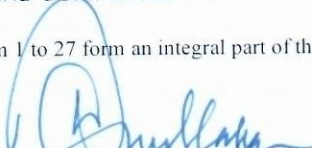



Saudi Pak Leasing Company Limited
Condensed Interim Balance Sheet (Un-Audited)
As at 31 December 2016

	Note	31 December 2016	(Audited) 30 June 2016
----- (Rupees) -----			
ASSETS			
Current assets			
Cash and bank balances	6	6,580,669	13,582,736
Short term loans	7	89,122,595	90,122,635
Short term investments	8	29,540,475	33,744,768
Trade deposits and short term prepayments		1,206,359	1,180,847
Other receivables	9	3,614,839	3,339,438
Current maturity of non-current assets	10	526,455,808	552,911,760
Total current assets		656,520,745	694,882,184
Non-current assets			
Long-term loans	11	-	-
Net investment in finance leases	12	-	-
Investment properties	13	36,279,771	37,933,773
Property, plant and equipment	14	37,766,452	43,297,293
Total non-current assets		74,046,223	81,231,066
Total assets		730,566,968	776,113,250
LIABILITIES			
Current liabilities			
Borrowings from financial institutions	15	174,930,728	177,693,232
Certificates of investment		43,000,000	43,000,000
Accrued mark-up		312,450,868	299,505,913
Provision for taxation - net		12,703,619	12,877,608
Accrued expenses and other payables		18,563,875	18,184,520
Current maturity of non-current liabilities	16	776,671,190	780,421,190
Preference dividend payable		5,774,153	5,774,153
Total current liabilities		1,344,094,433	1,337,456,616
Non-current liabilities			
Long term finances	17	-	-
Security deposits against finance leases	18	-	-
Total non-current liabilities		-	-
Total liabilities		1,344,094,433	1,337,456,616
NET ASSETS		(613,527,465)	(561,343,366)
FINANCED BY			
<i>Authorized share capital</i>			
100,000,000 (June 30, 2016: 100,000,000) ordinary shares of Rs. 10/-each		1,000,000,000	1,000,000,000
100,000,000 (June 30, 2016: 100,000,000) preference shares of Rs. 10/-each		1,000,000,000	1,000,000,000
		2,000,000,000	2,000,000,000
Issued, subscribed and paid-up share capital - ordinary shares		451,605,000	451,605,000
Issued, subscribed and paid-up share capital - preference shares		528,208,500	528,208,500
Capital reserves		177,928,194	177,928,194
Accumulated loss		(1,789,662,866)	(1,740,006,523)
Unrealised gain on re-measurement of available for sale investments		31,786	22,975
Accumulated actuarial loss on defined benefit plan- net of tax		(1,020,858)	(1,020,858)
		(632,910,244)	(583,262,712)
Surplus on revaluation of property, plant and equipment - net of tax		19,382,779	21,919,346
		(613,527,465)	(561,343,366)

CONTINGENCIES AND COMMITMENTS

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Director

Saudi Pak Leasing Company Limited
Condensed Interim Profit or Loss (Un-Audited)
For the period ended 31 December 2016

	Six months period ended 31 December		Three months period ended 31 December		
	2016	2015	2016	2015	
<i>Note</i> ----- (Rupees) -----					
Revenue					
Income from:					
Finance leases	20	526,437	3,844,240	62,352	1,190,468
Operating leases		1,700,000	1,050,000	750,000	480,000
		2,226,437	4,894,240	812,352	1,670,468
Other operating income	21	4,267,708	37,587,123	3,927,559	36,356,272
Total income		6,494,145	42,481,363	4,739,911	38,026,740
Expenses					
Finance cost	22	(18,057,983)	(25,407,565)	(8,996,407)	(13,000,264)
Administrative and operating expenses	23	(22,482,350)	(33,033,941)	(14,055,597)	(22,845,396)
Direct cost of operating leases		(1,002,443)	(1,552,632)	(451,984)	(776,315)
		(41,542,776)	(59,994,138)	(23,503,988)	(36,621,975)
		(35,048,631)	(17,512,775)	(18,764,077)	1,404,765
Operating (loss) / profit before provisions					
Provisions for doubtful leases, loans and other receivables		(17,002,619)	(9,930,106)	(15,329,051)	(5,717,758)
Loss before taxation		(52,051,250)	(27,442,881)	(34,093,128)	(4,312,993)
Taxation					
- Current		(141,660)	(135,582)	(141,660)	23,542
- Deferred		(158,836)	-	-	-
		(300,496)	(135,582)	(141,660)	23,542
Loss after taxation		(52,351,746)	(27,578,463)	(34,234,788)	(4,289,451)

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements


Chief Executive Officer


Director

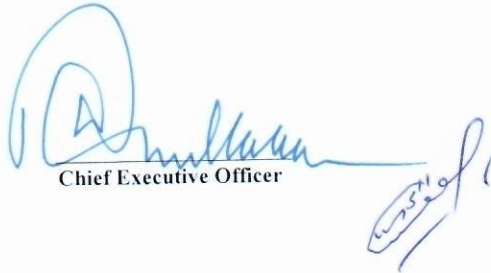


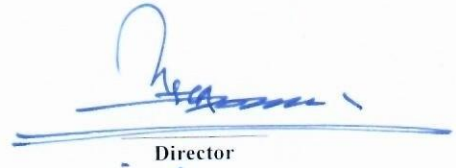


Saudi Pak Leasing Company Limited
 Condensed Interim Statement of Comprehensive Income (Un-Audited)
 For the period ended 31 December 2016

	Six months period ended 31 December		Three months period ended 31 December	
	2016	2015	2016	2015
	----- (Rupees) -----			
Loss after taxation	(52,351,746)	(27,578,463)	(34,234,788)	(4,289,451)
<i>Other comprehensive income</i>				
<i>Items that may be reclassified subsequently to profit or loss:</i>				
Decrease in deferred tax liability on surplus on revaluation of fixed assets due to change in tax rate	158,836			
Unrealised profit / (loss) on re-measurement of available for sale investments	8,811	(15,973)	8,425	(6,237)
Total comprehensive loss for the period	<u>(52,184,099)</u>	<u>(27,594,436)</u>	<u>(34,226,363)</u>	<u>(4,295,688)</u>

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.


