



SAUDI PAK LEASING COMPANY LIMITED

FINANCIAL STATEMENTS (UN-AUDITED)

(3rd QUARTER)

FOR THE PERIOD ENDED

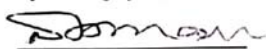
March 31, 2024

Saudi Pak Leasing Company Limited
Statement of Financial Position (Un-audited)
As at 31 March 2024

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	March 31, 2024	June 30, 2023
	Rupees	Rupees
Note	(Un-audited)	(Audited)
	(Rupees)	
ASSETS		
Current assets		
Cash and bank balances	5 92,759,131	27,576,426
Short term loans	6 75,800,300	120,530,176
Short term investments	7 30,717,004	49,936,112
Trade deposits and short term prepayments	1,460,848	1,061,280
Other receivables	8 18,769,426	27,194,559
Current maturity of non-current assets	9 393,677,811	464,280,605
Taxation - net	3,454,467	3,354,569
Total current assets	616,638,987	693,933,727
Non-current assets		
Long-term loans	10 -	-
Net investment in finance leases	11 -	-
Investment properties	12 36,731,910	38,043,307
Property, plant and equipment	13 81,557,965	79,607,042
Total non-current assets	118,289,875	117,650,349
Total Assets	734,928,862	811,584,076
LIABILITIES		
Current liabilities		
Borrowings from financial institutions	14 137,500,000	162,801,588
Certificates of investment	15 43,000,000	43,000,000
Accrued mark-up	16 514,688,185	557,461,484
Accrued expenses and other payables	17 6,440,072	7,455,769
Current maturity of non-current liabilities	18 477,382,127	607,638,797
Unclaimed dividend	1,661,291	1,661,291
Total current liabilities	1,180,671,675	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	1,180,671,675	1,380,018,929
NET ASSETS	(445,742,813)	(568,434,853)
FINANCED BY		
Authorized Share Capital		
100,000,000 (June 30, 2023: 100,000,000) ordinary shares of Rs. 10/-each	1,000,000,000	1,000,000,000
100,000,000 (June 30, 2023: 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	(1,678,004,476)	(1,804,651,714)
Surplus on revaluation of property, plant and equipment - net of tax	21 43,479,823	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)
	(445,742,813)	(568,434,853)
CONTINGENCIES AND COMMITMENTS		
22		

The annexed notes form an integral part of this condensed interim financial information.


Chief Executive Officer


Chief Financial Officer


Director

Saudi Pak Leasing Company Limited
Condensed Interim Profit or Loss Account (Un-audited)
For the period ended March 31, 2024

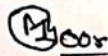
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	Note	Nine Months period ended		Three Months period ended	
		March 31 2,024	March 31 2023	March 31, 2024	March 31, 2023
(Rupees)					
Revenue					
Income from:					
Finance leases	23	61,818,118	63,377,430	92,962	55,908,921
Other operating income	25	111,195,256	4,645,822	39,935,158	(2,206,634)
TOTAL INCOME		173,013,374	68,023,252	40,028,120	53,702,287
Expenses					
Finance cost	26	(36,061,741)	(33,183,079)	(11,355,313)	10,227,859
Administrative and operating expenses	27	(30,786,907)	(32,383,966)	(9,326,628)	10,989,695
		(66,848,648)	(65,567,045)	(20,681,941)	21,217,554
Operating Profit / (Loss) before provisions		106,164,726	2,456,208	19,346,179	32,484,733
Reversals of provisions on lease and loans		21,819,004	5,360,170	-	995,886
Profit / (Loss) before taxation		127,983,730	7,816,378	19,346,179	33,480,619
Taxation					
Current		(2,855,898)	(94,024)	(1,247,771)	(94,094)
Deferred		-	6,329,573	-	-
		(2,855,898)	6,235,549	(1,247,771)	(94,094)
Profit / (Loss) for the period		125,127,832	14,051,927	18,098,408	33,386,525
Earnings / (Loss) per share - basic	30	2.77	0.31	0.40	0.74

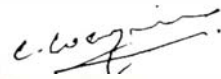
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Chief Executive Officer



Chief Financial Officer



Director

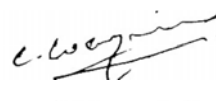
Saudi Pak Leasing Company Limited
 Statement of Comprehensive Income (Un-audited)
 For the period ended March 31, 2024

	Nine Months period ended		Three months period ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
	(Rupees)			
Profit / (Loss) after taxation	125,127,832	14,051,927	18,098,408	33,386,595
<i>Other comprehensive income</i>				
Re-measurement of investments - FVTOCI	(1,519,406)	8,243,675	(1,012,940)	8,243,675
Surplus recognized on revaluation of office premises	123,608,426	21,826,114	17,085,468	-
Deferred tax on above surplus		(6,329,573)	-	-
		15,496,541		-
Total comprehensive income for the year	123,608,425	37,792,142	17,085,468	41,630,270

The annexed notes form an integral part of this condensed interim financial information.


