

	Note	September 30, 2017 Rupees (Un-audited)	June 30, 2017 Rupees (Audited)
ASSETS			
Current assets			
Cash and bank balances	5	2,771,071	8,386,192
Short term loans	6	88,121,920	88,322,635
Short term investments	7	29,374,302	29,557,182
Accrued Mark-up		-	-
Trade deposits and short term prepayments		1,825,533	911,493
Other receivables	8	7,294,025	7,340,383
Current maturity of non-current assets	9	523,505,852	524,211,983
Total current assets		652,892,703	658,729,868
Non-current assets			
Long-term loans	10	-	-
Net investment in finance leases	11	-	-
Investment properties	12	34,518,888	35,345,889
Property, plant and equipment	13	29,472,836	32,119,471
Total non-current assets		63,991,724	67,465,360
Total Assets		716,884,426	726,195,228
LIABILITIES			
Current liabilities			
Borrowings from financial institutions	14	174,930,728	174,930,728
Certificates of investment	15	43,000,000	43,000,000
Accrued mark-up	16	339,032,979	330,062,419
Provision for taxation - net		12,230,848	12,538,810
Accrued expenses and other payables	17	19,612,521	19,877,230
Current maturity of non-current liabilities	18	770,330,573	770,330,573
Preference dividend payable		5,774,153	5,774,153
Total current liabilities		1,364,911,801	1,356,513,972
Non-current liabilities			
Deferred tax liability - net		-	-
Long term finances	19	-	-
Security Deposits against Finance Leases	20	-	-
Total non-current liabilities		-	-
Total liabilities		1,364,911,801	1,356,513,972
NET ASSETS		(648,027,375)	(630,318,744)
FINANCED BY			
Authorized Share Capital			
100,000,000 (June 30, 2015: 100,000,000) ordinary shares of Rs. 10/-each		1,000,000,000	1,000,000,000
100,000,000 (June 30, 2015: 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		(1,820,285,432)	(1,803,925,212)
Unrealised gain on re-measurement of available for sale investments		17,520	18,228
Accumulated actuarial (loss) / gain on defined benefit plan-net of tax		(999,666)	(999,666)
		(663,525,884)	(647,164,956)
Surplus on revaluation of property, plant and equipment - net of tax	21	15,498,509	16,846,212
		(648,027,375)	(630,318,744)
CONTINGENCIES AND COMMITMENTS	22		

The annexed notes from 1 to 33 form an integral part of this condensed interim financial information

Chief Executive

Director

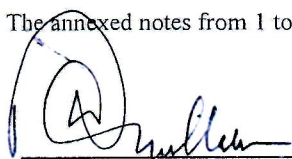
Chief Financial Officer


Saudi Pak Leasing Company Limited
 Condensed Interim Profit and Loss Account (Un-audited)
 For the quarter ended September 30, 2017




	Note	Quarter ended	
		September 30, 2017	September 30, 2016
		-----Rupees -----	
Revenue			
Income from:			
Finance leases	23	647,842	464,085
Operating leases		420,000	950,000
		1,067,842	1,414,085
Other operating income	25	302,742	340,149
TOTAL INCOME		1,370,584	1,754,234
Expenses			
Finance cost	26	8,977,254	9,061,576
Administrative and operating expenses	27	6,848,584	8,426,753
Depreciation	28	3,238,814	3,342,216
Amount written-off directly against loans and lease receivables		-	-
Direct cost of operating leases		271,979	550,459
		19,336,632	21,381,004
Operating (Loss) / Profit before provisions		(17,966,047)	(19,626,771)
Reversals / (Provisions) for doubtful leases, loans and other receivables		258,126	1,673,568
Reversal / (impairment) on investment properties		-	-
		258,126	1,673,568
Profit / (Loss) before taxation		(17,707,921)	(17,953,203)
Taxation			
- Current		-	-
- Deferred		-	-
		-	-
Profit / (Loss) for the period		(17,707,921)	(17,953,203)
(Loss) / Earnings per share - basic	31	(0.39)	(0.40)
(Loss) / Earnings per share - diluted	31	(0.18)	(0.18)

The annexed notes from 1 to 33 form an integral part of this condensed interim financial information.


 Chief Executive

 Director



 Chief Financial Officer

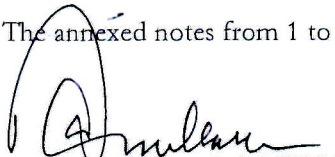
Saudi Pak Leasing Company Limited
 Statement of Comprehensive Income (Un-audited)
 For the quarter ended September 30, 2017



	Quarter Ended	
	September 30, 2017	September 30, 2016
	-----Rupees-----	
(Loss) / profit after taxation	(17,707,921)	(17,953,203)
<i>Other comprehensive income</i>		
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Unrealised (loss) / gain on re-measurement of available for sale investments	(708)	386
Remeasurement of defined benefit plan	-	-
Deferred tax on remeasurement of defined benefit plan	-	-
Total comprehensive income for the year	(17,708,629)	(17,952,817)

Surplus / (deficit) arising on revaluation of certain classes of property, plant and equipment has been reported in accordance with the requirements of the Companies Ordinance, 1984, as a separate line item below equity.