 Chief Executive Officer


 Director



Saudi Pak Leasing Company Limited
Condensed Interim Statement of Changes in Equity (Un-Audited)
For the period ended 31 December 2016

	Issued, subscribed and paid-up share capital					Total	
	Ordinary Shares	Non-redeemable Preference shares	Statutory reserves	Unrealised gain on re-measurement of available for sale investments	Accumulated actuarial gain / loss on defined benefit plan- net of tax		Accumulated loss
Balance as at 30 June 2015 (restated)*	451,605,000	528,208,500	177,928,194	37,379	(628,988)	(1,625,373,326)	(468,223,241)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	-	-	2,281,434	2,281,434	2,281,434
Total comprehensive income for the six months ended 31 December, 2015	-	-	-	(15,973)	-	(27,578,463)	(27,578,463)
Loss after taxation	-	-	-	(15,973)	-	-	(15,973)
Unrealised loss on re-measurement of available-for-sale investments	-	-	-	(15,973)	-	(25,297,029)	(25,313,002)
Balance as at 31 December 2015	451,605,000	528,208,500	177,928,194	21,406	(628,988)	(1,650,670,355)	(493,536,243)
Balance as at 01 July 2016	451,605,000	528,208,500	177,928,194	22,975	(1,020,858)	(1,740,006,523)	(583,262,712)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	-	-	2,695,403	2,695,403	2,695,403
Total comprehensive income for the six months ended 31 December, 2016	-	-	-	8,811	-	(52,351,746)	(52,351,746)
Loss after taxation	-	-	-	8,811	-	-	8,811
Unrealised gain on re-measurement of available-for-sale investments	-	-	-	8,811	-	(49,636,343)	(49,647,532)
Balance as at 31 December 2016	451,605,000	528,208,500	177,928,194	31,786	(1,020,858)	(1,789,662,866)	(632,910,244)

Rupees

Balance as at 30 June 2015 (restated)*

Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax

Total comprehensive income for the six months ended 31 December, 2015

Loss after taxation

Unrealised loss on re-measurement of available-for-sale investments

Balance as at 31 December 2015

Balance as at 01 July 2016

Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax

Total comprehensive income for the six months ended 31 December, 2016

Loss after taxation

Unrealised gain on re-measurement of available-for-sale investments

Balance as at 31 December 2016

* See note 39 to the annual audited financial statements for the year ended June 30, 2016. The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements


Chief Executive Officer



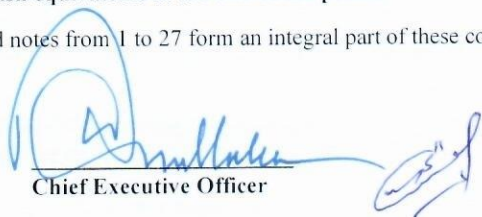

Director



Saudi Pak Leasing Company Limited
Condensed Interim Cash Flow Statement (Un-audited)
For the period ended 31 December 2016

	Six months period ended 31 December	
	2016	2015
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(52,051,250)	(27,442,881)
<i>Adjustments for:</i>		
Depreciation- owned assets and investment properties	6,684,187	6,661,340
Depreciation- assets under operating lease	1,002,443	1,552,632
Income from finance leases	(178,795)	(886,680)
Finance cost	18,057,983	25,407,565
Provision for doubtful leases, loans and other receivables	17,002,619	9,930,106
Dividend income	(3,960)	(5,494)
Interest income from government securities	(425,367)	(632,058)
Waiver on settlement of long term finances	(3,602,958)	(35,439,989)
	<u>38,536,152</u>	<u>6,587,422</u>
Operating loss before working capital changes	(13,515,098)	(20,855,459)
Movement in working capital		
<i>(Increase) / decrease in current assets</i>		
Trade deposits and short term prepayments	(25,512)	(482,132)
Other receivables	(275,401)	(271,498)
Accrued markup	-	166,858
Short term loans	1,750,000	1,550,000
	<u>1,449,087</u>	<u>963,228</u>
<i>Increase / (decrease) in operating liabilities</i>		
Accrued expenses and other payables	379,355	7,217,250
Cash used in operations	(11,686,656)	(12,674,981)
Finance cost paid	(33,166)	(37,793)
Taxes paid	(315,649)	(749,305)
Finance lease rentals received	4,611,223	9,479,756
	<u>4,262,408</u>	<u>8,692,658</u>
Net cash used in operating activities	(7,424,248)	(3,982,323)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment	(43,300)	(35,000)
Short term investment- net	388,471	50,520,162
Recovery of long term loans	73,050	218,478
Dividend received	3,960	5,494
Net cash generated from investing activities	422,181	50,709,134
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long term finances	-	(20,900,000)
Repayment of certificates of investment	-	(25,495,301)
Net cash used in financing activities	-	(46,395,301)
Net (decrease) / increase in cash and cash equivalents during the period	(7,002,067)	331,510
Cash and cash equivalents at the beginning of the period	<u>13,582,736</u>	<u>3,422,931</u>
Cash and cash equivalents at the end of the period	<u>6,580,669</u>	<u>3,754,441</u>

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Director



Saudi Pak Leasing Company Limited
Notes to the Condensed Interim Financial Information (Un-Audited)
For the period ended 31 December 2016

1. LEGAL STATUS AND OPERATIONS

- 1.1** Saudi Pak Leasing Company Limited (the Company) was incorporated in Pakistan on 08 January 1991 under the repealed Companies Ordinance, 1984 and is listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 6th Floor, Lakson Square Building No.1, Sarwar Shaheed Road, Saddar, Karachi. The main business activity of the Company is leasing of assets. The Company's license to carry out the business of leasing had expired on 18 May 2010 and renewal is pending with the Securities and Exchange Commission of Pakistan (SECP).

Saudi Pak Industrial & Agricultural Investment Company Limited (SAPICO) is the major shareholder and as of 31 December, 2016 holds 35.06% (June 30, 2016: 35.06%) of issued ordinary share capital of the Company and 63% (June 30, 2016: 63%) of issued preference share capital of the Company.

- 1.2** With effect from August 2018, the Company is being headed by a new Managing Director. Furthermore, a new Board of Directors of the Company had also been reconstituted in its extra ordinary general meeting held on November 26, 2018 which was approved by the Securities and Exchange Commission of Pakistan (SECP) on January 04, 2019.

Based on the direction received from SECP in the year 2018, the Company was required to meet its obligation for publishing its quarterly, half yearly, and annual financial statements for the year ended June 30, 2016, 2017 and 2018, that have been pending since issuance of the last audited financial statement as of June 30, 2015. These half yearly financials have been prepared after a delay of over 2 years.

