



SAUDI PAK LEASING COMPANY LIMITED

FINANCIAL STATEMENTS (UN-AUDITED)

(1st QUARTER)

FOR THE PERIOD ENDED

SEPTEMBER 30, 2023

OUR VISION

To remain trust worthy to all stakeholders.

OUR MISSION For our Customer

We will exert to add value for our all stakeholders by offering them win-win solutions.

For Employees

We will provide our employees opportunities for self development in healthy and result oriented friendly environment.

For our Shareholders

We will endeavor to restore the confidence of our shareholders' by optimum utilization of our limited resources.

For our Society

We will maintain ethical standards and act as responsible corporate citizens

CORPORATE STRATEGY

The Company is optimistic to honor its commitments to stakeholders despite difficult business conditions and severe liquidity crunch being faced due to default of debtors.

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CORPORATE INFORMATION



BOARD OF DIRECTORS ELECTED ON NOVEMBER 26, 2018

Mr. Niaz Ahmed Khan	Chairman/Non-Executive/ Independent Director
Mr. Ahsanullah	Chief Executive Officer/ Independent Elected Director
Mr. Muhammad Waqar	Independent Director
Syed Najmul Hasnain Kazmi	Independent Director

AUDIT COMMITTEE ELECTED ON JANUARY 29, 2019

Syed Najmul Hasnain Kazmi	Chairman
Mr. Muhammad Waqar	Member
Mr. Niaz Ahmed Khan	Member (Appointed on 28-09-22)

HR & REMUNERATION COMMITTEE ELECTED ON JANUARY 29, 2019

Mr. Niaz Ahmed Khan	Chairman
Mr. Ahsanullah	Member
Syed Najmul Hasnain Kazmi	Member (Appointed on 28-09-22)

CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR

Mr. Ahsanullah

COMPANY SECRETARY

Mr. M. Imtiaz Ali

CHIEF FINANCIAL OFFICER

Mr. Amir Rasool

HEAD OF INTERNAL AUDIT & COMPLIANCE

Mr. Haider Ali

TAX CONSULTANT

M/s. UHY Hassan Naeem & Co
Chartered Accountants

AUDITORS

M/s. UHY Hassan Naeem & Co
Chartered Accountant
(appointed on 28-10-2021)
A member of UHY International Independent Member

LEGAL ADVISOR

1)M/s. S&B Durrani Law Associates, House No. 5-A/11/11,
Sunset Lane,DHA,
Phase – II (Ext.), Karachi
2)M/s. Zafar & Zafar Law Associates, Zafar Cottage, 25,
Mason Road, Lahore

BANKS

MCB Bank Limited
Faysal Bank Limited
Samba Bank Limited

REGISTERED OFFICE

6TH Floor, Lakson Square Building # 1
Sarwar Shaheed Road, Saddar,
Karchi-74200
Tel: (021) 35655181-82-83
Fax: (021) 35210609

BRANCH

Office 337/338, 4th Floor,
JEFF HEIGHTS
Main Boulevard, Gulberg-III, Lahore
Ph : 042 3576 4964 – 65
Contact Person Mr. Tahir - Deputy Manager
(Relocated in 2018)

CONTACT DETAILS

Website: www.saudipakleasing.com
Email : info@saudipakleasing.com

REGISTRAR AND SHARE TRANSFER OFFICE

Central Depository Company of Pakistan Limited
CDC House, 99-B, Block – B
S. M. C. H. S., Main Shahrach-e-Faisal, Karachi
Tel: (021) 111-111-500
Fax: (021) 34326031

Quarterly Report September 30, 2023

DIRECTORS' REVIEW

The Directors of Saudi Pak Leasing Company Limited are pleased to present the un-audited condensed Interim Financial highlighting of the Company for the three months period ended September 30, 2023 as compared with the period of September, 2022.

