mark-up	60,539,007	-	-	60,539,007
Short term borrowings	-	-	-	-
Certificate of investment	227,077,146	-	-	227,077,146
Long-term loan	37,500,000	-	-	37,500,000
Lease liabilities	14,977,323	-	-	14,977,323
	345,837,635	-	-	345,837,635

	June 30, 2023			
	Amortized Cost	FVTPL	FVTOCI	Total
	-----Rupees-----			
Financial assets				
Cash and bank balances	205,090,460	-	-	205,090,460
Short term investments	52,826,288	-	2,748,809	55,575,097
Other receivables	59,194,860	-	-	59,194,860
Advance to employees	96,929	-	-	96,929
Net investment in finance lease (net of security deposit)	1,100,900,695	-	-	1,100,900,695
Long-term loans	131,330,155	-	-	131,330,155
Long-term security deposits	118,500	-	-	118,500
	<u>1,549,557,887</u>	<u>-</u>	<u>2,748,809</u>	<u>1,552,306,696</u>

	Amortized Cost	FVTPL	FVTOCI	Total
	-----Rupees-----			
Financial liabilities				
Trade and other payables	4,906,220	-	-	4,906,220
Unclaimed dividend	3,507,719	-	-	3,507,719
Accrued mark-up	21,191,306	-	-	21,191,306
Short term borrowings	186,974,518	-	-	186,974,518
Certificate of investment	341,423,129	-	-	341,423,129
Long-term loan	104,166,661	-	-	104,166,661
Lease liabilities	636,978	-	-	636,978
	<u>662,806,531</u>	<u>-</u>	<u>-</u>	<u>662,806,531</u>

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company is exposed to the following risks:

38.1 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, 2024, the Company is mainly exposed to interest rate risk only.

38.1.1 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, 2024 aggregate to Rs. 383.73 million (2023: Rs. 214.918 million) and financial liabilities Rs. 227.077 million (2023: Rs. 341.423 million).

Floating rates financial assets as at June 30, 2024 aggregate to Rs. 1,256.95 million (2023: Rs. 2,046.918 million) million and financial liabilities Rs. 52.477 million (2023: Rs. 291.778 million). The maturity analysis and risk rate profile of the Company's significant interest bearing financial instruments are as follows:

		2024					
		Exposed to mark-up / interest / profit rate risk					Not exposed to mark-up / interest / profit rate risk
Effective mark-up / interest / profit rate	Total	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	20.5 - 21.00	354,751,582	347,952,804	-	-	-	6,798,778
Short term investments	21.35	40,549,837	35,776,724	-	-	-	4,773,113
Other receivables	-	104,735,504	-	-	-	-	104,735,504
Advance to employees	-	4,940	-	-	-	-	4,940
Net investment in finance lease (net of security deposit)	9.31 - 39.50	698,972,102	74,194,313	194,186,441	430,591,348	-	-
Long-term loans	11.57 - 27.11	73,126,432	15,357,006	36,743,854	21,025,572	-	-
Long-term deposits	-	118,500	-	-	-	-	118,500
		1,272,258,897	473,280,847	230,930,295	451,616,920	-	116,430,835
Financial liabilities							
Trade and other payables	-	2,509,102	-	-	-	-	2,509,102
Unclaimed dividend	-	3,235,057	-	-	-	-	3,235,057
Accrued mark-up	-	60,539,007	-	-	-	-	60,539,007
Certificates of investment	14.75 - 21.75	227,077,145	416,750	1,185,389	225,475,007	-	-
Short term borrowings	22.99 - 24.49	-	-	-	-	-	-
Lease Liabilities	24.27	14,977,323	1,578,781	4,736,343	8,662,199	-	-
Long-term loan	22.09 - 22.38	37,500,000	12,500,001	20,833,331	4,166,668	-	-
		345,837,635	14,495,532	26,755,063	238,303,046	-	66,283,166
On balance sheet gap		926,421,262	458,785,315	204,175,232	213,313,046	-	50,147,669