 Chief Executive Officer



 Chief Financial Officer


 Director

Saudi Pak Leasing Company Limited
Condensed Interim Statement of Changes in Equity (Un-audited)
For the period ended March 31, 2024

	Subscribed and Paid-up Share Capital				Reserves				Total
	Ordinary Shares	Non-redeemable Preference shares	Statutory reserves	Re-measurement of Investment FVTOCI	Accumulated actuarial gain/loss	Accumulated loss	Revaluation Surplus - PPE		
Balance as at July 1, 2022	451,605,000	528,208,500	179,549,025	19,999,654	(999,666)	(1,821,135,601)	31,228,670	(611,548,419)	
Loss for the period	-	-	-	-	-	14,051,927	-	14,051,927	
Transfer from surplus on account of incremental depreciation - net of deferred tax	-	-	-	-	-	653,059	(653,059)	-	
Unrealized loss on re-measurement of available for sale investments	-	-	-	(3,376)	-	-	15,406,541	15,403,165	
Balance as at December 30, 2022	451,605,000	528,208,500	179,549,025	19,999,278	(999,666)	(1,806,430,615)	46,072,152	(582,003,236)	
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)	
Profit for the period	-	-	-	-	-	125,127,832	-	125,127,832	
Transfer from surplus on account of incremental depreciation - net of deferred tax	-	-	-	(1,519,406)	-	1,519,406	(2,435,792)	(2,435,792)	
Balance as at 31 March 2024	451,605,000	528,208,500	179,549,025	43,479,823	(999,666)	(1,678,004,475)	30,418,981	(445,742,813)	

The annexed notes form an integral part of this condensed interim financial information.


Chief Executive Officer


Chief Financial Officer


Director

Saudi Pak Leasing Company Limited
Condensed Interim Cash Flow Statement (Un-audited)
For the period ended March 31, 2024

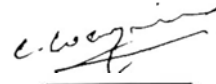
	Quarter ended		
	March 31, 2024	March 31, 2023	
Note	(Rupees)		
CASH FLOWS FROM OPERATING ACTIVITIES	28	59,657,927	41,569,042
Finance cost paid		(32,104)	(28,384)
Taxes paid		2,855,898	(478,148)
Interest receivable from Govt. Securities - T-Bills		-	29,267
Decrease in net investment in finance leases		108,377,496	37,247,488
		111,201,290	36,770,222
<i>Net cash flows from operating activities</i>		170,859,217	78,339,264
CASH FLOW FROM INVESTING ACTIVITIES		(5,242,100)	(659,200)
Acquisition of property, plant and equipment		19,219,108	10,558,684
Short term investments - net		13,507,123	-
Interest Income Received / Others		7,528,341	7,424
Dividend received		35,012,472	9,906,908
<i>Net cash (used in) / from investing activities</i>		35,012,472	9,906,908
CASH FLOW FROM FINANCING ACTIVITIES		(95,061,505)	(61,999,999)
Loan from Financial Institutions		(1,627,478)	-
Term Finance Certificates		(44,000,000)	-
Certificates of investment		(140,688,983)	(61,999,999)
<i>Net cash used in financing activities</i>		(140,688,983)	(61,999,999)
Net decrease in cash and cash equivalents during the period		65,182,706	26,246,173
Cash and cash equivalents at beginning of the period		27,576,426	253,806
Cash and cash equivalents at end of the period		92,759,131	26,499,979



Chief Executive Officer



Chief Financial Officer



Director

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 31 March 2024 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.

- During the 3rd Quarter ended March 31, 2024, the Company has earned profit amounting Rs. 127.984 million (March 31, 2023: Profit Rs.7.816 million) and accumulated losses as of that date amounted Rs. 1.678 billion (March 31, 2023: Rs. 1.806 billion), its negative equity stood at Rs. 445.74 million (March 31, 2023: Rs. 573.756 million) and its current liabilities exceeded current assets by Rs. 445.74 million (March 31, 2023 : 573.756 million).

- 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 nine months ended 31 March 2024 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 2023.