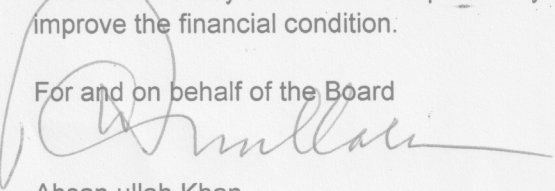
	September 30, 2023	September 30, 2022
Income from finance and operating leases	701,968	10,896,045
Other operating income	55,427,797	1,547,409
Total income	56,129,765	12,443,454
Finance cost	(12,704,792)	(13,425,349)
Administrative and other operating expenses including depreciation	(8,673,963)	(6,257,612)
Operating Profit/(loss) before provisions	(1,519,596)	(1,113,348)
Reversal /(Provision) against leases, loans, receivables and investment properties	398,880	3,017,599
Profit / loss before taxation	33,630,294	(5,335,257)
Earnings/ (loss) per share-basic	0.74	(0.12)

After earning profit in the corresponding period, the Management of the company, under the guidance of the Board, continued their efforts despite adverse economic circumstances directed towards the betterment of the company and these efforts as compare to correspondence period have resulted in profit after taxation to the tune of Rs. 33.630 million (2022:/loss corresponding period after taxation Rs.5.335 Million) for the period ended 30th September 2023.

The company has been able to reduce its book size and maintain its status as going concern with the help of internal resources. The company is making intensive efforts to initiate negotiations for the settlement of its loan portfolio /other liabilities with the sole objective of seeking haircuts remissions; write offs and long term deferment of payments to the creditors. If succeeded the said restricting and rescheduling is likely to bring much needed improvement in the overall financial health of the company.

The efforts for the revival of the company are underway and the management under the guidance of the board continued their efforts directed towards the betterment of the company. The Board is fully aware of its responsibility towards its stakeholders and is determined to improve the financial condition.

For and on behalf of the Board


Ahsan ullah Khan
Director / CEO

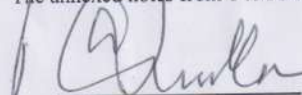
Karachi: October 12, 2023

	Note	September 30, 2023 Rupees (Un-audited)	June 30, 2023 Rupees (Audited)
ASSETS			
Current assets			
Cash and bank balances	5	16,742,419	27,576,426
Short term loans	6	100,530,176	120,530,176
Short term investments	7	39,728,359	49,936,112
Trade deposits and short term prepayments		1,255,371	1,061,280
Other receivables	8	16,284,521	27,194,559
Current maturity of non-current assets	9	463,807,094	464,280,605
Taxation - net		3,761,639	3,354,569
Total current assets		642,109,579	693,933,727
Non-current assets			
Long-term loans	10	-	-
Net investment in finance leases	11	-	-
Investment properties	12	37,570,436	38,043,307
Property, plant and equipment	13	78,560,321	79,607,042
Total non-current assets		116,130,757	117,650,349
Total Assets		758,240,336	811,584,076
LIABILITIES			
Current liabilities			
Borrowings from financial institutions	14	162,801,588	162,801,588
Certificates of investment	15	43,000,000	43,000,000
Accrued mark-up	16	522,397,205	557,461,484
Accrued expenses and other payables	17	7,281,807	7,455,769
Current maturity of non-current liabilities	18	558,338,796	607,638,797
Unclaimed dividend		1,661,291	1,661,291
Total current liabilities		1,295,480,687	1,380,018,929
Non-current liabilities			
Certificates of investment		-	-
Deferred tax liability - net		-	-
Long term finances	19	-	-
Security Deposits against Finance Leases	20	-	-
Total non-current liabilities		-	-
Total liabilities		1,295,480,687	1,380,018,929
NET ASSETS		(537,240,351)	(568,434,853)
FINANCED BY			
Authorized Share Capital			
100,000,000 (June 30, 2020: 100,000,000) ordinary shares of Rs. 10/-each		1,000,000,000	1,000,000,000
100,000,000 (June 30, 2020: 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
Statutory reserves		179,549,025	179,549,025
Accumulated loss		(1,770,514,950)	(1,804,651,714)
Surplus on revaluation of property, plant and equipment - net of tax	21	44,492,759	44,999,229
Unrealised gain/(loss) on re-measurement as at fair value through other comprehensive income		30,418,981	32,854,773
Accumulated actuarial (loss) / gain on defined benefit plan-net of tax		(999,666)	(999,666)
		(537,240,351)	(568,434,853)

