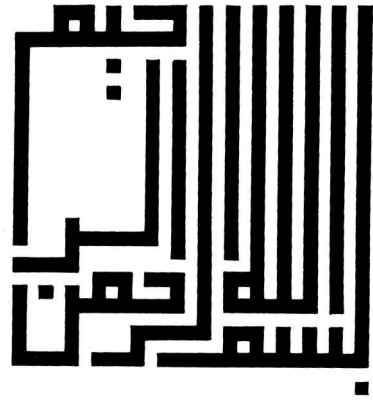


ANNUAL REPORT 2019



Pak-Gulf Leasing
Company Limited



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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
Mr. Mahfuz-ur-Rehman Pasha	Chief Executive Officer

Company Secretary

Ms. Mehreen Usama

Audit Committee

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

Human Resource & Remuneration Committee

Mr. Jan Ali Khan Junejo	Chairman
Mr. Pervez Inam	Member
Mr. Sohail Inam Ellahi	Member
Mr. Mahfuz-ur-Rahman Pasha	Member
Ms. Mehreen Usama	Secretary

Senior Management

Mr. Mahfuz-ur-Rahman Pasha	Chief Executive Officer
Lt. Col. Saleem Ahmed Zafar (Retd.)	Chief Operating Officer
Mr. Khalil anwer Hassan	General Manager Sindh
Lt. Col. Farhat Pervez Kayani (Retd.)	General Manager Punjab
Mr. Afzal-ul-Haque	Deputy Chief Operating Officer & Senior Manager Risk
Ms. Mehreen Usama	Chief Financial Officer
Ms. Farah Farooq	Head of Audit
Major Arifullah Lodhi (Retd.)	Manager HR & Administration
Mr. Ayaz Latif	Head of IT

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

Shariah Advisor

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

Bankers
Islamic Banks

Albaraka Bank (Pakistan) Limited

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
1st Floor, 40-C, Block 6,
P.E.C.H.S., Karachi
Tel # : (92-21) 111-000-322
Fax # : (92-21) 34168271

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 26th Annual General Meeting of Pak-Gulf Leasing Company Limited will be held at the Company's Registered Office namely, UNIBRO House, Ground and Mezzanine Floor, Plot No. 114, 9th East Street, Phase-I DHA, Karachi-75500, on Wednesday, October 23, 2019 at 4:00 p.m. to transact the following business:

A. Ordinary Business:

1. To read and confirm the minutes of the Extra Ordinary General Meeting held on April 22, 2019;
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2019 together with Directors' and Auditors' Report thereon;
3. To approve the payment of Cash Dividend to the Shareholders of the Company at the rate of Rs. 0.75 per share of Rs. 10 each for the year ended June 30, 2019; and
4. To appoint Auditors for the year 2019-20 and fix their remuneration.

B. Any Other Business

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

By Order of the Board

Mehreen Usama
Company Secretary

Karachi: October 01, 2019

Notes:

1. The Register of Members of the Company shall remain closed from October 17, 2019 to October 23, 2019 (both days inclusive).
2. 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.
3. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially certified copy of the power of attorney must be deposited at the registered office of the Company at least 48 hours before the time of the meeting. A form of proxy is enclosed.
4. 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.

CNIC / NTN

5. 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 authorised person, except in case of minor(s) and corporate members. Accordingly, members who have not yet submitted copy of their valid CNIC or NTN in case of corporate entities are requested to submit the same to the Company's Share Registrar. In case of non-compliance, the Company may withhold dispatch of dividend warrants under intimation to regulator till such time they provide the valid copy of their CNIC as per law.

E-Mandate

6. 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

7. Pursuant to the provisions of Finance Act, 2019 effective 1 July 2019, deduction of income tax from dividend payments shall be made on the basis of filers and non-filers as follows:

- For filers of income tax returns 15%
- For non-filers of income tax returns 30%

Income Tax will be deducted on the basis of Active Tax Payers List posted on the Federal Board of Revenue website. Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate are requested to submit a valid tax certificate or necessary documentary evidence, as the case may be.

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

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

Dear Shareholders,

It is my pleasure to present a concise review of the general performance of the Board of the Company and efficacy of the role played by it in accomplishing the Company's objectives for the financial year ended June 30, 2019.

The Company has put into place a robust framework of internal controls and governance with a view to effectively and prudently supporting the over all business management of the Company, which is essential for successfully and comprehensively attaining the goals and objectives of the Company in line with its vision.

Your Company firmly believes in following the best business practices and resolutely adheres to performing under the prescribed regulatory framework and all applicable rules and regulations. The Board fully understands its responsibility towards the Corporate & Financial Reporting Framework. Consequently, each Member of the Board strives to ensure his/her attendance at all the meetings of the Board and to actively and meaningfully participate, in the proceedings thereof, with respect to various policy issues and decisions. The Board closely evaluates, monitors and approves the financing transactions undertaken by the Company. The Board also exercises intensive and regular vigilance over effective compliance by the Company with the internal policies developed in accordance with regulatory requirements.

An assessment of the performance of the Board, with regard to its responsibilities, is annually undertaken to determine its effectiveness. This evaluation mainly relates to the Board's contribution towards achieving objectives as set out in the Company's Vision; Mission; Business Strategy; Development of Management and Professional Skills and the knowledge base of the Human Resource; Contemporary Trends in Business Management & Corporate Governance; the prevailing Economic & Interest Rates scenario; Financial Overview; Risk Management; Protection of Shareholders' Rights, particularly those of the Minority Shareholders; Operational Requirements under the FATF & Prudential Guidelines of the SECP; Transparency; Formation & Performance Evaluation of the various Committees of the Board; Product Development; Business Diversification Options; and Comparison of the Company's position vis-à-vis other Competitors.

On the basis of the Board's performance evaluation, the Directors are of the opinion that the Board has been productively involved and immensely useful in successfully handling all the aforesaid responsibilities, including implementation of effective controls, risk management procedures and compliance with all the regulatory reporting requirements.

Chairman**September 26, 2019
Karachi**

چیئرمین کی جائزہ رپورٹ

محترم شیئر ہولڈرز (حصص یافتگان)

مجھے خوشی ہے کہ ہم 30 جون، 2019 کو مکمل ہونے والے مالی سال میں کمپنی کے مقاصد کو پورا کرنے کیلئے کمپنی کے بورڈ کی عمومی کارکردگی اور اس کے کردار کی افادیت کا ایک جامع جائزہ پیش کر رہے ہیں۔

کمپنی نے اسے مجموعی کاروباری انتظام کو موثر طریقے اور تدریج سے چلانے کیلئے اندرونی ضابطے اور حکمرانی کا ایک ایسا مضبوط ڈھانچہ وضع کیا ہے، جو کمپنی کے اہداف اور مقاصد کو کامیابی کے ساتھ اور جامع طور پر حاصل کرنے کیلئے ضروری ہے۔

آپ کی کمپنی بہترین کاروباری طریقوں پر عمل کرنے پر مضبوطی سے یقین رکھتی ہے اور طے شدہ ریگولیشنز فریم ورک اور تمام قابل اطلاق قواعد و ضوابط کے مطابق کارکردگی دکھانے پر پوری پختگی سے عمل بھی کرتی ہے۔ بورڈ کارپوریٹ اور مالی رپورٹنگ کے فریم ورک کے حوالے سے اپنی ذمہ داری کو پوری طرح سمجھتا ہے اور اس کے نتیجے میں، بورڈ کا ہر ممبر پالیسی کے مختلف امور اور فیصلوں کے سلسلے میں، بورڈ کے تمام اجلاسوں میں اپنی شرکت کو یقینی بناتا ہے اور اس کی کاروائی میں فعال اور معنی خیز حصہ لیتا ہے۔ بورڈ کمپنی کے ذریعہ انجام دیے جانے والے مالی لین دین کا باریک بینی سے جائزہ لینے کے بعد اور منظوری دیتا ہے۔ بورڈ انضباطی تقاضوں کے مطابق تیار کردہ داخلی پالیسیوں پر گہری نظر رکھتا ہے اور ان کی تعمیل یقینی بناتا ہے۔

بورڈ کی کارکردگی کا جائزہ، اس کی ذمہ داریوں اور اس کے موثر ہونے کے حوالے سے ہر سال کیا جاتا ہے۔ یہ جائزہ بنیادی طور پر کمپنی کے وژن میں بیان کردہ مقاصد کے حصول میں بورڈ کے کردار اور شراکت سے متعلق ہے۔ جس میں مشن، کاروباری حکمت عملی، مینجمنٹ اور پرفیٹنل ہنر کی ترقی اور ہیومن ریسورس کی معلومات، بزنس مینجمنٹ اور کورپوریٹ گورننس میں ہم عصر رجحانات، موجودہ معاشی اور سودی شرح کا منظر، مالی جائزہ، رسک مینجمنٹ، حصص یافتگان کے حقوق کا تحفظ، خاص طور پر اقلیتی حصص یافتگان کے حقوق، ایس ای سی پی کے ایف اے ٹی ایف اور اختتامی رہنما خطوط کے تحت آپریشنل ضروریات، شفافیت، بورڈ کی مختلف کمیٹیوں کی تشکیل اور کارکردگی کا اندازہ، مصنوعات کی ترقی، کاروباری تنوع اور دوسرے اداروں کے مقابلہ میں کمپنی کی پوزیشن کا موازنہ وغیرہ، شامل ہیں۔

بورڈ کی کارکردگی جائزے کی بنیاد پر، ڈائریکٹرز کی رائے ہے کہ بورڈ، اپنی تمام تر ذمہ داریوں کو ایک موثر اور سود مند اندازہ طریقے سے چلانے میں کامیاب رہا ہے۔ جس میں موثر کنٹرولز، رسک مینجمنٹ اور تمام ریگولیشنز رپورٹنگ تقاضوں کی تعمیل شامل ہے۔

چیئرمین

26 ستمبر 2019

کراچی

Dear Shareholders,

Your directors are pleased to present the 26th Annual Report of Pak-Gulf Leasing Company Limited (PGL), including Financial Statements and the Auditors' Report, for the year ended June 30, 2019.

OPERATIONAL OVERVIEW

Keeping in view the restrictive operational environment, under which your Company was required to perform, the growth in PGL's business during the financial year under review could be taken as fairly impressive.

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

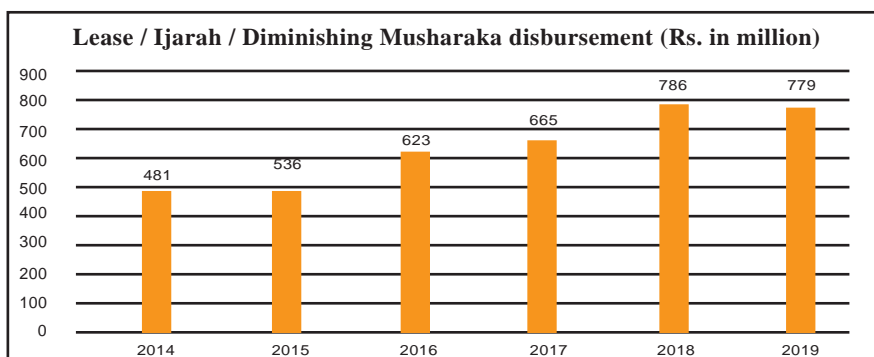
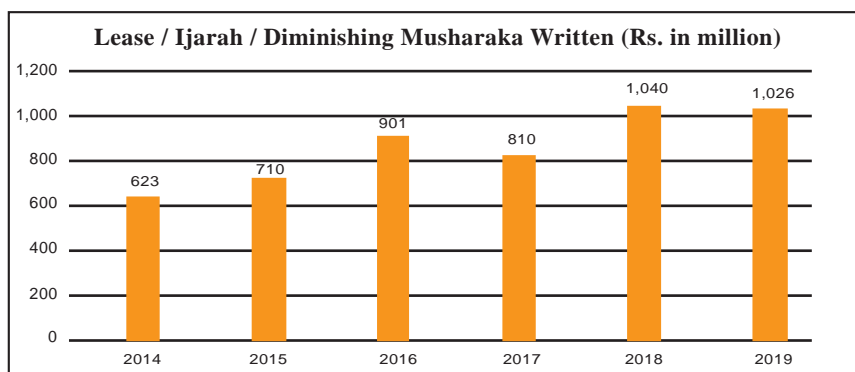
All new business relationships were undertaken by PGL, after taking into account the related financials of the prospective lessees, their respective market reputation and business track record, in addition to applying other standard risk evaluation techniques for arriving at the viability, both in terms of risk and reward, of the financing proposition offered to the Company. All credit approvals, as a matter of Policy and the established Standard Operating Procedure of the Company, are subject to an independent survey and valuation of the assets to be leased, and/or provided by a lessee as a collateral security, to secure the Company against the relative credit exposure.

PGL's fund management policy heavily rests on the need for re-deployment of funds realized by way of prompt receipt of Lease Rentals from existing lessees into fresh exposures for other clients, thereby using to the maximum our internally generated financial resource for funding the Company's ongoing business. It should, therefore, be a matter of pride for the Company that, for the past couple of years, it has been reporting an extraordinarily high Recovery Rate. For the year under review this Rate was 95%.

Notwithstanding the Company's reliance on internally generated funds for financing its business requirements, the exceptional growth in your Company's business, during FY-2018-19, totally outpaced the recovery cycle, requiring the Company to draw on Short-term Borrowings from Commercial Banks, besides fresh investment in the Company's CoIs Scheme by the Sponsors of your Company. The Sponsors' unstinted and continuing support to the Company, throughout the years since its inception in 1994, must be lauded and recognized. Their assistance to the Company, whenever it is needed, also reaffirms their confidence and trust in the satisfactory manner in which your Company has performed over the years.

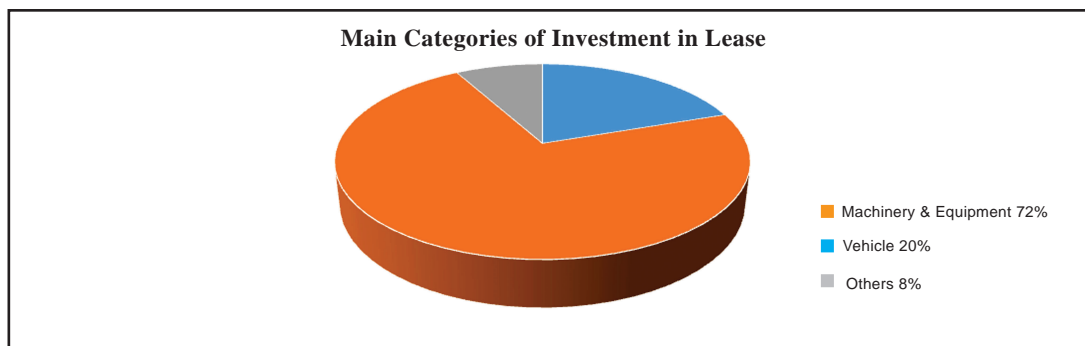
ANALYSIS OF PGL's OPERATIONAL AND FINANCIAL PERFORMANCE IN FY-2018-19**Leases Written and Disbursed**

104 new leases of Rs. 1,025.51 million were written, during FY-2018-19, as compared to 132 leases and 2 Diminishing Musharaka contracts of Rs.1,040.15 million written in the FY-2017-18. While the total lease disbursement amount during FY-2018-19 was Rs.778.86 million. The growth in Leases written and the amount disbursed by your Company, over the past 6 years, is illustrated in the following Chart:



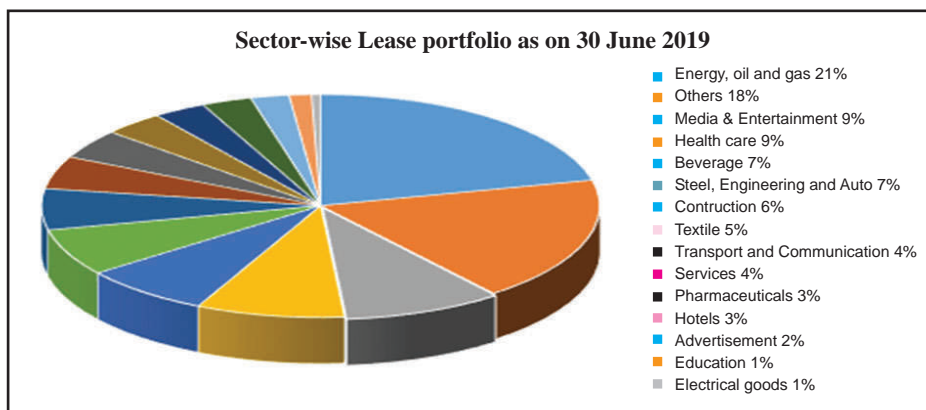
Categories of Investment in Lease

Your Company's core business activity is assets-based financing, as permissible under the various modes prescribed by SECP. With the ultimate recourse for recovery of the Company's exposure being the assets it finances, it is essential that the quality of such assets is well evaluated and an intelligent Assets Diversification Policy is adopted, keeping in mind the prevailing economic and business conditions affecting the Forced Sale Values of the cumulative Assets Portfolio over the average life of a financing transaction, in addition to assessing 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, PGL needs also to attend to the Tax Benefits accruing from financing a particular category of assets. The Chart below pictures the breakdown of PGL's Assets-wise Investment in Leasing, during FY-2018-19:



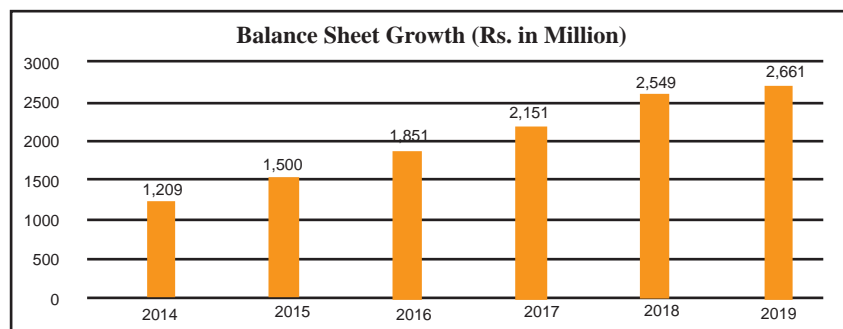
Sector-wise Composition of the Lease Portfolio

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. Certain sectors of the economy such as, Healthcare; Food & Beverages; Education; Transportation; Housing (Construction); Energy and Entertainment, in a developing country such as Pakistan, affect the lives of the general public as a whole and may be considered as relatively securer to take a financial exposure on. A Chart illustrating, in graphical details, the manner in which the Sector-wise composition of PGL's Lease Portfolio stood in FY 2018-19, is as under:

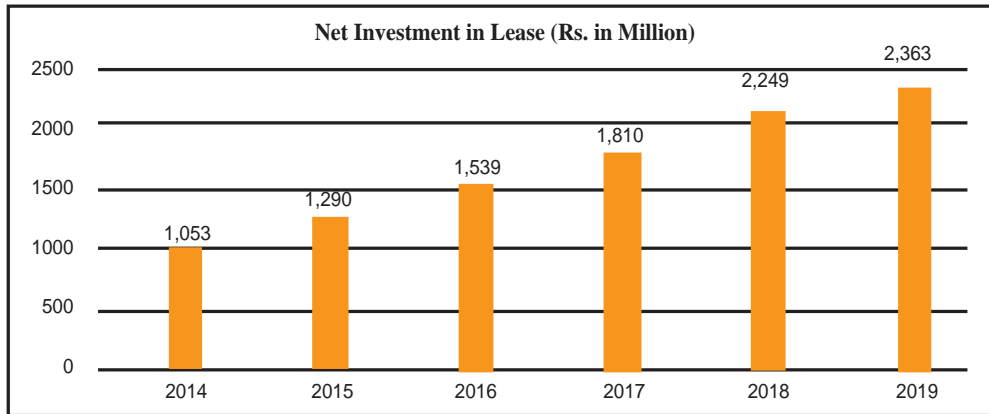


Financial Achievements

The Balance Sheet footings, which stood at Rs. 2,548.82 million as on June 30, 2018 has further increased to Rs. 2,661.79 million as at June 30, 2019. This year-on-year increase of 4.43%, in the total assets of your Company, signifies a satisfactory improvement, when compared with the performance of the few remaining profitable leasing companies, presently operating in Pakistan. The Balance Sheet growth of PGL is illustrated in the following Chart:



Gross Investment in Leases stood at Rs. 2,707.69 million as on June 30, 2019 (FY-2017-18: Rs. 2,535.62 million), representing a year-on-year increase of 6.78% (FY-2017-18: 22.97%). **Net Investment in Leases**, after deduction of Unearned Income (Rs. 339.64 million), Mark-up held in Suspense (Rs. 2.12 million) and a Provision for Potential Lease Losses (Rs. 2.628 million), amounted to Rs. 2,363.3 million at the end of FY-2018-19, showing an increase of 5.1% over the previous year's corresponding figure of Rs 2,248.6 million as at June 30, 2018. The growth in Net Investment in Leases of the Company, over the past six (6) years, is shown in the Chart below:



Profitability Performance

After-tax Profit which, for the Financial Year 2018-19 has been recorded at Rs. 64.38 million, as compared to Rs. 69.37 million during FY-2017-18, showing a modest, but consistent increase.

EPS for FY-2018-19, due to inflationary increases in the expenditure outlay and a higher reliance on interest-based borrowings from commercial banks during the year, has slightly come down to Rs. 2.54, as compared to Rs. 2.73 for FY-2017-18.

Gross Revenue for the period under review (FY-2018-19), is 21.71% higher at Rs. 243.89 million, as compared to Rs. 200.38 million, for the corresponding period in FY-2017-18.

Leases Written during FY 2018-19 stood at Rs. 1,025 million, as compared to leases written in FY-2017-18 for Rs. 1,040.15 million.

Lease Amount Disbursed during FY-2018-19 was Rs. 778.86 million was a shade higher than the corresponding amount of Rs. 767.19 million during FY-2017-18.

Equity of your Company, as per NBFC Regulations, as at June 30, 2019 amounted to Rs. 664.81 million, which is Rs. 164.81 million in excess of the Minimum Equity Requirement of Rs. 500 million.

Comparative Analysis of Profitability Performance For the year ended 30th June	2019	2018	Change %
	(Rupees in Million)		+ or (-)
Income	243.89	200.38	21.71%
Administrative Expenses	78.83	72.58	8.61%
Financial Charges	78.01	47.68	63.61%
Profit before Taxation	71.18	80.60	-11.69%
Provision for Taxation (including Deferred Tax)	6.81	11.23	-39.45%
Profit after Taxation	64.38	69.37	-7.21%
Un-appropriated Profit Brought Forward	282.58	246.11	14.82%
Transferred from Surplus on Revaluation to Un-appropriated Profit	-	-	0
Profit Available for Appropriation	346.95	315.48	9.96%
Appropriations			
Transfer to Statutory Reserve	12.87	13.87	-7.21%
Dividend	31.71	19.03	66.63%
Total Appropriations	44.58	32.90	35.50%
Un-appropriated Profit Carried Forward	302.37	282.58	7.00%
Earnings Per Share (In Rupees)	2.54	2.73	-6.96%

Dividend / Post Balance Sheet Date Event

Your Directors are pleased to recommend a Cash Dividend of 7.5% to be declared for the Financial Year ended June 30, 2019. The financial statements do not reflect this proposed dividend.

ECONOMIC SCENARIO

Following the General Elections of 2018, Pakistan's Economy has been going through a rehabilitation phase. The GDP Growth was recorded at 3.3% in FY 19, as compared to 5.8% in financial year ended June 2018 (FY-18). The reduced GDP Growth is on account of decline in:

- Large Scale Manufacturing Sector's growth by 2.1% as compared to 5.1% growth recorded in the same period last year;
- Low Khareef Crop production;
- Restricted capital investments owing to cut in Public Sector Development Program (PSDP); and
- Rising energy and financing costs.

These factors resulted in slower growth in the commodity producing sector, as well.