The annexed notes from 1 to 33 form an integral part of this condensed interim financial information.



 Chief Executive

 Director

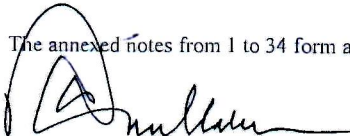


 Chief Financial Officer



	Note	Quarter Ended	
		September 30, 2017	September 30, 2016
		-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES		(6,830,780)	(6,378,434)
Finance cost paid		(6,754)	7,297
Taxes paid		(307,962)	(179,524)
Security deposits paid to lessees		-	-
Finance lease rentals received		1,194,863	3,677,967
		880,147	3,505,740
<i>Net cash flows from operating activities</i>		(5,950,634)	(2,872,694)
CASH FLOW FROM INVESTING ACTIVITIES			
Acquisition of property, plant and equipment		(37,147)	(23,300)
short term investments - net		384,160	(20,151)
Proceeds from disposal of short term investments		-	-
Proceeds from disposal of property, plant and equipment		-	-
Repayment of long term loans		(11,501)	69,550
Dividend received		-	-
<i>Net cash (used in) / from investing activities</i>		335,512	26,099
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of long term finances		-	-
Repayment of certificates of investment		-	-
<i>Net cash used in financing activities</i>		-	-
Net decrease in cash and cash equivalents during the period		(5,615,122)	(2,846,595)
Cash and cash equivalents at beginning of the period		8,386,192	13,582,736
Cash and cash equivalents at end of the period		2,771,071	10,736,141

The annexed notes from 1 to 34 form an integral part of this condensed interim financial information.



Chief Executive

Director

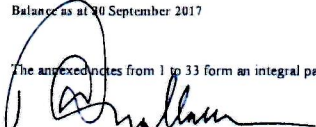


Chief Financial Officer



	Issued, subscribed and paid-up share capital		Reserves				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	
----- Rupees -----							
Balance as at July 1, 2016	451,605,000	528,208,500	177,928,194	22,975	(1,020,858)	(1,740,006,523)	(583,262,712)
Loss after taxation for the period ended September 30, 2016	-	-	-	-	-	(17,953,203)	(17,953,203)
Transfer from surplus on revaluation of properties on account of incremental depreciation	-	-	-	-	-	1,347,702	1,347,702
- Remeasurement of defined benefit plan - net of tax	-	-	-	-	-	-	-
Unrealised loss on re-measurement of available for sale investments	-	-	-	386	-	-	386
	-	-	-	386	-	(16,605,501)	(16,605,115)
Balance as at September 30, 2016	451,605,000	528,208,500	177,928,194	23,361	(1,020,858)	(1,756,612,024)	(599,867,827)
Balance as at July 1, 2017	451,605,000	528,208,500	177,928,194	18,228	(999,666)	(1,803,925,212)	(647,164,956)
Total comprehensive income for the period	-	-	-	-	-	-	-
Loss after taxation for the period ended September 30, 2017	-	-	-	-	-	(17,707,921)	(17,707,921)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	-	-	-	1,347,702	1,347,702
Unrealised (loss) / gain on re-measurement of available-for-sale investments	-	-	-	(708)	-	-	(708)
	-	-	-	(708)	-	(16,360,220)	(16,360,928)
Balance as at 30 September 2017	451,605,000	528,208,500	177,928,194	17,520	(999,666)	(1,820,285,432)	(661,525,884)

The annexed notes from 1 to 33 form an integral part of this condensed interim financial information.


 Chief Executive

Director


 Chief Financial Officer



1. LEGAL STATUS AND OPERATIONS

1.1 Saudi Pak Leasing Company Limited (the Company) was incorporated in Pakistan on January 08, 1991 under the Companies Ordinance, 1984 and is listed on all the three stock exchanges in Pakistan. 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 May 18, 2010 and renewal is pending with the Securities and Exchange Commission of Pakistan.

Saudi Pak Industrial & Agricultural Investment Company Limited (SAPICO) is the major shareholder and as of 30 September 2017 holds 35.06% (30 June 2017: 35.06%) of issued ordinary share capital of the Company and 63% (30 June 2017: 63%) of issued preference share capital of the Company.

1.2 The country's weak economic fundamentals has had a pessimistic impact on the local economy. The country is facing serious challenges for the last several years on account of numerous factors along with energy crisis and law and order situation. Higher inflation, political instability, disturbed security environment and lack of trust of foreign investors are the other main reasons and have caused a serious dent in the country's economy.

These factors provide foundation for severe liquidity crunch in the leasing sector nationwide and consequently affected the Company as well. The Company was thus trapped in the mud of defaults wherein recovery from customers has become an uphill task. The deteriorated financial position of the Company can only be overcome by way of fresh injection of funds from sponsors and partially from the recovery on account of balance lease / loan portfolio which is mainly stuck up under litigation. The management is trying its level best to recover as much as possible from the available means.

Although uncertainty still exists due to the above factors which may cast doubt on the Company's ability to continue as a going concern. However, the management of the Company is confident that due to steps / measures as explained in the next paragraphs which are in line with the Board's approved rehabilitation plan for capital management and the approved financial projections, the going concern assumption is appropriate and has as such prepared these financial statements on a going concern basis. Further, in order to improve the financial health including equity position of the Company, the Directors are in the process of identifying strategic investors to inject funds into the Company. This will generally help to revive the liquidity position of the Company.