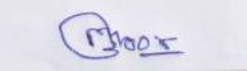
CONTINGENCIES AND COMMITMENTS

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

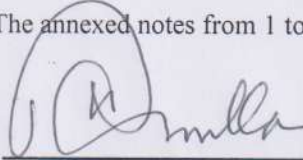

Chief Executive


Director

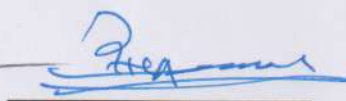

Chief Financial Officer

	Note	Quarter ended	
		September 30, 2023	September 30, 2022
		(Rupees)	
Revenue			
Income from:			
Finance leases	23	701,968	10,896,045
Other operating income	25	55,427,797	1,547,409
TOTAL INCOME		56,129,765	12,443,454
Expenses			
Finance cost	26	12,704,792	13,425,349
Administrative and operating expenses	27	8,673,963	6,257,612
Depreciation	28	1,519,596	1,113,348
		22,898,350	20,796,309
Operating Profit / (Loss) before provisions		33,231,414	(8,352,857)
Reversals / (Provisions) for doubtful leases, loans and other receivables - net		398,880	3,017,599
Increase / (Decrease) in fair value of investment		-	-
		398,880	3,017,599
Profit / (Loss) before taxation		33,630,294	(5,335,257)
Taxation			
- Current		-	-
- Deferred		-	-
		-	-
Profit / (Loss) for the period		33,630,294	(5,335,257)
Earnings / (Loss) per share - basic	31	0.74	(0.12)

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



Chief Executive



Director



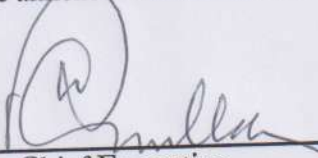
Chief Financial Officer

Saudi Pak Leasing Company Limited
 Statement of Comprehensive Income (Un-audited)
 For the quarter ended September 30, 2023



	Quarter Ended	
	September 30, 2023	September 30, 2022
	(Rupees)	
Profit / (Loss) after taxation	33,630,294	(5,335,257)
Other comprehensive income		
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Unrealised gain / (loss) on re-measurement of investments as at fair value through other comprehensive income	(506,470)	(1,718)
Total comprehensive income for the year	<u>33,123,824</u>	<u>(5,336,975)</u>

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 Statement of Changes in Equity (Un-audited)
For the quarter ended September 30, 2023



	Issued, subscribed and paid-up share capital		Reserves					Total
	Ordinary Shares	Non-redeemable Preference shares	Statutory reserves	Unrealised gain on re-measurement of investment as at fair value through other comprehensive income	Accumulated actuarial gain / loss on defined benefit plan- net of tax	Accumulated loss	Surplus on revaluation of property, plant and equipment - net	
	----- Rupees -----							
Balance as at July 1, 2022	451,605,000	528,208,500	179,549,025	19,995,654	(999,666)	(1,821,135,601)	31,228,670	(611,548,418)
Loss for the period	-	-	-	-	-	(5,335,257)	-	(5,335,257)
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	-	-	-	326,529	(326,529)	-
Decrease in deferred tax liability on surplus on revaluation of fixed assets due to change in tax rate	-	-	-	-	-	-	-	-
Unrealized loss on remeasurement of available for sale investments	-	-	-	(1,718)	-	-	-	(1,718)
	-	-	-	(1,718)	-	(5,008,728)	(326,529)	(5,336,975)
Balance as at September 30, 2022	451,605,000	528,208,500	179,549,025	19,993,936	(999,666)	(1,826,144,329)	30,902,141	(616,885,393)
Balance as at July 1, 2023	451,605,000	528,208,500	179,549,025	44,999,229	(999,666)	(1,804,651,714)	32,854,773	(568,434,853)
Total comprehensive income for the quarter ended								
Profit for the period	-	-	-	-	-	33,630,294	-	33,630,294
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	-	(506,470)	-	506,470	(2,435,792)	(2,435,792)
Decrease in deferred tax liability on surplus on revaluation of fixed assets due to change in tax rate	-	-	-	-	-	-	-	-
Unrealised (loss) / gain on re-measurement of available-for-sale investments	-	-	-	-	-	-	-	-
	-	-	-	(506,470)	-	34,136,764	(2,435,792)	31,194,502
Balance as at 30 September 2023	451,605,000	528,208,500	179,549,025	44,492,759	(999,666)	(1,770,514,950)	30,418,981	(537,240,351)