		2023					
		Exposed to mark-up / interest / profit rate risk					Not exposed to mark-up / interest / profit rate risk
Effective mark-up / interest / profit rate	Total	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	20.5 - 21.00	204,934,950	162,092,082	-	-	-	42,842,868
Short term investments	21.95	55,575,097	52,826,288	-	-	-	2,748,809
Other receivables	-	59,194,860	-	-	-	-	59,194,860
Advance to employees	-	96,929	-	-	-	-	96,929
Net investment in finance lease (net of security deposit)	9.31 - 31.46	1,100,900,695	120,295,997	360,887,992	619,716,706	-	-
Long-term loans	11.57 - 21.95	131,330,155	18,966,955	64,118,572	48,244,628	-	-
Long-term deposits	-	118,500	-	-	-	-	118,500
		1,552,151,186	354,181,322	425,006,564	667,961,334	-	105,001,966
Financial liabilities							
Trade and other payables	-	4,906,220	-	-	-	-	4,906,220
Unclaimed dividend	-	3,507,719	-	-	-	-	3,507,719
Accrued mark-up	-	21,191,306	-	-	-	-	21,191,306
Certificates of investment	9 - 21.75	341,423,129	-	833,121	340,590,008	-	-
Short term borrowings	18.06 - 24.48	186,974,518	186,974,518	-	-	-	-
Lease Liabilities	12.51	636,978	636,978	-	-	-	-
Long-term loan	21.93 - 22.13	104,166,661	16,666,668	50,000,004	37,499,989	-	-
		662,806,531	204,278,164	50,833,125	378,089,997	-	29,605,245
On balance sheet gap		889,344,655	149,903,158	374,173,439	289,871,337	-	75,396,721

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, 2024 would have been lower/higher by Rs. 12.04 million (2023: Rs. 17.56 million).

38.2 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:

	2024	2023
	----- Rupees -----	
Cash and bank balances	354,856,487	205,090,460
Other receivables	105,044,504	59,503,860
Investments	4,773,113	2,748,809
Advance to employees	4,940	96,929
Net investment in finance lease less residual value	698,972,102	1,100,900,695
Long-term loans	73,126,432	131,330,155
Long-term security deposits	118,500	118,500
	<u>1,236,896,078</u>	<u>1,499,789,408</u>

Aging analysis of net investment in finance lease.

Note	2024		
	Net Investment in Finance Lease	Long-Term Loans	Total
	----- Rupees -----		
Neither over due not impaired	1,040,347,805	53,633,089	1,093,980,894
Past due			
less than 90 days	32,055,476	9,683,594	41,739,070
more than 90 days	180,819,948	11,947,651	192,767,599
Gross carrying amount	1,253,223,229	75,264,334	1,328,487,563
Less: ECL provision	(71,540,057)	(2,137,902)	(73,677,959)
Net Carrying amount	<u>1,181,683,172</u>	<u>73,126,432</u>	<u>1,254,809,604</u>

	2023		
	Net Investment in Finance Lease	Long-Term Loans	Total
	----- Rupees -----		
Neither over due not impaired	1,547,092,128	131,730,149	1,678,822,277
Past due			
less than 90 days	132,391,337	1,752,498	134,143,835
more than 90 days	342,797,266	-	342,797,266
Gross carrying amount	<u>2,022,280,731</u>	<u>133,482,647</u>	<u>2,155,763,378</u>
Less: ECL provision	9.1 (113,154,212)	(2,152,492)	(115,306,704)
Net Carrying amount	<u>1,909,126,519</u>	<u>131,330,155</u>	<u>2,040,456,674</u>

Impairment is recognized by the Company in accordance with the Expected Credit Loss as per IFRS 09.

The analysis below summarises the credit rating quality of Company's banks balances as at June 30, 2024:

Ratings	2024	2023
AAA	99.70%	15.89%
AA+	0.04%	83.38%
AA	0.05%	0.23%
AA-	0.07%	0.29%
A+	0.13%	0.00%
A	0.00%	0.19%
A-	0.00%	0.02%
B	0.01%	0.00%
	<u>100.00%</u>	<u>100.00%</u>

38.2.1 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.