- Management is hopeful that the reduction in financing cost through restructuring / settlements with the lenders against settlement of loans will assist in reducing the losses and improving the equity. This will make the Company an attractive candidate for equity participation / merger along with an opportunity for the existing shareholders to inject additional equity. The Company intends to aggressively follow-up with its non-performing portfolio for the recovery of principal, mark-up and possession of collateral assets.
- The Company has requested the Securities and Exchange Commission of Pakistan (SECP) for relaxation in the minimum capital requirement under NBFC Rules, 2008 and is hopeful that this request will be accepted based on the condition of the overall business environment and the Company's position in the overall leasing sector.

2. BASIS OF PREPERATION

2.1 Statement of Compliance

This condensed interim financial information of the Company for the three months ended 30 September 2017 has been prepared in accordance with the requirements of the International Accounting Standard 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.

2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention except for plant and machinery which are stated at revalued amounts, investments classified as available for sale which are stated at fair value and obligations in respect of gratuity which are measured at present value of defined benefit obligations less fair value of plan assets.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency and has been rounded-off to the nearest rupee.

2.4 Use of estimates and judgments

The preparation of the condensed Interim Financial statement require management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgments made by management and the key sources of estimating uncertainty in preparation of these condensed interim financial statements were same as those applied to the annual financial statements for the period ended 30 September 2017.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND JUDGMENTS

The accounting policies and basis for accounting estimates adopted for the preparation of this condensed interim financial information (un-audited) are consistent with those followed in the preparation of the Company's annual financial statements for the year ended June 30, 2017.

4. FINANCIAL RISK AND CAPITAL MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements of the Company as at and for the year ended 30 June 2015.

5. CASH AND BANK BALANCES	Note	September 30, 2017 Rupees (Un-audited)	June 30, 2017 Rupees (Audited)
Cash in hand		67,545	67,545
Balance with State Bank of Pakistan in current account - local currency		9,404	11,372
Balances with other banks:			
- in current account		5,500	5,500
- in saving accounts		2,688,621	8,301,775
		<u>2,771,071</u>	<u>8,386,192</u>

5.1 This represents saving deposit accounts maintained with various commercial banks at mark-up rate ranging from 4% to 5% (30 June 2015: 5% to 7%) per annum.

6. SHORT TERM LOANS - Secured	Note	September 30, 2017 Rupees (Un-audited)	June 30, 2017 Rupees (Audited)
Term loan to customers			
- Considered doubtful	6.1	199,506,119	199,506,119
Provision for non-performing loans	6.2	(111,384,199)	(111,183,484)
		<u>88,121,920</u>	<u>88,322,635</u>

6.1 This represents term finance facilities provided to customers and carries mark-up ranging from 16.25% to 25% (30 June 2015: 16.25% to 25%) per annum.

7. SHORT TERM INVESTMENTS	Note	September 30, 2017 Rupees (Un-audited)	June 30, 2017 Rupees (Audited)
Available-for-sale		14,768,392	14,769,101
Held to maturity	7.2	14,605,910	14,788,081
		<u>29,374,302</u>	<u>29,557,182</u>

7.1 Available-for-sale	Note	September 30, 2017 Rupees (Un-audited)	June 30, 2017 Rupees (Audited)
Ordinary shares of listed companies	7.1.1	85,935	85,935
Ordinary shares of unlisted companies	7.1.2	14,664,938	14,664,938
Available-for-sale at cost		14,750,873	14,750,873
Accumulated impairment		-	-
		<u>14,750,873</u>	14,750,873
Unrealised gain on re-measurement of available for sale securities		17,520	18,228
Available-for-sale at market value		<u>14,768,393</u>	<u>14,769,101</u>

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

7.1.2 Detail of investment in the ordinary shares of unlisted company is as follows:

SPI Insurance Company Limited	14,664,938	14,664,938
-------------------------------	------------	------------