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 Cash Flow Statement (Un-audited)
 For the quarter ended September 30, 2023



Note	Quarter Ended	
	September 30, 2023	September 30, 2022
	(Rupees)	
29	22,438,447	18,447,486
	(12,751)	(11,761)
	(407,070)	(138,194)
	-	-
	62,532	373,099
	873,619	18,649,440
	516,330	18,872,584
	<u>22,954,777</u>	<u>37,320,070</u>
	-	-
	10,207,753	(29,964)
	-	-
	-	-
	-	-
	3,464	1,980
	<u>10,211,217</u>	<u>(27,984)</u>
	(44,000,000)	(5,000,000)
	(44,000,000)	(5,000,000)
	<u>(10,834,006)</u>	<u>32,292,086</u>
	27,576,426	253,806
	<u>16,742,419</u>	<u>32,545,891</u>

CASH FLOWS FROM OPERATING ACTIVITIES

Finance cost paid
 Taxes paid
 Security deposits paid to lessees
 Interest receivable from Govt. Securities - T-Bills
 Decrease in net investment in finance leases

Net cash flows from operating activities

CASH FLOW FROM INVESTING ACTIVITIES

Acquisition of property, plant and equipment
 Short term investments - net
 Proceeds from disposal of short term investments
 Proceeds from sale of property, plant and equipment
 Repayment of long term loans
 Dividend received

Net cash (used in) / from investing activities

CASH FLOW FROM FINANCING ACTIVITIES

Repayment of certificates of investment
Net cash used in financing activities

Net decrease in cash and cash equivalents during the period

Cash and cash equivalents at beginning of the period
 Cash and cash equivalents at end of the period

The annexed notes from 1 to 34 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 Pakistan Stock Exchanges Limited. The registered office of the Company is situated at 6th Floor, Lakson Square Building No.1, Sarwar Shaheed Road, Saddar, Karachi and branch office is located at 337/338, 4th Floor, JEFF Heights, Main Boulevard, Gulberg-III, Lahore. 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 subsequently has been cancelled on June 30, 2021. The company has not been able to obtain renewal thereof from SECP as the legal requirements laid down in this respect could not be met by the company, despite all out efforts under force majeure circumstances.

Saudi Pak Industrial & Agricultural Investment Company Limited (SAPICO) is the major shareholder and as of 30 September 2022 holds 35.06% (30 June 2023: 35.06%) of issued ordinary share capital of the Company and 63% (30 June 2023: 63%) of issued preference share capital of the Company.

1.2 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 handling 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 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 management is actively seeking out-of-court settlement of such suits and by way of auction of collateralized assets and to effect recoveries through negotiated settlements. A reasonable number of cases have been decreed in the favour of the Company. It is expected to materially improve the recoveries of overdue lease rentals which are limited in numbers 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.

- The management of the Company is confident that due to steps / measures as explained in the above paragraphs which are in line with the Board's directives 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.

- 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 inter-alia 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 2023 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 Act, 2017, 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 Act, 2017, 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 carried at fair value through other comprehensive income 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 Pak 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 of those applied to the annual financial statements for the period ended 30 June 2022.

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, 2023.

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 2023.