Pakistan's Current Account Deficit has decreased to USD 13.4 billion as of FY 19, as compared to USD 19.9 billion last year, which helped ease pressures on SBP's Foreign Exchange Reserves. This reduction in the external balance was mainly driven by a 29.5% decline in the Trade Deficit, due mainly to increased inflows from Services and Foreign Remittances.

The country's Exports were recorded at USD 29.5 billion while Imports were recorded at USD 61.9 billion during FY 19.

SBP's Foreign Exchange Reserves have risen to about USD 8 billion during July 2019, following disbursement of the first tranche of the IMF's Extended Funding Facility. Reserves are expected to rise further in FY 20 on account of additional financial inflows from other international creditors, including those related to the Saudi oil facility, leading to continued improvement in Current Account Deficit.

The average CPI Inflation reached 7.3% in FY 19, compared to 3.9% recorded in FY18. These pressures on inflation are explained by:

- Higher government borrowings from SBP;
- Adjustments in the administered prices of electricity, gas and fuel;
- Significant increase in perishable food prices; and
- The continued unfolding impact of Exchange Rate depreciation.

In order to curb the rising inflation, the State Bank of Pakistan (SBP), in its latest Monetary Policy Statement, announced in July 2019, has raised the Policy Rate by 100 bps to 13.25% and the Discount Rate to 13.75%. Discount Rate has been raised by 325 bps since the start of FY 2019, and it now stands at its highest level since 2012.

The external sector developments had an impact on inflation. The pass through of rising global oil prices to domestic fuel prices pushed up the energy component of inflation, as the government passed on its impact to consumers. Similarly, the impact of PKR depreciation started to translate into costly imports and shoring up of inflationary expectations. In short, ensuring the continuity of expansion in economic activities and low inflation would depend on containing of current account and fiscal deficits. As these vulnerabilities are posing challenges to Pakistan's current growth cycle, implementation of both short-term and medium term policies would be crucial in this regard. In the short-term, concerted efforts could be made to rationalize fiscal expenditures given the tax relief measures approved in budget FY19. In the medium term, reforms would be needed to expand the tax base, besides enhancing efficiency of the existing system. Simultaneously, there is a need to arrange external financing in the short term. Also, more policy measures are required to contain the widening trade deficit. For this purpose, it is also crucial to resolve structural issues affecting exports competitiveness.

Leasing Companies which had once fueled the demands of the consumer and the industrial sectors, as members of the quasi-banking sector in the form of NBFIs, have in recent years been left high and dry, with respect to liquidity, due to the rising capital adequacy requirements, enforced by the regulators. The unwillingness of commercial banks to lend a helping hand by providing credit at acceptable terms and the escalating cost of doing business have hit hard the lease finance servicing capability of the lessees, rendering the very viability of the leasing companies as doubtful. A good majority of the smaller leasing companies have either opted for mergers with stronger financial institutions, or have taken the path of closing down their doors to customers by choosing voluntary liquidation. Currently, there are only a few leasing companies operating in Pakistan which are also finding it hard to survive due to stiff competition from the banks and tax disadvantages in the form of imposition of Alternate Corporate Tax (ACT) on accounting income by the Federal Government and sales tax chargeable at the rate higher than average IRR.

PGL would need to closely watch and constantly monitor the emerging position of the economy, for your Company to withstand the pressures caused by the prevailing situation taking a much adverse turn. Caution has been the hall mark of PGL, throughout its operations, over the years. The Company might need to exercise this attribute to the maximum extent in the times to come.

FUTURE PROSPECTS

Assets-backed financing, particularly Leasing, relies heavily on the ability of the borrowers'/lessees' cash flow generation capacity to ensure prompt and punctual servicing of their respective liabilities. None of the financial institutions is in the business, either of initiating foreclosures, or managing the businesses of its defaulting borrowers.

A sound economic environment is a must for any business to prosper and progress. The Company has a cautiously optimistic outlook with respect to the coming year, based on the positive trends on the economic front and increased political stability. All businesses must have the ability to enjoy adequate profit margins, leaving them with enough room, in terms of liquidity needed to promptly and punctually honor their repayment commitments, towards their lenders or financiers. For the present at least, the capacity of businesses to service their debts is impaired by diminishing profit margins, resulting from an escalating cost of inputs and direct or indirect taxation.

Lack of support from commercial banks in advancing credit to the Private Sector is further eroding the propensity of businesses for undertaking much needed initiatives for improving their efficiency and output. This scenario is leading more and more entrepreneurs to seek financial support through leasing transactions, which are relatively expensive to afford, but do carry the advantage of some tax benefits for the lessees.

Leasing companies are now faced with the situation of an increase, in terms both of the number of prospective lessees, as well as the quantum of their financial demands. At the same time, these companies are finding the commercial banks increasingly shy in supporting them with the required amount of liquidity for funding the quantitative rise in demand for leasing finance.

Moreover, using the increasing rate of return on their substantial investment in Government Securities, as the benchmark, the Spread being demanded by commercial banks for lending to leasing companies, has always been on a much higher side. To make the matters worse, the lending banks are also looking for collateral securities, before undertaking any credit commitment for the Leasing Sector. Leasing companies are, therefore, faced with the dilemma of having to raise funds on tougher terms and at higher interest rates for financing the requirements of their lessees at rates, which might make it difficult for such lessees to afford.

To further compound the problems for the Leasing Companies, commercial banks (particularly, Islamic Banks or Islamic Banking Divisions of commercial banks) have become exceedingly active in offering the Islamic equivalent mode of leasing namely, Ijarah to the public. With their low cost of funds, such banks can write leases at rates, which are hard to match by the leasing companies. The situation is compounded by Modarabas, which enjoy an almost Tax Free Status, also serving as tough competitors to the leasing companies.

Taxation

The Federal Board of Revenue (FBR), despite a number of representations made by your Company, even at the level of the Finance Minister, has remained oblivious to the predicaments of the Leasing Sector, as a whole, with respect particularly to privately-owned leasing companies. Leasing is all about Tax Management. In the absence of an enabling and conducive taxation regime, it is almost impossible for a leasing company to maintain its profitability profile.

Two adverse tax measures have been undertaken by the FBR from the standpoint of leasing companies. To begin with, the Initial Depreciation Allowance admissible, for a first time use of assets in Pakistan, has been halved to 25% from the originally available rate of 50%. This has, in one sharp blow, curtailed the ability of leasing companies to enjoy temporary Tax Losses arising from Depreciation on leased assets, thereby reducing their appetite for financing larger amounts of Plant & Equipment.

The second discouraging step taken under The Federal Finance Act 2014 was the introduction of an Alternate Corporate Tax (ACT) @ 17%, which has been retrospectively applied on Accounting Income, starting from Tax Year 2014. This has increased the tax burden on leasing companies, as compared to other financial institutions engaged in a similar business activity, such as banks and modarabas. Your Company will file a Constitutional Petition in Sindh High Court against the imposition of ACT. It is hoped, that PGL would be exempted from a levying of this Tax, as a result of the Company's Petition.

The Corporate Tax Rate, currently standing at 29%, has been approved to be maintained at 29% in the Finance Bill 2020. However, some preferential Tax Reforms shall also be needed for the Leasing Sector per se, with the intent of reducing the incidence of Taxation thereon, for making Leasing Companies as viable as Banks and Modarabas.

On June 15, 2016, Order-in-original No. 551 of 2016 was passed by the Assistant Commissioner of Sindh Revenue Board (SRB) under section 23, 43(2)(3)(6d) of the Sindh Sales Tax on Services Act, 2011 (the Act) whereby sales tax demand of Rs. 3.199 million was created against the Company for Tax Years 2012 to 2015. This demand included sum of Rs. 2.353 million being sales tax charged on income from Gross Ijarah operations. An appeal was filed against the said Order before the Commissioner (Appeals) of the SRB by the Company under section 57 of the Act which was not allowed by the Commissioner (Appeals) vide his Order-in-Appeal No. 20 of 2017 dated March 01, 2017. An appeal against the order of Assistant Commissioner of SRB and Order-in-Appeal of Commissioner (Appeals) was also filed by the Company in the Appellate Tribunal (AT) of SRB under section 61 of the Act which has also been dismissed by the AT of SRB vide its Order in Appeal No. AT-18/2017 dated April 30, 2019 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 Honorable High Court of Sindh and on June 10, 2019 has been granted a stay against the recovery of the disputed tax demand by the SRB. As demand created by the SRB was

unrealistic and much more than the profit earned by PGL on Ijarah operations, therefore the Board of Directors of the Company, in their Meeting held on 20 April 2015, decided not to further engage in Ijarah financing. If this state of affairs persists, sooner or later, banks and other NBFIs would also need to disengage from Ijarah financing, resulting in a serious setback for Islamic Financing.

CORPORATE GOVERNANCE

Your Company is complying with the requirements of "The Listed Companies (Code of Corporate Governance) Regulations, 2017" (the 'Code') as and when 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 tenure of the Board ended on April 21, 2019. In the Extra-Ordinary General Meeting held on April 22, 2019, at the Registered Office of the Company, the Shareholders of the Company approved the appointment of the following as the Directors of the Company for the next tenure of three (3) years:

S.No.	Name of Member
1	Mr. Sohail Inam Ellahi
2	Mr. Pervez Inam
3	Mr. Fawad S. Mailk
4	Mr. Jan Ali Khan Junejo
5	Brig. Naveed Nasar Khan (Retd.)
6	Mr. Naeem Ali Muhammad Munshi
7	Mr. Ismail H. Ahmed
8	Ms. Sitwat Farrukh *
9	Mr. Mahfuz-ur-Rahman Pasha

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

**Subsequent to the year end, Ms. Sitwat Farrukh has resigned from the directorship of the Company with effect from July 19, 2019.*

Till June 30, 2019 Four (04) directors of the Company have acquired the required Certificate of Directors Training Course, while One (01) is exempted from this requirement.

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

Human Resource and Remuneration Committee (HR & RC)

Keeping in view the requirements of The Code of Corporate Governance, the Human Resource and Remuneration Committee of the Board of Directors of your Company has been re-constituted after the appointment of Board of Directors in April 2019 and comprises of the following members:

S.No.	Name of Member	Designation
1.	Mr. Jan Ali Khan Junejo	Chairman
2.	Mr. Pervez Inam	Member
3.	Mr. Sohail Inam Ellahi	Member
4.	Mr. Mahfuz-ur-Rehman Pasha	Member
5.	Ms. Mehreen Usama	Secretary

Before the appointment of directors in April 2019, the composition of the Committee was as under:

S.No.	Name of Member	Designation
1.	Brig. Naveed Nasar Khan (Retd.)	Chairman
2.	Mr. Pervez Inam	Member
3.	Mr. Sohail Inam Ellahi	Member
4.	Lt. Col. Saleem Ahmed Zafar (Retd.)	Member
5	Ms. Mehreen Usama	Secretary

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.	Mr. Ismail H. Ahmed	Chairman	4
2.	Mr. Rizwan Humayun *	Member	3
3.	Brig. Naveed Nasar Khan (Retd.)	Member	3
4.	Mr. Shaheed H Gaylani *	Member	4
5.	Mr. Pervez Inam	Member	3
6.	Ms. Farah Farooq	Secretary	3

* Retired as director on April 21, 2019

The Audit Committee meetings during the year were held before the appointment of directors, after which the Committee has be re-constituted in compliance with the Code of Corporate Governance and comprises of the following members:

S.No.	Name of Member	Designation
1.	Mr. Ismail H. Ahmed	Chairman
2.	Mr. Naeem Ali Muhammad Munshi	Member
3.	Brig. Naveed Nasar Khan (Retd.)	Member
4.	Mr. Pervez Inam	Member
5.	Ms. Farah Farooq	Secretary

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.

Corporate Social Responsibility

As a part of its corporate social responsibility, the Company encourage fresh graduates and under-graduates to avail paid internships with PGL so as to enrich their professional knowledge base, particularly relating to the financial sector.

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 April 15, 2019 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 2018-19 Messers BDO Ebrahim & Co., Chartered Accountants were re-appointed as statutory auditors after audit of FY 2017-18. The retiring auditors have completed the statutory period of five years of their appointment as Auditors of PGL.

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

As recommended by the Audit Committee, the Board has approved the proposal to appoint Messers Grant Thornton Anjum Rahman, Chartered Accountants as the statutory auditors of the Company for FY 2019-20, subject to the approval of the shareholders in the forthcoming Annual General Meeting of the Company.

Acknowledgements

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

The Board also acknowledges the cooperation and guidance extended to the Company by the Securities and Exchange Commission of Pakistan (SECP), the State Bank of Pakistan (SBP) and other regulatory authorities. Their role is critical in developing the Financial Services Sector and we hope that their actions will continue to strengthen this sector. The Board would also like to praise the NBFIs & Modaraba Association of Pakistan for its assistance and support in professionally safe-guarding your Company's interest.

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

Statements in Compliance with the Code of Corporate Governance

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

- Financial statements prepared by the management of Pak-Gulf Leasing Company Limited present fairly, its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and the accounting estimates presented in the report are based on reasonable and prudent judgment.
- International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures there from has 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 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, 2019, 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 2014 – 2019

Year ended 30th June	2019	2018	2017	2016	2015	2014
Operational Results:	----- Rupees -----					
Revenues	243,892,047	200,380,195	172,211,411	151,671,360	120,800,853	94,648,511
Lease Revenue	218,862,571	178,154,663	153,030,380	142,475,688	117,152,534	89,270,252
Profit before Taxation	71,185,355	80,602,379	65,501,467	51,186,129	54,260,991	47,678,901
Profit after Taxation	64,378,140	69,368,392	47,076,209	40,714,397	50,284,982	29,220,611
Finance Cost	78,012,463	47,682,251	30,121,776	28,093,726	20,306,096	8,372,942
Provision for Potential Lease Losses	(1,307,173)	(442,820)	-	-	(52,620)	1,420,902
Provision against diminishing Musharaka receivable	(9,394,500)	-	-	-	-	-
Dividend/(proposed) %	7.50%	12.50%	7.50%	5%	-	-
Statement of Financial Position:						
Shareholders Equity	664,814,384	632,104,936	581,720,337	545,305,956	505,500,727	452,496,423
Surplus on Revaluation of Assets	90,504,204	90,504,204	89,229,496	79,356,037	41,949,605	42,326,603
Other Reserves	414,443,364	382,833,609	329,676,712	293,197,975	249,535,302	196,919,786
Working Capital	208,524,942	10,454,214	(102,605,219)	9,289,967	31,071,397	83,786,321
Non-current Liabilities	1,286,555,078	986,792,933	755,442,822	657,223,195	486,656,368	334,515,596
Long-term Loans	49,999,996	20,833,331	37,499,999	-	-	-
Investments	63,465,086	62,555,748	66,467,011	43,458,506	28,206,036	23,935,647
Financial Ratios:						
Income / Expense Ratio	1.55	1.66	1.61	1.51	1.82	2.08
Earning per Share (in Rs)	2.54	2.73	1.86	1.60	1.98	1.15
Debt / Equity Ratio	0.67	0.31	0.06	NIL	NIL	NIL
Current Ratio	1.34	1.01	0.86	1.02	1.07	1.22

Board Meetings

Four (04) Board Meetings were held during the year under review. Details of attendance are as follows:

S. No.	Name of Director	No. of Meetings Attended
1.	Mr. Sohail Inam Ellahi	4
2.	Mr. Pervez Inam	3
3.	Mr. Fawad Salim Malik	1
4.	Mr. Shaheed H Gaylani *	4
5.	Brig. Naveed Nasar Khan (Retd.)	3
6.	Lt. Col. Saleem Ahmed Zafar (Retd.) *	4
7.	Mr. Rizwan Humayun *	4
8.	Mr. Ismail H. Ahmed	4
9.	Mr. Mahfuz ur Rehman Pasha	3

* Retired as Director on April 21, 2019

Statutory Payment of Rs. 2,162,488 on account of taxes, duties, levies and/or charges was outstanding against the Company as on June 30, 2019.

Value of Investments of the Staff Provident Fund stood at Rs. 4,973,818 as at June 30, 2019. This represents funds placed with a rated commercial bank and investment in the registered units of the National Investment Trust.

Chairman

Chief Executive Officer

September 26, 2019
Karachi

بورڈ کی میننگز

زیر تبصرہ سال میں آپ کی کمپنی کے بورڈ آف ڈائریکٹرز کی چار میننگز منعقد کی گئیں جن میں شرکت کی تفصیلات درج ذیل ہے:

نمبر شمار	ڈائریکٹرز کے نام	میننگز کی تعداد جن میں شرکت کی
1	جناب سہیل انعام الہی	4
2	بریگیڈیئر (ر) نوید نصر خان	3
3	جناب شہید امجد گیلانی *	4
4	جناب فواد سلیم ملک	1
5	جناب پرویز انعام	3
6	جناب رضوان ہمایوں *	4
7	لیفٹیننٹ کرنل (ر) سلیم احمد ظفر *	4
8	جناب اسماعیل امجد احمد	4
9	جناب محفوظ الرحمان پاشا	3

* 21 اپریل 2019ء کو بحیثیت ڈائریکٹر اپنی ذمہ داریوں سے سبکدوش ہوئے۔

ٹیکس، ڈیوٹی، لیویز اور چارجز کی مد میں 2,162,488 روپے کی قانونی ادائیگی مورخہ 30 جون 2019 تک کمپنی پر واجب الادا ہے۔

اسٹاف پراویڈنٹ فنڈ (Provident Fund) میں سرمایہ کی مالیت 30 جون 2019 کو 4,973,818 روپے ہے۔ یہ نیشنل سیونگ ٹرسٹ کے رجسٹرڈ پونٹ میں سرمایہ کاری اور کمرشل بینک میں رکھے ہوئے فنڈز کا مجموعہ ہے۔

چیف ایگزیکٹو آفیسر

چیئر مین

26 ستمبر 2019

کراچی

شیئر ہولڈنگ کی ساخت

مورخہ 30 جون 2018 کی شیئر ہولڈنگ کی ساخت جو کارپوریٹ گورننس کو درکار ہے وہ اس رپورٹ کے آخر میں منسلک ہے۔
اس سال کے کاروباری نتائج میں پچھلے سال کی نسبت نمایاں تبدیلیوں کو اس رپورٹ کے شروع میں بشمول ان کی وجوہات کو اجاگر کیا گیا ہے۔

پچھلے چھ سال کا اہم آپریٹنگ اور فنانس ڈیٹا (2014-2019)

2014	2015	2016	2017	2018	2019	اختتام سال 30 جون
						آپریٹنگ نتائج
94,648,511	120,800,853	151,671,360	172,211,411	200,380,195	243,892,047	آمدنی
89,270,252	117,152,534	142,475,688	153,030,380	178,154,663	218,862,571	لیز آمدنی
47,678,901	54,260,991	51,186,129	65,501,467	80,602,379	71,185,355	منافع قبل از ٹیکس
29,220,611	50,284,982	40,714,397	47,076,209	69,368,392	64,378,140	منافع بعد از ٹیکس
8,372,942	20,306,096	28,093,726	30,121,776	47,682,251	78,012,463	مالیاتی لاگت
1,420,902	(52,620)	-	-	(442,820)	(1,307,173)	مکمل لیز نقصان کے لئے مختص رقم
-	-	-	-	-	(9,394,500)	مکمل ڈیمنیشننگ مشارکہ کے لئے مختص رقم
-	-	5%	7.5%	12.5%	7.50%	شفارش کردہ حصص منافع
						بیلنس شیٹ
452,496,423	505,500,727	545,305,956	581,720,337	632,104,936	664,814,384	شیئر ہولڈرز ایکویٹی
42,326,603	41,949,605	79,356,037	89,229,496	90,504,204	90,504,204	قدر کے دوبارہ تعین کے بعد فاضل آمدنی
196,919,786	249,535,302	293,197,975	329,676,712	382,833,609	414,443,364	محموظ سرمایہ
83,786,321	31,071,397	9,289,967	(102,605,219)	10,454,214	208,524,942	کاروباری سرمایہ
334,515,596	486,656,368	657,223,195	755,442,822	986,792,933	1,286,555,078	متبادلہ واجبات
-	-	-	37,499,999	20,833,331	49,999,996	طویل مدتی قرض
23,935,647	28,206,036	43,458,506	66,467,011	62,555,748	63,465,086	سرمایہ کاری
						مالیاتی شرح
2.08	1.82	1.51	1.61	1.66	1.55	آمدنی خرچ کی شرح
1.15	1.98	1.60	1.86	2.73	2.54	آمدنی فی شیئر
NIL	NIL	NIL	0.06	0.31	0.67	قرض / ایکویٹی کی شرح (روپے میں)
1.22	1.07	1.02	0.86	1.01	1.34	موجودہ شرح

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

آخر میں ہم اس سال کے دوران ٹیمز ہولڈرز، بینکرز، انویسٹرز اور دوسرے اسٹیک ہولڈرز کے قابل قدر تعاون کے شکر گزار ہیں اور آنے والے سالوں میں ان کے ساتھ مزید مضبوط تعلقات استوار کرنے کے خواہاں ہیں۔

کارپوریٹ گورننس کے انتظامی اصولوں کی تعمیل سے متعلق بیانات

ہماری بہترین معلومات کے مطابق بورڈ آف ڈائریکٹرز نے کارپوریٹ گورننس کے انتظامی اصولوں پر نظر ثانی کرتے ہوئے درج تصدیق بیانات دیئے ہیں:

- ☆ پاک گلف لیزنگ کمپنی لمیٹڈ کے تیار کردہ مالی گوشوارے میں ظاہر کئے گئے معاملات، آپریشن کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلی کو بالکل درست دکھایا گیا ہے۔
- ☆ کھاتہ جات (بکس آف اکاؤنٹس) کو بالکل درست رکھنے کا اہتمام کیا گیا ہے۔
- ☆ مالیاتی گوشوارے کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کی تسلسل کے ساتھ تقییل کی گئی ہے اور رپورٹ میں پیش کردہ اکاؤنٹنگ کے تخمینے کی بنیاد ایک دانشمندانہ اور معقول فیصلے پر مبنی ہے۔
- ☆ مالیاتی گوشواروں کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ معیارات کو لاگو کیا گیا ہے جو کہ پاکستان میں قابل عمل ہوں البتہ کسی روڈ بدل کی صورت میں اس کی مناسب وضاحت کردی گئی ہے۔
- ☆ اندرونی کنٹرول کا نظام مستحکم ہے اور اس پر موثر طریقے سے عمل درآمد کیا جاتا ہے اور اس کی نگرانی کی جاتی ہے۔
- ☆ کمپنی کے کاروباری معاملات کو بخوبی جاری رکھنے کی صلاحیت کے حوالے سے کوئی قابل ذکر شک و شبہ نہیں۔
- ☆ کمپنی کے ڈائریکٹرز، CEO، CFO COO، کمپنی سیکریٹری، انٹرل 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 کارپوریٹ گورننس کے بہترین طریقوں میں سے کسی سے میں بھی انحراف نہیں کیا گیا۔

ڈائریکٹرز کا معاوضہ

کمپنی میں یہ پالیسی رائج ہے جو ڈائریکٹرز کا معاوضہ کا تعین کرنے کے طریقہ کار کو شفاف بنائے اور بورڈ کے اجلاسوں میں شرکت کے لئے ڈائریکٹرز کو ادا کی جانے والی ادائیگی یقینی طور پر بورڈ کے ذریعہ طے اور منظور شدہ ہو۔

کارپوریٹ سماجی ذمے داری

کمپنی اپنی سماجی ذمے داریوں کا بھرپور احساس کرتے ہوئے بی بی اے / ایم بی اے کے طالب علموں کو بلحاظ وضع انٹرنشپ کے مواقع فراہم کرتی ہے تاکہ طالب علم اپنی تعلیمی قابلیت میں اضافہ کر سکیں۔

کریڈٹ ریٹنگ (کاروباری قرض کے تخمینہ کا تعین)