7.2	Held to Maturity			
	Government Market Treasury Bills	7.2.1	<u>14,605,910</u>	14,788,081
			<u>14,605,910</u>	<u>14,788,081</u>
7.2.1	This represents investment in Government Market Treasury Bill having maturity on 21 December 2017 and carries effective mark-up at a rate of 5.99 % (30 June 2017: 5.80%) per annum.			
8.	OTHER RECEIVABLES			
	Operating lease rentals receivables		11,745,095	11,745,095
	Receivable on termination of finance leases		68,111,152	68,127,758
	Others		<u>9,982,781</u>	<u>10,012,533</u>
			<u>89,839,028</u>	<u>89,885,386</u>
	Provision against doubtful receivables		<u>(82,545,003)</u>	<u>(82,545,003)</u>
			<u>7,294,025</u>	<u>7,340,383</u>
9.	CURRENT MATURITY OF NON - CURRENT ASSETS			
	Current portion of:			
	Long term loans	10	34,548,707	34,336,494
	Net investment in finance leases	11	<u>488,957,145</u>	<u>489,875,489</u>
			<u>523,505,852</u>	<u>524,211,983</u>
10.	LONG TERM LOANS - secured			
	Related party			
	Due from employees - considered good		1,028,301	1,016,801
	Other than related party			
	Term loan to customers			
	- Considered doubtful	10.1	<u>100,164,030</u>	<u>100,164,030</u>
			<u>101,192,331</u>	<u>101,180,830</u>
	Provision for non-performing loans		<u>(66,643,624)</u>	<u>(66,844,336)</u>
			<u>34,548,707</u>	<u>34,336,494</u>
	Current maturity of long term loans	9	<u>(34,548,707)</u>	<u>(34,336,494)</u>
			<u>-</u>	<u>-</u>
10.1	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 2017: 16.00% to 22.66%) per annum.			
11.	NET INVESTMENT IN FINANCE LEASES			
			Rupees	
	Minimum lease payments receivable		1,366,648,973	1,367,827,435
	Add: Residual value of leased assets		344,569,999	344,569,999
	Gross investment in finance leases		<u>1,711,218,972</u>	<u>1,712,397,434</u>
	Less: Unearned lease income		-	-
	Mark-up held in suspense	11.2	<u>329,684,899</u>	<u>329,686,891</u>
			<u>329,684,899</u>	<u>329,686,891</u>
			<u>1,381,534,073</u>	<u>1,382,710,543</u>
	Less: Provision for potential lease losses	11.3	<u>892,576,929</u>	<u>892,835,055</u>
	Net investment in finance leases		<u>488,957,145</u>	<u>489,875,489</u>
	Less: Current portion of net investment in finance leases	9	<u>(488,957,145)</u>	<u>(489,875,489)</u>
			<u>-</u>	<u>-</u>
11.1	The internal rate of return on leases disbursed by the Company ranges from 12.50% to 20.01% (June 30 2017: 12.50% to 20.01%) per annum. Certain lease rentals have been hypothecated against long term finances obtained (refer note No 20.1).			
11.2	Mark-up held in suspense			
	Balance at beginning of the year		329,686,891	332,201,737
	Income suspended during the period		-	-
			<u>329,686,891</u>	<u>332,201,737</u>
	- realised during the period		<u>(1,992)</u>	<u>(2,514,846)</u>
	- written-off during the period		<u>-</u>	<u>-</u>
			<u>(1,992)</u>	<u>(2,514,846)</u>
	Balance at the end of the period		<u>329,684,899</u>	<u>329,686,891</u>
11.3	Provision for lease losses			
	Balance at beginning of the year		892,835,055	890,401,010
	Charge for the period		-	18,940,640
	Reversal for the period		<u>(258,126)</u>	<u>(16,506,595)</u>
			<u>(258,126)</u>	<u>2,434,045</u>

Write-offs against provision		-	-
Balance at end of the period		<u>892,576,929</u>	<u>892,835,055</u>
		September 30, 2017	June 30, 2017
		Rupees	Rupees
		(Un-audited)	(Audited)
12. INVESTMENT PROPERTIES	Note		
Cost at beginning of the year		66,160,092	66,160,092
Additions during the year		-	-
Disposals during the year		-	-
Cost at end of the year		<u>66,160,092</u>	<u>66,160,092</u>
Accumulated depreciation at beginning of the year		(24,008,507)	(21,420,623)
Depreciation charged during the year	28	(827,001)	(2,587,884)
Accumulated depreciation at end of the year		<u>(24,835,508)</u>	<u>(24,008,507)</u>
Impairment loss on investment properties		(6,805,696)	(6,805,696)
Carrying value of investment properties		<u>34,518,888</u>	<u>35,345,889</u>
13. PROPERTY, PLANT AND EQUIPMENT			
Property, plant and equipment - own use		28,216,086	30,590,742
Property, plant and equipment - operating lease		<u>1,256,750</u>	<u>1,528,729</u>
		<u>29,472,836</u>	<u>32,119,471</u>
		September 30, 2017	June 30, 2017
		Rupees	Rupees
		(Un-audited)	(Audited)
Additions - Cost	Note		
<i>Owned assets</i>			
Office Premises		-	-
Office equipment		37,147	43,300
Total additions		<u>37,147</u>	<u>43,300</u>
Disposals - Cost			
<i>Owned assets</i>			
Vehicles		-	(2,176,000)
<i>Operating Lease Assets</i>			
Generators		-	-
Total disposals		<u>-</u>	<u>(2,176,000)</u>
14. BORROWINGS FROM FINANCIAL INSTITUTIONS			
Letter of placements - Unsecured			
National Bank of Pakistan	14.1	77,500,000	77,500,000
Innovative Investment Bank Limited	14.2	60,000,000	60,000,000
Meezan Bank Limited	14.3	27,001,588	27,001,588
AKD Aggressive Income Fund	14.4	-	-
KASB Income Opportunity Fund	14.5	10,429,140	10,429,140
		<u>174,930,728</u>	<u>174,930,728</u>
14.1	This represents finance of Rs. 77.50 million obtained from National Bank of Pakistan on 01 April 2010 through a letter of placement carrying mark-up at a rate of 11.20% per annum for a period of 40 days. The Company has not paid any amount in respect of this finance. As of 30 September 2017, the Company has accrued a mark-up of Rs. 65.16 million.		
14.2	This represents finance of Rs. 63 million obtained from Innovative Investment Bank Limited on 3 December 2010 through a letter of placement carrying mark-up at a rate of 8% per annum for a period of 90 days. The facility was rolled over for a further period of 184 days on 14 March 2011. Since the disbursement of facility, the Company has paid an amount of Rs. 3 million on account of principal repayment. As of 30 September 2017, the Company has accrued a mark-up of Rs. 36.45 million.		