- 1.3** As of the reporting date, the Company is exposed to the following material uncertainties which cast significant doubts on the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its obligations in the normal course of business:

- During the half year ended December 31, 2016, the Company incurred a net loss amounting to Rs. 52.352 million (Year ended June 30, 2016: Rs. 118.854 million) and as of that date its accumulated loss amounted to Rs. 1.790 billion (June 30, 2016: Rs.1.740 billion), its equity was negative by Rs. 632.910 million (June 30, 2016: Rs. 583.263 million) and its current liabilities exceeded current assets by Rs. 613.527 million (June 30, 2016: Rs. 642.574 million). The Company's accumulated loss is mainly attributable to the amount provided for against stuck up overdue balance of net investment in lease, short term loans and other assets as well as recording of mark up on COIs and other liabilities outstanding.
- In its financial statements for the year ended June 30, 2015, the Company had disclosed its expectation of a substantial equity injection by a new incoming shareholder having been then identified by one of the strategic shareholders intending to revive the Company. This expectation, however, did not materialize for the reason that leasing business, since long, had been on a declining trend which is evident from the fact that 9 out of 33 major leasing companies remained in the field. This is mainly attributable to non-availability of long term funds at low costs, withdrawal of credit lines by the banks, high non-performing portfolio of leases and loans and slowdown in economic activities. Each of these factors has impacted leasing business to a considerable extent, and, similarly, affected the Company's revenue generation and earning capacity.
- The Company's license to carry out the leasing business expired on May 18, 2010 and the Company has not been able to obtain renewal thereof from the SECP as the legal requirements laid down in this respect could not be met by the Company.
- The credit rating of the Company has not been re-assessed since it was last downgraded as in June 2010 and, since then, the Company is not permitted to issue new certificates of investment.
- Previously, the Company had entered into various agreements with its lenders (including, financial institutions, TFC holders and holders of Certificates of Investment (COIs)) for restructuring of its borrowing facilities with the objective of matching the expected recoveries from customers with its obligations to pay the lenders. However, the Company has continuously defaulted in meeting its financial obligations. As of December 31, 2016, total outstanding principal and accrued markup on which defaults were made amounted to Rs. 664.012 million (June 30, 2016: 666.775 million) and Rs. 312.451 million (June 30, 2016: 299.506 million), respectively.
- Since 2010, the Company has not extended any lease facility to its customers owing to expiry of its leasing license.

However, it continued its activities with a barely sufficient number of employees required for managing its recoveries from customers and for handing its financial obligations to lenders.

Despite the existence of the foregoing material uncertainties, these financial statements have been prepared using the going concern assumption primarily due to the reason that the Company managed to continue its operations in subsequent financial years and, as of the date of approval of these condensed interim financial statements, a number of recovery suits filed by the Company against its customers are expected to be disposed off in due course of time as the new management is actively seeking out-of-court settlement of such suits by way of auction of collateralized assets and / or negotiated settlements. This is expected to materially improve the recoveries of overdue lease rentals and term loans from customers which, in turn, would enable the Company to settle its long outstanding financial liabilities to lenders in order to make the Company a feasible investment avenue for a resourceful investor. For this very reason, the major shareholder has made arrangements for the reconstitution of the Board of Directors and entrusted them with the responsibility of speeding up the recovery process as well as negotiate settlement of liabilities.

1.4 For the reasons mentioned above, the Company has not been able to comply with most of the regulatory requirements of Non-Banking Finance Companies and Notified Entities Regulations, 2008 including the following:

- Regulation 5 (1) - aggregate liabilities, excluding contingent liabilities and security deposits, of an NBFC, shall not exceed ten times of the Company's equity (in case of operations beyond the first 2 years).
- Regulation 5 (2) - contingent liabilities of an NBFC shall not exceed seven times of its equity for the first two years of its operations and ten times of its equity in the subsequent years.
- Regulation 14 (4) (h) - the deposits raised by the NBFC, from individual depositors including sole proprietorships shall not exceed three times of the equity of the NBFC.
- Regulation 17 (1) - total outstanding exposure (fund and non-fund based) of an NBFC to a person shall not at any time exceed 30% of the equity of the NBFC, provided that the maximum outstanding fund based exposure should not exceed 20% of the NBFC's equity.
- Regulation 17 (2) - total outstanding exposure (fund based and non-fund based) of an NBFC to any group shall not exceed 50% of the equity of the NBFC, provided that the maximum outstanding fund based exposure should not
- Regulation 19 (g) - an NBFC shall not hold shares on aggregate basis, whether as pledge, mortgagee or absolute owner, of an amount exceeding 20% of the paid-up share capital of that company or 20% of its own equity.
- Regulation 28 (d) - total investments of a leasing company in shares, equities or scrips shall not exceed 50% of the equity of the leasing company.
- Regulation 28 (e) - a leasing company shall not own shares, equities or scrips of any one company in excess of 10% of its own equity or the issued capital of that company, whichever is lower.

2. STATEMENT OF COMPLIANCE

2.1 These condensed interim financial statements of the Company for the six months period ended December 31, 2016 have been prepared in accordance with the requirements of the International Accounting Standards - 34 (IAS 34), "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance 1984, the Non-Banking Finance Companies (Establishment and regulation) Rules, 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008. In case requirements differ, the provisions or directives issued under the Companies Ordinance 1984, NBFC Rules, 2003 and NBFC Regulations, 2008 shall prevail.

As mentioned in note 1.1, the Company's license to carry out the business of leasing had expired on May 18, 2010, these condensed financial statements have been prepared in accordance with the format generally followed for financial institutions and the provisioning requirements have been determined in accordance with requirements of the NBFC Regulations, 2008.

2.2 The requirements of International Accounting Standard - 39 (IAS 39) "Financial Instruments: Recognition and Measurement", relating to the assessment of impairment loss on leasing portfolio have not been followed in the preparation of these condensed interim financial statements based on a clarification received from the SECP specifying that the requirements of IAS 39 should only be followed by leasing companies so far as it related to investments made by them.

2.3 The Company provides for impairment in the carrying value of its net investment in finance leases based on the requirements laid down in the NBFC Regulations, 2008.

- 2.4 The comparative balance sheet presented in these condensed interim financial statements as at December 31, 2016 has been extracted from the audited financial statements of the Company for the year ended June 30, 2016, whereas the comparative profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity have been extracted from the condensed interim financial statements for the period ended December 31, 2015. Further, the figures in these condensed interim financial statements for the three month period ended December 31, 2016 and December 31, 2015 have not been reviewed by the auditors.