کمپنی کے شیئر ہولڈرز کے لئے یہ بات باعث اطمینان ہے کہ VIS نے اس میں آپ کی کمپنی کی کارکردگی کا جائزہ لیتے ہوئے 15 اپریل 2019 کو کمپنی کی تشخیصی ریٹنگ کا دوبارہ اعادہ کیا جس میں درمیانی مدت سے طویل المیعاد مدت کے لئے A-ریٹنگ، اور مختصر مدت کی ریٹنگ A-2 مقرر کی گئی اور کمپنی کے آئندہ امکانات کو مستحکم دکھایا گیا ہے۔

آڈیٹرز

مالی سال 2018-19 کے لئے مالی سال 2017-18 کے میسرز بی ڈی او ابراہیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کو قانونی طور پر آڈیٹر کی حیثیت سے دوبارہ مقرر کیا گیا تھا۔ جو کہ 5 سالہ قانونی میعاد کے پورا ہونے کے بعد مالی سال 2018-19 کیلئے اہل نہیں رہے۔

بورڈ آف ڈائریکٹرز میسرز بی ڈی او ابراہیم اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو کمپنی کے آڈیٹر کی حیثیت سے اپنے ملازمت کے دوران، پیشہ ورانہ مہارت، سالمیت اور اخلاقیات کے اعلیٰ معیار کی فراہمی کے لئے ان کی تعریف کو ریکارڈ پر رکھنا چاہتے ہیں۔

آڈٹ کمیٹی کی تجویز پر بورڈ آف ڈائریکٹرز آئندہ مالی سال 2019-20 کیلئے قانونی آڈیٹرز کی سہولت مہیا کرنے کیلئے گرانٹ تھورنٹن انجمن رٹن چارٹرڈ اکاؤنٹنٹس کو مقرر کرنے کی سفارش کرتا ہے۔ اس سفارش کی حتمی منظوری آئندہ ہونے والی حصص یافتگان کی میٹنگ میں دی جائے گی۔

اعتراف خدمات

بورڈ اس بات کو ریکارڈ پر لاتے ہوئے اپنی کمپنی کی انتظامی ٹیم اور اپنے اسٹاف کے ہر ایک ممبر کو اس کی محنت اور لگن سے کام کرنے پر سراہتی ہے جو کہ ان کا ایک چیلنجنگ معاشی ماحول میں کمپنی کے لئے مستقل مزاجی کے ساتھ انتہائی اطمینان بخش خدمات کی عکاسی کرتا ہے۔ بورڈ کے ممبران کمپنی کے شیئر ہولڈرز کے نمائندوں کی حیثیت سے کمپنی کی انتظامیہ اور اسٹاف کو کمپنی کے کاروبار کے استحکام اور بہتر کارکردگی کے لئے اپنے مسلسل تعاون اور عزم کا یقین دلاتے ہیں۔ ہمیں یقین ہے کہ انتظامیہ اور اسٹاف کمپنی صاف رہنے والی تندرستی کے ساتھ معیاری خدمات فراہم کریں گے جس کا مظاہرہ انہوں نے پچھلے سالوں میں کیا ہے تاکہ کمپنی پاکستان میں مالیاتی خدمات کے شعبے میں اپنی ساکھ کو مزید بہتر بنا سکے۔

بورڈ آف ڈائریکٹرز ڈی او ابراہیم اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی پیشہ ورانہ مہارت، سالمیت اور ضابطہ اخلاق کی تعریف کرتا ہے اسے بھی ریکارڈ پر رکھنا چاہتا ہے۔

نمبر شمار	ڈائریکٹرز کا نام	عہدہ
1	بریگیڈیئر نوید نصر خان (ر)	چیئرمین
2	جناب پرویز انعام	ممبر
3	جناب سہیل انعام الہی	ممبر
4	لیفٹیننٹ کرنل سلیم احمد ظفر (ر)	ممبر
5	محترمہ مہرین اُسامہ	سیکرٹری

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۔ جائزہ سال کے دوران آڈٹ کمیٹی کی 4 میٹنگز منعقد ہوئیں جس کی تفصیلات درج ذیل ہیں:

نمبر شمار	ڈائریکٹرز کا نام	عہدہ	میٹنگز کی تعداد جن میں شرکت کی
1	جناب اسماعیل ایچ احمد	چیئرمین	4
2	جناب رضوان ہمایوں *	وائس چیئرمین	3
3	بریگیڈیئر (ر) نوید نصر خان	ممبر	3
4	جناب شہید ایچ گیلانی *	ممبر	4
5	جناب پرویز انعام	ممبر	3
6	مس فرح فاروق	سیکرٹری	3

* 21 اپریل 2019ء کو بحیثیت ڈائریکٹر اپنی ذمہ داریوں سے سبکدوش ہوئے۔

سال کے دوران آڈٹ کمیٹی کے اجلاس ڈائریکٹرز کی تقرری سے پہلے منعقد ہوئے تھے، جس کے بعد کمیٹی کو دوبارہ کارپوریٹ گورننس کے کوڈ کے تحت تشکیل دیا گیا ہے اور اس میں مندرجہ ذیل ممبران شامل ہیں۔

نمبر شمار	ڈائریکٹرز کا نام	عہدہ
1	جناب اسماعیل ایچ احمد	چیئرمین
2	جناب نعیم علی محمد نشی	ممبر
3	بریگیڈیئر نوید نصر خان (ر)	ممبر
4	جناب پرویز انعام	ممبر
5	مس فرح فاروق	سیکرٹری

نمبر شمار	ڈائریکٹرز کا نام
1	جناب سہیل انعام الہی
2	جناب پرویز انعام
3	جناب فواد سلیم ملک
4	جناب جان علی خان جوینجو
5	برگیڈیئر (ر) نوید نصر خان
6	جناب نعیم علی محمد منشی
7	جناب اسماعیل انجی احمد
8	محترمہ سطوت فرخ *
9	جناب محفوظ الرحمن پاشا

اس کے علاوہ موجودہ سال میں منعقد ہوئے ڈائریکٹرز کی میٹنگز میں ملکی اور بین الاقوامی کاروباری ماحول اور ریگولیٹری تبدیلیوں پر تبصرہ ہوا۔ اس وقت کمپنی کے بورڈ پر مشتمل کل (9) ڈائریکٹرز ہیں۔ آٹھ (8) ڈائریکٹرز مرد اور ایک (1) خاتون ہیں۔ بورڈ میں تین (3) آزاد ڈائریکٹرز اور پانچ (5) نان ایگزیکٹو ڈائریکٹرز اور ایک ایگزیکٹو ڈائریکٹر ہیں جو کہ چیف ایگزیکٹو آفیسر ہیں۔ * سال کے اختتام کے بعد خاتون ڈائریکٹر محترمہ سطوت فرخ فرائز نے 19 جولائی، 2019 سے کمپنی کی ڈائریکٹر شپ سے استعفیٰ دے دیا ہے۔

جون 2019 تک کمپنی کے چار ڈائریکٹرز نے ڈائریکٹرز ٹریننگ کورس کی سرٹیفکیٹ حاصل کر لی ہے۔ جب کہ ایک ڈائریکٹر اس سے استثناء ہیں۔ واضح رہے کہ وقتاً فوقتاً ملکی اور بین الاقوامی کاروباری ماحول میں رونما ہونے والی تبدیلیوں کے بمشور ریگولیٹری تبدیلیوں کے سال کے دوران ہونے والی بی او ڈی میٹنگوں میں ڈائریکٹرز کے مابین باقاعدگی سے زیر بحث لائی جاتی ہیں۔

ہیومن ریسورسز اور ریمونڈیشن کمیٹی (HR & RC)

”کوڈ آف کارپوریٹ گورننس“ کی ضرورت کو برقرار رکھنے کے لئے، آپ کے ڈائریکٹرز نے آپ کی کمپنی کے ڈائریکٹرز کی ہیومن ریسورسز اور ریمونڈیشن کمیٹی (HR&RC) قائم کی ہے جو کہ نیچے دکھائی گئی ہے:

نمبر شمار	ڈائریکٹرز کا نام	عہدہ
1	جناب جان علی خان جوینجو	چیئر مین
2	جناب پرویز انعام	ممبر
3	جناب سہیل انعام الہی	ممبر
4	جناب محفوظ الرحمن پاشا	ممبر
5	محترمہ مہرین اُسامہ	سیکرٹری

اپریل 2019 میں بورڈ آف ڈائریکٹرز کی تشکیل نو سے پہلے کمیٹی میں ممبران کچھ یوں تھے۔

محصول (Taxation)

فیڈرل بورڈ ریونیو (FBR) آپ کی کمپنی کی طرف دی گئی متعدد عرضداشتوں پر کوئی خاطر خواہ کارروائی نہیں کر رہا۔ یہ عمل لیزنگ سیکٹر خاص طور سے پرائیویٹ لیزنگ کمپنیوں کے لئے کافی تکلیف دہ ہے۔ لیزنگ تمام ٹریکس میٹجمنٹ کے بارے میں ہے۔ ایک سازگار ٹیکسیشن نظام کی غیر موجودگی میں، ایک لیزنگ کمپنی کے لئے اپنی منافع کی پروفائل برقرار رکھنا تقریباً ناممکن ہے۔

لیزنگ کمپنیوں کے نقطہ نظر سے ایف بی آر کی طرف سے دو منفی ٹیکس لگائے گئے ہیں۔ پاکستان میں سرمائے کے استعمال کے لئے ابتدائی قابل قبول گھسائی الاؤنس (Initial Depreciation Allowance) 50 فیصد تھا جو کہ نصف 25 فیصد کر دیا گیا ہے۔ لیزڈ اثاثوں (Leased Assets) پر گھسائی کم سے ہونے والے عارضی ٹیکس کے نقصانات سے لیزنگ کمپنیوں کی صلاحیت میں کمی ہو گئی ہے۔ اس طرح پلانٹ اور آلات کی بڑی مقدار کی فنانسنگ رجحان میں بھی کمی واقع ہوئی ہے۔

فیڈرل فنانس ایکٹ 2014ء کے تحت جو دوسرا حوصلہ شکن قدم اٹھایا گیا وہ یہ ہے کہ منافع قبل از ٹیکس پر 17 فیصد آلٹرنیٹ کارپوریٹ ٹیکس (Alternate Corporate Tax - ACT) متعارف کرایا گیا ہے، جو کہ اکاؤنٹنگ آمدنی پر نافذ العمل ہوگا، یہ ٹیکس سال 2014ء سے شروع ہوا ہے۔ دیگر مالی ادارے جیسے بینک اور مضاربہ کمپنیاں جو کہ اسی طرح کے کاروبار میں فعال ہیں ان کو اس سے استثناء دے کر لیزنگ کمپنیوں پر ٹیکس کے بوجھ میں اضافہ ہوا ہے۔ آپ کی کمپنی نے ACT نفاذ کے خلاف سندھ ہائی کورٹ میں ایک آئینی درخواست دائر کی ہے اور معزز کورٹ نے PGL کی درخواست پر حکومت کے خلاف حکم امتناعی دیدیا ہے۔ کمپنی کی درخواست کے نتیجے میں یہ امید کی جاتی ہے کہ PGL کو اس ٹیکس کی ادائیگی سے مستثنیٰ قرار دیدیا جائے۔

مزید یہ کہ سندھ ریونیو بورڈ کے اسٹنٹ کمشنر نے آرڈر 551 آف 2016 بتاریخ 15 جون 2016ء کے تحت PGL کے اپنے آڈٹ شدہ مالی اکاؤنٹس برائے ٹیکس سال 2015ء، ٹیکس سال 2014ء، اور ٹیکس سال 2013ء میں ظاہر شدہ اجارہ ریٹیل کی خالص رقم پر سیز ٹیکس عائد کر دیا ہے۔ اس آرڈر کے خلاف PGL نے محترم کمشنر (ایبلز) کے روبرو ایک اپیل دائر کی تھی، کیونکہ SRB کی طرف سے جو مطالبہ کیا گیا وہ غیر حقیقی ہے اور عائد کردہ سیز ٹیکس PGL کے اجارہ آپریشن سے حاصل ہونے والی آمدنی سے بہت زیادہ ہے اس لئے 20 اپریل 2016ء کی منعقد ڈائریکٹرز میٹنگ میں بورڈ نے فیصلہ کیا ہے کہ اجارہ فنانسنگ میں مزید ملوث نہیں ہونگے۔ اگر یہ صورتحال رہتی ہے، تو احتمال یہ ہے کہ بینکوں اور دیگر NBFIs بھی اجارہ فنانس نہیں کریں گے یہ اسلامی مالیات کے لئے ایک سنگین دھچکا ہوگا۔

کارپوریٹ گورننس (کمپنی کا انتظام و انصرام)

آپ کی کمپنی لیڈر کمپنیز (کوڈ آف کارپوریٹ گورننس، 2017) کی روحاً و عملاً تعمیل کر رہی ہے۔ ممبران کے لئے 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۔

بورڈ آف ڈائریکٹرز

بورڈ کی مدت 21 اپریل 2019ء ختم ہو گئی تھی۔ کمپنی کے شیئر ہولڈرز نے اپنی ایک غیر معمولی جزل میٹنگ میں جو کہ 22 اپریل 2019ء کو کمپنی کے رجسٹرڈ آفس میں منعقد ہوئی میں درج ذیل کمپنی کے ڈائریکٹرز کی تقریر کو اگلے تین سال کی مدت تک کے لئے منظور کیا تھا:

PGL کو اس امر کی ضرورت ہے کہ وہ اپنی موجودہ معاشی حالت پر انتہائی سنجیدگی سے غور فکر کرتے ہوئے اس پر مستقل نظر رکھے تاکہ معاملات میں کسی منفی تبدیلی سے پیدا ہونے والے دباؤ کا مقابلہ کیا جاسکے۔ آپریشنز کے دوران احتیاط کو ملحوظ خاطر رکھنا PGL کا خاصہ ہے۔ کمپنی کو آنے والے وقت کے لئے اپنی ان خصوصیات پر زیادہ سے زیادہ بھروسہ کرنے کی ضرورت ہے۔

مستقبل کے امکانات

اضافی ضمانتوں سے مزین فنانسنگ، خاص طور پر لیز، کا انحصار ان کے متعلقہ واجبات کی فوری اور پابندی کے ساتھ واپسی یقینی بنانے کے لئے لیسے یا قرض لینے والے کی قابلیت اور کیش فلو پیدا کرنے کی صلاحیت پر ہوتا ہے۔ مالیاتی اداروں میں کوئی ایسا نہیں جو قرض ادا نہ کرنے والے لیسے (Lessees) کے معاملات کو منظم کرنا چاہ رہا ہو یا پھر ان کا کاروبار بند کرنے کا ارادہ رکھتا ہو۔

کسی بھی کمپنی کو خوشحالی اور ترقی کے لئے ایک مضبوط اقتصادی ماحول کی ضرورت ہے۔ تمام کاروباری اکائیوں میں معقول شرح منافع کمانے کی صلاحیت ہونی چاہیے، ان کو اس بات کا موقع ملنا چاہیے کہ لیکویڈیٹی کی مد میں قرض دہندہ کو ان کی قرضوں کی فوری اور پابندی کے ساتھ یقینی واپسی ہو سکے۔ کم از کم فی الحال منافع کی شرح میں کمی کی وجہ سے قرضے دینے کی کاروباری صلاحیت میں کمزوری کی ایک وجہ کاروبار کی بڑھتی ہوئی لاگت اور براہ راست یا بالواسطہ ٹیکسوں کا اطلاق ہے۔

کمرشل بینکوں کا نجی کاروباری اداروں کو قرضے کی سہولت نہ دینے اور کاروبار کی کارکردگی اور ماحصل میں بہتری لانے والے ضروری اقدامات پر عمل نہ ہونے کی وجہ سے کاروباری رغبت ختم ہو رہی ہے۔ یہ منظر نامہ زیادہ سے زیادہ کاروباری تنظیم کاروں کو لیزنگ کے لین دین کے ذریعے مالی امداد حاصل کرنے کا راستہ دکھا رہا ہے جو کہ نسبتاً ایک مہنگا طریقہ ہے لیکن اس سے لیسےز کو ٹیکس کی مد میں کچھ فوائد حاصل ہوتے ہیں۔

لیزنگ کمپنیوں کو اس وقت نہ صرف ممکن لیسےز کی تعداد میں اضافے بلکہ ان کے مطلوبہ قرضے کی مقدار میں بھی اضافے کا سامنا ہے۔ اسی طرح یہ کمپنیاں کمرشل بینکوں سے لیکویڈیٹی کی مطلوبہ مقدار کے حصول کے لئے مالی اعانت کی خواہاں ہیں تاکہ لیزنگ فنانس میں ضرورت کے مطابق سرمایہ کاری کی جا سکے۔

اس کے علاوہ، کمرشل بینک گورنمنٹ سیکورٹیز میں ممکنہ سرمایہ کاری کو معیار بناتے ہوئے، لیزنگ کمپنیوں سے زیادہ سود کا مطالبہ کر رہے ہیں۔ معاملے کو بدتر بنانے کے لئے، لیزنگ سیکٹر کے لئے کوئی کریڈٹ واپس لگائی شروع کرنے پہلے قرضے دینے والے بینک کو لیزنگ سیکورٹیز کی تلاش میں ہیں۔ لیزنگ کمپنیاں ان سخت شرائط اور زیادہ سود کی شرح پر فنڈ اکٹھا کرنے میں کٹکٹش کا شکار ہیں کیونکہ لیسےز کا اپنی ضروریات کو پورا کرنے کے لئے اعلیٰ شرح سود کا برداشت کرنا مشکل ہو رہا ہے۔

لیزنگ کمپنیوں کے لئے مزید پیچیدہ مسائل یہ ہیں کہ کمرشل بینکوں (خاص طور پر اسلامک بینکوں یا کمرشل بینکوں کے اسلامک بینکنگ ڈیویژن) لیزنگ کے موڈ بنام اجارہ کی پیشکش میں زیادہ فعال ہو چکے ہیں۔ کم لاگت کے فنڈز کی وجہ سے ایسے بینک اس شرح پر لیزنگ لکھ سکتے ہیں جو کہ لیزنگ کمپنیوں کی طرف سے ملنا مشکل ہے۔ اسی طرح مضاربہ کمپنیاں بھی ایک ٹیکس فری حیثیت رکھتے ہیں جبکہ لیزنگ کمپنیوں کو تمام ٹیکسز کا سامنا ہے۔

ج) منجھد سرمایہ کاری پبلک سیکٹرز ڈیولپمنٹ پروگرام میں تخفیف کے باعث؛ اور
د) توانائی کے اخراجات اور قرضوں پر شرح سود میں اضافہ۔
مندرجہ بالا عوامل کی بدولت ترقی کی رفتار سست رہی جس نے اجناس کی پیداوار کو منفی طور پر متاثر کیا۔

مالی سال 2019 کے اختتام پر کرنٹ اکاؤنٹ خسارہ پچھلے مالی سال 2018 کے 19.9 بلین ڈالر کے مقابلے پر کم ہو کر 13.4 بلین ڈالر پر آ گیا جسکی وجہ سے اسٹیٹ بینک آف پاکستان کی بیرونی کرنسی ذخائر پر سے کچھ بوجھ کم ہو گیا۔ ایکسٹرنل بیلینس میں بہتری تجارتی خسارے میں 29.5 فیصد کمی اور بیرون ملک سے ترسیلات میں اضافے اور خدمات کی برآمدات کی بدولت حاصل ہوئی۔

مالی سال 2019 میں برآمدات کا حجم 29.5 بلین ڈالر رہا جبکہ کل درآمدات 61.9 بلین ڈالر پر رہیں۔

بینک دولت پاکستان کے زرمبادلہ کے ذخائر آئی ایم ایف کی طویل المدت قرض کی پہلی قسط کی وصولی کے بعد۔ جولائی 2019 میں 8 بلین ڈالر تک پہنچ گئے۔ مالی سال 2020 میں ان ذخائر میں مزید اضافے کی گنجائش ہے جسکی وجوہات سعودی عرب سے تیل کی درآمد میں تاخیری ادائیگی اقساط اور دیگر بیرونی قرضوں کے متوقع حصول شامل ہیں۔ امکان ہے کہ اسکے بعد کرنٹ اکاؤنٹ خسارے میں خاطر خواہ کمی آسکے گی۔

اوسط سی پی آئی افراط زر کی شرح مالی سال 2019 کے اختتام پر 7.3 فیصد تک پہنچ چکی ہے جو سال گذشتہ 2018 کی 3.9 فیصد کی شرح کے مقابلے پر مندرجہ ذیل وجوہات کے باعث کہیں زیادہ ہے:

ا) حکومت کے بینک دولت پاکستان سے قرض میں اضافہ؛

ب) توانائی یعنی بجلی، گیس، پٹرول وغیرہ کی قیمتوں میں اضافی ترتیب؛

ج) جلد خراب ہو جانے والی غذائی اشیاء و اجناس کی قیمتوں میں اضافہ؛ اور

د) پاکستانی روپے کے مقابلے میں امریکی ڈالر کی قیمت میں پیش بہا اضافہ۔

مندرجہ بالا عوامل کی بدولت ترقی کی رفتار سست رہی جس نے اجناس کی پیداوار کو منفی طور پر متاثر کیا۔

لیزنگ کمپنیاں جو کہ کبھی صنعتی شعبوں و صارفین کی ضروریات کا فنی حد تک پورا کر رہی ہیں، لیکویڈیٹی، کم از کم ایکویٹی کی حد میں اضافے، ریگولیٹڈ قواعد پر سختی سے عمل کرنے، تجارتی بینکوں کا قابل قبول شرائط پر قرضے کی فراہمی سے انکار اور کاروبار کی بڑھتی ہوئی لاگت کے حوالے سے اپنے آپ کو بے یار و مددگار محسوس کر رہے ہیں۔ مندرجہ بالا وجوہات نے لیز فنانسنگ کی فراہمی کو متاثر کیا ہے اور کمپنیوں کی نمو پانے کے امکانات کو مشکوک بنا دیا ہے۔ چھوٹی لیزنگ کمپنیوں کی اکثریت نے یا تو مستحکم مالیاتی اداروں میں ضم ہونے کا راستہ اختیار کیا ہے یا پھر صارفین پر اپنے دروازے بند کرتے ہوئے رضا کارانہ طور پر اپنے کاروبار کو ختم کرنے کا راستہ اپنایا ہے۔ فی حال پاکستان میں صرف چند لیزنگ کمپنیاں کام کر رہی ہیں اور انھیں بھی بینکوں سے مسابقت، وفاقی حکومت کی جانب سے متبادل کارپوریٹ ٹیکس (ACT) کے نفاذ اور سندھ حکومت کی جانب سے اجارہ اکم پریسلز ٹیکس کے نفاذ کی وجہ سے ٹیکس کی مد میں ہونے والے نقصان کے باعث اپنے آپ کو قائم رکھنا مشکل ہو رہا ہے۔

تبدیلی کی فیصد	2018	2019	منافع بخش کارکردگی کا تجزیاتی جائزہ برائے اختتامی سال 30 جون۔
+ یا (-)	ملین روپوں میں		
21.71%	200.38	243.89	آمدنی
8.61%	72.58	78.83	انتظامی اخراجات
63.61%	47.68	78.01	مالیاتی مصارف
-11.69%	80.60	71.18	آمدنی قبل از ٹیکس
-39.45%	11.23	6.81	ٹیکس کی عبوری فراہمی (بشمول ملتی ٹیکس)
-7.21%	69.37	64.38	منافع بعد از ٹیکس
14.82%	246.11	282.58	غیر مختص شدہ آمدنی جو کہ آگے لائی گئی
0	-	-	قدر کے دوبارہ تعین کے وقت فاضل آمدنی سے غیر مختص آمدنی کی طرف منتقلی
9.96%	315.48	346.95	آمدنی جو تخصیص کے لئے دستیاب ہے
			تخصیص
-7.21%	13.87	12.87	دستوری محفوظ سرمایہ کی طرف منتقلی
66.63%	19.03	31.71	ڈیویڈنڈ (حصص منافع)
35.50%	32.90	44.48	کل تخصیص
7.00%	282.58	302.37	غیر مختص آمدنی جو آگے لیجائی جائے گی
-6.96%	2.73	2.54	نی شیئر آمدنی (روپے میں)