14.3 This represents finance of Rs. 150 million obtained from Meezan Bank Limited (MEBL) on 20 September 2008, under Murabaha arrangement at a rate of 12% per annum. The Company paid Rs. 81 million on various dates from September 2008 to June 2011. The remaining amount of Rs. 69 million was restructured by way of settlement agreement on 22 April 2011 whereby the Company transferred a lease portfolio of Rs. 32 million. On 03 September 2012, a revised settlement agreement was signed according to which loan to be settled by way of transferring of Company's assets / collateral held by the Company against one of its non-performing borrowers and cash payment of Rs. 9.870 million as down payment. The Company made the down payment on 06 September 2012 and the collateral held by the Company against the non-performing borrower is to be transferred after the execution of a tripartite agreement between the Company, MEBL and the said borrower. The management is currently under a negotiation for an early execution of the said agreement. As per the restructuring terms, the finance carries no mark-up.

14.4 This represents finance of Rs. 26 million obtained from AKD Aggressive Income Fund on 23 June 2011 through a letter of placement for a period of 30 days at a rate of 10% per annum. In 2013, the Company has restructured the loan by way of the settlement agreement. As per the latest agreement dated 14 January 2013, the Company is required to settle the loan through following terms:

- Down payment of Rs. 1.24 million;
- 14 equal monthly cash payments of Rs. 1.33 million starting from January 2013; and
- Transfer of shares of an unlisted company against liability of Rs. 2.76 million.

The Company made down payment of Rs. 1.24 million on 31 December 2012 and has paid the monthly instalments on the agreed dates as per the revised agreement. The transfer of shares is yet to be executed. As of 30 September 2017, the Company has accrued a mark-up of Rs. 4.8 million on this borrowing.

14.5 This represents finance of Rs. 117 million obtained from KASB Funds (KASB Income Opportunity Fund and KASB Asset Allocation Fund) on 13 July 2009. The finance was restructured by way of settlement agreement dated 28 December 2011. As per the agreement, 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 twenty four equal monthly instalments.

The Company has paid all the instalments as per restructured agreement on account of principal repayment in respect of KASB Income Opportunity Fund and KASB Asset Allocation Fund. As a result, KASB Asset Allocation Fund has been settled in full during the period. The Company is pursuing the transfer of collateral held of one of its non-performing borrower to settle its liability in respect of KASB Income Opportunity Fund. As per restructuring terms, these finances carry no mark-up.

	September 30, 2017	June 30, 2017
	Rupees (Un-audited)	Rupees (Audited)
15. CERTIFICATE OF INVESTMENT	43,000,000	43,000,000
16. ACCRUED MARK-UP		
Mark-up on:		
- certificates of investment	83,156,655	81,466,375
- long term finances	40,786,675	40,429,575
- term finance certificates	102,293,018	98,767,597
- short term borrowings from financial institutions	112,796,631	109,398,932
	339,032,979	330,062,479
17. ACCRUED EXPENSES AND OTHER PAYABLES		
Accrued expenses	10,171,914	10,241,914
Unclaimed dividend	1,661,291	1,661,291
Others	7,779,316	7,974,025
	19,612,521	19,877,230
18. CURRENT MATURITY OF NON- CURRENT LIABILITIES		
Current portion of:		
Certificate of investment	54,049,000	55,349,000
Long term finances	19 392,032,444	392,032,444
Security deposits against finance leases	20 324,249,129	324,249,129
	770,330,573	771,630,573

		September 30, 2017 Rupees (Un-audited)	June 30, 2017 Rupees (Audited)
19. LONG TERM FINANCES	Note		
Long term finances - secured	19.1	163,061,501	163,061,501
Long term finances - unsecured		<u>5,703,696</u>	<u>5,703,696</u>
Term finance certificates - secured	19.2 19.3	<u>168,765,197</u> <u>223,267,246</u>	<u>168,765,197</u> <u>223,267,246</u>
Current maturity of long term finances	18	<u>392,032,443</u> <u>(392,032,443)</u>	<u>392,032,443</u> <u>(392,032,443)</u>
		<u>-</u>	<u>-</u>
19.2 Long term finances		Principal Outstanding	
		September 30, 2017	June 30, 2017
		----- (Rupees) -----	
Secured			
National Bank of Pakistan - II	19.2.1	12,500,000	12,500,000
First Women Bank Limited	19.2.2	75,061,505	75,061,505
Askari Income Fund	19.2.3	13,500,000	13,500,000
Soneri Bank Limited	19.2.4	61,999,996	61,999,996
Un-secured			
Silk Bank Limited	19.2.5	<u>5,703,696</u>	<u>5,703,696</u>
		<u>168,765,197</u>	<u>168,765,197</u>