3. ACCOUNTING POLICIES

The accounting policies and the methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2016.

4. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these condensed interim financial statements requires management to make judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. However, actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the annual financial statements for the year ended June 30, 2016.

5. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in its annual financial statements for the year ended June 30, 2016.

6. CASH AND BANK BALANCES	<i>Note</i>	December 31, 2016 Rupees (Un-audited)	June 30, 2016 Rupees (Audited)
Cash in hand		67,545	67,545
Balance with State Bank of Pakistan in current account - local currency		14,385	15,185
Balances with other banks:			
- in current account		5,500	5,500
- in saving accounts	6.1	6,493,239	13,494,506
		<u>6,580,669</u>	<u>13,582,736</u>

- 6.1 These represent saving deposit accounts maintained with various commercial banks at mark-up rate ranging from 4% to 5% (30 June 2016: 4% to 5%) per annum.

7. SHORT TERM LOANS - Secured	<i>Note</i>	December 31, 2016 Rupees (Un-audited)	June 30, 2016 Rupees (Audited)
Term loan to customers- considered doubtful	7.1	200,406,794	202,156,794
Provision for non-performing loans	7.2	(111,284,199)	(112,034,159)
		<u>89,122,595</u>	<u>90,122,635</u>

- 7.1 This represents term finance facilities provided to customers and carries mark-up ranging from 16.25% to 25% (30 June 2016: 16.25% to 25%) per annum.

7.2 Provision for non-performing loans	December 31, 2016 Rupees (Un-audited)	June 30, 2016 Rupees (Audited)

Balance at beginning of the year	112,034,159	76,175,700
Charge for the period / year	<u>-</u>	44,052,960
Reversal during the period / year	<u>(749,960)</u>	(8,194,501)
	<u>(749,960)</u>	35,858,459
Balance at end of the period / year	<u>111,284,199</u>	<u>112,034,159</u>

7.2.1 The above provision for non-performing loans is net of forced sales value (FSVs) of collaterals of Rs. 89.122 million (June 30, 2016: Rs. 90.122 million) considered by the Company for the purpose of determination of the provision.

		December 31, 2016 Rupees (Un-audited)	June 30, 2016 Rupees (Audited)
8. SHORT TERM INVESTMENTS	<i>Note</i>		
Available-for-sale	<i>8.1</i>	14,782,658	19,023,848
Held to maturity	<i>8.2</i>	14,757,817	14,720,920
		<u>29,540,475</u>	<u>33,744,768</u>
8.1 Available-for-sale			
Ordinary shares of listed companies	<i>8.1.1</i>	85,935	85,935
Ordinary shares of unlisted companies	<i>8.1.2</i>	14,664,938	18,914,938
Available-for-sale at cost		14,750,873	19,000,873
Unrealised gain on re-measurement of available for sale securities		31,786	22,975
Available-for-sale at market value		<u>14,782,659</u>	<u>19,023,848</u>

8.1.1 The investments in the listed equity securities held as available-for-sale are valued at prices quoted on the Pakistan Stock Exchange.

		December 31, 2016 Rupees (Un-audited)	June 30, 2016 Rupees (Audited)
8.1.2 Detail of investment in the ordinary shares of unlisted companies is as follows:	<i>Note</i>		
SPI Insurance Company Limited		14,664,938	14,664,938
Pace Barka Properties Limited	<i>8.1.2.1</i>	-	4,250,000
		<u>14,664,938</u>	<u>18,914,938</u>

8.1.2.1 A financial liability of Rs. 2.76 million arising in respect of funds borrowed from M/S. AKD Aggressive Income Fund against issuance of an unsecured Letter of Placement (along with markup accrued thereon amounting to Rs. 5.079 million) was settled in full in consideration of the transfer of the Company's investment in ordinary shares of M/s. Pace Barka Properties Limited valuing Rs. 4.25 million. The gain on settlement of the financial liability amounting to Rs. 3.592 million, has been recognized as other income .

		December 31, 2016 Rupees (Un-audited)	June 30, 2016 Rupees (Audited)
8.2 Held to Maturity			
Government Market Treasury Bills	<i>8.2.1</i>	14,757,817	14,720,920

8.2.1 This represents investment in Government Market Treasury Bill having maturity on April 03, 2017 and carries effective mark-up at a rate of 5.96% (30 June 2016: 5.80%) per annum.

		December 31, 2016 Rupees (Un-audited)	June 30, 2016 Rupees (Audited)
9. OTHER RECEIVABLES	<i>Note</i>		

Operating lease rentals receivables		11,895,095	11,795,095
Receivable on termination of finance leases		68,088,408	67,860,053
Staff gratuity-net defined benefit asset		2,753,383	2,753,383
Others		3,156,994	3,209,948
		85,893,880	85,618,479
Provision against doubtful receivables		(82,279,041)	(82,279,041)
		3,614,839	3,339,438
10. CURRENT MATURITY OF NON - CURRENT ASSETS			
Current portion of:			
Long term loans	<i>11</i>	39,710,057	39,783,068
Net investment in finance leases	<i>12</i>	486,745,751	513,128,692
		526,455,808	552,911,760
11. LONG TERM LOANS - secured			
Related party			
Due from employees - considered good		1,000,427	1,073,477
Other than related party			
Term loan to customers- considered doubtful	<i>11.1</i>	105,553,927	105,553,927
		106,554,354	106,627,404
Provision for non-performing loans		(66,844,297)	(66,844,336)
		39,710,057	39,783,068
Current maturity of long term loans	<i>10</i>	(39,710,057)	(39,783,068)
		-	-
11.1	Term loans due from customers are secured against assets. The rate of return on these loans ranges from 16.00% to 22.66% (30 June 2016: 16.00% to 22.66%) per annum.		
		December 31,	June 30,
		2016	2016
		Rupees	Rupees
12. NET INVESTMENT IN FINANCE LEASES	<i>Note</i>	(Un-audited)	(Audited)
Minimum lease payments receivable		1,355,864,494	1,380,537,361
Add: Residual value of leased assets		371,057,828	355,194,078
		1,726,922,322	1,735,731,439
Gross investment in finance leases			
Less: Unearned lease income		-	-
Mark-up held in suspense	<i>12.2</i>	332,022,942	332,201,737
		332,022,942	332,201,737
		1,394,899,380	1,403,529,702
Less: Provision for potential lease losses	<i>12.3</i>	908,153,629	890,401,010
Net investment in finance leases		486,745,751	513,128,692
Less: Current portion of net investment in finance leases	<i>10</i>	(486,745,751)	(513,128,692)
		-	-
12.1	The internal rate of return on leases disbursed by the Company ranges from 12.50% to 20.01% (June 30, 2016: 12.50% to 20.01%) per annum. Certain lease rentals have been hypothecated against long term finances obtained (refer note 17.1.1).		
		December 31,	June 30,
		2016	2016
		Rupees	Rupees
12.2 Mark-up held in suspense		(Un-audited)	(Audited)
Balance at beginning of the period / year		332,201,737	339,010,827
Income suspended during the period / year		-	918,956