ڈیویڈنڈ (حصص منافع)

آپ کے ڈائریکٹرز مسرت کے ساتھ اختتام سال 30 جون 2019 کے لئے 7.5 فیصد نقد حصص منافع (کیش ڈیویڈنڈ) کی سفارش کرتے ہیں۔

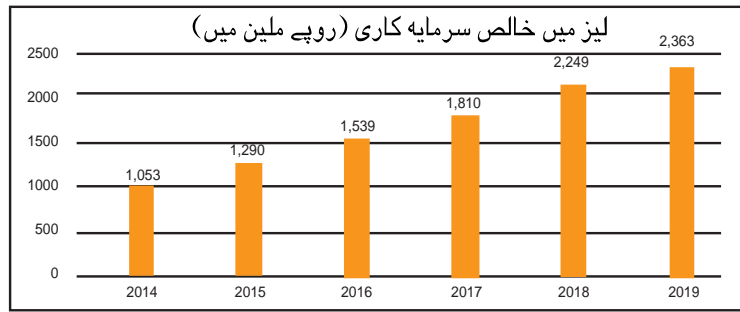
اقتصادی منظر نامہ:

عام انتخابات 2018 کے بعد سے پاکستانی معیشت ایک استحکامی مرحلے سے گزر رہی ہے۔ مالی سال 2019 کے خاتمے پر جی ڈی پی کی شرح نمو مالی سال 2018 کی 5.8 فیصد کے مقابلے پر 3.3 فیصد پر رہی۔ شرح نمو میں کمی کے اسباب مندرجہ ذیل ہیں:

(ا) بڑی پیداواری صنعتوں کی شرح نمو کا 2.1 فیصد پر گرنے کا مقابلہ 2019 کے مالی سال کی 5.1 فیصد سطح سے؛

(ب) خریف کی سالانہ فصل میں تخفیف؛

لیز میں مجموعی سرمایہ کاری 30 جون 2019 کو 2707.69 ملین روپے ہے (مالی سال 2017-18 میں 2535.62 ملین روپے) جو کہ سالہا سال 6.78 فیصد اضافہ ظاہر کر رہی ہے (مالی سال 2017-18 میں 22.97 فیصد)۔ بلا استحقاق سرمایہ کاری (339.64 ملین روپے)، سودی منافع جو کہ پھنسا ہوا ہے (2.12 ملین روپے) اور مکمل لیز نقصان کے لئے مختص حصہ (2.628 ملین روپے) کی تخفیف کے بعد خالص سرمایہ کاری 30 جون 2019 کو 2363.3 ملین روپے بنتی ہے اور 5.1 فیصد اضافہ ظاہر کر رہی ہے جب کہ پچھلے سال یعنی 30 جون 2018 کو یہ رقم 2248.6 ملین روپے تھی۔ پچھلے چھ سالوں میں لیز میں خالص سرمایہ کاری کو درج ذیل چارٹ میں دکھایا گیا ہے۔



فائدہ مندی کارکردگی:

یہ بات ذہن نشین رکھی جائے کہ ہماری کمپنی اطمینان بخش حد تک مسلسل فائدہ مند کارکردگی کا مظاہرہ کر رہی ہے، خاص طور پر ٹیکس منہا کرنے کے بعد حاصل ہونے والے منافع کے حوالے سے، جو کہ مالی سال 2018-19 میں 64.38 ملین روپے ریکارڈ کیا گیا ہے 69.37 ملین روپے کے مقابلے میں جو کہ مالی سال 2017-18 کے دوران حاصل ہوا تھا۔

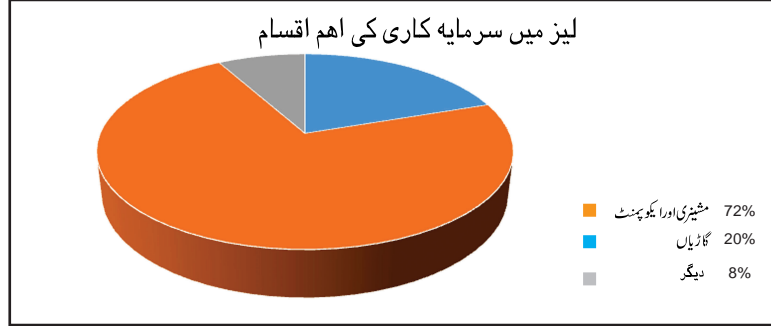
منافع بعد از ٹیکس میں اضافے کی وجہ سے فی شیئر آمدنی برائے مالی سال 2018-19 میں 2.54 روپے فی شیئر رہی ہے جبکہ مالی سال 2017-18 میں یہ 2.73 روپے فی شیئر تھی۔

برائے مالی سال 2018-19 مجموعہ آمدنی 243.89 ملین روپے ہے جو کہ 21.71 فیصد زیادہ ہے بہ نسبت 200.38 ملین روپے کے جو کہ مالی سال 2017-18 میں ہوئی۔

مالی سال 2018-19 میں 1025 ملین روپے کی لیز لکھی گئی ہیں بہ نسبت مالی سال 2017-18 کے جس میں یہ تیزیر کی جانے والی لیز کی مالیت 1040.15 ملین روپے تھی۔

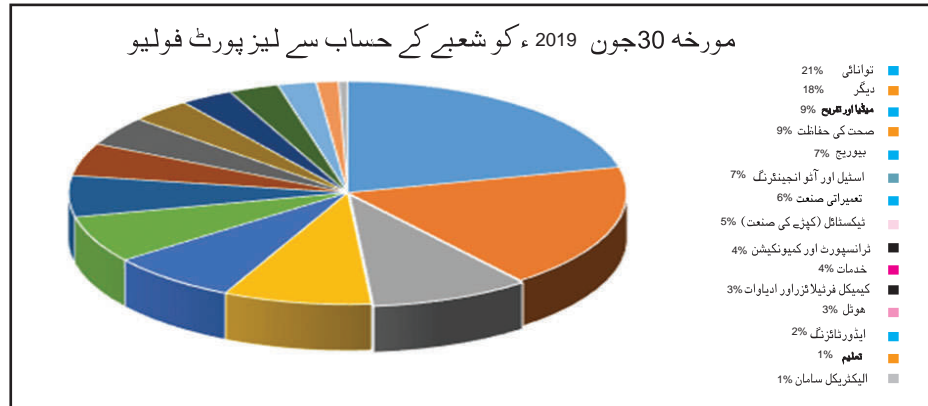
لیز کے تحت مالی ادائیگیاں مالی سال 2018-19 میں 778.86 ملین روپے تھی جو پچھلے سال یعنی مالی سال 2017-18 جس میں 767.19 ملین روپے تھی، سے کچھ زیادہ رہی۔

30 جون 2019 کو NBFC Regulations کے مطابق آپ کی کمپنی کی ایکویٹی 664.81 ملین روپے ہوگی جو کہ ایکویٹی کی حد 500 ملین روپے سے 164.81 ملین روپے زیادہ ہے۔



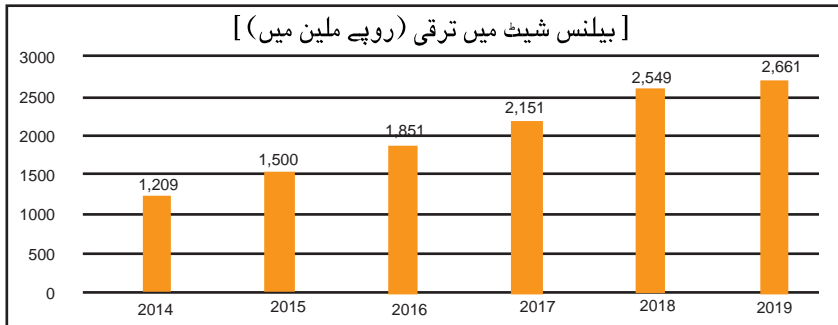
شعبے کے حساب سے لیز پورٹ فولیو کی بناوٹ

کمپنی نے خطرات سے متعلق ایک محتاط اور موثر حکمت عملی کے لئے قابل فہم اور معقول معیار کو اپنایا ہے جو کہ کمپنی کے صنعت اور کاروبار کے محفوظ شعبہ جات میں مناسب رد و بدل پر محیط ہے، اور انفرادی شعبے کے رویے کو مد نظر رکھتے ہوئے، مجموعی علاقائی معیشت پر مشتمل ہے۔ ایک چارٹ جو شکل انداز میں شعبے کے حساب سے PGL لیز پورٹ فولیو کی بناوٹ کو چارٹ میں تصویری شکل میں ذیل میں واضح کیا گیا ہے:



مالیاتی کامیابیاں:

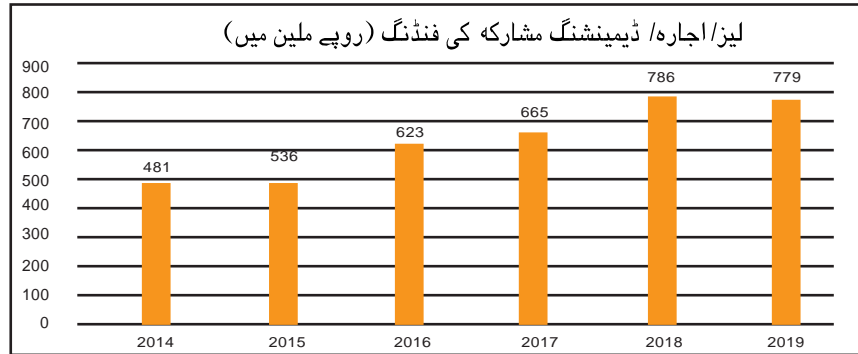
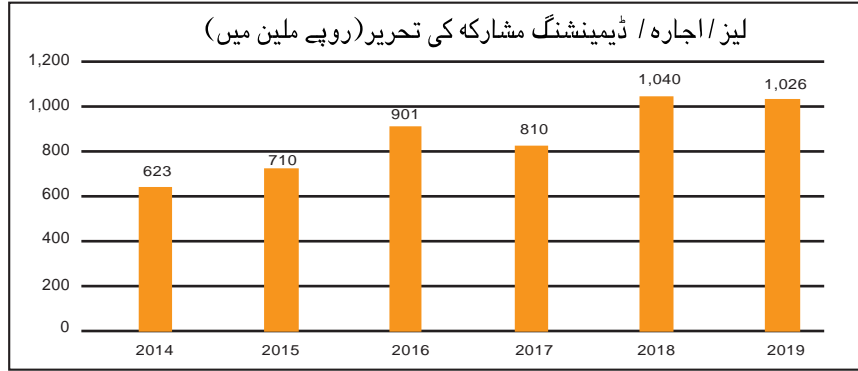
بیلنس شیٹ میں دی گئی مجموعہ بنیاد جو 30 جون 2018 کو 2,548.82 ملین روپے تھی وہ 30 جون 2019 میں مزید بڑھ کر 2661.79 ملین روپے ہو گئی ہے۔ کمپنی کے کل اثاثوں میں سالہا سال جو 4.43 فیصد اضافہ ہے، وہ پاکستان میں موجود دیگر منافع بخش لیزنگ کمپنیوں کی کارکردگی کی بہ نسبت ایک نمایاں بہتری ظاہر کر رہا ہے۔ بیلنس شیٹ میں ترقی کو درج ذیل چارٹ میں دکھایا گیا ہے:



PGL کے آپریشنل اور مالی کارکردگی کا تجزیہ برائے مالی سال 2018-19

لیز اور اجارے کا تحریر کرنا

مالی سال 2017-18 کی 1040.15 ملین روپے مالیت کی 132 لیزوں کی بہ نسبت مالی سال 2018-19 میں 1025.51 ملین روپے مالیت کی 104 نئی لیزز (Leases) جبکہ مالی سال 2018-19 میں لیز فنڈز کی ادائیگی 778.86 ملین روپے تھی بہ نسبت مالی سال 2017-18 جس میں لیز کی مالی ادائیگی 786.25 ملین روپے تھی۔ پچھلے چھ سالوں میں کمپنی کے لیز میں اضافہ کے ریکارڈ کی تفصیل درج ذیل ہے:-



لیز میں سرمایہ کاری کی اقسام

مالی سال 2018-19 کے دوران لیزنگ میں کمپنی کی سرمایہ کاری کو اثاثوں کی نوعیت کے مطابق تقسیم کر کے واضح طور پر مختلف اشکل انداز میں رکھا گیا ہے۔ ان اثاثوں کی مقابلاً جاری قیمت فروخت جو کہ ضمانت سے مربوط ہے اور فروخت پذیری کی صلاحیت کے علاوہ، PGL اثاثہ تنوع پالیسی کے مزید واضح عوامل سے لیز کئے جانے والے اثاثوں کے حوالے سے ٹیکس کی مد میں PGL کو فائدہ ملا ہے۔ درج بالا چارٹ میں مالی سال 2018-19 کے دوران لیزنگ میں کمپنی کی اثاثوں کی نوعیت کے مطابق سرمایہ کاری کے مجموعی تجزیہ کو تصویری شکل میں دکھایا گیا ہے:

ڈائریکٹرز رپورٹ

محترم شیئر ہولڈرز (حصص یافتگان)

آپ کے ڈائریکٹرز انتہائی مسرت کے ساتھ 26 ویں سالانہ رپورٹ بشمول مالی گوشوارے اور آڈیٹرز رپورٹ برائے سال اختتام 30 جون 2019 پیش کر رہے ہیں۔

آپریشنل جائزہ

عملی پابندیوں پر مشتمل ماحول کے باوجود، جن سے کمپنی کا سامنا رہا ہے، زیر تبصرہ مالی سال کے دوران کمپنی کی کارکردگی متاثر کن نظر آتی ہے۔

زیر غور مالی سال کے دوران، آپ کی کمپنی تسلسل کے ساتھ مستحکم سادھ کی حامل لیسیز (Lessees) کے ساتھ کاروباری سرگرمیاں کو دہرانے کا عزم لئے ہوئے ایک محتاط اور اچھی آزمودہ پالیسی پر عمل پیرا رہی ہے علاو ازیں اچھی کاروباری سادھ رکھنے والے نئے اشخاص / کلائنٹس سے بھی کاروباری تعلق قائم کیے گئے۔ کسی بھی ممکنہ نقصان کے اندیشے کی صورت میں کمپنی کو محفوظ رکھنے کے لئے متوازی ضمانتیں بھی حاصل کی جاتی رہی ہیں، جو کہ لیز (Lease) کئے جانے والے اثاثوں کے علاوہ ہیں۔ اضافی ضمانتوں کی بنیاد پر فائنانسنگ کے لئے قائم ضمانتی بیکنج کو مستحکم بنانے کا یہ طریقہ کار صرف ہماری کمپنی کا طرہ امتیاز ہے کیونکہ مارکیٹ میں اکثر لیزنگ کمپنیاں لیز فائنانسنگ صرف لیز کئے جانے والے متعلقہ اثاثوں کی ضمانت کی بنیاد ہی پر کرتی ہیں۔

متوقع لیسی (Lessee) کی مالی حیثیت، ماضی میں اس کے ریکارڈ اور مارکیٹ میں سادھ کو مد نظر رکھتے ہوئے PGL نئے کاروباری تعلقات استوار کرنے پر توجہ دیتی ہے۔ مزید یہ کہ ممکنہ نقصان کے خطرے کو پیش نظر رکھتے ہوئے لیسیز (Lessees) کو دی جانے والی پیشکش میں فائنانسنگ کے تناسب کا اندازہ لگایا جاتا ہے۔ تمام تر منظوری کا انحصار ایک آزادانہ سروے اور اثاثوں کی تشخیص پر ہوتا ہے۔

PGL کی مالی انتظامی پالیسی کا مرکزی نکتہ اندرونی طور پر مہیا کردہ مالی وسائل سے کمپنی کے کاروبار کے لئے فنڈز فراہم کرنا ہے۔ نتیجتاً آپ کی کمپنی لیسیز (Lessees) سے لیز کے متعلق تمام وعدوں کو مد نظر رکھتے ہوئے بروقت اور باقاعدہ واپسی پر خاص توجہ مرکوز رکھتی ہے۔ یہ بات کہتے ہوئے فخر محسوس ہوتا ہے کہ آپ کی کمپنی کی پچھلے کچھ سالوں میں وصولیائی کی شرح غیر معمولی رہی ہے۔ زیر تبصرہ سال میں یہ شرح 95 فیصد رہی ہے۔

مالی سال 2018-19 میں کاروبار میں غیر معمولی اضافہ اور لیز ریٹیل ادا نیگیوں میں زبردست کارکردگی کے باوجود کاروبار میں مزید اضافے کے پیش نظر کمپنی کو تجارتی بینکوں سے مختصر مدتی قرضے درکار رہے۔ مزید یہ کہ PGL ایک مشترکہ معاہدے کے تحت ایک مختصر مدتی واضح تعین کے علاوہ اسپانسرز کی طرف سے سرمایہ کاری سٹرٹیکٹس اسکیم میں اضافی سرمایہ کاری کے ذریعے حاصل ہونے والی مالی اعانت پر بھی انحصار کرتی رہی ہے۔ کمپنی کے اسپانسرز آپ کی کمپنی کی بروقت مالی اعانت کر کے کمپنی کی مالی ضروریات کو پورا کرنے اور آپ کی کمپنی کی انتظامیہ اور انتظامی معاملات پر اپنے بھروسے اور اطمینان کا اظہار کرنے پر شکر یہ کے مستحق ہیں۔

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

1. The total number of directors are nine (9) as per the following:

- a. Male: Eight (8)
b. Female: One (1)*

2. The composition of the Board of Directors (the Board) is as follows:

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

* Subsequent to the year end, Ms.Sitwat has resigned from the directorship of the Company w.e.f. July 19, 2019

3. The directors have confirmed that none of them is serving as a director on more than five 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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
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 Act and these 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 Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Till June 30, 2019, following four (4) directors of the Company have acquired the required certificate of Directors Training Program while one (1) is exempt from this requirement:

Directors

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

10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. However, the position of CFO and Company Secretary are being held by the same person.

11. CFO and CEO duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:
- a) **Audit Committee**
- | | |
|--------------------------------|-----------|
| Mr. Ismail H Ahmed | Chairman |
| Mr. Naeem Ali Muhammad Munshi | Member |
| Mr. Pervez Inam | Member |
| Brig. Naveed Nasar Khan (Retd) | Member |
| Ms. Farah Farooq | Secretary |
- b) **HR and Remuneration Committee**
- | | |
|----------------------------|-----------|
| Mr. Jan Ali Khan Junejo | Chairman |
| Mr. Pervez Inam | Member |
| Mr. Sohail Inam Ellahi | Member |
| Mr. Mahfuz-ur-Rehman Pasha | Member |
| Ms. Mehreen Usama | Secretary |

Before the election of the directors on April 22, 2019 the composition of the Committees was as follow:

- a) **Audit Committee**
- | | |
|--------------------------------|-----------|
| Mr. Ismail H Ahmed | Chairman |
| Mr. Rizwan Humayun | Member |
| Mr. Pervez Inam | Member |
| Brig. Naveed Nasar Khan (Retd) | Member |
| Mr. Shaheed H. Gaylani | Member |
| Ms. Farah Farooq | Secretary |
- b) **HR and Remuneration Committee**
- | | |
|-----------------------------------|-----------|
| Brig. Naveed Nasar Khan (Retd) | Chairman |
| Mr. Pervez Inam | Member |
| Mr. Sohail Inam Ellahi | Member |
| Lt. Col Saleem Ahmed Zafar (Retd) | Member |
| Ms. Mehreen Usama | Secretary |
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 yearly meeting)
15. The Board has set up an effective internal audit function comprising of people who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
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 other requirements of the Regulations have been complied with.

Chief Executive Officer

Director



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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, 2017

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of Pak-Gulf Leasing Company Limited for the year ended June 30, 2019 in accordance with the requirements of regulation 40 of the Regulations.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2019.

Further, we highlight below instance of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where this is stated in the Statement of Compliance:

Paragraph

S. No	Reference	Description
1	10	The position of Chief Financial Officer and Company Secretary are being held by same person.

KARACHI

DATED: SEPTEMBER 26, 2019


CHARTERED ACCOUNTANTS
Engagement Partner: Zulfikar Ali Causer

BDO Ebrahim & Co. Chartered Accountants

BDO Ebrahim & Co., a Pakistan registered partnership firm, is a member of BDO International Limited, a UK company limited by guarantee, and forms part of the international BDO network of independent member firms.



ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

الحمد لله رب العالمين والعاقبة للمتقين والصلاة والسلام على أشرف الأنبياء والمرسلين وعلى آله وأصحابه أجمعين وبعد

Shariah Review Report

For the period ended June 2019

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

The year under review was the seventh year of Islamic financing at PGL. In this year no *Ijarah* or *Diminishing Musharakah* transaction could be written however, some previous transactions matured successfully during this year.

I certify that the treasury function and accounting treatment of *Ijarah* and *Diminishing Musharakah* transactions are in conformity to Shariah requirements.

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

والسلام عليكم ورحمة الله وبركاته

Mufti Muhammad Ibrahim Essa

C.E.O. & Director

Alhamd Shariah Advisory Services (Pvt.) Limited

1st Aug, 2019





ALHAMD SHARIAH ADVISORY SERVICES

(PVT) LIMITED

بِسْمِ اللّٰهِ الرَّحْمٰنِ الرَّحِیْمِ

الحمد لله رب العالمين والعاقبة للمتقين ولاصلاة ولاسلام على ائمة المرسلين والذرية الطيبة الذين هم ائمة واهل بيوتهم وصحابة اجمعين وبعد

شريعة ایڈوائزری رپورٹ

جون ۲۰۱۹

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 پراڈکشن کا اجراء کیا۔

پاک گلف لیزنگ کمپنی لمیٹڈ میں اسلامک فنانس شروع کیے ہوئے سات سال کا عرصہ گزر چکا ہے۔ سال ۲۰۱۹ میں پاک گلف لیزنگ کمپنی لمیٹڈ نے اجارہ اور شرکت متناقصہ کا کوئی نیا معاملہ انجام نہیں دیا، البتہ گذشتہ چند معاملات اجارہ اور شرکت متناقصہ کے مکمل ہوئے ہیں۔

میں اس بات کی تصدیق کرتا ہوں کہ پاک گلف لیزنگ کمپنی لمیٹڈ کی طرف سے عملدرآمد ہونے والے اجارہ اور شرکت متناقصہ کا ٹریڈری فنکشن اور اکاؤنٹنگ ٹریسٹ، شریعت کے اصولوں کے مطابق ہے۔

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

محمد ابراہیم

مفتی محمد ابراہیم عیسیٰ

چیف ایگزیکٹو آفیسر

الحمد شریعہ ایڈوائزری سروسز (پرائیوٹ) لمیٹڈ

یکم، اگست، ۲۰۱۹





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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PAK-GULF LEASING COMPANY LIMITED

Report on the Audit of the Financial Statements

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, 2019, and profit and loss account, statement of comprehensive income, the statement of cash flows, the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, profit and loss account, statement of comprehensive income, the statement of cash flows and 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, 2019 and of the profit and other comprehensive loss, its cash flows and the changes in equity for the year then ended.