	2024		2023	
	Rupees	Percentage	Rupees	Percentage
Energy, oil and gas	42,511,988	2.10%	56,614,946	2.08%
Steel, engineering and auto	66,457,978	3.28%	114,372,461	4.21%
Electrical goods	127,521,021	6.30%	150,592,990	5.54%
Transport and communication	7,042,468	0.35%	22,759,640	0.84%
Chemical, fertilizer and pharmaceuticals	58,954,130	2.91%	72,536,343	2.67%
Textile	5,036,500	0.25%	5,036,500	0.19%
Food, tobacco and beverage	148,215,353	7.32%	197,255,986	7.26%
Hotels	112,936,703	5.58%	141,849,551	5.22%
Construction	26,529,089	1.31%	76,551,907	2.82%
Health care	265,741,420	13.13%	309,783,703	11.40%
Advertisement & Publications	25,419,747	1.26%	34,418,062	1.27%
Services	31,457,615	1.55%	62,983,367	2.32%
Packaging	26,750	0.00%	622,405	0.02%
Others	553,249,820	27.33%	653,742,578	24.06%
Individuals	552,951,874	27.32%	817,721,206	30.10%
	2,024,052,456	100.00%	2,716,841,645	100.00%

38.2.2 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

	2024					
	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 payable	2,509,102	2,509,102	2,509,102	-	-	-
Unclaimed dividend	3,235,057	3,235,057	3,235,057	-	-	-
Accrued mark-up	60,539,007	60,539,007	794,187	59,744,820	-	-
Certificates of investment	227,007,146	227,077,146	416,750	1,185,389	225,475,007	-
Lease Liabilities	14,977,323	14,977,323	1,578,781	4,736,343	8,662,199	-
Long-term loan	37,500,000	37,500,000	12,500,001	20,833,331	4,166,668	-
	345,837,634	345,837,634	21,033,878	86,499,883	238,303,874	-

	2023					
	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 payable	4,906,220	4,906,220	4,906,220	-	-	-
Unclaimed dividend	3,507,719	3,507,719	3,507,719	-	-	-
Accrued mark-up	21,191,306	36,503,897	3,556,782	17,634,524	15,312,591	-
Certificates of investment	341,423,129	341,423,129	-	833,121	340,590,008	-
Short term borrowing	186,974,518	186,974,518	186,974,518	-	-	-
Lease Liabilities	636,978	636,978	636,978	-	-	-
Long-term loan	104,166,661	104,166,661	16,666,664	50,000,004	37,499,993	-
	<u>662,806,531</u>	<u>678,119,122</u>	<u>303,748,878</u>	<u>68,467,649</u>	<u>393,402,592</u>	<u>-</u>

39. FAIR VALUE MEASUREMENT

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).

	Note	June 30, 2024		
		Fair value		
		Level 1	Level 2	Total
		Rupees		
On-balance sheet financial instruments				
Financial assets measured at fair value through other comprehensive income				
Short term investment	11	<u>-</u>	<u>4,773,113</u>	<u>4,773,113</u>
Non financial assets				
Investment property	7	<u>-</u>	<u>169,884,000</u>	<u>169,884,000</u>

		June 30, 2023		
		Fair value		
		Level 1	Level 2	Total
Note		----- Rupees -----		
On-balance sheet financial instruments				
Financial assets measured at fair value through other comprehensive income				
	Short term investment	-	2,748,809	2,748,809
11		-----	-----	-----
Non financial assets				
	Investment property	-	164,736,000	164,736,000
7		-----	-----	-----

As at June 30, 2024, fair value through OCI were valued using level 2 inputs.

Transfer between levels of the fair value hierarchy are recognized 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.

40. 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.

	2024	2023
	----- Rupees -----	
Total debt	279,554,469	633,201,286
Total equity	910,356,512	829,533,682
Total capital employed	<u>1,189,910,981</u>	<u>1,462,734,968</u>
Gearing ratio	<u>23.49%</u>	<u>43.29%</u>

40. SEGMENT INFORMATION

The Company has two primary reporting segments namely, "Lease finance" and "Auto 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".