332,201,737

339,929,783

- realised during the period / year	<u>(178,795)</u>	<u>(6,607,543)</u>
- written-off during the period / year	<u>-</u>	<u>(1,120,503)</u>
	<u>(178,795)</u>	<u>(7,728,046)</u>
Balance at the end of the period / year	<u>332,022,942</u>	<u>332,201,737</u>
12.3 Provision for lease losses		
Balance at beginning of the year	890,401,010	883,161,218
Charge for the period/year	<u>18,940,640</u>	<u>51,105,252</u>
Reversal for the period/ year	<u>(1,188,021)</u>	<u>(31,324,827)</u>
	17,752,619	19,780,425
Write-offs against provision	<u>-</u>	<u>(12,540,633)</u>
Balance at end of the period / year	<u>908,153,629</u>	<u>890,401,010</u>
13. INVESTMENT PROPERTIES		<u>Rupees</u>
As at July 01, 2015		
Cost		66,160,092
Accumulated depreciation		(18,112,619)
Accumulated impairment		<u>(6,805,696)</u>
Net book value		<u>41,241,777</u>
<i>Movement during the period ended December 31,2015</i>		
Opening net book value		41,241,777
Depreciation charge		<u>(1,654,002)</u>
Closing net book value		<u>39,587,775</u>
As at December 31, 2015		
Cost		66,160,092
Accumulated depreciation		(19,766,621)
Accumulated impairment		<u>(6,805,696)</u>
Net book value		<u>39,587,775</u>
As at July 01, 2016		
Cost		66,160,092
Accumulated depreciation		(21,420,623)
Accumulated impairment		(6,805,696)
Net book value		<u>37,933,773</u>
<i>Movement during the period ended December 31,2016</i>		
Opening net book value		37,933,773
Depreciation charge		<u>(1,654,002)</u>
Closing net book value		<u>36,279,771</u>
At December 31, 2016		
Cost		66,160,092
Accumulated depreciation		(23,074,625)
Accumulated impairment		(6,805,696)
Net book value		<u>36,279,771</u>
Rate of depreciation (per annum)		<u>5%</u>
	December 31,	June 30,
	2016	2016
	Rupees	Rupees
	(Un-audited)	(Audited)
14. PROPERTY, PLANT AND EQUIPMENT		
Property, plant and equipment - own use	35,693,765	40,680,648

Property, plant and equipment - operating lease	<u>2,072,687</u>	<u>2,616,645</u>
	<u>37,766,452</u>	<u>43,297,293</u>
Additions - Cost		
<i>Owned assets</i>		
Office equipment	<u>43,300</u>	<u>219,953</u>
Total additions	<u>43,300</u>	<u>219,953</u>

15. BORROWINGS FROM FINANCIAL INSTITUTIONS

Letter of placements - Unsecured

National Bank of Pakistan	15.1	77,500,000	77,500,000
Innovative Investment Bank Limited	15.2	60,000,000	60,000,000
Meezan Bank Limited	15.3	27,001,588	27,001,588
AKD Aggressive Income Fund	15.4	-	2,762,504
KASB Income Opportunity Fund	15.5	10,429,140	10,429,140
		<u>174,930,728</u>	<u>177,693,232</u>

15.1 This represents finance of Rs. 77.50 million obtained from National Bank of Pakistan on April 01, 2010 through a letter of placement carrying mark-up at a rate of 11.20% per annum for a period of 14 days. Subsequently, the facility was rolled several times up to the total period of 140 days which expired on August 19, 2010. Till to-date, no repayments have been made by the Company in respect of this finance.

15.2 This represents finance of Rs. 63 million obtained from Innovative Investment Bank Limited on December 03, 2010 through a letter of placement carrying mark-up at a rate of 8% per annum for a period of 90 days. Due to financial difficulties faced by the Company, this facility was rolled over for a further period of 184 days on March 14, 2011. Since the disbursement of the facility, the Company has made an aggregate principal repayment of Rs. 3 million.

15.3 This represents finance of Rs. 150 million obtained from Meezan Bank Limited (MEBL) on September 20, 2008, under Murabaha arrangement at a rate of 12% per annum. On various dates between September 2008 and June 2011, the Company made principal repayments amounting, in aggregate, to Rs. 81 million.

The remaining principal obligation of Rs. 69 million was restructured by way of a settlement agreement entered on April 22, 2011 whereby the Company transferred, to the lender, a lease portfolio of Rs. 32 million. On September 03, 2012, a revised settlement agreement was signed according to which the loan was to be settled by way of transferring 27 membership cards of ACACIA Golf Club ('the Club') (then beneficially held by the Company in its own name) to MEBL valuing, in aggregate, Rs. 27 million as well as making a cash payment of Rs. 9.870 million. The said cash payment as made by the Company on September 06, 2012. Further, the aforementioned membership cards held by the Company are to be transferred after the execution of a tripartite agreement between the Company, MEBL and the Club. Currently, the Company's management is under the process of negotiation for an early execution of the said agreement. As per the revised restructuring terms, the finance carries no mark-up.

15.4 During the period, a financial liability of Rs. 2.76 million arising in respect of funds borrowed from M/S. AKD Aggressive Income Fund against issuance of an unsecured Letter of Placement (along with markup accrued thereon amounting to Rs 5.09 million) was settled in full in consideration of the transfer of the Company's investment in ordinary shares of M/s. Pace Barka Properties Limited valuing Rs. 4.25 million.

15.5 This represents finance of Rs. 117 million obtained from KASB Funds (KASB Income Opportunity Fund and KASB Asset Allocation Fund) on July 13, 2009. Due to liquidity issues being faced by the Company, the finance was, subsequently, restructured by way of a settlement agreement entered into with KASB Funds dated December 28, 2011. As per the said restructuring agreement, the outstanding loan is to be settled by way of transferring of assets / collateral held by the Company against one of its non-performing borrowers, lease receivables of the Company and cash payment of Rs. 23.085 million in the following manner:

- Down payments of Rs. 1.568 million and Rs. 1.517 million;

- Two subsequent cash payments of Rs. 1 million each; and

- 24 equal instalments of Rs. 0.75 million each.