Basis for Opinion

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

Key Audit Matters

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

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BDO Ebrahim & Co. Chartered Accountants

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Following are the Key audit matters:

S. No	Key audit matters	How the matter was addressed in our audit
1.	<p>Existence and valuation of Net Investment in Finance Lease (NIFL)</p> <p>As disclosed in note 11 to the financial statements of the Company for the year ended June 30, 2019, NIFL has a significant impact on the financial statements that represents 89% of the total assets of the Company as at the year end.</p> <p>As NIFL represents a significant element of the financial statements, a discrepancy in the valuation or existence of NIFL could cause the financial statements to be materially misstated which would also impact the Company's reported performance as the valuation of NIFL is the main driver of the performance of the Company.</p> <p>In view of the significance of NIFL in relation to the total assets and the financial statements as a whole, we have considered the existence and valuation of NIFL as a key audit matter.</p>	<p>Our audit work included assessing and testing the design and operations of key controls over the recognition, valuation and existence of NIFL.</p> <p>We performed detailed assessment of the credit approval procedures of the leases sanctioned in accordance with the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) and performed credit review on sampled lessees for identification of subjective provisioning. In addition, we have circularized confirmations to sampled lessees and checked repayment received from the same.</p> <p>We tested control over addition, termination and periodic valuation of the lease portfolio and performed other substantive audit procedures on the year-end balances of the portfolio including review of the documentation required in the lease files of the parties, verification of the minimum lease payments and NIFL as at the year-end by recalculation of the balances through lease amortization schedules on sample basis as per IAS-17 'Leases'.</p>

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S. No	Key audit matters	How the matter was addressed in our audit
		<p>We assessed the Company's compliance with the requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations) and constitutive documents in relation to the concentration of NIFL and exposure limits prescribed in the Regulations and documents and the adequacy of disclosures as may be applicable in situations of non-compliance.</p> <p>We also evaluated the adequacy of the overall disclosures in the financial statements in respect of NIFL in accordance with the requirements of the NBFC Regulations and whether the Company's disclosures in relation to NIFL are compliant with the relevant accounting standards.</p>

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

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

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

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



Responsibilities of Management and Board of Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, statement of profit and loss account, statement of comprehensive income, the statement of cash flows and the statement of changes in equity 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;

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- 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 auditor's report is Zulfikar Ali Causer.

KARACHI

DATED: SEPTEMBER 26, 2019


BDO EBRAHIM & CO.
CHARTERED ACCOUNTANTS

**STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2019**

	Note	2019 ----- Rupees -----	2018
ASSETS			
Current assets			
Cash and bank balances	7	16,410,061	15,600,826
Short term investments	8	57,433,161	40,386,562
Other receivables - net	9	25,835,690	5,247,451
Ijarah rental receivables		536,780	536,780
Advance to employees	10	57,490	225,663
Accrued mark-up / return on investments		202,301	1,031,624
Prepayments		2,573,005	2,236,243
Current portion of net investment in finance lease	11	711,771,188	753,478,039
Current portion of long-term investments	13	6,031,925	16,045,277
Current portion of diminishing musharaka receivable	14	-	4,674,337
Taxation - net	12	4,264,832	5,980,061
Total current assets		825,116,433	845,442,863
Non-current assets			
Net investment in finance lease	11	1,651,541,206	1,495,119,110
Long-term investments	13	-	6,123,909
Diminishing musharaka receivable	14	9,394,499	14,389,663
Long-term deposits	15	112,500	300,460
Investment property	16	154,440,000	146,718,000
Property, plant and equipment	17	19,620,239	39,112,572
Intangible assets	18	1,567,260	1,610,818
Total non-current assets		1,836,675,704	1,703,374,532
Total assets		2,661,792,137	2,548,817,395
LIABILITIES			
Current liabilities			
Trade and other payables	19	38,846,091	35,029,892
Unclaimed dividend		1,996,977	480,438
Accrued mark-up	20	22,857,201	16,035,582
Current portion of certificates of investment	21.2	18,375,094	173,593,636
Short term borrowings	22	414,340,936	387,568,906
Current portion of long-term loan	23	20,833,331	16,666,668
Current portion of advance rental against Ijarah leasing	25	2,552,045	5,557,912
Current portion of long-term deposits	24	96,789,816	200,055,615
Total current liabilities		616,591,491	834,988,649
Non-current liabilities			
Long-term deposits	24	691,163,737	587,231,293
Long-term loan	23	29,166,665	4,166,663
Certificates of investment	21.2	373,937,581	204,533,908
Advance rental against Ijarah leasing	25	633,918	3,178,676
Deferred taxation - net	26	191,653,177	187,682,393
Total non-current liabilities		1,286,555,078	986,792,933
Total liabilities		1,903,146,569	1,821,781,582
NET ASSETS		758,645,568	727,035,813
Financed by:			
Share capital	27	253,698,000	253,698,000
Capital Reserves			
Statutory reserve	28	105,910,520	93,034,892
Reserve for issue of bonus shares	28	4,402,000	4,402,000
Surplus on revaluation of property, plant and equipment - net of deferred tax	29	90,504,204	90,504,204
Surplus on revaluation of investments classified as fair value through other comprehensive income	28	1,759,720	2,815,855
		202,576,444	190,756,951
Revenue reserve			
Unappropriated profit	28	302,371,124	282,580,862
		758,645,568	727,035,813
Contingencies and commitments	30		

The annexed notes 1 to 49 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2019**

	Note	2019	2018
----- Rupees -----			
INCOME			
Income from financing operations	31	218,862,571	178,154,663
Other operating Income			
Return on investments	32	6,882,124	5,090,091
Other income	33	18,147,352	17,135,441
		<u>25,029,476</u>	<u>22,225,532</u>
		243,892,047	200,380,195
OPERATING EXPENSES			
Administrative and operating expenses	34	78,833,379	72,584,126
Finance cost	35	78,012,463	47,682,251
Other charges		240,682	135,284
		<u>157,086,524</u>	<u>120,401,661</u>
		86,805,523	79,978,534
Operating profit before provision			
Provision for potential lease losses - net	11.3	(1,307,173)	(442,820)
Provision against diminishing musharaka receivable - net		(9,394,500)	-
Provision against litigation receivable - net	9.3	(4,918,495)	1,066,665
Profit before taxation		<u>71,185,355</u>	<u>80,602,379</u>
Taxation	36	6,807,215	11,233,987
Profit for the year		<u>64,378,140</u>	<u>69,368,392</u>
Earning per share-basic and diluted			
	37	<u>2.54</u>	<u>2.73</u>

The annexed notes 1 to 49 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, 2019**

	Note	2019	2018
		----- Rupees -----	
Profit for the year		64,378,140	69,368,392
Other comprehensive income for the year			
<i>Items that will not be reclassified to profit and loss account in subsequent periods:</i>			
Deficit of revaluation of investment classified as fair value through other comprehensive income	8	(1,056,135)	(537,027)
Total comprehensive income for the year		<u>63,322,005</u>	<u>68,831,365</u>

The annexed notes 1 to 49 form an integral part of these financial statements.

Chief Executive Officer

Director

Chief Financial Officer

**CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2019**

	Note	2019	2018
----- Rupees -----			
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		71,185,355	80,602,379
Adjustment for:			
Depreciation	17.1 & 17.2	19,832,997	21,393,307
Amortisation	18.1	43,558	43,557
Finance cost	35	78,012,463	47,682,251
Amortisation of (discount) / premium on investment in PIBs		87,261	(1,923)
Unrealised gain on revaluation of investment property	33	(7,722,000)	(7,722,000)
Provision for potential lease losses - net		1,307,173	442,820
Provision against diminishing musharaka receivable - net		9,394,500	-
Provision against litigation receivable - net		4,918,495	(1,066,665)
Gain on disposal of property, plant and equipment	33	(7,992)	-
		<u>105,866,455</u>	<u>60,771,347</u>
Operating profit before working capital changes		177,051,810	141,373,726
Movement in working capital			
Decrease / (increase) in current assets			
Advance to employees		168,173	38,581
Accrued mark-up / return on investments		829,323	501,131
Other receivables - net		(25,506,734)	(1,029,882)
Ijarah rental receivables		-	142,764
Long-term deposits		187,960	-
Prepayments		(336,762)	230,843
		<u>(24,658,040)</u>	<u>(116,563)</u>
Increase in current liabilities			
Trade and other payables		5,332,738	11,323,773
Cash generated from operations		<u>157,726,508</u>	<u>152,580,936</u>
Finance cost paid		(71,190,844)	(44,082,118)
Tax paid - net		(1,121,202)	(795,545)
Deposits received from lessees		666,645	174,374,164
Advance Ijarah rental received from lessees		(5,550,625)	(5,864,522)
Decrease in diminishing musharaka receivables		275,001	(19,064,000)
Increase in net investment in finance lease - net		(116,022,418)	(439,283,293)
		<u>(192,943,443)</u>	<u>(334,715,314)</u>
Net cash used in operating activities		<u>(35,216,935)</u>	<u>(182,134,378)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in property, plant and equipment	17.1 & 17.2	(340,672)	(5,554,659)
Proceeds from disposal of property, plant and equipment	17.3	8,000	-
Short-term investment in Market Treasury Bills - net		(18,102,734)	(1,623,842)
Long-term investment		16,050,000	5,000,000
Net cash used in investing activities		<u>(2,385,406)</u>	<u>(2,178,501)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from certificates of investment - net	42	14,185,131	(26,002,629)
Dividend paid		(31,712,250)	(19,027,350)
Long-term loan - net	42	29,166,665	(16,666,668)
Net cash generated from / (used in) financing activities		<u>11,639,546</u>	<u>(61,696,647)</u>
Net decrease in cash and cash equivalents		(25,962,795)	(246,009,526)
Cash and cash equivalents at the beginning of the year		(371,968,080)	(125,958,554)
Cash and cash equivalents at the end of the year	41	<u>(397,930,875)</u>	<u>(371,968,080)</u>

The annexed notes 1 to 49 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, 2019**

	Share capital	Reserves				Revenue	Total reserves	Total equity
		Capital						
	Statutory reserve	Reserve for issue of bonus shares	Surplus on revaluation of property, plant and equipment - net of tax	Surplus on revaluation of investments classified as fair value through other comprehensive income	Unappropriated profit			
----- (Rupees) -----								
Balance as at July 01, 2017	253,698,000	79,161,214	4,402,000	89,229,496	3,352,882	246,113,498	422,259,090	675,957,090
Transaction with owners								
Final dividend for the year ended June 30, 2017 @ Rs.0.75 per share	-	-	-	-	-	(19,027,350)	(19,027,350)	(19,027,350)
Total comprehensive income for the year ended June 30, 2018								
Profit for year	-	-	-	-	-	69,368,392	69,368,392	69,368,392
Other comprehensive income								
Surplus on revaluation of investments classified as available for sale	-	-	-	-	(537,027)	-	(537,027)	(537,027)
Effect of change in tax rate on surplus on revaluation of property, plant & equipment	-	-	-	1,274,708	-	-	1,274,708	1,274,708
Transfer to statutory reserve (note 28.1)	-	13,873,678	-	-	-	(13,873,678)	-	-
Balance as at June 30, 2018	253,698,000	93,034,892	4,402,000	90,504,204	2,815,855	282,580,862	473,337,813	727,035,813
Transaction with owners								
Final dividend for the year ended June 30, 2018 @ Rs. 1.25 per share	-	-	-	-	-	(31,712,250)	(31,712,250)	(31,712,250)
Total comprehensive income for the year ended June 30, 2019								
Profit for the year	-	-	-	-	-	64,378,140	64,378,140	64,378,140
Other comprehensive income								
Deficit on revaluation of investments classified as fair value through other comprehensive income	-	-	-	-	(1,056,135)	-	(1,056,135)	(1,056,135)
Transfer to statutory reserve (note 28.1)	-	12,875,628	-	-	-	(12,875,628)	-	-
Balance as at June 30, 2019	253,698,000	105,910,520	4,402,000	90,504,204	1,759,720	302,371,124	504,947,568	758,645,568

The annexed notes 1 to 49 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 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 Regulation 4 of Non-Banking Finance Companies and Notified Entities Regulations, 2008 vide SRO 1002(I)/2015 dated October 15, 2015, requires an existing deposit taking leasing company to maintain, at all times, minimum equity of Rs. 500 million by November 25, 2016. The equity of the Company as at June 30, 2019 is Rs. 664.814 million which is Rs. 164.814 million in excess of the minimum equity requirement.
- 1.3 JCR-VIS Credit Rating Company Limited (JCR-VIS) has re-affirmed A- and A-2 ratings to the Company for medium to long term and short term, respectively on April 15, 2019.

2 GEOGRAPHICAL LOCATION AND ADDRESSES OF BUSINESS UNITS

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

3 BASIS OF PREPARATION**3.1 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 comprise of :

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

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

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except that investment property is stated at fair value and certain investments which have been classified as 'fair value through other comprehensive income' are marked to market and carried at fair value.

These financial statements have been prepared following accrual basis of accounting except for cash flow information.

3.3 Functional and presentation currency

These financial statements are presented in Pak Rupees which is the functional and presentation

currency of the Company. All financial information presented in Pakistani Rupees has been rounded off to the nearest rupee unless otherwise stated.

4 **NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS**

4.1 **Amendments that are effective in current year and relevant to the Company**

The Company has adopted the amendments to the following approved accounting standards as applicable in Pakistan which became effective during the year from the dates mentioned below against the respective standard:

	Effective date (annual periods beginning on or after)
Conceptual Framework for Financial Reporting 2018 - Original Issue	March 01,2018
IFRS 9 Financial Instruments - finalised version, incorporating requirements for classification and measurement, impairment, general hedge accounting and derecognition	July 01, 2018
IFRS 9 Financial Instruments - reissue to incorporate a hedge accounting chapter and permit the early application of the requirements for presenting in other comprehensive income the 'own credit' gains or losses on financial liabilities designated under the fair value option without early applying the other requirements of IFRS 9	July 01,2018
IFRS 7 Financial Instruments : Disclosures - additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9	July 01,2018
IAS 39 Financial Instruments: Recognition and Measurements- amendments to permit an entity to elect to continue to apply the hedge accounting requirements in IAS 39 for a fair value hedge of the interest rate exposure of a portion of a portfolio of financial assets or financial liabilities when IFRS 9 is applied, and to extend the fair value option to certain contracts that meet the 'own use' scope exception	July 01,2018
IAS 40 Investment Property - amendments to clarify transfers of property to, or from, investment property	January 01,2018

4.2 **Amendments that are effective in current year and not relevant to the Company**

The Company has adopted the amendments to the following approved accounting standards as applicable in Pakistan which became effective during the year from the dates mentioned below against the respective standard:

	Effective date (annual periods beginning on or after)
IFRS 2 Share-based Payment - amendments to clarify the classification and measurement of share-based payment transactions	January 01, 2018
IFRS 4 Insurance Contracts - amendments regarding the interaction of IFRS 4 and IFRS 9	January 01, 2018
IFRS 5 Additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9	July 01, 2018
IFRS 8 Amendments regarding the interaction of IFRS 4 and IFRS 9	January 01, 2018
IFRS 15 Original issue	July 01, 2018
IFRS 15 Clarifications to IFRS 15	July 01, 2018

Other than the amendments to standards mentioned above, there are certain annual improvements made to IFRS that became effective during the year:

Annual Improvements to IFRSs (2014 – 2016) Cycle:

IFRS 1 First-time Adoption of International Financial Reporting Standards	January 01, 2018
IAS 28 Investments in Associates and Joint Ventures	January 01, 2018

4.3 Amendments not yet effective

The following amendments to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard:

Amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update these pronouncements with regard to references to and quotes from the framework or to indicate where they refer to different version of the Conceptual Framework.	January 01, 2020
IFRS 3 Business Combinations - amendments to clarify the definition of a business	January 01, 2020
IFRS 8 Amendments regarding prepayment features with negative compensation and modifications of financial liabilities	January 01, 2019
IFRS 9 Financial Instruments - amendments regarding prepayment features with negative compensation and modifications of financial liabilities negative compensation and modifications of financial liabilities	January 01, 2019
IAS 1 Presentation of Financial Statements - amendments regarding the definition of materiality	January 01, 2020
IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - amendments regarding the definition of materiality	January 01, 2020
IAS 19 Employee benefits - amendments regarding plan amendments, curtailments or settlements	January 01, 2019
IAS 17 Amendments regarding plan amendments, curtailments or settlements	January 01, 2019
IAS 28 Investments in Associates and Joint Ventures - amendments regarding long-term interests in associates and joint ventures.	January 01, 2019

**Effective date
(annual periods
beginning on
or after)**

The annual improvements to IFRSs that are effective from the dates mentioned below against respective standards:

Annual improvements to IFRSs (2015 – 2017) Cycle:

IFRS 3	Business Combinations	January 01, 2019
IFRS 11	Joint Arrangements	January 01, 2019
IAS 12	Income Taxes	January 01, 2019
IAS 23	Borrowing Costs	January 01, 2019

Standards or interpretations not yet effective

The following new standards have been issued by the International Accounting Standards Board (IASB), which have been adopted locally by the Securities and Exchange Commission of Pakistan effective from the dates mentioned against the respective standard:

IFRS 16	Leases	January 01, 2019
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The effects of IFRS 16 -Leases are still being assessed, as these new standards may have a significant effect on the Company's future financial statements.

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

IFRS 1	First Time Adoption of International Financial Reporting Standards
IFRS 14	Regulatory Deferral Accounts
IFRS 17	Insurance Contracts

The Company expects that the adoption of the other amendments and interpretations of the standards will not have any material impact and therefore will not affect the Company's financial statements in the period of initial application.

5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These accounting policies have been consistently applied unless otherwise stated.

5.1 Financial instruments

IFRS 9 'Financial Instruments' was issued on July 24, 2017. This standard is adopted locally by the Securities and Exchange Commission of Pakistan and is effective for reporting period / year ending on or after June 30, 2019.

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

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

5.1.1 Financial assets
i. Classification and measurement of financial assets and financial liabilities

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

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

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

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

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

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

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

Financial assets at FVTPL These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses (see (ii) below). Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss.

Debt investments at FVOCI These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets as at July 1, 2018.

	Note	Original Classification under IAS 39	New Classification under IFRS 9	Original Carrying amount under IAS 39	New carrying amount under IFRS 9
Rupees					
Financial assets					
Cash and bank balances	(a)	Loans and receivables	Amortised cost	15,600,826	15,600,826
Other receivable-net	(a)	Loans and receivables	Amortised cost	5,247,451	5,247,451
Ijarah rental receivable	(a)	Loans and receivables	Amortised cost	536,780	536,780
Advance to employees	(a)	Loans and receivables	Amortised cost	225,663	225,663
Accrued mark-up / return on investment	(a)	Loans and receivables	Amortised cost	1,031,624	1,031,624
Net investment in finance lease	(a)	Loans and receivables	Amortised cost	2,248,597,149	2,248,597,149
Diminishing musharaka receivable	(a)	Loans and receivables	Amortised cost	19,064,000	19,064,000
Long-term investments					
Pakistan Investment Bonds	(b)	Held to maturity	Amortised cost	22,169,186	22,169,186
Short term investments					
National Investment (Unit) Trust	(c)	Available for Sale	FVOCI	4,010,055	4,010,055
Market Treasury Bills	(b)	Held to maturity	Amortised cost	36,376,507	36,376,507

(a) These financial assets classified as 'loans and receivables' have been classified as amortised cost.

(b) These financial assets classified as 'held to maturity' have been classified as amortised cost.

(c) These financial assets classified as 'available for sale' have been classified as fair value through other comprehensive income.

ii. Impairment of financial assets

The impairment model under IFRS 9 requires the recognition of impairment based on expected credit losses and replaces the incurred loss concept under IAS 39. The impairment model applies to financial assets classified at amortised cost. The Company has recorded provisions as per Schedule X, Regulation 25 of Non-Banking Finance Companies and Notified Entities Regulations, 2008 as the requirement of local laws prevails over the requirements of IFRS 9.

iii. Transition

The Company has used the exemption not to restate comparative periods. Comparative periods have not generally been restated. Differences, if any, in the carrying amounts of financial assets resulting from the adoption of IFRS 9 are recognised in statement of changes in equity as at July 1, 2018. Accordingly, comparative information does not reflect the requirements of IFRS 9, but rather those of IAS 39.

iv. Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

5.1.2 Financial liabilities

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities.

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. These are initially recognised at fair value and subsequently stated at amortised cost.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired.

5.1.3 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Assets and Liabilities when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

5.2 Cash and bank balances

Cash in hand and at banks are carried at nominal amount.

5.3 Cash and cash equivalents

Cash and cash equivalents comprise of cash balances and bank deposit, and other short-term highly liquid investments with original maturities of three months or less, short-term running finance facilities that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the cash flow statement.

5.4 Net investment in finance lease

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

The leased asset is derecognised and the present value of the lease receivable (net of initial direct costs for negotiating and arranging the lease) is recognised on the statement of financial

position. The difference between the gross lease receivables and the present value of the lease receivables is recognised as unearned finance income.

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

Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned finance income. The finance income is recognised in the profit and loss account on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivables.

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

5.5 Provision for potential lease losses and provision for terminated leases

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

5.6 Property, plant and equipment

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

Subsequent costs are included in the assets' carrying amounts or recognised as a separate asset, as appropriate, only when it is probable that future benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other subsequent costs including repairs and maintenance are charged to the profit and loss account 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 17.1 after taking into account residual value, if any. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each statement of financial position date.

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

Any surplus arising on revaluation of property, plant and equipment is credited to the surplus on revaluation account. Revaluation is carried out with sufficient regularity to ensure that the carrying amounts of assets do not differ materially from the fair value of such assets. To the extent of the incremental depreciation charged on the revalued assets, the surplus on revaluation of operating fixed assets (net of deferred taxation) is transferred directly to unappropriated profit.

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

5.7 Ijarah assets

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

5.8 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses, if any. These are amortised using the straight line method reflecting the pattern in which the economic benefits of the asset are consumed by the Company as mentioned in note 18.

5.9 Investment property

Property, comprising land or a building or part thereof, held to earn rentals or for capital appreciation or both are classified as investment property. These are not held for use in the production or supply of goods or services or for administrative purposes. The Company's business model i.e. the Company's intentions regarding the use of a property is the primary criterion for classification as an investment property.

Investment property is initially measured at cost (including the transaction costs). However when an owner occupied property carried at fair value becomes an investment property because its use has changed, the transfer to the investment property is at fair value on the date of transfer and any balance of surplus on the revaluation of the related assets, on the date of such a transfer continues to be maintained in the surplus account on revaluation of property, plant and equipments. Upon disposal, any surplus previously recorded in the revaluation surplus account is directly transferred to retained earnings and the transfer is not made through the profit and loss account. However any gain or loss on disposal of investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in the profit and loss account.

The transfer to investment property is made when, and only when, there is a change in use, evidenced by the end of owner occupation. In case of a dual purpose properties, the same is classified as investment property, only if the portion could be sold or leased out separately under finance lease.

Subsequent to initial recognition, the Company measures the investment property at fair value at each reporting date and any subsequent changes in fair value are recognised in the profit and loss account (i.e. in cases where the owner occupied property carried at fair value becomes an investment property, the fair value gain to be recognised in the profit and loss account would be the difference between the fair value at the time of initial classification as investment property and fair value at the time of subsequent remeasurement). The revaluations of investment properties are carried out by independent professionally qualified valuers on the basis of active market price.

5.10 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.

5.11 Provisions

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

5.12 Taxation**5.12.1 Current**

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any. The charge for current taxation also includes adjustments where necessary, relating to prior years which arise from assessments framed / finalised during the year.

Taxable income for the purpose of computing current taxation is determined under the provisions of the tax laws, whereby, lease rentals received and receivable are deemed to be the income of the Company.

Provision for taxation is thus based on taxable income determined in accordance with the requirements of such laws, and is made at the current rates of taxation in the Income Tax Ordinance, 2001.

5.12.2 Deferred

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

Deferred tax liabilities are recognised for all taxable temporary differences, whereas deferred tax assets are recognised for all deductible temporary differences. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits or taxable temporary differences will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised. In addition, the Company also recognises deferred tax liability on the surplus on revaluation of tangible fixed assets which is adjusted against the related surplus in accordance with the requirements of International Accounting Standard 12 (IAS 12), 'Income Taxes'.