		September 30, 2023 Rupees (Un-audited)	June 30, 2023 Rupees (Audited)
5. CASH AND BANK BALANCES	Note		
Cash in hand		95,567	75,000
Balance with State Bank of Pakistan in current account - local currency		24,676	30,449
Balances with other banks:			
- in current account		-	-
- in saving accounts	5.1	<u>16,622,176</u>	<u>27,470,977</u>
		<u>16,742,419</u>	<u>27,576,426</u>
5.1	This represents saving deposit accounts maintained with MCB Bank Limited carrying mark-up at the rate of 15.25% (30 June 2023: 15.25%) per annum.		
6. SHORT TERM LOANS - Secured			
Term loan to customers			
- Considered doubtful	6.1	126,950,300	146,950,300
Provision for non-performing loans		<u>(26,420,124)</u>	<u>(26,420,124)</u>
		<u>100,530,176</u>	<u>120,530,176</u>
6.1	This represents term finance facilities provided to customers and carries mark-up ranging from 16.25% to 25% (30 June 2023: 16.25% to 25%) per annum.		
7. SHORT TERM INVESTMENTS			
Investments in Shares	7.1	32,574,072	36,512,504
Amortized cost	7.2	7,154,287	13,423,608
Other Investment - Club membership cards	7.3	25,758,520	25,758,520
		<u>65,486,879</u>	<u>75,694,632</u>
Accumulated impairment on Club membership cards		<u>(25,758,520)</u>	<u>(25,758,520)</u>
		<u>39,728,359</u>	<u>49,936,112</u>
7.1	This represents investment of shares in unquoted and quoted Companies. The investment is stated at fair value.		
		September 30, 2023 Rupees (Un-audited)	June 30, 2023 Rupees (Audited)
7.2 Amortized cost	Note		
Government Market Treasury Bills	7.2.1	<u>7,154,287</u>	<u>13,423,608</u>
7.2.1	This represents investment in Government Market Treasury Bill having maturity on 14 December 2023 and carries effective mark-up at a rate of 22.76% (30 June 2023: 15.63%) per annum.		
7.3	The Company has been holding membership cards of ACACIA Golf Club. These membership cards had been acquired by the Company in 2010. Further, since the said golf club was not operational, a provision for impairment there-against had also been recognized in the financial statements of the Company.		
8. OTHER RECEIVABLES			
Receivable from finance leases		65,588,342	65,913,380
Receivable on conversion of SPI shares into UNIC		16,609,559	16,609,559
Receivables from against short term loan client		-	10,585,000
Receivable from Provident Fund		2,880,000	2,880,000
Others		3,101,369	3,101,369
		<u>88,179,270</u>	<u>99,089,308</u>
Provision against doubtful receivables		<u>(71,894,749)</u>	<u>(71,894,749)</u>
		<u>16,284,521</u>	<u>27,194,559</u>
9. CURRENT MATURITY OF NON - CURRENT ASSETS			
Current portion of:			
Long term loans	10	52,801,530	52,801,530
Net investment in finance leases	11	411,005,565	411,479,075
		<u>463,807,094</u>	<u>464,280,605</u>