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2024**
2024

	Lease finance	Auto finance	Others	Total
	----- Rupees -----			
Segment revenue	178,626,713	23,244,983	79,483,867	281,355,563
Administrative and operating expenses	21,687,382	2,822,214	14,253,402	38,762,998
Segment result	156,939,331	20,422,769	65,230,465	242,592,565
Provision for Workers' Welfare Fund				(2,858,953)
Reversal / (provision) for doubtful debts				(3,217,988)
Litigation receivable				
Unallocated expenses				(16,026,862)
Result from operating activities				220,488,762
Finance cost				(77,541,090)
Provision for taxation				(64,149,146)
Profit for the year				78,798,526
<u>Other Information</u>				
Segment assets	1,284,145,215	73,126,432	578,129,886	1,935,401,531
Unallocated assets				15,117,677
Total assets				1,950,519,208
Segment liabilities	523,922,258	-	17,371,143	541,293,401
Unallocated liabilities				498,869,295
Total liabilities				1,040,162,696
Capital expenditure	-	-	-	-
Depreciation	-	-	4,603,127	4,603,127
Unallocated Capital expenditure				5,965,413
Unallocated Depreciation				937,231
Unallocated amortization				42,875

2023

	Lease finance	Auto finance	Others	Total
	----- Rupees -----			
Segment revenue	180,604,993	36,773,428	44,823,980	262,202,401
Administrative and operating expenses	21,860,917	4,451,155	11,288,256	37,600,328
Segment result	158,744,076	32,322,273	33,535,724	224,602,073
Provision for Workers' Welfare Fund				(1,608,508)
Reversal / (provision) for doubtful debts				(40,873,625)
Unallocated expenses				(13,454,249)
Result from operating activities				168,665,691
Finance cost				(89,848,800)
Provision for taxation				(22,181,204)
Profit for the year				56,635,687
<u>Other Information</u>				
Segment assets	1,966,047,918	131,330,155	428,131,581	2,525,509,654
Unallocated assets				3,338,925
Total assets				2,528,848,579
Segment liabilities	860,785,005		3,030,798	863,815,803
Unallocated liabilities				835,499,094
Total liabilities				1,699,314,897
Capital expenditure			-	-
Depreciation			4,254,132	4,254,132
Unallocated Capital expenditure				176,120
Unallocated Depreciation				1,043,445

42. NUMBER OF EMPLOYEES

Total number of employees at as June 30, 2024 is 25 (2023: 27) and the average number of employees during the year was 27 (2023: 30).

43. CORRESPONDING FIGURES

Certain corresponding figures have been reclassified, rearranged or additionally incorporated in this financial statements for the purpose of comparison and better presentation. There were no significant reclassifications / restatements to corresponding figures during the year.

44. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on September 20, 2024 by the Board of Directors of the Company.

45. GENERAL

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

Chief Executive Officer**Director****Chief Financial Officer**

**PATTERN OF SHAREHOLDERS
AS AT JUNE 30, 2024**

No. of Share Holders	Having Shares		Shares Held	Percentage %
	From	To		
109	1	100	2131	0.0043
61	101	500	26165	0.0529
59	501	1000	56006	0.1132
91	1001	5000	225644	0.4561
19	5001	10000	142183	0.2874
9	10001	15000	110934	0.2242
3	15001	20000	55409	0.1120
4	20001	25000	94400	0.1908
1	35001	40000	38157	0.0771
3	5001	50000	147381	0.2979
1	60001	65000	62000	0.1253
1	75001	80000	75500	0.1526
1	95001	100000	97402	0.1969
3	110001	115000	332934	0.6730
1	125001	130000	129759	0.2623
1	180001	185000	183456	0.3708
1	195001	200000	199900	0.4041
1	225001	230000	227734	0.4603
1	250001	255000	250692	0.5067
1	385001	390000	389805	0.7879
2	665001	670000	1339730	2.7081
1	970001	975000	975000	1.9708
1	1385001	1390000	1389806	2.8093
1	1555001	1560000	1559803	3.1530
1	1585001	1590000	1587075	3.2081
1	2005001	2010000	2009596	4.0622
1	2430001	2435000	2430006	4.9120
1	2505001	2510000	2509638	5.0729
1	2920001	2925000	2924580	5.9117
1	3290001	3295000	3294396	6.6592
1	4785001	4790000	4788178	9.6787
2	7050001	7055000	14106592	28.5148
1	7705001	7710000	7709118	15.5831
386	Company Total		49471110	100.0000