The Company paid all the instalments as per restructuring agreement. As a result of these repayments, the outstanding loan due to KASB Asset Allocation Fund had been settled in full. As per restructuring terms, these finances carry no mark-up.

		December 31, 2016 Rupees (Un-audited)	June 30, 2016 Rupees (Audited)
16. CURRENT MATURITY OF NON- CURRENT LIABILITIES	<i>Note</i>		
Certificate of investment		54,049,000	54,049,000
Long term finances	17	392,032,443	392,032,443
Security deposits against finance leases	18	330,589,747	334,339,747
		<u>776,671,190</u>	<u>780,421,190</u>
17. LONG TERM FINANCES			
Long term finances - secured	17.1.1	163,061,501	163,061,501
Long term finances - unsecured		5,703,696	5,703,696
	17.1	168,765,197	168,765,197
Term finance certificates - secured	17.2	223,267,246	223,267,246
		392,032,443	392,032,443
Current maturity of long term finances	16	(392,032,443)	(392,032,443)
		<u>-</u>	<u>-</u>

17.1 Long term finances

	Tenure		Markup	<i>Note</i>	Principal Outstanding	
	From	To			Dec. 31, 2016	Jun. 30, 2016
					----- (Rupees) -----	
Secured						
National Bank of Pakistan	Mar-05	Mar-10	6 month KIBOR + 1.5% (payable semi annually)	17.1.2	12,500,000	12,500,000
First Women Bank Limited	Dec-08	Dec-12	Fixed at 12% (payable monthly)	17.1.3	75,061,505	75,061,505
Askari Income Fund	Mar-10	Sep-12	-	17.1.4	13,500,000	13,500,000
Soneri Bank Limited	May-13	Sep-14	-	17.1.5	61,999,996	61,999,996
Un secured						
Silk Bank Limited	Sep-12	Mar-17	-	17.1.6	5,703,696	5,703,696
					<u>168,765,197</u>	<u>168,765,197</u>

17.1.1 The above are secured by way of hypothecation of specific leased assets and associated lease rentals. These facilities were utilized mainly for lease financing activities.

17.1.2 This represents a finance of Rs. 100 million obtained from National Bank of Pakistan on March 17, 2005 (mainly for lease financing activities). As per the agreement, loan was payable in semi-annual instalments of Rs. 12.5 million each from September 17, 2005 to March 17, 2009. However, subsequently, the agreement was restructured whereby the maturity date of the loan was extended to March 2010. Up to December 31, 2016, all instalments were paid except for the last instalment due on March 17, 2009 which is yet outstanding. As per the revised agreement, the finance carries mark-up at the rate of 6-month KIBOR + 1.5%, payable semi-annually.

17.1.3 This represents a finance of Rs. 150 million obtained from First Women Bank Limited (FWBL) through a Letter of Placement dated October 06, 2008 having a tenor of 1 day. Subsequently, the finance was rolled over several times during the period from October 07, 2008 to December 18, 2008. During this period, the Company managed to partially repay the principal and markup amount. Afterwards, the finance was restructured by way of a settlement agreement dated December 31, 2008 whereby the entire principal was converted into 12-month Money Market Finance facility on markup basis. Since

the Company failed to make repayment as per agreed terms, the finance was, once again, restructured by way of a settlement agreement dated March 01, 2010. As per the revised rescheduled terms, the entire principal was payable in unequal monthly instalments up to December 31, 2012. The Company paid the instalments up to December 31, 2010 since when no further repayments have been made. Further, as per the revised agreement, the finance carries mark-up at 12% per annum, payable monthly.

17.1.4 In March 2009, the Company obtained a finance of Rs. 50 million from Askari Income Fund against Certificate of Investment (COI) which was subsequently converted into a Term Finance Arrangement (TFA). Due to the liquidity issues faced by the Company, the finance was restructured by way of settlement agreements dated March 01, 2010 and January 31, 2011. As per the rescheduled terms, the entire principal was payable in monthly instalments of Rs. 1 million starting from February 16, 2011 and outstanding mark-up was waived. The Company could managed to pay instalments up to June 2011 since when no repayments have been made. Further, as per rescheduled terms, the Company is liable to pay liquidated damages / penalty amounting to Rs. 10.8 million.

17.1.5 As on March 29, 2010, the Company had a financial obligation in respect of Term Finance I, Term Finance II and Running Finance facilities obtained from M/s. Soneri Bank Limited (SBL) amounting to Rs. 66.666 million, Rs. 35 million and Rs. 49.971 million, respectively (in aggregate, Rs. 151.637 million). The said obligation was restructured whereby SBL created a fresh facility of Rs. 115 million as TF-I, Rs. 35 million as TF-II and Rs. 1.5 million as RF. Subsequently, the Company managed to pay its entire liability under TF-II and RF. As regards restructured TF-I, the Company made a principal repayment of Rs. 5 million up to May 07, 2013, on which date, a revised settlement agreement was entered to with SBL to restructure the outstanding obligation of Rs. 110 million which was agreed to be settled as follows:

- Rs. 43 million by way of transfer of a property (held as collateral of Rs. 43 million against the borrower) or a cash payment of Rs. 25 million as full and final settlement of Rs. 43 million;
- Rs. 34.5 million by way of transfer of a property (held as collateral of Rs. 34.5 million against the borrower);
- Cash payment of Rs. 5 million in 12 equal monthly instalments of Rs. 0.416 million each commencing from the date of execution of settlement agreement; and
- Remaining principal obligation amounting to Rs. 27.5 million to be waived upon successful transfer of properties / cash payment as referred to above.

Subsequently, the Company settled the loan amounting to Rs. 43 million by way of cash payment of Rs. 25 million on August 28, 2013 (and recognised a waiver of Rs. 18 million against the said payment). Further, the Company paid the 12 equal monthly instalments, referred to above, on agreed due dates. However, the transfer of aforesaid property (whereupon the outstanding liability would be extinguished in full) is yet to be executed. As per the revised restructuring terms, the finance carries no mark-up.