- 19.1** 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.
- 19.2.1** This represents finance of Rs. 100 million obtained from National Bank of Pakistan on 17 March 2005 mainly for lease financing activities. As per the agreement, loan was payable in semi-annual instalments of Rs. 12.5 million each from 17 September 2005 to 17 March 2009. The agreement was amended with the maturity date to March 2010. As of 30 September 2017, all instalments were paid except for the last instalment which was due on 17 March 2009 and is still outstanding. As per agreement the finance carries mark-up at 6 month KIBOR + 1.5%, payable semi-annually. As of 30 September 2017, the Company has accrued mark up of Rs. 11.46 million.
- 19.2.2** This represents finance of Rs. 127 million obtained from First Women Bank Limited on 31 December 2008 mainly for lease financing activities. The finance was restructured by way of settlement agreement dated 01 March 2010. As per the rescheduling terms, the entire principal was payable in unequal monthly instalments upto 31 December 2012. The Company paid the instalments up to 31 December 2010 and afterwards no amount has been paid. As per rescheduling agreement the finance carries mark-up at 12% per annum, payable monthly. As of 30 September 2017, the Company has accrued mark-up of Rs. 24.05 million. As per the latest restructuring terms, the company is liable to pay liquidated damages/penalty of Rs 7.133 million. The company has not recognized the charges in this respect. However the management has disclosed the same as contingent liability.
- 19.2.3** This represents finance of Rs. 50 million obtained from Askari Income Fund mainly for lease financing activities. The finance was restructured by way of settlement agreement on 01 March 2010 and 31 January 2011. As per the rescheduling terms, the entire principal was payable in monthly instalments of Rs. 1 million starting from 16 February 2011 and outstanding mark-up was waived. The Company paid instalments upto June 2011 and has not paid any amount till date. As per the latest restructuring terms, the company is liable to pay liquidated damages/penalty of Rs 10.8 million. The company has not recognized the charges in this respect. However the management has disclosed the same as contingent liability.
- 19.2.4** This represents finance of Rs. 115 million obtained from Soneri Bank Limited on 22 March 2010 mainly for lease financing activities. The finance was restructured by way of settlement agreement on 22 December 2010. As per the rescheduling terms the entire principal was payable in monthly instalments of Rs. 1 million starting from November 2010. The Company paid the instalments upto 16 March 2011. The Company restructured the loan by way of settlement agreement on 7 May 2013 to settle the loan through following terms:
- 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) at Thokar Niaz Baig, Lahore. However, this property has not been transferred to Soneri Bank Limited due to legal complications and the company is considering to offer alternate property of the same value acceptable to Soneri Bank Limited;

- 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.

The Company has settled the loan amounting to Rs. 43 million by way of cash payment of Rs. 25 million on 28 August 2013 (and has recognised a waiver of Rs 18 million against the said payment). The Company has also paid the instalments on due dates. Transfer of property is yet to be executed. As per the revised restructuring terms, this finance carries no mark-up.

The transfer of property amounting to Rs. 150 million was completed on 19 July 2012. The issuance of preference shares amounting to Rs. 195 million was completed in 2013. The Company paid seven monthly instalments of Rs. 1 million. As per latest restructuring terms this finance was carrying no mark-up. The Company has fully paid the liability of Rs. 15.9 million in November 2015 as per the settlement arrangement agreed with the bank and accordingly an amount of Rs. 6.941 million being balance of accrued markup has been waived by Bank of Khyber

- 19.2.5** This represents finance of Rs. 15.7 million obtained from Silk Bank Limited on 27 April 2009 against issuance of irrevocable letter of comfort to Silk Bank on account of Uni-Link International for opening of letter of credit. The Company has paid Rs. 4 million upto 31 March 2011. The finance has been restructured by way of a settlement agreement dated 12 September 2012. As per the agreement loan is to be settled by making down payment of Rs. 0.707 million and balance of Rs. 11 million is to be paid in 54 equal monthly instalments of Rs. 0.204 million per month. As of 30 September 2017, the Company has accrued a mark up of Rs. 5.27 million and five monthly instalments of Rs. 0.204 million each were paid by the Company upto November 2014 and since then the Company has not paid any amount. As per latest restructuring terms this finance carries no mark-up.

- 19.3** 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 13 September 2010 and was further restructured by way of "Second Supplemental Declaration of Trust" dated 13 January 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 13 January 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. 20.854 million in March 2017

Mark-up on TFCs

- The issue carries return at 6% per annum for first 36 months (from 13 January 2012 to 13 December 2014).
- One month's KIBOR per annum for remaining 27 months (from 13 January 2015 to 13 March 2017).
- Mark-up shall be paid on monthly basis starting from 25th month till the maturity of the TFC.
- Mark-up payments on TFCs for first 24 months is deferred till 13 December 2013. Deferred mark-up is the sum of deferred mark-up payments for the first 24 months and the outstanding deferred mark-up (relating to first restructuring as of 13 December 2013) and amounts to Rs. 25.368 million.
- Mark-up on TFCs is deferred till 13 December 2013 and is payable in 3 equal instalments in December 2014, 2015 and 2016.

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.