5.13 Surplus on revaluation of property, plant and equipment

Any revaluation increase arising on the revaluation of land, buildings, leasehold improvements and plant and machinery is recognised in other comprehensive income and presented as a separate component of equity as "Surplus on revaluation of property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of land, buildings, leasehold improvements and plant and machinery is charged to profit or loss to the extent that it exceeds the balance, if any, held in the surplus on revaluation of property, plant and equipment relating to a previous revaluation of that asset.

The revaluation reserve is not available for distribution to the Company's shareholders. The surplus on revaluation to the extent of incremental depreciation charged (net of deferred tax) is transferred to unappropriated profit.

5.14 Trade and other payables

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

5.15 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.

5.16 Staff retirement benefits

Defined contribution plan

The Company operates an approved defined contributory provident fund for all its permanent employees. Monthly contributions are made to the Fund equally by the Company and the

employees in accordance with the rules of the Fund. The contributions are recognised as employee benefit expense when they become due. Staff retirement benefits are payable to employees on completion of the prescribed qualifying period of service under the scheme.

5.17 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.

5.18 Currency translation**Foreign currency transactions**

Items included in financial statements are measured using the currency of the primary economic environment in which the Company operates.

Transactions in foreign currencies are translated to Pakistani Rupees at the foreign exchange rates prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupees at the rates of exchange approximating those prevailing on the statement of financial position date. Exchange differences are taken to the profit and loss account.

5.19 Revenue recognition**Finance lease income**

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

Documentation charges, late payment charges and processing fee are taken to income when realised.

Rental income from Ijarah

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

Return on investments

Mark-up income on debt securities is recognised on time proportion basis using the effective yield on instruments and return on equity securities is accounted for on accrual basis.

Dividend income

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

Interest income

Interest income on bank deposits is recognised on time proportion basis using the effective interest method.

Gain or losses on sale of investments

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

Profit on Diminishing Musharaka

Profit on Diminishing Musharaka arrangement is recognised under the effective profit rate method based on the outstanding amount.

5.20 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.

5.21 Dividend distribution and transfer between reserves

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

5.22 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, conventional leasing and Islamic finance operations. Islamic finance operations comprise of Ijarah and Diminishing Musharaka transactions.

Financing, investment, revenue, expenses and income taxes are managed on an overall basis and are therefore, 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.

5.23 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, income and expenses. It also requires management to exercise judgment in application of the Company's accounting policies. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgment about the carrying value of assets and liabilities that are not readily apparent from other sources, actual results may differ from those estimates. These estimates and assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The areas where various assumptions and estimates are significant to the Company's financial statements or where judgment was exercised in application of accounting policies are as follows:

- i) Classification and valuation of investments (notes 5.1.1 , 8 and 13).
- ii) Provision for current and deferred taxation (notes 5.12, 26 and 36).
- iii) Recognition and measurement of deferred tax assets and liabilities (note 5.12.2, 26 and 36).
- iv) Classification and provision of net investment in finance lease (notes 5.4, 5.5 and 11).
- v) Determination and measurement of useful life and residual value of property, plant and equipment (note 5.6 and 17).
- vi) Determination and measurement of useful life and residual value of intangible assets (note 5.8 and 18).
- vii) Measurement of investment property carried at revalued amount. (note 5.9 and 16).

6 SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE FINANCIAL POSITION AND PERFORMANCE

- a) During the year, the total lease disbursements made by the Company amounted to Rs. 778.86 million.
- b) During the year, the Company has arranged additional long-term loan from commercial bank amounting to Rs. 50 million (refer note 23).
- c) During the year, the Company has arranged additional short-term running finance facilities from commercial banks having sanctioned limit of Rs. 150 million (refer note 22).
- d) The Company declared final dividend of 12.5% (Rs. 1.25 per share) for the year ended June 2018, amounting to Rs. 31.712 million.

7. CASH AND BANK BALANCES	Note	2019	2018
		----- Rupees -----	
Cash in hand		49,241	68,277
Balance with banks:			
- in current accounts	7.1	12,326,630	12,864,928
- in saving accounts	7.2	4,034,190	2,667,621
		<u>16,410,061</u>	<u>15,600,826</u>

7.1 This amount includes Rs. 0.885 million (2018: Rs.1.327 million) which represents balance of bank account(s) maintained with Islamic bank(s) by the Company. The balance in current accounts does not carry any mark-up or interest.

7.2 These carry mark-up rate of 10.25% per annum (2018: 5% to 6.7% per annum).

8.	Note	2019	2018
		----- Rupees -----	
SHORT TERM INVESTMENTS			
At fair value through other comprehensive income (June 30, 2018: available for sale)			
Cost			
54,300 units of National Investment (Unit) Trust (2018: 54,300)			
		1,194,200	1,194,200
Revaluation surplus			
As at July 01		2,815,855	3,352,882
Deficit for the year		(1,056,135)	(537,027)
As at June 30		<u>1,759,720</u>	<u>2,815,855</u>
		2,953,920	4,010,055
At amortised cost (June 30, 2018: held to maturity)			
Government Securities			
- Market Treasury Bills	8.1	54,479,241	36,376,507
		<u>57,433,161</u>	<u>40,386,562</u>
8.1	These Market Treasury Bills (MTB) carries interest rate of 11.2% per annum (2018: 6.18% to 6.24% per annum) and will mature on August 01, 2019. The market value of investment in MTB as at June 30, 2019 amounted to Rs. 54.905 million (2018: Rs. 36.487 million).		
9. OTHER RECEIVABLES - NET			
Lease receivable held under litigation	9.1	54,583,115	27,515,285
Insurance premium and other receivable	9.2	6,368,043	6,425,290
		<u>60,951,158</u>	33,940,575
Provision against lease receivable held under litigation	9.3	(29,198,603)	(24,533,585)
Mark-up held in suspense against lease receivable held under litigation		(4,486,173)	(2,728,847)
Provision against insurance premium and other receivable	9.4	(1,430,692)	(1,430,692)
		<u>25,835,690</u>	<u>5,247,451</u>
9.1	This includes net investment in finance lease terminated by the Company and where litigation has commenced.		
9.2	This includes 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.		
9.3	Movement of provision against lease receivable held under litigation		
Balance as at July 01		24,533,585	25,600,250
Charge for the year		5,131,828	-
Reversal for the year		(213,333)	(1,066,665)
Write off for the year		(253,477)	-
Balance as at June 30		<u>29,198,603</u>	<u>24,533,585</u>

	Note	2019	2018
----- Rupees -----			
9.4	Movement of provision against insurance premium and other receivable		
	Balance as at July 01	1,430,692	1,430,692
	Charge for the year	-	-
	Balance as at June 30	<u>1,430,692</u>	<u>1,430,692</u>
10.	ADVANCE TO EMPLOYEES		
	Advance to employees	<u>57,490</u>	<u>225,633</u>
10.1	This amount represents advance given by the Company to its employees against their salary in accordance with the Company's Human Resource policy.		
11.	NET INVESTMENT IN FINANCE LEASE		
	(Secured)		
	Net investment in finance lease	11.1 <u>2,363,312,394</u>	2,248,597,149
	Current portion shown under current assets	11.1 <u>(711,771,188)</u>	<u>(753,478,039)</u>
		<u>1,651,541,206</u>	<u>1,495,119,110</u>

11.1 Net investment in finance lease

	2019				2018			
	Not later than one year	Later than one year and less than five years	Later than five years	Total	Not later than one year	Later than one year and less than five years	Later than five years	Total
----- Rupees -----								
Minimum lease payments	784,856,063	1,134,886,052	-	1,919,742,115	700,151,725	1,013,042,060	35,142,837	1,748,336,622
Add: Residual value of leased assets (note 11.2)	96,789,816	691,163,737	-	787,953,553	200,055,615	479,948,988	107,282,305	787,286,908
Gross investment in finance lease	881,645,879	1,826,049,789	-	2,707,695,668	900,207,340	1,492,991,048	142,425,142	2,535,623,530
Unearned lease income	(165,129,167)	(174,508,583)	-	(339,637,750)	(143,991,962)	(136,438,452)	(3,858,628)	(284,289,042)
Mark-up held in suspense	(2,117,482)	-	-	(2,117,482)	(1,416,470)	-	-	(1,416,470)
	<u>(167,246,649)</u>	<u>(174,508,583)</u>	-	<u>(341,755,232)</u>	<u>(145,408,432)</u>	<u>(136,438,452)</u>	<u>(3,858,628)</u>	<u>(285,705,512)</u>
	714,399,230	1,651,541,206	-	2,365,940,436	754,798,908	1,356,552,596	138,566,514	2,249,918,018
Provision for potential lease losses (note 11.3)	(2,628,042)	-	-	(2,628,042)	(1,320,869)	-	-	(1,320,869)
Net investment in finance lease	<u>711,771,188</u>	<u>1,651,541,206</u>	-	<u>2,363,312,394</u>	<u>753,478,039</u>	<u>1,356,552,596</u>	<u>138,566,514</u>	<u>2,248,597,149</u>

In certain leases, the Company has security, in addition to leased assets, in the form of mortgages / corporate / personal guarantees of associated companies / directors of lessees.

- 11.2** These represent interest free security deposits received against lease contracts and are refundable / adjustable at the expiry / termination of the respective leases. The amount is net of security deposit held against matured leases amounting to Rs. 235.038 million (2018: Rs. 123.892 million).

11.3	Provision for potential lease losses	Note	2019	2018
			----- Rupees -----	
	Balance as at July 01		1,320,869	878,049
	Charge for the year		7,476,930	3,101,747
	Reversal for the year		<u>(6,169,757)</u>	<u>(2,658,927)</u>
	Balance as at June 30		<u><u>2,628,042</u></u>	<u><u>1,320,869</u></u>
11.4	The net investment in finance lease portfolio includes Rs. 19.120 million (2018: Rs. 19.132 million) which has been placed under non-performing status.			
11.5	The Company has entered into various lease agreements for periods ranging from one to seven years (2018: one to seven years). Security deposits ranging from 2% to 89% (2018: 2.06% to 89%) are obtained at the time of entering into the lease arrangement. The rate of return implicit in the leases ranges from 9.31% to 31.46% per annum (2018: 9.93% to 31.46% per annum).			
12.	TAXATION - NET			
	Balance as at July 01		5,980,061	7,475,847
	Advance tax paid		1,121,202	795,546
	Charge for the year	36	<u>(2,836,431)</u>	<u>(2,291,332)</u>
	Balance as at June 30		<u><u>4,264,832</u></u>	<u><u>5,980,061</u></u>
13.	LONG-TERM INVESTMENT			
	At amortised cost (June 30, 2018: held to maturity)			
	Government Securities			
	Pakistan Investment Bonds		6,031,925	22,169,186
	Current portion shown under current assets		<u>(6,031,925)</u>	<u>(16,045,277)</u>
			<u><u>-</u></u>	<u><u>6,123,909</u></u>
13.1	As per the requirements of Regulation 14 (4) (i) of the NBFC Regulations, the Company is required to invest at least 15% of its outstanding funds raised through issue of Certificates of Investments in the Government Securities. As at June 30, 2019, the Company had 15.39% of its funds raised through Certificates of Investments invested in Pakistan Investment Bonds (PIBs) and Market Treasury Bills (refer note 8).			
13.2	PIBs carry interest rates ranging from 9.25% to 11.50% per annum (2018: 9.25% to 11.50% per annum) and have maturity dates ranging from July 17, 2019 to March 26, 2020. The market value of investment in PIBs as at June 30, 2019 amounted to Rs. 5.895 million (2018: Rs. 22.263 million).			
14.	DIMINISHING MUSHARAKA RECEIVABLE			
	Considered good		-	19,064,000
	Considered doubtful		<u>18,788,999</u>	<u>-</u>
			<u><u>18,788,999</u></u>	<u>19,064,000</u>
	Less: Provision for doubtful receivables		<u>(9,394,500)</u>	<u>-</u>
		14.2	<u><u>9,394,499</u></u>	<u><u>19,064,000</u></u>

The expected profit receivable on these arrangements ranges from 12.45% to 20% per annum (2018: 12.45% to 20%). These arrangements are secured by way of right on assets given under the diminishing musharaka. The arrangements are further secured by personal guarantees and hypothecation charge on assets of the customer. These finances are receivable on various dates up to July 15, 2022. During the year, the Company filed litigation for claim of receivable due under the diminishing musharaka arrangement from the client.

14.1 Aging of musharaka finances

	2019		2018	
	Balance outstanding	Provisioning held	Balance outstanding	Provisioning held
	----- (Rupees) -----			
OAEM (Other Assets Especially Mentioned)	-	-	19,064,000	-
Substandard	-	-	-	-
Doubtful	18,788,999	9,394,500	-	-
Loss	-	-	-	-
	<u>18,788,999</u>	<u>9,394,500</u>	<u>19,064,000</u>	<u>-</u>

Note 2019 2018
----- Rupees -----

14.2 Current portion of musharaka finances

Diminishing musharaka receivable	9,394,499	19,064,000
Less: Non current portion shown under current assets	<u>(9,394,499)</u>	<u>(14,389,633)</u>
	<u>-</u>	<u>4,674,337</u>

15 LONG-TERM DEPOSITS

Long-term deposits	15.1	<u>112,500</u>	<u>300,460</u>
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15.1 This amount included Rs. 0.188 million given by the Company as security deposit to First Habib Modaraba under Ijarah arrangement to obtain the Ijarah asset. These deposits do not carry any markup or interest. During the year, this amount was transferred to owned fixed assets on the completion of the Ijarah term.

16. INVESTMENT PROPERTY

Opening balance	146,718,000	138,996,000
Fair value adjustment	<u>7,722,000</u>	<u>7,722,000</u>
	<u>154,440,000</u>	<u>146,718,000</u>

16.1 The Company has rented out its office premises and decided to classify its owner occupied property as investment property as of December 31, 2016 that will be carried at fair value model in accordance with IAS 40 "Investment Property".

16.2 The carrying value of investment property is the fair value of the property as determined by approved independent valuer M/s. Akbani and Javed Associates as on June 29, 2019 on the basis of market value. Fair value was determined having regard to recent market transactions for similar properties in the same location and condition as the Company's investment property.

16.3 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 29, 2019 on the basis of market value.

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

16.4 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 foot in particular locality. This valuation is considered to be level 2 in fair value hierarchy due to significant observable inputs used in the valuation.

16.5 Forced sales value - Investment property

Forced sales value of investment property as at June 30, 2019 amounted to Rs. 131.274 million.

16.6 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.

	Note	2019	2018
17. PROPERTY, PLANT AND EQUIPMENT			
		----- Rupees -----	
Fixed assets - own use	17.1	7,046,592	8,679,844
Fixed assets - Ijarah finance	17.2	12,573,647	30,432,728
		19,620,239	39,112,572

17.1 Fixed Assets - own use

Description	Leasehold improvements	Furniture and fittings	Office equipment	Vehicles	Computer equipment	Total
	----- Rupees -----					
Year ended June 30, 2019						
Net carrying value basis						
Opening net book value (NBV)	139,324	1,442,620	1,850,590	4,741,486	505,824	8,679,844
Additions	-	-	45,000	187,960	107,712	340,672
Disposals (NBV)	-	-	-	-	-	-
Depreciation charge	(139,324)	(181,492)	(669,168)	(671,558)	(312,382)	(1,973,924)
Closing net book value	-	1,261,128	1,226,422	4,257,888	301,154	7,046,592
Gross carrying value basis						
Cost	1,168,197	3,442,403	3,858,158	11,260,933	4,953,404	24,683,095
Accumulated depreciation	(1,168,197)	(2,181,275)	(2,631,736)	(7,003,045)	(4,652,250)	(17,636,503)
Net book value	-	1,261,128	1,226,422	4,257,888	301,154	7,046,592
Year ended June 30, 2018						
Net carrying value basis						
Opening net book value (NBV)	305,061	830,972	2,318,748	1,444,845	687,278	5,586,904
Additions	-	790,360	215,740	4,197,238	351,321	5,554,659
Disposals (NBV)	-	-	-	-	-	-
Depreciation charge	(165,737)	(178,712)	(683,898)	(900,597)	(532,775)	(2,461,719)
Closing net book value	139,324	1,442,620	1,850,590	4,741,486	505,824	8,679,844
Cost	1,168,197	3,442,403	3,813,158	11,072,973	4,845,692	24,342,423
Accumulated depreciation	(1,028,873)	(1,999,783)	(1,962,568)	(6,331,487)	(4,339,868)	(15,662,579)
Net book value	139,324	1,442,620	1,850,590	4,741,486	505,824	8,679,844
Depreciation rate % per annum	33.33	10	20	20	33.33	

17.2 Fixed assets - Ijarah finance

Description	Vehicles	Machinery	Total
	(Rupees)		
Year ended June 30, 2019			
Net carrying value basis			
Opening book value	400,785	30,031,943	30,432,728
Additions during the year	-	-	-
Disposal / transfer during the year (NBV)	-	(8)	(8)
Depreciation charge	(400,785)	(17,458,288)	(17,859,073)
Closing net book value	-	12,573,647	12,573,647
Gross carrying value basis			
Cost	2,186,000	114,233,662	116,419,662
Accumulated depreciation	(2,186,000)	(101,660,015)	(103,846,015)
Net book value	-	12,573,647	12,573,647
Year ended June 30, 2018			
Net carrying value basis			
Opening book value	837,976	48,526,340	49,364,316
Additions during the year	-	-	-
Disposal during the year (NBV)	-	-	-
Depreciation charge	(437,191)	(18,494,397)	(18,931,588)
Closing net book value	400,785	30,031,943	30,432,728
Gross carrying value basis			
Cost	2,186,000	115,663,662	117,849,662
Accumulated depreciation	(1,785,215)	(85,631,719)	(87,416,934)
Net book value	400,785	30,031,943	30,432,728
Depreciation rate % per annum	20 to 33.33	20 to 50	

17.3 The details of property, plant and equipment - own use / ijarah finance disposed off during the year is as follow:

	Original Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain on disposal	Mode of disposal	Particulars of buyer
	Rupees						
2019							
Own Use							
	187,960	187,960	-	8,000	8,000	Scrap sale	Technic Business
Ijarah finance							
	1,430,000	1,429,992	8	-	(8)	End of Ijarah term	System Lessee
Total - 2019	1,617,960	1,617,952	8	8,000	7,992		
Total - 2018	-	-	-	-	-		

17.4 The vehicle under the Ijarah arrangement was recorded as owned asset at the value of security deposit on the completion of the Ijarah term. During the Ijarah term the cost of asset acquired under Ijarah arrangements amounts to Rs. 1.88 million was not taken as part of the assets of the Company in accordance with the requirements to IFAS 2.

17.5

The cost of fully depreciated assets which are still in use as at June 30, 2019 is Rs. 14.11 million and written down value is Rs. 0.93 million (2018: Rs. 12.66 million and written down value is Rs. 0.93 million).

	Note	2019	2018
		----- Rupees -----	
18. INTANGIBLE ASSETS			
Intangible assets	18.1	<u>1,567,260</u>	<u>1,610,818</u>
18.1 Intangible assets			
		<u>Computer Software</u>	<u>Software under development</u>
			<u>Total</u>
		----- (Rupees) -----	
Year ended June 30, 2019			
Net carrying value basis			
Opening book value		170,601	1,440,217
Additions during the year		-	-
Disposal (NBV)		-	-
Amortisation charge		(43,558)	(43,558)
Closing net book value		<u>127,043</u>	<u>1,440,217</u>
Gross carrying value basis			
Cost		966,798	1,440,217
Accumulated amortisation		(839,755)	(839,755)
Net book value		<u>127,043</u>	<u>1,440,217</u>
Year ended June 30, 2018			
Net carrying value basis			
Opening book value		214,158	1,440,217
Additions during the year		-	-
Disposal (NBV)		-	-
Amortisation charge		(43,557)	(43,557)
Closing net book value		<u>170,601</u>	<u>1,440,217</u>
Gross carrying value basis			
Cost		966,798	1,440,217
Accumulated amortisation		(796,197)	(796,197)
Net book value		<u>170,601</u>	<u>1,440,217</u>
Amortisation rate % per annum	20	-	-
19. TRADE AND OTHER PAYABLES	Note	2019	2018
		----- Rupees -----	
Accrued liabilities		3,402,695	7,279,822
Sundry creditors - Lease		24,231,560	17,058,796
Security deposit		2,054,052	2,054,052
Unearned rental income		5,012,243	5,385,046
Payable to provident fund		-	45,030
Other liabilities		4,145,541	3,207,146
		<u>38,846,091</u>	<u>35,029,892</u>
20. ACCRUED MARKUP			
Accrued mark-up on:			
Certificates of investment		9,260,772	10,633,667
Short term borrowings		12,670,660	5,189,718
Long-term loan		925,769	212,197
		<u>22,857,201</u>	<u>16,035,582</u>

	Note	2019	2018
		----- Rupees -----	
21. CERTIFICATES OF INVESTMENT			
Opening balance		378,127,544	404,130,173
Certificates issued during the year	21.1	1,195,272,253	418,127,532
Rolled over during the year		(1,144,111,738)	(384,880,161)
Payments made during the year		(36,975,384)	(59,250,000)
Closing balance		<u>392,312,675</u>	<u>378,127,544</u>
21.1	These represent certificates of investment issued by the Company for periods ranging from 6 to 36 months (2018: 6 to 36 months) and carry mark-up rates ranging from 10.75% to 12.25% per annum (2018: 7.5% to 8.5% per annum).		
21.2 Current maturity of Certificates of Investment			
Certificates of Investment		392,312,675	378,127,544
Current portion shown under liabilities		(18,375,094)	(173,593,636)
		<u>373,937,581</u>	<u>204,533,908</u>
22. SHORT TERM BORROWINGS			
From banking companies - secured			
Running finances under mark-up arrangements	22.1	<u>414,340,936</u>	<u>387,568,906</u>
22.1	The Company has availed short-term running finance facilities from various commercial banks having sanctioned limit amounting to Rs. 550 million (2018: Rs. 430 million). The facilities carry mark-up at the rate ranging from 3 months KIBOR plus 1.5% per annum to 3 months KIBOR plus 2.5% per annum. The facilities are secured by hypothecation charge over leased assets and lease rentals receivable.		
23. LONG-TERM LOAN			
(Secured)			
Long-term loan - secured	23.1	49,999,996	20,833,331
Current portion shown under current liabilities	23.1	(20,833,331)	(16,666,668)
		<u>29,166,665</u>	<u>4,166,663</u>
23.1	The Company has arranged long term finance facilities from a commercial bank amounting to Rs. 100 million (2018: Rs. 50 million). The facilities has been obtained for a tenure of three years which is repayable in quarterly instalments. The maturity date of the facilities range between August 16, 2019 to February 06, 2021. The facilities carry mark-up at the rate of 3 months KIBOR plus 1.5% per annum and is secured by hypothecation charge over specific leased assets and lease rentals receivable.		
24. LONG-TERM DEPOSITS			
Long-term deposits	24.1	787,953,553	787,286,908
Current portion shown under current liabilities	24.1	(96,789,816)	(200,055,615)
		<u>691,163,737</u>	<u>587,231,293</u>
24.1	These represent interest free security deposits received against lease contracts and are refundable / adjustable at the expiry / termination of the respective leases.		
25. ADVANCE RENTAL AGAINST IJARAH LEASING			
Advance rental against Ijarah leasing		3,185,963	8,736,588
Current portion shown under current liabilities		(2,552,045)	(5,557,912)
		<u>633,918</u>	<u>3,178,676</u>