17.1.6 This represents a finance of Rs. 15.7 million obtained from Silk Bank Limited (SBL) on April 27, 2009 against issuance of irrevocable letter of comfort for opening a letter of credit in favour of Uni-Link International. Up to March 31, 2011, the Company could repay Rs. 4 million and defaulted thereafter. Hence, on September 12, 2012, a settlement agreement was entered into with SBL whereby the finance was restructured and the outstanding loan was agreed to be settled as follows:

- Down payment of Rs. 0.707 million; and
- 54 monthly instalments of Rs. 0.204 million each.

Up to November 2014, the Company repaid 26 monthly instalments of Rs. 0.204 million each and defaulted thereafter.

17.2 This represents third issue of registered and listed term finance certificates (TFCs) issued by the Company to banking companies and financial institutions, trusts and general public. These are secured by way of a first exclusive charge on specific leases including lease rentals and receivables against lease with 25% margin available at all times to the TFCs holders on total outstanding amount of the issue. The total issue comprises of 150,000 certificates of Rs. 5,000 each.

The issue was first restructured by way of "Supplemental Declaration of Trust" dated October 05, 2010 and was further restructured by way of "Second Supplemental Declaration of Trust" effective dated April 30, 2012. To make the second proposed restructuring terms of Supplemental Declaration of Trust effective, an extra ordinary resolution has been passed by at least by 75% of the aggregate amount outstanding to TFC holders. The trustee obtained necessary approval of TFC holders. The revised terms and conditions of the issue after rescheduling are as follows:

Principal redemption

The principal redemption of TFCs is structured to be in 63 un-equal monthly instalments starting from January 01, 2012 as

follows:

- Rs. 3 million per month starting from January 2012 to December 2012
- Rs. 4 million per month starting from January 2013 to December 2013
- Rs. 6 million per month starting from January 2014 to December 2014
- Rs. 13 million per month starting from January 2015 to February 2017
- Rs. 21.3 million in March 2017

Mark-up on TFCs

- The issue carries markup at 6% per annum for the first 36 months (i.e from January 01, 2012 to December 13, 2014) and one-month KIBOR for the remaining 27 months (i.e. from January 01, 2015 to March 01, 2017).
- Mark-up accrued on TFCs up to December 2011, amounting to Rs. 25.368 million, to be repaid in 3 equal instalments falling due in December 2014, December 2015 and December 2016.
- Mark-up payments on TFCs for first 24 months (i.e from January 01, 2012 to December 13, 2014) to be deferred till December 31, 2013 and to be repaid thereafter on a monthly basis (starting from the 25th month till the maturity of the TFC).

Trustee

In order to protect the interests of TFC holders, First Dawood Investment Bank Limited has been appointed as trustee under a trust deed with power to enforce the Company's obligations in case of default and to distribute the proceeds of any such enforcement, in accordance with the terms of the Declaration of Trust.

The Company defaulted in making payments to TFC holders in 2014 due to liquidity issues faced by the Company.

	December 31, 2016 Rupees (Un-audited)	June 30, 2016 Rupees (Audited)
18. LONG TERM SECURITY DEPOSITS AGAINST FINANCE LEASES		
Security deposits against finance leases	330,589,747	334,339,747
Current maturity of deposits against finance leases	(330,589,747)	(334,339,747)
	<u><u>-</u></u>	<u><u>-</u></u>
19. CONTINGENCIES AND COMMITMENTS		
There is no significant change in the status of contingencies and commitments as reported in the audited financial statements for the year ended June 30, 2016.		
	December 31, 2016	December 31, 2015
20. INCOME FROM FINANCE LEASES	(Rupees)	
	<i>Note</i>	
Income from finance lease contracts	178,795	886,680
Gain on termination of finance lease contracts	347,642	2,957,560
	<u>526,437</u>	<u>3,844,240</u>
21. OTHER OPERATING INCOME		
Income from financial assets:		
- Dividend income	3,960	5,494
- Interest income from government securities	425,367	632,058

- Return on certificates of deposit

- 1,213,697

- Interest income from savings accounts		213,423	152,422
		<u>642,750</u>	<u>2,003,671</u>
Income from other sources:			
- Waiver on settlement of long term finances	21.1.	<u>3,602,958</u>	<u>35,439,989</u>
- Others		<u>22,000</u>	<u>143,463</u>
		<u>3,624,958</u>	<u>35,583,452</u>
		<u>4,267,708</u>	<u>37,587,123</u>

21.1. This represents gain on settlement of financial liability of Rs. 2.76 million arising in respect of funds borrowed from M/S. AKD Aggressive Income Fund against issuance of an unsecured Letter of Placement (along with markup accrued thereon amounting to Rs 5.079 million).

	December 31, 2016	December 31, 2015
	(Rupees)	
22. FINANCE COST		
Mark-up on:		
- Long term finances	756,341	5,728,854
- Term finance certificates	7,022,888	8,226,577
- Short term borrowings	6,875,624	6,934,658
Return on certificates of investment	3,380,560	4,479,683
Bank charges	22,570	37,793
	<u>18,057,983</u>	<u>25,407,565</u>

23. ADMINISTRATIVE AND OPERATING EXPENSES

Salaries, Allowances and Benefits	10,414,905	11,419,040
Ex-gratia	-	1,151,397
Directors' fee	-	285,000
Rent	459,030	417,210
Repairs and maintenance	702,978	691,799
Insurance	69,024	69,177
Utilities	551,889	444,944
Vehicle running expenses	304,554	1,458,117
Printing and stationery	53,260	577,348
Telephone and postage	376,140	307,388
Travelling and conveyance	158,750	447,616
Fee and subscriptions	374,854	580,498
Legal and professional charges	1,350,890	7,551,167
Advertising and entertainment	245,906	187,877
Auditors' remuneration	156,500	156,500
Depreciation	6,684,187	6,661,340
Miscellaneous	579,483	627,523
	<u>22,482,350</u>	<u>33,033,941</u>

24. TRANSACTIONS WITH RELATED PARTIES AND ASSOCIATED UNDERTAKINGS

The related parties comprise of Saudi Pak Industrial & Agricultural Investment Company Limited (the major shareholder), other group companies, directors, key management personnel and employee benefit plans. The transactions between the Company and the related parties are carried out as per agreed terms. The Company also provides loan to employees at reduced rates in accordance with their terms of employment.