10. LONG TERM LOANS - secured			
Related party			
Due from employees - considered good		222,546	222,546
Other than related party			
Term loan to customers			
- Considered doubtful	10.1	100,164,030	100,164,030
		<u>100,386,576</u>	<u>100,386,576</u>
Provision for non-performing loans		<u>(47,585,046)</u>	<u>(47,585,046)</u>
		<u>52,801,530</u>	<u>52,801,530</u>
Current maturity of long term loans	9	<u>(52,801,530)</u>	<u>(52,801,530)</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 2023: 16.00% to 22.66%) per annum.		
11. NET INVESTMENT IN FINANCE LEASES			
Minimum lease payments receivable		1,183,303,941	1,184,177,560
Add: Residual value of leased assets		<u>282,029,108</u>	<u>282,029,108</u>
Gross investment in finance leases		<u>1,465,333,049</u>	<u>1,466,206,668</u>
Less: Unearned lease income			
Mark-up held in suspense		<u>213,991,976</u>	<u>213,993,096</u>
		<u>213,991,976</u>	<u>213,993,096</u>
		<u>1,251,341,073</u>	<u>1,252,213,572</u>
Less: Provision for potential lease losses		<u>840,335,509</u>	<u>840,734,497</u>
Net investment in finance leases		<u>411,005,564</u>	<u>411,479,075</u>
Less: Current portion of net investment in finance leases	9	<u>(411,005,564)</u>	<u>(411,479,075)</u>
		<u>-</u>	<u>-</u>
12. INVESTMENT PROPERTIES			Rupees
As at July 01, 2022			
Cost			66,160,092
Accumulated depreciation			(19,892,472)
Accumulated impairment			(6,805,696)
Net book value			<u>39,461,924</u>
Movement during the period ended September 30, 2022			
Opening net book value			39,461,924
Depreciation charge			(354,634)
Closing net book value			<u>39,107,290</u>
As at July 01, 2023			
Cost			66,160,092
Accumulated depreciation			(20,247,106)
Accumulated impairment			(6,805,696)
Net book value			<u>39,107,290</u>
Movement during the period ended September 30, 2023			
Opening net book value			39,107,290
Depreciation charge			(1,536,854)
Closing net book value			<u>37,570,436</u>
As at September 30, 2023			
Cost			66,160,092
Accumulated depreciation			(21,783,960)
Accumulated impairment			(6,805,696)
Net book value			<u>37,570,436</u>
Rate of depreciation			<u>2.22% to 5%</u>
13. PROPERTY, PLANT AND EQUIPMENT		September 30, 2023	June 30, 2023
	Note	Rupees	Rupees
Property, plant and equipment - own use		<u>78,560,321</u>	<u>79,607,042</u>
Property, plant and equipment - operating lease		-	-
		<u>78,560,321</u>	<u>79,607,042</u>
Additions - Cost			
Owned assets			
Office Vehicle		-	127,000
Office equipment		-	462,700
Total additions		<u>-</u>	<u>589,700</u>
Disposals - WDV			
Owned assets			
Vehicles		-	-
Office equipment		-	-
Total Disposals		<u>-</u>	<u>-</u>

		September 30, 2023 Rupees (Un-audited)	June 30, 2023 Rupees (Audited)
14. BORROWINGS FROM FINANCIAL INSTITUTIONS	Note		
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	25,301,588	25,301,588
		<u>162,801,588</u>	<u>162,801,588</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 2023, the Company has accrued a mark-up of Rs. 108.583 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 2023, the Company has accrued a mark-up of Rs. 60.458 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. Meezan Bank was offered membership cards of M/s ACACIA Golf Club but they didn't accept these membership cards against settlement due to non-functional status of the club. As per the revised restructuring terms, the finance carries no mark-up.		
		September 30, 2023 Rupees (Un-audited)	June 30, 2023 Rupees (Audited)
15. CERTIFICATE OF INVESTMENT		43,000,000	43,000,000
16. ACCRUED MARK-UP			
Mark-up on:			
Certificates of investment		75,260,768	121,731,659
Long term finances		50,791,384	50,791,384
Term finance certificates		227,442,865	216,036,253
Short term borrowings from financial institutions		168,902,188	168,902,188
		<u>522,397,205</u>	<u>557,461,484</u>
17. ACCRUED EXPENSES AND OTHER PAYABLES			
Accrued expenses		5,484,920	7,077,229
Others		1,796,887	378,540
		<u>7,281,807</u>	<u>7,455,769</u>
18. CURRENT MATURITY OF NON-CURRENT LIABILITIES			
Current portion of:			
Certificate of investment		1,249,000	50,549,000
Long term finances	19	294,494,447	294,494,447
Security deposits against finance leases	20	262,595,351	262,595,351
		<u>558,338,796</u>	<u>607,638,797</u>
		September 30, 2023 Rupees (Un-audited)	June 30, 2023 Rupees (Audited)
19. LONG TERM FINANCES	Note		
Long term finances - secured	19.1	87,561,505	87,561,505
Long term finances - unsecured		5,703,696	5,703,696
		<u>93,265,201</u>	<u>93,265,201</u>
Term finance certificates - secured	19.3	201,229,246	201,229,246
		<u>294,494,447</u>	<u>294,494,447</u>
Current maturity of long term finances	18	<u>(294,494,447)</u>	<u>(294,494,447)</u>
		<u>-</u>	<u>-</u>

19.2 Long term finances

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

Un-secured

Silk Bank Limited	19.2.3	5,703,696	5,703,696
		<u>93,265,201</u>	<u>93,265,201</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 installments 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 2020, all installments were paid except for the last installment 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 2023, the Company has accrued mark up of Rs. 18.218 million.