		September 30, 2017 Rupees (Un-audited)	June 30, 2017 Rupees (Audited)
20. LONG TERM SECURITY DEPOSITS AGAINST FINANCE LEASES	Note		
Security deposits against finance leases	20.1	324,249,129	324,249,129
Current maturity of deposits against finance leases	18	<u>(324,249,129)</u>	<u>(324,249,129)</u>
		<u>-</u>	<u>-</u>
20.1	This represents security deposits received from lessees under lease contracts and are adjustable on expiry of the respective lease periods.		
21. SURPLUS ON REVALUATION OF ASSETS			
Surplus on revaluation of property, plant and equipment	21.1	<u>15,498,509</u>	<u>21,919,346</u>
		<u>15,498,509</u>	<u>21,919,346</u>
21.1	The property, plant and equipment of the Company were revalued as at September 28, 2008, June 27, 2012, June 30, 2012 & June 30, 2015. The revaluation was carried out by independent valuers, on the basis of professional assessment of present market values and resulted in surplus of Rs.33,769,445 and Rs.41,486,216 respectively over the written down values.		
		September 30, 2017 Rupees (Un-audited)	June 30, 2017 Rupees (Audited)
22. CONTINGENCIES AND COMMITMENTS			
Claims against the Company not acknowledged as debts		<u>193,558,675</u>	<u>193,558,675</u>
22.1	The above includes contingencies of Rs. 127.341 million which represents cases which are filed against the Company as counter claims. It also includes contingencies of Rs. 66.218 million filed against the Company in lieu of rendition of accounts. In view of the legal advisor, the Company is not likely to suffer any loss on account of the aforementioned cases.		
22.2	The ex-employees of the Company have filed two cases against the company before High Court of Sindh claiming an amount of Rs. 65.935 million in lieu of gratuity and other retirement benefits. In view of the legal advisor, the Company is not likely to suffer any loss on account of the aforementioned cases.		
22.3	The above include contingencies which represent a case which is filed by the Company in the civil court against a tenant as disclosed in note 13, in which a decree had been given in favour of the Company for the payment of rent amounting to Rs. 30.2 million. The tenant in response to such decree has filed an appeal before higher courts and as at 30 September 2017 the decision of such case is still pending. The Company's legal counsel is of the view that a favourable outcome will be given in favour of the Company.		
22.4	The Company has been issued with a notice under section 14 of the Federal Excise Act, 2005. In the notice it has been alleged that the Company has not paid Federal Excise Duty (FED) in terms of section 3 (read with Entry 8 of Table-II of the First Schedule) to the Federal Excise Act 2005 for the periods 2007-08, 2008-09 and 2009-10 on services provided including both funded and non-funded services. Accordingly, Rs. 126.205 million has been alleged to be recoverable. The above amount of FED has been imposed on all the incomes of the Company for the said three years including mark-up income earned on finance lease contracts.		

According to the Company's tax advisor, FED is applicable in respect of document fee, front end fee and syndicate lease income. These represent services rendered by leasing companies in respect of finance lease which are funded services. However, these services for the periods 2007-08 and 2008-09 are not chargeable to FED because of the reason that for those years FED was chargeable on services which were non-funded. However, for the periods 2009-10, due to amendment in Entry 8 the said services are chargeable to FED as provisions of the Federal Excise Act, 2005.

The Company has filed an appeal before the Commissioner Inland Revenue (Appeals) CIR (A) against the said order. The CIR (A) vide through appellate order number 97 of 2012 dated 30 April 2012 constituted that the duty so charged is legally and constitutionally valid under the FED Act 2005. However, it also mentioned that the notice issued is barred by time for the period from July 2007 to September 2008 and accordingly deleted the levy of FED for the said tax period. The Company has filed appeal before the Appellate Tribunal Inland Revenue (ATIR) against the above CIR (A) order who has decided the case in favour of the company during the year.

- 22.5 As disclosed in note 20.2.2 and 20.2.3 the Company has not recorded the liquidated damages / penalty in respect as the management believes the likelihood of occurrence of outflow of economic resources is remote against these damages / penalties.

	September 30, 2017 (Unaudited)	September 30, 2016 (Unaudited)
	-----Rupees-----	
23. INCOME FROM FINANCE LEASES		
Income from finance lease contracts	1,992	168,976
Gain on termination of finance lease contracts	645,850	295,109
	<u>647,842</u>	<u>464,085</u>

24. **CAPITAL MANAGEMENT POLICIES AND PROCEDURES**

Capital requirements applicable to the Company are set out and regulated by the Securities and Exchange Commission of Pakistan (SECP). These requirements are put in place to ensure sufficient solvency margins. SECP extended the minimum equity requirement as per NBFC Regulations, 2008 vide SRO 764(I) / 2009 dated 2 September 2009 wherein the Company is required to meet the minimum equity requirements of Rs. 350 million, Rs. 500 million and Rs. 700 million by 30 June 2011, 30 June 2012 30 June 2014 and 30 June 2015 respectively.

The Company has requested the SECP for relaxation in the above requirements and is hopeful that this request will be accepted based on the conditions of the business environment and the Company's position in the overall leasing sector, as well as its past performance and the reason given in note 1.2.