	Note	2019	2018
		----- Rupees -----	
26. DEFERRED TAXATION - Net			
26.1 Taxable temporary difference arising in respect of:			
Surplus on revaluation of property, plant and equipment		36,966,506	36,966,506
Unrealised gain on revaluation of investment property		5,971,680	3,732,300
Investment in finance lease and tax book value of assets given on finance lease		198,506,251	189,399,060
Long-term investments		9,258	34,564
		241,453,695	230,132,430
Deductible temporary difference arising in respect of:			
Carried forward tax losses		(26,560,697)	(28,472,311)
Provision against potential lease losses		(762,132)	(383,052)
Provision against diminishing musharaka receivable		(2,724,405)	-
Provision against other receivable		(8,882,496)	(7,529,640)
Accelerated tax depreciation		(10,297,374)	(5,623,110)
Provision for leave encashment		(573,414)	(441,924)
		(49,800,518)	(42,450,037)
		191,653,177	187,682,393

26.2 Movement in temporary differences is as follows:

	Balance as at July 1, 2018	Recognised in profit and loss account	Recognised in equity	Balance as at June 30, 2019
	----- Rupees -----			
Surplus on revaluation of property, plant & equipment	36,966,506	-	-	36,966,506
Unrealised gain on revaluation of investment property	3,732,300	2,239,380	-	5,971,680
Excess of accounting WDV over Tax WDV	(5,623,110)	(4,674,264)	-	(10,297,374)
Long-term investments	34,564	(25,306)	-	9,258
Investment in finance lease and tax book value of assets given on finance lease	189,399,060	9,107,191	-	198,506,251
Carried forward tax losses	(28,472,311)	1,911,614	-	(26,560,697)
Provision against potential lease losses	(383,052)	(379,080)	-	(762,132)
Provision against diminishing musharaka receivable	-	(2,724,405)	-	(2,724,405)
Provision against other receivable	(7,529,640)	(1,352,856)	-	(8,882,496)
Provision for leave encashment	(441,924)	(131,490)	-	(573,414)
	187,682,393	3,970,784	-	191,653,177

27. SHARE CAPITAL	2019	2018	Note	2019	2018
----- Number of shares -----				----- Rupees -----	
Authorised capital	50,000,000	50,000,000	Ordinary shares of Rs. 10 each	<u>500,000,000</u>	<u>500,000,000</u>
Issued, Subscribed and paid-up share capital	10,000,000	10,000,000	Ordinary shares of Rs.10 each fully paid in cash	100,000,000	100,000,000
	2,369,800	2,369,800	Ordinary shares of Rs. 10 each issued as fully paid bonus shares	23,698,000	23,698,000
	13,000,000	13,000,000	Ordinary shares of Rs. 10 each issued as fully paid Right shares	<u>130,000,000</u>	<u>130,000,000</u>
	<u>25,369,800</u>	<u>25,369,800</u>		<u>253,698,000</u>	<u>253,698,000</u>
27.1	As at June 30, 2019, 10,617,438 shares (2018: 10,646,529 shares) of the Company were held by related parties.				
28. RESERVES					
Capital reserve					
Statutory reserve			28.1	105,910,520	93,034,892
Reserve for issue of bonus shares				4,402,000	4,402,000
Surplus on revaluation of property, plant and equipment - net of deferred tax			28.2 & 29	90,504,204	90,504,204
Surplus on revaluation of investments classified as fair value through other comprehensive income			8 & 28.2	<u>1,759,720</u>	2,815,855
				<u>202,576,444</u>	190,756,951
Revenue reserve					
Unappropriated profit				<u>302,371,124</u>	282,580,862
				<u>504,947,568</u>	<u>473,337,813</u>
28.1	In accordance with the requirements of the NBFC Regulations, an amount of not less than 20 percent of after tax profits shall be transferred to statutory reserve till such time when the reserve equals the amount of paid-up capital, and thereafter a sum of not less than 5 percent shall be transferred. Consequently, during the current year the Company has transferred an amount of Rs. 12.876 million (2018: Rs. 13.874 million) to its statutory reserve.				
28.2	As per explanation to the Rule 2 (1) (xix) of the NBFC Rules, surplus on revaluation of property, plant and equipment and surplus on revaluation of investments classified as fair value through other comprehensive income shall not be included in equity, therefore, the amount of equity shown in note 1.2 to these financial statements does not include the said surplus.				

29.	SURPLUS ON REVALUATION OF PROPERTY, PLANT AND EQUIPMENT - net of deferred tax	Note	2019 ----- Rupees -----	2018
	Surplus on revaluation of leasehold premises as at July 1		127,470,710	127,470,710
	Surplus on revaluation conducted during the year		-	-
	Transferred to unappropriated profit in respect of incremental depreciation charged during the year - net of deferred tax		-	-
	Related deferred tax liability of incremental depreciation charged during the year		-	-
	Surplus on revaluation of operating fixed asset as at June 30		127,470,710	127,470,710
	Related deferred tax liability at the beginning of the year		36,966,506	38,241,214
	Related deferred tax liability on surplus on revaluation conducted during the year		-	-
	Related to incremental depreciation charged during the year		-	-
	Effect of change in tax rate		-	(1,274,708)
			36,966,506	36,966,506
		28.2	90,504,204	90,504,204

29.1 This represents net surplus on revaluation of Company's leasehold premises held till the date it was reclassified into Investment Property, i.e., December 31, 2016 which remains undepreciated as at June 30, 2019 (2018: Rs. 127.471 million). As of December 31, 2016 the Company decided to classify its owner occupied property as investment property.

29.2 The surplus on revaluation of property, plant and equipment is a capital reserve, and is not available for distribution to the shareholders in accordance with section 241 of the Companies Act, 2017.

30 CONTINGENCIES AND COMMITMENTS

30.1 Contingencies

30.1.1 The Alternate Corporate Tax charge for the Tax Year 2019, 2018, 2017, 2016, 2015 and 2014 amounted to Rs. 12.101 million, Rs. 13.702 million, Rs. 11.135 million, Rs. 8.702 million, Rs. 9.233 million and Rs. 8.100 million, respectively which is Rs. 9.265 million, Rs. 11.411 million, Rs. 9.464 million, Rs. 7.127 million, Rs. 8.005 million and Rs. 7.140 million in excess of the minimum tax payable at Rs. 2.836 million, Rs. 2.291 million, Rs. 1.671 million, Rs. 1.575 million, Rs. 1.228 million and Rs. 0.960 million, respectively under section 113 of the Income Tax Ordinance, 2001 (Ordinance).

The Company had filed a Civil Suit against the levy and payment of Alternate Corporate Tax (ACT) on its accounting income in the Honorable High Court of Sindh. On December 29, 2014 the Honorable Court 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 Hon'ble Supreme Court of Pakistan vide its order dated June 27, 2018 in another case to the effect that civil suits shall only be entertained by the High Courts if 50% of the tax calculated by the tax authorities is deposited upfront by the filers of the civil suit, management was advised by its legal advisor to withdraw the civil suit and to file a constitution petition instead as and when a notice for the recovery of the tax demand is received from the FBR. Accepting the legal advice of the legal advisor the Company has withdrawn the civil suit and is waiting to be served by a

recovery notice by the FBR. As soon as the notice is received the management will file a Constitutional Petition in the Honorable High Court of Sindh. The Company has a strong case and since the management is confident that it will get the desired relief from the Honorable High Court of Sindh therefore no provisioning for the disputed tax demand has been made by it in its accounts and only payment for minimum tax has been provided for.

- 30.1.2** On June 15, 2016, Order-in-original No.551 of 2016 was passed by the Assistant Commissioner of Sindh Revenue Board (SRB) under section 23, 43(2)(3)(6d) of the Sindh Sales Tax on Services Act, 2011(the Act) whereby sales tax demand of Rs. 3.199 million was created against the Company for Tax Years 2012 to 2015. This demand included sum of Rs. 2.353 million being sales tax charged on income from Gross Ijarah operations. An appeal was filed against the said Order before the Commissioner (Appeals) of the SRB by the Company under section 57 of the Act which was not allowed by the Commissioner (Appeals) vide his Order-in-Appeal No. 20 of 2017 dated March 01, 2017. An appeal against the order of Assistant Commissioner of SRB and Order-in-Appeal of Commissioner (Appeals) was also filed by the Company in the Appellate Tribunal (AT) of SRB under section 61 of the Act which has also been dismissed by the AT of SRB vide its Order in Appeal No. AT-18/2017 dated April 30, 2019 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 Honorable High Court of Sindh and on June 10, 2019 has been granted a stay against the recovery of the disputed tax demand by the SRB.

No payment against the demand created under the Order has been made by the Company. The Company has a strong case and the management is confident that the outcome of the appeal will be in the Company's favor. Accordingly, no provision has been recorded in respect of the matter.

	2019	2018
30.2 Commitments	----- Rupees -----	
30.2.1 Commitments for finance lease	<u><u>205,434,521</u></u>	<u><u>122,399,900</u></u>

30.2.2 Contractual rentals receivable on Ijarah contracts

This represents the rentals receivable by the Company in respect of Ijarah assets.

	2019		
	Due within 1 year	Due after 1 year but within 5 years	Total
	(Rupees)		
Rentals receivable in future	<u><u>11,173,320</u></u>	<u><u>2,538,830</u></u>	<u><u>13,712,150</u></u>
	2018		
	Due within 1 year	Due after 1 year but within 5 years	Total
	(Rupees)		
Rentals receivable in future	<u><u>16,096,084</u></u>	<u><u>13,712,150</u></u>	<u><u>29,808,234</u></u>

30.2.3 Contractual rentals receivable on Diminishing Musharaka contracts

This represents the rentals receivable by the Company in respect of Diminishing Musharaka contracts.

	2019		
	Due within 1 year	Due after 1 year but within 5 years	Total
	(Rupees)		
Rentals receivable in future	6,285,557	10,883,630	17,169,187

	2018		
	Due within 1 year	Due after 1 year but within 5 years	Total
	(Rupees)		
Rentals receivable in future	6,786,306	17,169,187	23,955,493

30.2.4 Ijarah rentals payable

This represents the Ijarah rentals payable by the Company in respect of asset acquired under Ijarah arrangement.

	2019		
	Due within 1 year	Due after 1 year but within 5 years	Total
	(Rupees)		
Future Ijarah rentals payable	-	-	-

	2018		
	Due within 1 year	Due after 1 year but within 5 years	Total
	(Rupees)		
Future Ijarah rentals payable	108,884	-	108,884

	Note	2019	2018
		----- Rupees -----	
31. INCOME FROM FINANCING OPERATIONS			
Finance Income		189,498,259	145,792,595
Gain on lease termination		2,644,071	1,847,035
Late payment charges		1,558,497	823,025
Processing fee		2,630,431	2,683,000
Documentation charges		889,200	1,047,600
Income from Ijarah operations	31.1	21,642,113	23,420,660
Income from Diminishing Musharaka		-	2,540,748
		<u>218,862,571</u>	<u>178,154,663</u>

	Note	2019	2018
31.1 Income from Ijarah operations		----- Rupees -----	
Ijarah rental income	31.1.1	16,091,488	17,500,655
Advance rental amortisation		5,550,625	5,864,522
Others		-	55,483
		<u>21,642,113</u>	<u>23,420,660</u>
31.1.1	Ijarah rental income comprises of principal and profit component.		
32. RETURN ON INVESTMENTS			
Profit on bank accounts	32.1	2,007,810	526,690
Income from Pakistan Investment Bonds		606,288	2,455,807
Income from Market Treasury Bills		4,141,506	2,107,594
Dividend income	32.2	126,520	-
		<u>6,882,124</u>	<u>5,090,091</u>
32.1	This amount includes Rs. 1,189 (2018: Rs. 1,178) which represents profit on bank account(s) maintained with Islamic bank(s) by the Company.		
32.2	This amount represents dividend income earned during the year on investment in National Investment Unit Trust.		
33. OTHER INCOME			
Gain on disposal of property, plant & equipment	17.3	7,992	-
Rental income		10,397,279	9,351,641
Unrealised gain on revaluation of investment property		7,722,000	7,722,000
Others	33.1	20,081	61,800
		<u>18,147,352</u>	<u>17,135,441</u>
33.1	This amount includes commitment fees, duplicate transfer letter charges and miscellaneous income.		

	Note	2019	2018
34. ADMINISTRATIVE AND OPERATING EXPENSES		----- Rupees -----	
Directors' fee	38	1,919,996	1,839,996
Salaries, allowances and benefits	34.1 & 34.2	35,606,724	29,692,616
Depreciation	17.1 & 17.2	19,832,997	21,393,307
Amortisation	18	43,558	43,557
Office utilities		1,734,183	1,553,505
Legal and professional charges		5,513,926	4,159,193
Auditors' remuneration	34.4	525,000	525,000
Postage, subscription, printing and stationary		1,754,624	2,188,221
Vehicle running and maintenance		2,196,805	1,730,413
Office repair and general maintenance		842,252	963,866
Workers' Welfare Fund		1,452,000	1,645,118
Insurance	34.5	1,335,245	915,908
Advertisement		291,600	185,600
Travelling and conveyance		269,888	255,722
Rent on Ijarah finance		90,050	653,304
Rent expense		4,209,524	3,795,514
Miscellaneous		1,215,007	1,043,286
		<u>78,833,379</u>	<u>72,584,126</u>
34.1	This includes salary of Rs. 6.249 million (2018: Rs. 5.868 million) paid to the Chief Executive Officer and ex-Executive Director.		
34.2	Salaries and benefits include Rs. 1.572 million (2018: Rs. 1.173 million) in respect of staff provident fund.		
34.3	The total number of employees at as June 30, 2019 is 40 (2018: 35) and the average number of employees during the year was 38 (2018: 34).		
34.4	Auditors' remuneration		
Audit fee		335,000	335,000
Review report on the statement of compliance with the Code of Corporate Governance		50,000	50,000
Half yearly review fee		115,000	115,000
Out of pocket expenses		25,000	25,000
		<u>525,000</u>	<u>525,000</u>
34.5	The Company has obtained insurance coverage from EFU General Insurance Company Limited rated "AA+" by Pakistan Credit Rating Agency (an agency registered with the Commission) against any losses that may be incurred as a result of employee's fraud or gross negligence. The sum insured of the insurance policy is Rs. 2 Million (2018: Rs. 2 Million).		
35. FINANCE COST			
Mark-up on:			
- Short term borrowings		40,329,609	15,246,781
- Certificates of investment		33,925,707	30,120,520
- Long-term loan		3,616,393	2,249,690
Bank charges		140,754	65,260
		<u>78,012,463</u>	<u>47,682,251</u>

	Note	2019	2018
		----- Rupees -----	
36. TAXATION			
Current		2,836,431	2,291,332
Deferred	26.2	3,970,784	8,942,655
		<u>6,807,215</u>	<u>11,233,987</u>

36.1 Numerical reconciliation between the average tax rate and the applicable tax rate has not been presented as Company is subject to the provisions of taxation under Section 113 of the Income Tax Ordinance, 2001.

36.2 The returns of income have been filed upto and including Tax Year 2018 corresponding to financial year ended June 30, 2018 under self assessment scheme. However, the return may be selected for which an amendment within six years from the end of the respective Tax Year and within five years from the end of financial year in which assessment order is issued or treated to have been issued for that tax year to the Company respectively.

36.3 Comparison of tax provision against tax assessments

<u>Tax Year</u>	<u>Tax provision</u>	<u>Tax assessment</u>
2018	2,291,332	2,291,332
2017	1,670,633	1,713,762
2016	1,574,547	1,531,508

37. EARNINGS PER SHARE - BASIC AND DILUTED

Profit after taxation attributable to ordinary shareholders	<u>64,378,140</u>	<u>69,368,392</u>
	-----Number of shares-----	
Weighted average number of outstanding ordinary shares	<u>25,369,800</u>	<u>25,369,800</u>
	-----Rupees-----	
Earning per share - basic and diluted	<u>2.54</u>	<u>2.73</u>

37.1 There were no convertible dilutive potential ordinary shares in issue as at June 30, 2019.

38. REMUNERATION OF CHIEF EXECUTIVE OFFICER, EXECUTIVE AND NON-EXECUTIVE DIRECTORS AND EXECUTIVES

	2019				2018			
	Chief Executive Officer	Non Executive Directors	Executive Director	Executives	Chief Executive Officer	Non Executive directors	Executive director	Executives
----- Rupees -----								
Managerial remuneration	1,858,068	1,919,996	2,111,748	4,535,754	1,695,903	1,839,996	2,028,144	2,398,012
Housing and utilities	1,021,937	-	1,257,468	2,650,662	932,747	-	1,211,486	1,318,891
Reimbursable expenses	114,297	181,239	246,152	376,193	93,011	113,606	405,965	423,975
Provident Fund contribution	-	-	-	124,554	-	-	-	113,232
	<u>2,994,302</u>	<u>2,101,235</u>	<u>3,615,368</u>	<u>7,687,163</u>	<u>2,721,661</u>	<u>1,953,602</u>	<u>3,645,595</u>	<u>4,254,110</u>
Number of persons	<u>1</u>	<u>7</u>	<u>1</u>	<u>3</u>	<u>1</u>	<u>7</u>	<u>1</u>	<u>2</u>

- 38.1** The executives of the Company are also entitled to free use of Company owned and maintained vehicles.
- 38.2** The amount charged in the financial statements as the fee of directors for attending a Board of Directors meeting was Rs. 40,000 per meeting.
- 38.3** The current and corresponding year figures include remunerations of Company's Executives whose basic salary exceeds twelve hundred thousand rupees in a financial year.
- 38.4** The executive director retired as director wef April 22, 2019, however his services as Executive of the Company are still active. His entire remuneration for the year has been disclosed as Executive director.

39 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 (provident fund).

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

Nature of transaction	Relation with the Company	2019 ----- Rupees -----	2018
<u>Certificates of investment</u>			
Issued during the year			
Board of Directors	Directorship	-	-
Close relatives(s) of Director(s)	Descendant(s) of Director(s)	8,000,000	-
Rolled over during the year			
Board of Directors	Directorship	724,840,415	264,086,299
Close relatives(s) of Director(s)	Spouse(s) and Descendant(s) of Directors	409,258,509	108,738,163
Repaid during the year			
Board of Directors	Directorship	11,491,840	57,500,000
Close relatives(s) of Director(s)	Parent(s) and Descendant(s) of Directors	2,145,119	-
Financial Charges			
Board of Directors	Directorship	21,188,177	17,566,731
Close relatives(s) of Director(s)	Parent(s), Spouse(s) and Descendant(s) of Director(s)	10,578,457	8,473,057
<u>Finance Lease</u>			
Rental received / adjusted			
Board of Directors	Directorship	-	568,326
Saira Industries (Private) Limited & MACPAC Films Limited	Associated undertaking (Common Director)	18,509,033	1,860,404
<u>Office rent</u>			
Rent paid during the year			
Unibro House	Associated undertaking (Common Director)	3,587,045	3,260,950
Prepaid rent charged as expense during the year			
Unibro House	Associated undertaking (Common Director)	3,764,915	3,395,700
<u>Gross dividend</u>			
Gross dividend Paid during the year			
Board of Directors	Directorship	9,730,931	5,838,559
Close relative(s) of Director(s)	Spouse(s) and Descendant(s) of Directors	9,136,444	5,481,867
Unibro Industries Limited	Associated undertaking (Common Director)	1,874,731	1,124,839
Mid-East Agencies (Private) Limited	Associated undertaking (Common Director)	1,608,743	965,245
<u>Contribution to Staff Retirement Benefit Plan</u>			
Contribution charge for the year			
Pak-Gulf Leasing Company Limited - Employees' Provident Fund	Staff retirement benefit plan	1,571,812	1,173,246
Contribution paid for the year			
Pak-Gulf Leasing Company Limited - Employees' Provident Fund	Staff retirement benefit plan	1,616,842	1,128,216

	2019	2018
	----- Rupees -----	
39.1 Year ended balances		
Certificates of investment	363,937,581	342,824,462
Accrued mark-up on		
Certificates of investment	8,614,716	9,893,585
Net investment in finance lease	62,077,399	1,295,732
Security deposit (in respect of finance lease)	11,150,000	1,320,000
Prepaid rent	1,304,380	1,482,250
Security deposit (in respect of rented office premises)	245,000	245,000

39.2 The details of compensation paid to key management personnel are shown under the heading of "Remuneration Of Chief Executive Officer, Executive And Non-Executive Directors And Executives (note 38)". There are no transactions with key management personnel other than under their terms of employment.

39.3 All transactions with related parties have been carried out on commercial terms and conditions.

40. PROVIDENT FUND DISCLOSURE

The Company operates approved funded contributory provident fund for both its management and non-management employees. Details of net assets and investments of the fund is as follows:

	2019 (Un-audited)	2018 (Audited)
	----- Rupees -----	
Size of the fund - Net assets	<u>4,874,659</u>	<u>4,954,634</u>
Cost of investments made	<u>252,000</u>	<u>252,000</u>
Percentage of the investments made	<u>5%</u>	<u>5%</u>
Fair value of the investments made	<u>444,394</u>	<u>603,281</u>

The breakup of the fair value of the investments is:

	2019		2018	
	Rupees	%	Rupees	%
Mutual Funds	<u>444,394</u>	<u>100</u>	<u>603,281</u>	<u>100</u>

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.

41. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise of the following items:

	Note	2019	2018
		----- Rupees -----	
Cash and bank balances	7	16,410,061	15,600,826
Short term borrowings	22	<u>(414,340,936)</u>	<u>(387,568,906)</u>
		<u>(397,930,875)</u>	<u>(371,968,080)</u>

42. RECONCILIATION OF MOVEMENT OF LIABILITIES TO CASH FLOWS ARISING FROM FINANCING ACTIVITIES

Description	Liabilities		Total
	Long-term loan	Certificates of investments	
----- Rupees -----			
Balance as at July 1, 2018	28,833,331	378,127,544	398,960,875
Receipt of long term loan	50,000,000	-	50,000,000
Repayment of long-term loan	(20,833,335)	-	(20,833,335)
Issued and rolled forward during the year	-	51,160,515	51,160,515
Payments made during the year	-	(36,975,384)	(36,975,384)
	29,166,665	14,185,131	43,351,796
Balance as at June 30, 2019	49,999,996	392,312,675	442,312,671

43 FINANCIAL RISK MANAGEMENT
Introduction and overview

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

43.1 Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

43.2 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.

43.2.1 Management of credit risk

The Company's policy is to enter into financial contracts in accordance with the internal risk management policies and the requirements of the NBFC Rules and Regulations. 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.

43.2.2 Exposure to credit risk

In summary, compared to the maximum amount included in the statement of financial position, the maximum exposure to credit risk as at June 30, 2019 is as follows:

	2019		2018	
	Statement of Financial Position	Maximum exposure	Statement of Financial Position	Maximum exposure
	----- Rupees -----			
Cash and bank balances	16,410,061	16,360,820	15,600,826	15,532,549
Investments	63,465,086	2,953,920	62,555,748	4,010,055
Ijarah rental receivables	536,780	536,780	536,780	536,780
Advance to employees	57,490	57,490	225,663	225,663
Accrued markup / return on investment	202,301	-	1,031,624	-
Net Investment in finance lease	2,363,312,394	1,575,358,841	2,248,597,149	1,461,310,241
Diminishing musharaka receivable	9,394,499	9,394,499	19,064,000	19,064,000
Other receivable - net	25,835,690	25,835,690	5,247,451	5,247,451
Long-term deposits	112,500	112,500	300,460	300,460
	<u>2,479,326,801</u>	<u>1,630,610,540</u>	<u>2,353,159,701</u>	<u>1,506,227,199</u>

Differences in the balances as per statement of financial position and maximum exposures in investments and investment in finance lease were due to the fact that investments of Rs. 60.51 million (2018: Rs. 58.55 million) relates to investments in Government securities and investment in finance lease includes Rs. 787.954 million (2018: Rs. 787.287 million) relating to security deposit which are not considered to carry credit risk.