19.2.2 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 installments up to December 31, 2012. The Company paid the installments 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. As of September 30, 2023, the Company had accrued mark-up of Rs. 24.054 million.

19.2.3 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 installments of Rs. 0.204 million each and defaulted thereafter. As of 30 September 2022, the Company had accrued a markup of Rs. 8.520 million.

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. However, First Dawood Investment Bank Limited may not act as trustee till its licence is not renewed.

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

		September 30, 2023 Rupees (Un-audited)	June 30, 2023 Rupees (Audited)
20. LONG TERM SECURITY DEPOSITS AGAINST FINANCE LEASES	Note		
Security deposits against finance leases	20.1	262,595,351	262,595,351
Current maturity of deposits against finance leases	18	<u>(262,595,351)</u>	<u>(262,595,351)</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>44,492,763</u>	44,999,229
		<u>44,492,763</u>	<u>44,999,229</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, July 16, 2019, December 16, 2019 and December 31, 2022. 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, Rs.41,486,216, Rs. 51,594,507, Rs. 64,926,000 and Rs. 79,332,000 respectively over the written down values.

22. CONTINGENCIES AND COMMITMENTS

22.1 The Company is defending various counter suits filed against it by defaulting customers against whom recovery suits were filed by the company between the year 2009 to 2018. The counter suits are mainly for rendition of accounts and damages and or injunction against the company. These suits are proceeding in the High Court or Banking Court and, in the opinion of the legal counsel, the Company is not likely to suffer any loss or liability on account of these counter suits. The amount claimed in these counter suits as of 30th September 2022 amounted to Rs.178.904 million (2023: 178.904 million).

22.2 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 financial years 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 period 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 filed an appeal before the Commissioner Inland Revenue (Appeals) CIR (A) against the said order. The CIR(A) vide through Appellate Order no 97 of 2012 dated April 30, 2012 constituted that the duty so charged is legally and constitutionally valid under the Federal Excise 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. Accordingly, the Company filed an appeal before the Appellate Tribunal Inland Revenue (ATIR) against the above CIR(A) order which decided the case in favour of the Company.

In 2014, a reference application was filed by CIR Zone-I against the Company in High Court which is pending for adjudication. In the opinion of legal counsel of the Company, there is no likelihood of any outcome adverse to the Company's interest. The Company, hence, has not recognized any provision against the above notice.

22.3 In the year 2016, M/s. First Women Bank Limited (FWBL) filed, before the Honourable High Court of Sindh, a recovery suit against the Company wherein besides the outstanding principal of Rs. 75.062 million and accrued markup of Rs. 24.054 million (refer note 21.2.2), a demand has been raised in respect of cost of funds. However, since the case is yet pending for adjudication before the Honourable High Court of Sindh and because no reasonable estimation can be made of the cost of funds so claimed by FWBL, no provision thereof has been recognized in these financial statements.

		September 30, 2023 (Unaudited) (Rupees)	September 30, 2022 (Unaudited)
23. INCOME FROM FINANCE LEASES	Note		
Income from finance lease contracts		1,120	4,060,465
Gain on termination of finance lease contracts		<u>700,848</u>	6,835,580
		<u>701,968</u>	<u>10,896,045</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. As per revised regulations, leasing company has to meet minimum capital requirement of Rs. 500 million to qualify as deposit taking entity and Rs. 50 million for non-deposit taking entity. Saudi Pak Leasing Company intends to operate in future as non-deposit taking entity.