	September 30, 2017 (Unaudited) Rupees	September 30, 2016 (Unaudited) Rupees
25. OTHER OPERATING INCOME		
Income from financial assets:		
- Dividend income	-	-
- Interest income from government securities	220,389	211,396
- Interest income on term loans	-	-
- Return on certificates of deposit	-	-
- Interest income from savings accounts	82,353	118,753
	<u>302,742</u>	<u>330,149</u>
Income from non-financial assets:		
- Gain on sale of property, plant and equipment	-	-
- Waiver on settlement of long term finances	-	-
- Others	-	10,000
	-	10,000
	<u>302,742</u>	<u>340,149</u>

	September 30, 2017 (Unaudited)	September 30, 2016 (Unaudited)
	-----Rupees-----	
26. FINANCE COST		
Mark-up on:		
- Long term finances	357,100	383,911
- Term finance certificates	3,525,421	3,512,759
- Short term borrowings	3,397,699	3,467,329
Return on certificates of investment	1,690,280	1,690,280
Bank charges	6,754	7,298
	<u>8,977,254</u>	<u>9,061,576</u>

	September 30, 2017 (Unaudited) Rupees	September 30, 2016 (Unaudited) Rupees
27. ADMINISTRATIVE AND OPERATING EXPENSES		
Salaries, Allowances and Benefits	3,736,446	5,597,993
Rent	249,382	257,565
Repairs and maintenance	29,548	358,650
Insurance	31,842	34,512
Utilities	192,904	298,858
Vehicle running expenses	501,240	146,756
Printing and stationery	390,550	19,704
Telephone and postage	188,557	175,414
Travelling and conveyance	20,200	103,670
Fee and subscriptions	823,843	192,814
Legal and professional charges	316,277	909,520
Advertising and entertainment	43,480	42,836
Auditors' remuneration	500	-
Miscellaneous	323,815	288,461
	6,848,584	8,426,753
28. DEPRECIATION		
Depreciation on owned assets	2,411,813	2,515,215
Depreciation on investment properties	827,001	827,001
	3,238,814	3,342,216
29. CASH GENERATED FROM OPERATIONS		
(Loss) / profit for the period before taxation	(17,707,921)	(17,953,203)
Adjustment for non cash charges and other items :		
Depreciation - owned assets	2,411,813	2,515,215
Depreciation - investment properties	827,001	827,001
Depreciation - assets under operating lease	271,979	271,979
Financial charges and other charges	8,977,254	9,061,576
(Provision) / reversals for doubtful leases, loans and other receivables	(258,126)	(1,673,568)
Dividend income	-	-
Interest income from government securities	(220,389)	(162,815)
Gain on sale of property, plant & equipment	-	-
Amount written off directly against loans, lease receivables and investments	-	-
Impairment on available for sale investments	-	-
Gain on settlement of loans	-	-
	12,009,532	10,839,388
(Loss)/profit before working capital changes	(5,698,389)	(7,113,814)
Working capital changes		
Short term loans	-	1,050,000
Accrued mark-up	-	-
Trade deposits and short term prepayments / other receivables	(867,682)	(530,691)
Accrued and other payables	(264,709)	216,071
	(1,132,391)	735,380
Cash (used in) / generated from operations after working capital changes	(6,830,780)	(6,378,434)

30. TRANSACTIONS WITH RELATED PARTIES AND ASSOCIATED UNDERTAKINGS

Aggregate transactions with related parties and associated undertakings which are not disclosed in respective notes are as follows:

	September 30, 2017 (Unaudited) Rupees	September 30, 2016 (Unaudited) Rupees
Major Shareholder		
Rent paid	153,732	139,755
Certificate of deposit (COD)	-	-
Markup on Certificate of deposit (COD)	-	-
Preference dividend payable	3,642,485	3,642,485
Directors fee		
Fee	-	-
Key management personnel		
Remuneration to key management personnel	1,650,000	1,770,000
Other related parties		
Payments to gratuity fund	-	-
Payments to provident fund	120,000	120,000

31. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED

(Loss) / Profit after taxation attributable to ordinary shareholders	<u>(17,707,921)</u>	<u>(17,953,203)</u>
	(Number)	
Weighted average number of ordinary shares	<u>45,160,500</u>	<u>45,160,500</u>
	(Rupees)	
(Loss) / Earnings per share - Basic	<u>(0.39)</u>	<u>(0.40)</u>
(Loss) / Profit after taxation attributable to ordinary shareholders - net of dilution effect	<u>(17,707,921)</u>	<u>(17,953,203)</u>
	(Number)	
Weighted average number of ordinary shares - net of dilution effect	<u>97,981,350</u>	<u>97,981,350</u>
	(Rupees)	
(Loss) / Earnings per share - Diluted	<u>(0.18)</u>	<u>(0.18)</u>

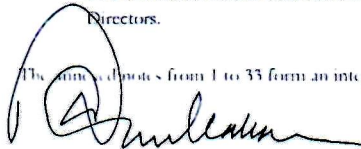
32. COMPARATIVE FIGURES

Corresponding figures have been rearranged and reclassified, if necessary, to reflect more appropriate presentation of events and transactions for the purposes of comparisons.

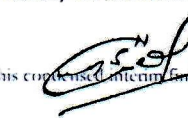
33. DATE OF AUTHORIZATION

This condensed interim financial information (un-audited) was authorized for issue on _____ by the Board of Directors.

The annexes from 1 to 33 form an integral part of this condensed interim financial information.


 Chief Executive

Director


 Chief Financial Officer