CATEGORIES OF SHAREHOLDERS AS AT JUNE 30, 2024

Category of shareholder	Number	Share Held	Total Share holding	Percentage
Associated companies, undertaking and related parties				
1 Unibro Industries Ltd		2,924,580		
2 Mid East Agencies (Pvt) Ltd		2,509,638		
Total	2		5,434,218	10.98
NIT and ICP	-	-	-	-
Director, chief executive & their spouse and minor children				
1 Mr. Sohail Inam Ellahi		4,788,178		
2 Mr. Pervez Inam		7,709,118		
3 Mr. Fawad S. Malik		2,629,906		
4 Mrs. Atteqa Fawad		146,259		
5 Mr. Ismail H. Ahmed		975		
6 Brig. Naveed Nasar Khan (Retd.)		975		
7 Mr. Naeem Ali Muhammad Munshi		975		
8 Mr. Jan Ali Khan Junejo		975		
9 Ms. Naeen Ahmed		975		
10 Brig. Haris Nawaz (Retd.)		2,925		
Total	10		15,281,261	30.89
Executives	-	-	-	-
Public Sector Companies	-	-	-	-
Banks, DFIs, NBFCs, Insurance Companies, Modaraba and Mutual Funds				
Bank of Punjab	1	1,559,803	1,559,803	3.15
Foreign Companies	-	-	-	-
Individuals	368	27,192,564	27,192,564	54.97
Others	5	3,264	3,264	0.01
Total	386		49,471,110	100
Holding 5% or more				
1 Mr. Pervez Inam		7,709,118		15.58%
2 Mr. Muhammad Ali Pervez		7,053,296		14.26%
3 Mr. Hassan Sohail		7,053,296		14.26%
4 Mr. Sohail Inam Ellahi		4,788,178		9.68%
5 Mr. Javed Inam Ellahie		3,294,396		6.66%
6 Unibro Industries Ltd		2,924,580		5.91%
7 Mr. Fawad S. Malik		2,629,906		5.32%
8 Mid East Agencies (Pvt.) Ltd		2,509,638		5.07%
Total			37,962,408	76.74%



**Pak-Gulf Leasing
Company Limited**

Proxy Form

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 31st Annual General Meeting to be held on Thursday, October 24, 2024 at 4:30 p.m. and at any adjournment thereof.

As witness my/our hand this day of _____ 2024.

Signed by _____ in presence of _____

Please affix
Rs. 5/- Revenue
Stamp

<p>_____ Signature and address of witness</p>	<p>_____ Signature of Member(s)</p>
<p>_____ Share Folio No.</p>	<p>_____ Share Folio No.</p>

A member entitled to attend, speak and vote at a General Meeting is entitled to appoint a proxy to attend, speak and voter 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 authorised in writing if the appointer is a corporation under its common seal or the hand of an officer or attorney duly authorised.

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 / اہم _____ 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 سی 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 تحت وہ میری / ہماری جگہ مندرجہ بالا کمپنی کے شراکت داران کے 31 ویں سالانہ اجلاس میں
شرکت اور ووٹ ڈالنے کے مجاز ہوں، جبکہ انعقاد بوقت شام 4:30 بجے بروز جمعرات 24 اکتوبر 2024 طلب و مقرر کیا گیا ہے
جمع اس اجلاس یا اس کے کسی مؤخر کردہ اجلاس کے۔

اس دستاویز کی تصدیق بقلم خود کرتا / کرتی ہوں بتاریخ _____ 2024
_____ کا دستخط شدہ بمعیت و موجودگی

براہ مہربانی یہاں 5 روپے کا
ریونیو اسٹامپ چسپاں کریں

گواہان کے دستخط جمع پتے

میرے دستخط جمع حصص فولیو نمبر

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 اس پر 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 مختار نامہ جس پر نوٹری پبلک کی مہر اور
کارپوریشن کی کامن سیل بھی ہوا ہے 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۔