25. OTHER OPERATING INCOME

Income from financial assets:

- Dividend income	3,464	1,980
- Capital gain on sale of investments	121,895	-
- Interest income from government securities	703,916	521,375
- Interest income on term loans	1	868,742
- Interest income from savings accounts	1,542,201	140,312
	<u>2,371,477</u>	<u>1,532,409</u>

Income from non-financial assets:

- Gain on sale of property, plant and equipment	-	-
- Waiver on settlement of certificate of investments	53,056,320	-
- Others	-	15,000
	<u>53,056,320</u>	<u>15,000</u>
	<u>55,427,797</u>	<u>1,547,408</u>

26. FINANCE COST

Mark-up on:

- Long term finances	-	622,285
- Term finance certificates	11,406,612	7,765,079
- Short term borrowings	-	3,397,699
Return on certificates of investment	1,285,429	1,628,525
Bank charges	12,751	11,761
	<u>12,704,792</u>	<u>13,425,349</u>

September 30, 2023	September 30, 2022
(Unaudited)	(Unaudited)

27. ADMINISTRATIVE AND OPERATING EXPENSES

Note

Salaries, Allowances and Benefits	4,036,228	3,606,722
Directors' Fee	900,000	750,000
Rent	154,880	271,040
Repairs and maintenance	598,826	353,091
Insurance	26,322	67,933
Utilities	388,943	223,308
Vehicle running expenses	483,290	391,973
Printing and stationery	32,520	40,960
Telephone and postage	164,213	108,242
Travelling and conveyance - Directors	33,000	147,860
Fee and subscriptions	7,470	41,919
Legal and professional charges	1,526,166	71,890
Advertising and entertainment	68,675	-
Miscellaneous	247,630	182,674
	<u>8,673,963</u>	<u>6,257,612</u>

28. DEPRECIATION

Depreciation on owned assets	1,164,942	758,694
Depreciation on investment properties	354,654	354,654
	<u>1,519,596</u>	<u>1,113,348</u>

29. CASH GENERATED FROM OPERATIONS

Profit / (Loss) for the period before taxation

Adjustment for non cash charges and other items :

Depreciation - owned assets	1,164,942	758,694
Depreciation - investment properties	354,654	354,654
Income on finance lease contracts	(1,120)	(4,060,465)
Financial and other charges	12,704,792	13,425,349
Provision / (reversals) for doubtful leases, loans and other receivables	(398,880)	(3,017,599)
Dividend income	(3,464)	(1,980)
Interest income from government securities	(703,916)	(521,375)
Gain on sale of investments	(121,895)	-
Amount written off directly against loans, lease receivables and investments	-	-
Gain on settlement	(42,276,707)	-
Other Income	(1,542,201)	(15,000)
Impairment on available for sale investments	-	-
	<u>(30,823,795)</u>	<u>6,922,278</u>

(Loss)/profit before working capital changes

Working capital changes

Short term loans / Investments	20,000,000	18,250,871
Trade deposits and short term prepayments / other receivables	(194,091)	(282,578)
Accrued and other payables	(173,962)	(1,107,829)
	<u>19,631,947</u>	<u>16,860,464</u>

Cash (used in) / generated from operations after working capital changes

22,438,447 18,447,486

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:

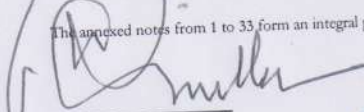
Note	September 30, 2023	September 30, 2022
	(Unaudited)	(Unaudited)
	(Rupees)	
Directors fee	900,000	750,000
Fee		
Key management personnel	1,890,000	1,890,000
Remuneration to key management personnel		
Other related parties	154,275	-
Payments to provident fund		
31. EARNINGS / (LOSS) PER SHARE - BASIC		
Profit / (Loss) after taxation attributable to ordinary shareholders	33,630,294	(5,335,257)
	(Number)	
Weighted average number of ordinary shares	45,160,500	45,160,500
	(Rupees)	
Earnings / (Loss) per share - Basic	0.74	(0.12)


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 **October 12, 2023** by the Board of Directors.

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


 Chief Executive


 Director


 Chief Financial Officer