43.2.3 Credit ratings and Collaterals

Details of the credit ratings of balances with the banks as at 30 June were as follows:

Ratings	2019	2018
AAA	1.94%	0.42%
AA+	86.67%	89.46%
AA	0.48%	0.61%
AA-	1.50%	0.80%
A+	0.00%	8.58%
A	8.22%	0.00%
A-	1.19%	0.13%
	<u>100.00%</u>	<u>100.00%</u>

43.2.4 Description of Collateral held

The Company's leases are secured against assets leased out and post dated cheques. In a few leases additional collateral is also obtained.

43.2.5 Aging analysis of net investment in finance lease

2019				
	Carrying Amount	Amount on which no impairment recognised	Amount on which impairment recognised	Impairment recognised
Past due	----- Rupees -----			
Neither over due nor impaired	2,337,832,004	2,337,832,004	-	-
1 - 89 days *	22,832,397	22,832,397	-	-
90 days - 1 year *	1,240,991	1,240,991	-	-
1 year - 2 years	3,156,991	-	3,156,991	1,749,989
2 years - 3 years	-	-	-	-
More than 3 years	878,053	-	878,053	878,053
	<u>2,365,940,436</u>	<u>2,361,905,392</u>	<u>4,035,044</u>	<u>2,628,042</u>
2018				
	Carrying Amount	Amount on which no impairment recognised	Amount on which impairment recognised	Impairment recognised
Past due	----- Rupees -----			
Neither over due nor impaired	2,227,396,885	2,227,396,885	-	-
1 - 89 days *	16,828,310	16,828,310	-	-
90 days - 1 year *	3,929,142	3,929,142	-	-
1 year - 2 years	885,632	-	885,632	442,820
2 years - 3 years	-	-	-	-
More than 3 years	878,049	-	878,049	878,049
	<u>2,249,918,018</u>	<u>2,248,154,337</u>	<u>1,763,681</u>	<u>1,320,869</u>

Impairment is recognised by the Company in accordance with NBFC Regulations and subjective evaluation of investment portfolio is carried out on an ongoing basis.

* No impairment loss has been recorded on these finance leases in accordance with the requirements of the NBFC Regulations.

43.2.6 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 Securities and Exchange Commission of Pakistan. The operating policy defines the extent of exposures with reference to a particular sector or group of leases.

Details of the composition of gross investment in finance lease portfolio of the Company are given below:

	2019		2018	
	Rupees	Percentage	Rupees	Percentage
Energy, oil and gas	627,012,225	21.31	386,318,885	14.65
Steel, engineering and auto	199,950,856	6.79	125,668,092	4.77
Electrical goods	15,344,296	0.52	251,841,246	9.55
Transport and communication	125,956,923	4.28	97,704,542	3.70
Chemical, fertilizer and pharmaceuticals	89,910,760	3.06	49,077,870	1.86
Textile	139,856,315	4.75	16,289,911	0.62
Food, tobacco and beverage	220,211,279	7.48	88,627,131	3.36
Hotels	85,033,422	2.89	73,099,950	2.77
Construction	175,827,847	5.98	570,490,802	21.63
Health care	252,205,975	8.57	221,964,689	8.42
Advertisement	65,536,872	2.23	89,716,860	3.40
Services	103,678,795	3.52	239,825,501	9.09
Packaging	45,609	0.00	6,237,198	0.24
Education	38,069,891	1.29	153,322,710	5.81
Media & Entertainment	272,262,549	9.25	60,965,834	2.31
Others	531,820,002	18.08	206,066,793	7.81
	<u>2,942,723,615</u>	<u>100.00</u>	<u>2,637,218,014</u>	<u>100.00</u>

43.2.7 Impaired assets

As at June 30, 2019, the Company holds provision against lease receivable held under litigation and provision against insurance and other receivable amounting to Rs. 29.199 million and Rs. 1.431 million respectively.

43.3 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.

43.3.1 Management of liquidity risk

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.

43.3.2 Maturity analysis for financial liabilities

The table below summarizes the maturity profile of the Company's liabilities:

		2019					
		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 -----					
Non derivative financial liabilities							
Trade and other payable		4,797,452	4,797,452	4,797,452	-	-	-
Unclaimed dividend		1,996,977	1,996,977	1,996,977	-	-	-
Accrued mark-up		22,857,201	22,857,201	22,857,201	-	-	-
Certificates of investment		392,312,675	521,805,813	-	19,821,663	501,984,150	-
Short term borrowing		414,340,936	414,340,936	264,914,612	149,426,324	-	-
Long-term loan		49,999,996	58,917,291	9,927,896	16,091,548	32,897,847	-
		<u>886,305,237</u>	<u>1,024,715,670</u>	<u>304,494,138</u>	<u>185,339,535</u>	<u>534,881,997</u>	-
		----- Rupees -----					
		2018					
		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 -----					
Non derivative financial liabilities							
Trade and other payable		7,474,749	7,474,749	7,474,749	-	-	-
Unclaimed dividend		480,438	480,438	480,438	-	-	-
Accrued mark-up		16,035,582	16,035,582	16,035,582	-	-	-
Certificates of investment		378,127,544	433,487,502	97,280,717	80,163,246	256,043,539	-
Short term borrowing		387,568,906	387,568,906	227,437,675	160,131,231	-	-
Long-term loan		20,833,331	22,127,224	4,582,032	8,952,338	8,592,854	-
		<u>810,520,550</u>	<u>867,174,401</u>	<u>353,291,193</u>	<u>249,246,815</u>	<u>264,636,393</u>	-

43.3.3 The contractual cash flow relating to the above financial liabilities have been determined on the basis of mark-up rates effective at year end. The rates of mark-up have been disclosed in notes 21 to 23 to these financial statements.

43.4 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.

43.4.1 Management of market risk

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The Company manages the market risk by monitoring exposure on marketable securities by following internal risk management policies and regulations laid down by the Securities and Exchange Commission of Pakistan. The Company is exposed to interest rate and other price risk only.

43.4.2 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. Majority of the interest rate exposure arises on investment in finance lease, investment in government securities, bank balances and borrowing from banks. The Company carries a mix of fixed and floating rate financial instruments.

At June 30, details of the interest rate profile of the Company's interest bearing financial instruments were as follows:

	<u>Carrying amount</u>	
	2019	2018
	----- Rupees -----	
Fixed rate instruments		
Financial assets	<u>64,545,356</u>	<u>61,213,314</u>
Financial liabilities	<u>392,312,675</u>	<u>378,127,544</u>
Variable rate instruments		
Financial assets	<u>2,373,243,673</u>	<u>2,268,197,929</u>
Financial liabilities	<u>464,340,932</u>	<u>408,402,237</u>

43.4.2.1 Fair value sensitivity analysis for fixed rate instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit and loss account.

43.4.2.2 Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points (bps) in interest rates at the reporting date would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2019.

	<u>Profit and loss</u>	
	100 bp increase	100 bp decrease
	----- Rupees -----	
As at June 30, 2019		
Cash flow sensitivity - variable rate instruments	<u>19,089,027</u>	<u>(19,089,027)</u>
As at June 30, 2018		
Cash flow sensitivity - variable rate instruments	<u>18,597,957</u>	<u>(18,597,957)</u>

The sensitivity analysis prepared as of June 30, 2019 is not necessarily indicative of the impact on the Company's net assets of future movements in interest rates and profit for the year and assets / liabilities of the Company.

43.4.2.3 Yield / interest rate sensitivity position for on statement of financial position financial instruments based on the earlier of contractual repricing or maturity date is as follows:

		2019					
		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	10.25	16,410,061	4,034,190	-	-	-	12,375,871
Short term investments	11.2	57,433,161	54,479,241	-	-	-	2,953,920
Other receivables - net	-	25,526,690	-	-	-	-	25,526,690
Ijarah rentals receivables	12.04 - 12.88	536,780	536,780	-	-	-	-
Advance to employees	-	57,490	-	-	-	-	57,490
Accrued mark-up / return on investments	-	202,301	-	-	-	-	202,301
Net investment in finance lease (net of security deposit)	9.31 - 31.46	1,575,358,841	149,297,939	465,683,433	960,377,469	-	-
Diminishing musharaka receivable	12.45	9,394,499	1,191,501	4,766,004	3,436,994	-	-
Long-term investments	9.25 - 11.5	6,031,925	6,031,925	-	-	-	-
Long-term deposits	-	112,500	-	-	-	-	112,500
		1,691,064,248	215,571,576	470,449,437	963,814,463	-	41,228,772
Financial liabilities							
Trade and other payables	-	4,797,452	-	-	-	-	4,797,452
Unclaimed dividend	-	1,996,977	-	-	-	-	1,996,977
Accrued mark-up	-	22,857,201	-	-	-	-	22,857,201
Certificates of investment	10.75 - 12.25	392,312,675	-	18,375,094	373,937,581	-	-
Short term borrowings	14.47 - 15.47	414,340,936	264,914,612	149,426,324	-	-	-
Long-term loan	12.61 - 13.12	49,999,996	8,333,330	12,500,001	29,166,665	-	-
		886,305,237	273,247,942	180,301,419	403,104,246	-	29,651,630
On statement of financial position gap		804,759,011	(57,676,366)	290,148,018	560,710,217	-	11,577,142
		2018					
		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	5 - 6.7	15,600,826	2,667,621	-	-	-	12,933,205
Short term investments	6.18 - 6.24	40,386,562	36,376,507	-	-	-	4,010,055
Other receivables - net	-	4,938,451	-	-	-	-	4,938,451
Ijarah rentals receivables	12.04 - 12.88	536,780	536,780	-	-	-	-
Advance to employees	-	225,663	-	-	-	-	225,663
Accrued mark-up / return on investments	-	1,031,624	-	-	-	-	1,031,624
Net investment in finance lease (net of security deposit)	9.93 - 31.46	1,461,310,241	136,840,037	416,582,387	876,603,608	31,284,209	-
Diminishing musharaka receivable	12.45	19,064,000	1,099,834	3,574,503	14,389,663	-	-
Long-term investments	9.25 - 11.5	22,169,186	16,045,277	-	6,123,909	-	-
Long-term deposits	-	300,460	-	-	-	-	300,460
		1,565,563,793	193,566,056	420,156,890	897,117,180	31,284,209	23,439,458
Financial liabilities							
Trade and other payables	-	7,474,749	-	-	-	-	7,474,749
Unclaimed dividend	-	480,438	-	-	-	-	480,438
Accrued mark-up	-	16,035,582	-	-	-	-	16,035,582
Certificates of investment	7.5 - 8.5	378,127,544	96,564,037	77,029,599	204,533,908	-	-
Short term borrowings	8.43 - 9.43	387,568,906	227,437,675	160,131,231	-	-	-
Long-term loan	7.91	20,833,331	4,166,667	12,500,001	4,166,663	-	-
		810,520,550	328,168,379	249,660,831	208,700,571	-	23,990,769
On statement of financial position gap		755,043,243	(134,602,323)	170,496,059	688,416,609	31,284,209	(551,311)

The effective mark-up / interest / profit rate for each of the monetary financial instrument is as indicated above.

43.4.3 Financial instruments by category

Particulars	2019		
	Amortised cost	Financial assets 'at fair value through other comprehensive income'	Total
	----- Rupees -----		
Financial assets			
Cash and bank balances	16,410,061	-	16,410,061
Short term investments	54,479,241	2,953,920	57,433,161
Other receivables - net	25,526,690	-	25,526,690
Ijarah rental receivables	536,780	-	536,780
Accrued markup / return on investments	202,301	-	202,301
Net investment in finance lease (net of security deposit)	1,575,358,841	-	1,575,358,841
Diminishing musharaka receivable	9,394,499	-	9,394,499
Long-term investments	6,031,925	-	6,031,925
Long-term deposits	112,500	-	112,500
	1,688,052,838	2,953,920	1,691,006,758
	----- Rupees -----		
Particulars	Financial Liabilities 'at fair value through profit or loss'	Amortised cost	Total
	----- Rupees -----		
Financial Liabilities			
Trade and other payables	-	4,797,452	4,797,452
Unclaimed dividend	-	1,996,977	1,996,977
Accrued mark-up	-	22,857,201	22,857,201
Certificates of investment	-	392,312,675	392,312,675
Short term borrowings	-	414,340,936	414,340,936
Long-term loan	-	49,999,996	49,999,996
	-	886,305,237	886,305,237
	----- Rupees -----		
Particulars	Amortised cost	Financial assets classified as available for sale	Total
	----- Rupees -----		
Financial assets			
Cash and bank balances	15,600,826	-	15,600,826
Short term investments	36,376,507	4,010,055	40,386,562
Other receivables - net	4,938,451	-	4,938,451
Ijarah rental receivables	536,780	-	536,780
Accrued markup / return on investments	1,031,624	-	1,031,624
Net investment in finance lease (net of security deposit)	1,461,310,241	-	1,461,310,241
Diminishing musharaka receivable	19,064,000	-	19,064,000
Long-term investments	22,169,186	-	22,169,186
Long-term deposits	300,460	-	300,460
	1,561,328,075	4,010,055	1,565,338,130
	----- Rupees -----		
Particulars	Financial Liabilities 'at fair value through profit or loss'	Amortised cost	Total
	----- Rupees -----		
Financial Liabilities			
Trade and other payables	-	7,474,749	7,474,749
Unclaimed dividend	-	480,438	480,438
Accrued mark-up	-	16,035,582	16,035,582
Certificates of investment	-	378,127,544	378,127,544
Short term borrowings	-	387,568,906	387,568,906
Long-term loan	-	20,833,331	20,833,331
	-	810,520,550	810,520,550

43.5 Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. Presently, the Company is not exposed to equity securities price risk as the Company does not hold any equity securities as at June 30, 2019. However, the Company holds National Investment Trust units, exposing the Company to cash flow market risk. In case of one percent increase / decrease in the net assets value of such units as on June 30, 2019, with all other variables held constant, the net assets of the Company and total comprehensive income for the year would have been higher / lower by Rs. 29,539 (2018: Rs. 40,101).

44 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. This ratio is calculated as total debt divided by total capital employed:

	2019	2018
	----- Rupees -----	
Total debt	856,653,607	786,529,781
Total equity	758,645,568	727,035,813
Total capital employed	<u>1,615,299,175</u>	<u>1,513,565,594</u>
Gearing ratio	<u>53.03%</u>	<u>51.97%</u>

44.1 Financial risk management objectives and policies

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.

45 SEGMENT INFORMATION

The Company has two primary reporting segments namely, "Finance lease" and "Islamic finance", based on the mode of finance, related risks and returns associated with the segments and reporting of income and expenditure in accordance with the applicable accounting standards as disclosed in Note 3.1. 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".

	2019			
	Finance lease	Islamic finance	Others	Total
	----- Rupees -----			
Segment revenue	197,220,458	21,642,113	25,029,476	243,892,047
Administrative and operating expenses	41,988,676	28,457,224	4,550,415	74,996,315
Segment result	155,231,782	(6,815,111)	20,479,061	168,895,732
Provision for Workers' Welfare Fund				(1,452,000)
Unallocated expenses				(18,005,232)
Result from operating activities				149,438,500
Finance cost				(78,253,145)
Provision for taxation				(6,807,215)
Profit for the year				64,378,140
<u>Other Information</u>				
Segment assets	<u>2,386,986,201</u>	<u>23,839,676</u>	<u>235,049,578</u>	2,645,875,455
Unallocated assets				15,916,682
Total assets				<u>2,661,792,137</u>
Segment liabilities	<u>813,739,471</u>	<u>3,804,259</u>	<u>7,066,295</u>	824,610,025
Unallocated liabilities				1,078,536,544
Total liabilities				<u>1,903,146,569</u>
Capital expenditure	-	-	-	-
Depreciation	-	17,859,073	-	17,859,073
Unallocated Capital expenditure				340,672
Unallocated Depreciation				<u>1,973,924</u>

	2018			
	Finance lease	Islamic finance	Others	Total
	----- Rupees -----			
Segment revenue	152,193,255	26,024,386	22,162,554	200,380,195
Administrative and operating expenses	26,758,385	20,746,721	4,461,332	51,966,438
Segment result	125,434,870	5,277,665	17,701,222	148,413,757
Provision for Workers' Welfare Fund				(1,645,118)
Unallocated expenses				(18,348,725)
Result from operating activities				128,419,914
Finance cost				(47,817,535)
Provision for taxation				(11,233,987)
Profit for the year				69,368,392
<u>Other Information</u>				
Segment assets	<u>2,252,081,402</u>	<u>51,597,549</u>	<u>214,700,243</u>	2,518,379,194
Unallocated assets				30,438,201
Total assets				<u>2,548,817,395</u>
Segment liabilities	<u>804,345,704</u>	<u>9,250,032</u>	<u>7,439,098</u>	821,034,834
Unallocated liabilities				1,000,746,748
Total liabilities				<u>1,821,781,582</u>
Capital expenditure	-	-	-	-
Depreciation	-	18,931,588	-	18,931,588
Unallocated Capital expenditure				5,554,659
Unallocated Depreciation				<u>2,461,719</u>

46 FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The carrying values of the financial assets and financial liabilities approximate their fair values except for investments carried at amortised cost and leases at fixed rate of return. The fair value of leases at fixed rate of return cannot be reasonably estimated due to absence of market for such leases. The fair value of investments carried at amortised cost is disclosed in note 8 and note 13.

The Company's accounting policy on fair value measurements is discussed in note 5.

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).

As at June 30, 2019, short term investments - fair value through other comprehensive income amounting to Rs. 2.95 million (2018: Rs. 4.01 million), mentioned in note 8, were categorised in level 1. Revaluation rates announced by Mutual Funds Association of Pakistan (MUFAP) are used to determine fair value of investment in mutual funds categorised as 'fair value through other comprehensive income'.

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

47. NON-ADJUSTING EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

47.1 The Board of Directors in its meeting held on September 26, 2019 proposed a final dividend of Rs. 0.75 per share (2018: Rs. 1.25 per share) for the year ended June 30, 2019, amounting to Rs. 19.027 million (2018: Rs. 31.715 million) for approval of members at the Annual General Meeting to be held on October 23, 2019. These financial statements do not reflect the impact of this proposed dividend.

47.2 Under section 5A of the Income Tax Ordinance, 2001 (the Ordinance), every public company is obliged to pay tax at the rate 5% on its accounting profit before tax if it derives profit for a tax year but does not distribute at least 20% of its after tax profits within six months of the end of the tax year through cash.

Based on the above fact, the Board of Directors of the Company has proposed final cash dividend amounting to Rs. 19.027 million for the financial and Tax Year 2019 which exceeds the prescribed minimum dividend requirement as referred above. Accordingly no further tax provision

has been recorded under section 5A of the Ordinance.

48 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and for better presentation. However, no significant reclassification has been made during the year.

49 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorised for issue on September 26, 2019 by the Board of Directors of the Company.

Chief Executive Officer

Director

Chief Financial Officer

No. of Share Holders	Having Shares		Shares Held	Percentage %
	From	To		
57	1	100	757	0.0030
26	101	500	11878	0.0468
22	501	1000	16428	0.0648
31	1001	5000	64438	0.2540
3	5001	10000	23788	0.0938
3	10001	15000	41186	0.1623
3	15001	20000	53475	0.2108
2	20001	25000	49690	0.1959
2	25001	30000	50736	0.2000
1	30001	35000	32000	0.1261
1	45001	50000	49950	0.1969
4	55001	60000	229241	0.9036
1	90001	95000	94080	0.3708
1	100001	105000	100831	0.3974
1	115001	120000	116787	0.4603
1	120001	125000	122127	0.4814
1	125001	130000	128560	0.5067
2	195001	200000	399800	1.5759
3	340001	345000	1030563	4.0622
1	495001	500000	500000	1.9708
2	685001	690000	1376084	5.4241
1	795001	800000	799899	3.2530
1	810001	815000	813885	3.2081
1	1145001	1150000	1148770	4.5281
1	1285001	1290000	1286994	5.0729
1	1495001	1500000	1499785	5.9117
1	1685001	1690000	1689434	6.6592
1	2450001	2455000	2451090	9.6614
2	3615001	3620000	7234150	28.5148
1	3950001	3955000	3953394	15.5831
178	Company Total		25369800	100.000

	Category of shareholder	Number	Share Held	Total Share holding	Percentage
	Associated companies, undertaking and related parties				
1	Unibro Industries Ltd		1,499,785		
2	Mid East Agencies (Pvt) Ltd		1,286,994		
	Total	2		2,786,779	10.98
	NIT and ICP	-	-	-	-
	Director, chief executive & their spouse and minor children				
1	Mr. Sohail Inam Ellahi		2,451,090		
2	Mr. Pervez Inam		3,953,394		
3	Mr. Fawad S. Malik		1,348,670		
4	Mrs. Atteqa Fawad		75,005		
5	Mr. Ismail H. Ahmed		500		
6	Brig. Naveed Nasar Khan (Retd.)		500		
7	Mr. Naeem Ali Muhammad Munshi		500		
8	Mr. Jan Ali Khan Junejo		500		
9	Ms. Sitwat Farrukh		500		
	Total	9		7,830,659	30.87
	Executives	-	-	-	-
	Public Sector Companies	1	1	1	0.00
	Banks, DFIs, NBFCs, Insurance Companies, Modaraba and Mutual Funds				
	Bank of Punjab	1	799,899	799,899	3.15
	Foreign Companies	-	-	-	-
	Individuals	159	13,925,490	13,925,490	54.89
	Others	5	2,127	2,127	0.01
	Total	178	25,369,800	25,369,800	100
	Holding 5% or more				
1	Mr. Pervez Inam		3,953,394		15.58%
2	Mr. Muhammad Ali Pervez		3,617,075		14.26%
3	Mr. Hassan Sohail		3,617,075		14.26%
4	Mr. Sohail Inam Ellahi		2,451,090		9.66%
5	Mr. Javed Inam Ellahie		1,689,434		6.66%
6	Unibro Industries Ltd		1,499,785		5.91%
7	Mid East Agencies (Pvt.) Ltd		1,286,994		5.07%
8	Mr. Fawad S. Malik		1,348,670		5.32%
				19,463,517	76.71%
	Total	94			

Total
94

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 26th Annual General Meeting to be held on Wednesday, October 23, 2019 at 4:00 p.m. and at any adjournment thereof. As witness my/our hand this day of _____ 2019. Signed by _____ in presence of _____

Please affix
Rs. 5/- Revenue
Stamp

Signature and address of witness

Signature of Member(s)

Share Folio No.

Share Folio No.

A member entitled to attend, speak and vote at a General Meeting is entitled to appoint a proxy to attend, speak and 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 notorially certified copy thereof, should be deposited at the Company's Registered Office not later than 48 hours before the time of holding the meeting.

میں / ہم _____ ساکن _____

بجائیت 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 مسماة _____
ساکن _____

یا اگلی / اسکی غیر موجودگی میں مسماة _____
_____ ساکن _____ اپنا متبادل (پراکسی) مقرر کرتا / کرتی ہوں اور یہ
حقوق تفویض کرتا / کرتی ہوں جس کے تین وہ میری / ہماری جگہ مندرجہ بالا کمپنی کے شراکت داران کے 26 ویں سالانہ اجلاس میں
شرکت اور ووٹ ڈالنے کے مجاز ہوں، جس کا انعقاد بوقت شام 4:00 بجے بروز بدھ، مورخہ 23 اکتوبر 2019 طلب و مقرر کیا گیا ہے
بمع اس اجلاس یا اس کے کسی مؤخر کردہ اجلاس کے۔

اس دستاویز کی تصدیق بقلم خود کرتا / کرتی ہوں بتاریخ _____ 2019
_____ کا دستخط شدہ بمعیت و موجودگی _____

براہ مہربانی یہاں 5 روپے کا
ریپونڈیا سٹامپ چسپاں کریں

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

کمپنی کا کوئی بھی شراکت دار جو کمپنی کے شراکت داران کے کسی بھی اجلاس میں موجود ہونے، بولنے، حصہ لینے اور ووٹ دینے کے قانونی
حقوق رکھتا ہو وہ یہ تمام حقوق اپنے کسی متبادل اور مقرر کردہ شخص کو بجائیت 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 ایسی 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
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