Transactions during the year

Details of transactions entered into with related parties, other than those disclosed elsewhere in these condensed interim financial statements, are as follows:

December 31, 2016	December 31, 2015
(Rupees)	

Major shareholder		
Rent paid	<u>279,510</u>	<u>279,510</u>
Directors fee		
Fee	<u>-</u>	<u>285,000</u>
Key management personnel		
Remuneration to key management personnel	<u>3,540,000</u>	<u>4,990,000</u>
Other related parties		
Payments to provident fund	<u>240,000</u>	<u>380,346</u>

Balances outstanding as of the end of the reporting period

Details of balances held with related parties, other than those disclosed elsewhere in these condensed interim financial statements, are as follows:

	December 31, 2016	June 30, 2016
	————— (Rupees) —————	
Major shareholder		
Preference dividend payable	<u>5,774,153</u>	<u>5,774,153</u>

25. SEGMENT INFORMATION

The business of the Company is divided into four reporting segments namely:

1. Finance lease operations,
2. Operating lease operations,
3. Term loans and
4. Investments

Finance and operating lease operations include leasing of moveable assets. Term loans include secured loans for tenure ranging from 3 months to 5 years whereas investments include equity and debt securities.

Management monitors the operating segments of its business units separately for the purpose of making decisions about resource allocation and performance assessment.

Other operations, which are not monitored by the management separately, are reported as 'Others'.

Segment assets and liabilities include all assets and liabilities related to the segment and segment revenues and expenses include all revenues and expenses related to the segment.

The Company's finance costs, administrative and other operating expenses, write-offs, taxation and assets and liabilities not related to the above mentioned segments are managed on Company basis and are not allocated to operating segments.

	December 31, 2016					
	Finance lease	Operating lease	Term loans	Investments	Others	Total
	————— (Rupees) —————					
Segment revenue						
Lease income	526,437	1,700,000	-	-	-	2,226,437
Interest income	-	-	-	425,367	213,423	638,790
Other income	-	-	-	3,960	3,624,958	3,628,918
Direct cost of operating leases	-	(1,002,443)	-	-	-	(1,002,443)
(Provisions) / reversals against assets	(17,002,619)	-	-	-	-	(17,002,619)
Segment results	(16,476,182)	697,557	-	429,327	3,838,381	(11,510,917)
Unallocated cost						
Financial charges						(18,057,983)
Administrative / operating expenses						(22,482,350)
						(40,540,333)
Loss before taxation						(52,051,250)
Taxation						(300,496)
Loss after taxation						(52,351,746)
Other information						
Segment assets	486,745,751	2,072,687	128,832,652	29,540,475	-	647,191,565
Unallocated assets	-	-	-	-	83,375,403	83,375,403
Total assets						730,566,968

Segment results	(16,476,182)	697,557	-	429,327	3,838,381	(11,510,917)
Unallocated cost						
Financial charges						(18,057,983)
Administrative / operating expenses						(22,482,350)
						<u>(40,540,333)</u>
Loss before taxation						<u>(52,051,250)</u>
Taxation						(300,496)
Loss after taxation						<u>(52,351,746)</u>
Other information						
Segment assets	486,745,751	2,072,687	128,832,652	29,540,475	-	647,191,565
Unallocated assets	-	-	-	-	83,375,403	<u>83,375,403</u>
Total assets						<u>730,566,968</u>
Segment liabilities	168,765,197	-	-	-	-	168,765,197
Unallocated liabilities	-	-	-	-	1,175,329,236	<u>1,175,329,236</u>
Total liabilities						<u>1,344,094,433</u>
Net assets						<u>(613,527,465)</u>

Unallocated cost						(18,057,983)
Financial charges						(22,482,350)
Administrative / operating expenses						(40,540,333)
Loss before taxation						(52,051,250)
Taxation						(300,496)
Loss after taxation						(52,351,746)
Other information						
Segment assets	486,745,751	2,072,687	128,832,652	29,540,475	-	647,191,565
Unallocated assets	-	-	-	-	83,375,403	83,375,403
Total assets						730,566,968
Segment liabilities	168,765,197	-	-	-	-	168,765,197
Unallocated liabilities	-	-	-	-	1,175,329,236	1,175,329,236
Total liabilities						1,344,094,433
Net assets						(613,527,465)

	December 31, 2015					Total
	Finance lease	Operating lease	Term loans	Investments	Others	
	(Rupees)					
Segment revenue						
Lease income	3,844,240	1,050,000	-	-	-	4,894,240
Interest income	-	-	-	1,845,755	152,422	1,998,177
Other income	-	-	-	5,494	35,583,452	35,588,946
Direct cost of operating leases	-	(1,552,632)	-	-	-	(1,552,632)
(Provisions) / reversals against assets	(9,930,106)	-	-	-	-	(9,930,106)
Segment results	(6,085,866)	(502,632)	-	1,851,249	35,735,874	30,998,625
Unallocated cost						
Financial charges						(25,407,565)
Administrative / operating expenses						(33,033,941)
Write-offs						-
Loss before taxation						(58,441,506)
Taxation						(27,442,881)
Loss after taxation						(135,582)
						(27,578,463)

	June 30, 2016					Total
	Finance lease	Operating lease	Term loans	Investments	Others	
	(Rupees)					
Other information						
Segment assets	513,128,692	2,616,645	129,905,703	33,744,768	-	679,395,808
Unallocated assets	-	-	-	-	96,717,442	96,717,442
Total assets						776,113,250
Segment liabilities	168,765,197	-	-	-	-	168,765,197
Unallocated liabilities	-	-	-	-	1,168,691,419	1,168,691,419
Total liabilities						1,337,456,616
Net assets						(561,343,366)

26. FAIR VALUE OF ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or liability in an orderly transaction between market participants at the measurement date. The management is of the view that the fair values of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are essentially short term in nature.

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).

Following is the fair value hierarchy of assets and liabilities carried at fair value.

26. FAIR VALUE OF ASSETS AND LIABILITIES

Fair value is the price that would be received to sell an asset or to transfer a liability in any orderly transaction on the balance sheet. Fair value measurements are carried at fair value transaction between market participants at measurement rate. The management is of the fair values of the remaining financial assets and liabilities are not significantly different from their carrying values since assets and liabilities are essentially short term in nature.

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).

Following is the fair value hierarchy of assets and liabilities carried at fair value.

	Level 1	Level 2	Level 3	Total
	----- (Rupees) -----			
Office premises and generators	-	36,304,765		
Investment in ordinary shares	117,721	-	14,664,938	14,782,659

The carrying amounts of all other financial assets and liabilities reflected in the financial statements approximate their fair values.

27. DATE OF AUTHORIZATION

These condensed interim financial statements (un-audited) were authorized for issue on _____ by the Board of Directors.


Chief Executive Officer




Director