3. MATERIAL ACCOUNTING POLICY INFORMATION AND OTHER EXPLANATORY INFORMATION

The accounting policies and basis for accounting estimates adopted for the preparation of this condensed interim financial information 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.

Saudi Pak Leasing Company Limited
Notes to the Financial Information (Un-audited)
For the period ended March 31, 2024

		March 31 2024	June 30, 2023
5. CASH AND BANK BALANCES	Note	(Un-audited)	(Audited)
Cash in hand		65,680	75,000
Balance with State Bank of Pakistan			
Current account - local currency		24,676	30,449
Balances with other banks:			
- in current account		-	-
- in saving accounts	5.1	92,668,775	27,470,977
		92,759,131	27,576,426
5.1	This represents saving deposit accounts maintained with MCB Bank Limited carrying current mark-up at the rate of 20.50% (30 June 2023: 15.25%) per annum.		
6. SHORT TERM LOANS - Secured			
Term loan to customers			
- Considered doubtful	6.1	80,800,300	146,950,300
Provision for non-performing loans		(5,000,000)	(26,420,124)
		75,800,300	120,530,176
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	23,601,819	36,512,504
Amortized cost	7.2	7,115,185	13,423,608
Other Investment - Club membership cards	7.3	25,758,520	25,758,520
		56,475,524	75,694,632
Accumulated impairment on Club membership cards		(25,758,520)	(25,758,520)
		30,717,004	49,936,112
7.1	This represents investment of shares in unquoted and quoted Companies. The investment is stated at fair value.		
		March 31 2024	June 30, 2023
7.1.2	Investment in the ordinary shares of unlisted companies UIC Insurance Company Limited	14,664,938	14,664,938
		14,664,938	14,664,938
7.1.3	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.		

Saudi Pak Leasing Company Limited
Notes to the Financial Information (Un-audited)
For the period ended March 31, 2024

7.2	Amortized cost		
	Government Market Treasury Bills	7.2.1	7,115,185
			13,423,608

7.2.1 This represents investment in Government Market Treasury Bill having maturity on 30 May 2024 and carries effective mark-up at a rate of 21.2581% (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.

	March 31 2024	June 30 2023
8. OTHER RECEIVABLES		
Receivable from finance leases	65,588,380	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	5,586,236	3,101,369
	<u>90,664,175</u>	<u>99,089,308</u>
Provision against doubtful receivables	(71,894,749)	(71,894,749)
	<u>18,769,426</u>	<u>27,194,559</u>

9. CURRENT MATURITY OF NON - CURRENT ASSETS

Current portion of:

Long term loans	10	52,871,071	52,801,530
Net investment in finance leases	11	340,806,740	411,479,075
		<u>393,677,811</u>	<u>464,280,605</u>

10. LONG TERM LOANS - secured

Due from employees - Related Party		292,087	222,546
Term loan to customers - considered doubtful	10.1	100,164,030	100,164,030
		<u>100,456,117</u>	<u>100,386,576</u>
Provision for non-performing loans		(47,585,046)	(47,585,046)
		<u>52,871,071</u>	<u>52,801,530</u>
Current maturity of long term loans	9	(52,871,071)	(52,801,530)
		<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.

	March 31 2024	June 30 2023
11. NET INVESTMENT IN FINANCE LEASES		
Minimum lease payments receivable	1,075,800,061	1,184,177,560
Add: Residual value of leased assets	282,029,108	282,029,108
Gross investment in finance leases	<u>1,357,829,169</u>	<u>1,466,206,668</u>
Less: Mark-up held in suspense	(176,701,784)	(213,993,096)
	<u>1,181,127,385</u>	<u>1,252,213,572</u>
Less: Provision for potential lease losses	840,335,509	840,734,497
Net investment in finance leases	<u>340,791,876</u>	<u>411,479,075</u>
Less: Current portion of net investment in finance leases	9	(340,791,876)
	<u>-</u>	<u>-</u>

Saudi Pak Leasing Company Limited
Notes to the Financial Information (Un-audited)
For the period ended March 31, 2024

12. INVESTMENT PROPERTIES

Particulars	Cost			Rate %	Depreciation			W.D.V
	As at July	Addition/ (Disposals)	As at March		As at July	Charge/ (Reversal)	As at March	As at March
	01, 2023		31, 2024		01, 2023		31, 2024	31, 2024
..... Rupees.....								
Investment Property	66,160,092	-	66,160,092		27,052,802	2,375,380	29,428,182	36,731,910
March 2024	66,160,092	-	66,160,092		27,052,802	2,375,380	29,428,182	36,731,910
June 2023	66,160,092		66,160,092		26,698,169	1,418,616	28,116,785	38,043,307

13. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment - own use

Note	March 31 2024 (Un-audited)	June 30, 2023 (Audited)
	81,557,965	79,607,042
	81,557,965	79,607,042

Additions/Disposal - Cost

Owned assets

Office Vehicle

Office equipment and air conditioners

Total additions

	March 31 2024	June 30, 2023
Office Vehicle	5,033,500	127,000
Office equipment and air conditioners	208,600	462,700
Total additions	5,242,100	589,700

Disposals - WDV

Owned assets

Vehicles

Office equipment

Total Disposals

	March 31 2024	June 30, 2023
Vehicles	-	-
Office equipment	-	-
Total Disposals	-	-

14. BORROWINGS FROM FINANCIAL INSTITUTIONS

Letter of placements - Unsecured

National Bank of Pakistan

Innovative Investment Bank Limited

Meezan Bank Limited

Note	March 31 2024 (Un-audited)	June 30, 2023 (Audited)
14.1	77,500,000	77,500,000
14.2	60,000,000	60,000,000
14.3	-	25,301,588
	137,500,000	162,801,588

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.

Saudi Pak Leasing Company Limited
Notes to the Financial Information (Un-audited)
For the period ended March 31, 2024

11.3 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. However this loan was settled during the period under report.

		March 31 2024 (Un-audited)	June 30 2023 (Audited)
15. CERTIFICATE OF INVESTMENT	Note	43,000,000	43,000,000
16. ACCRUED MARK-UP			
Mark-up on:			
Certificates of investment		76,751,867	121,731,659
Long term finances		26,737,222	50,791,384
Term finance certificates		242,296,908	216,036,253
Short term borrowings from financial institutions		168,902,188	168,902,188
		514,688,185	557,461,484
17. ACCRUED EXPENSES AND OTHER PAYABLES			
Accrued expenses		4,744,487	7,077,229
Others		1,695,585	378,540
		6,440,072	7,455,769
18. CURRENT MATURITY OF NON- CURRENT LIABILITIES			
Current portion of:			
Certificate of investment		1,249,000	50,549,000
Long term finances	19	213,537,777	294,494,447
Security deposits against finance leases	20	262,595,351	262,595,351
		477,382,127	607,638,797
19. LONG TERM FINANCES	Note		
Long term finances - secured	19.1	12,500,000	87,561,505
Long term finances - unsecured		5,703,696	5,703,696
Term finance certificates - secured	19.2	18,203,696	93,265,201
	19.3	195,334,081	201,229,246
		213,537,777	294,494,447
Current maturity of long term finances	18	(213,537,777)	(294,494,447)
		-	-
19.2 Long term finances			
National Bank of Pakistan - II-Secured	19.2.1	12,500,000	12,500,000
First Women Bank Limited -Secured	19.2.2	-	75,061,505
Silk Bank Limited-Unsecured	19.2.3	5,703,696	5,703,696
		18,203,696	93,265,201

Saudi Pak Leasing Company Limited
Notes to the Financial Information (Un-audited)
For the period ended March 31, 2024

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 31 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.

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 March 04, 2024, the Company had accrued mark-up of Rs. 24.054 million. On March 05, 2024, the Company paid Rs.75,061,505 entire outstanding principal as full & final settlement and get waiver 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 31 March 2024, the Company had accrued a markup of Rs. 8.520 million.

Saudi Pak Leasing Company Limited
Notes to the Financial Information (Un-audited)
For the period ended March 31, 2024

- 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.

		March 31, 2024	June 30,
	Note	(Un-audited)	(Audited)
20. LONG TERM SECURITY DEPOSITS			
Security deposits against finance leases	20.1	262,595,351	262,595,351
Current maturity of deposits against finance lease	18	(262,595,351)	(262,595,351)
		-	-
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	43,479,823	44,999,229
		43,479,823	44,999,229

Saudi Pak Leasing Company Limited
Notes to the Financial Information (Un-audited)
For the period ended March 31, 2024

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.

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. On March 05 2024, the Company has paid entire outstanding principal Rs.75.062 million and FWBL has withdrawn the recovery suit and matter has been closed.

Saudi Pak Leasing Company Limited
Notes to the Financial Information (Un-audited)
For the period ended March 31, 2024

	March 31, 2024 (Unaudited) (Rupees)	March 31, 2023 (Unaudited)
23. INCOME FROM FINANCE LEASES	Note	
Income from finance lease contracts	37,291,312	5,933,084
Gain on termination of finance lease contracts	24,526,806	57,444,346
	<u>61,818,118</u>	<u>63,377,430</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

	, March 2024	, March 2023
Income from financial assets:		
- Dividend income	7,528,341	7,424
- Capital gain on sale of investments	860,334	-
- Interest income from government securities	703,916	1,592,085
- Interest income on term loans	2,526,222	868,743
- Penal charges on term loan	-	-
- Interest income from savings accounts	10,980,901	2,060,501
	<u>22,599,714</u>	<u>4,528,753</u>
Income from non-financial assets:		
- Waiver on settlement of certificate of investments	58,557,908	-
- Others	30,037,634	117,070
	<u>88,595,542</u>	<u>117,070</u>
	<u>111,195,256</u>	<u>4,645,822</u>

26. FINANCE COST

Mark-up on:		
- Long term finances	-	622,285
- Term finance certificates	33,253,109	24,459,059
- Short term borrowings	-	3,397,699
Return on certificates of investment	2,776,528	4,675,652
Bank charges	32,104	28,384
	<u>36,061,741</u>	<u>33,183,079</u>

27. ADMINISTRATIVE AND OPERATING EXPENSES

	March 31, 2024	March 31, 2023
Salaries, Allowances and Benefits	13,183,997	12,198,794
Directors' Fee	2,350,000	2,330,000
Rent	802,752	658,240
Repairs and maintenance	1,676,528	1,913,745
Insurance	149,818	158,559
Utilities	1,240,413	618,087
Vehicle running expenses	1,231,162	1,271,284
Printing and stationery	287,110	243,845
Telephone and postage	578,933	399,234
Travelling and conveyance	10,800	83,220
Travelling and conveyance - Directors	594,586	716,774
Fee and subscriptions	371,030	1,172,035
Depreciation on owned assets	4,118,706	3,612,515
Legal and professional charges	2,839,677	5,772,119
Advertisement	148,938	104,646
Auditors' remuneration	156,000	156,000
Miscellaneous	1,046,457	974,869
	<u>30,786,907</u>	<u>32,383,966</u>

Saudi Pak Leasing Company Limited
Notes to the Financial Information (Un-audited)
For the period ended March 31, 2024

28 CASH GENERATED FROM OPERATIONS	31-March-24	31-March-23
Profit / (Loss) for the period before taxation	127,983,730	7,816,378
Adjustment for non cash charges and other items :		
Depreciation - owned assets	4,118,706	2,784,989
Depreciation - investment properties	-	827,526
Income from finance leases	(37,291,312)	(5,933,084)
Income on term loans	-	(868,743)
Financial changes and other charges	36,061,741	33,183,079
(Provision) / reversals for doubtful leases, loans and other receivables	(21,819,004)	(5,360,170)
Dividend income	7,528,341	(7,424)
Interest income from government securities / saving accounts	703,916	(1,592,085)
Gain on settlement	(80,176,234)	(840)
Other Income	3,556	-
Gain on settlement of term finance certificates	(9,976,149)	-
	<u>(100,846,439)</u>	<u>23,033,248</u>
(Loss)/profit before working capital changes	27,137,291	30,849,626
Working capital changes		
Short term loans	44,729,876	18,280,835
Trade deposits and short term prepayments	(399,568)	(15,869,245)
Short Term Investment	(19,219,108)	7,353,615
Other Receivables	8,425,133	-
Accrued expenses and other payables	(1,015,697)	954,211
	<u>32,520,636</u>	<u>10,719,416</u>
Cash (used in) / generated from operations after working capital changes	<u>59,657,927</u>	<u>41,569,042</u>

29. 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	31-March-24 (Unaudited)	31-March-23 (Unaudited)
	(Rupees)	
Directors fee		
Fee	2,350,000	2,330,000
Key management personnel		
Remuneration to key management personnel	6,052,500	7,203,053
Other related parties		
Payments to provident fund	205,700	221,000

30. EARNINGS / (LOSS) PER SHARE - BASIC

	(Rupees)	
Profit / (Loss) after taxation attributable to ordinary shareholders	125,127,832	14,051,927
	(Number)	
Weighted average number of ordinary shares	45,160,500	45,160,500
	(Rupees)	
Earnings / (Loss) per share - Basic	2.77	0.31

31. 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.

32. DATE OF AUTHORIZATION

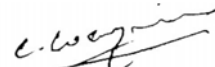
This condensed interim financial information was authorized for issue on 23-04-2024 by the Board of Directors.



Chief Executive Officer



Chief Financial Officer



Director