



**SAUDI PAK**  
**L E A S I N G**

**Quarterly Report**  
**September 30, 2021**

## **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 and will stand along to deal corona pandemic

## **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.

## TABLE OF CONTENTS

<b>Corporate Information</b>	<b>02</b>
<b>Directors' Review</b>	<b>03</b>
<b>Statement of Financial Position</b>	<b>04</b>
<b>Statement of Profit Or Loss</b>	<b>05</b>
<b>Statement of Comprehensive Income</b>	<b>06</b>
<b>Statement of Changes In Equity</b>	<b>07</b>
<b>Statement of Cash Flows</b>	<b>08</b>
<b>Notes To The Financial Statements</b>	<b>09</b>

## 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
Sheikh Aftab Ahmad	Nominee Director
Mr. Zafar Iqbal	Nominee Director
Ms. Fozia Fakhar	Nominee Director
Mr. Muhammad Waqar	Independent Director
Syed Najmul Hasnain Kazmi	Independent Director

### AUDIT COMMITTEE ELECTED ON JANUARY 29, 2019

Syed Najmul Hasnain Kazmi	Chairman
Sheikh Aftab Ahmad	Member
Ms. Fozia Fakhar	Member
Mr. Muhammad Waqar	Member

### HR & REMUNERATION COMMITTEE ELECTED ON JANUARY 29, 2019

Mr. Niaz Ahmed Khan	Chairman
Sheikh Aftab Ahmad	Member
Mr. Zafar Iqbal	Member
Mr. Ahsanullah	Member

### CHIEF EXECUTIVE OFFICER

Mr. Ahsanullah

### COMPANY SECRETARY

Mr. M. Imtiaz Ali

### CHIEF FINANCIAL OFFICER

Mr. Amir Rasool (Acting)

### HEAD OF INTERNAL AUDIT & COMPLIANCE

HEAD OF INTERNAL AUDIT & COMPLIANCE  
Syed Muhammad Khurram Ali

### TAX CONSULTANT

M/s. Junaidy Shoaib Asad  
Chartered Accountants

### AUDITORS

M/s. Junaidy Shoaib Asad  
Chartered Accountant  
(appointed on 27-11-2020)  
A member of Morison KSI 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  
National Bank of Pakistan  
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  
(Relocated in 2018)

### CONTACT DETAILS

Website: [www.saudipakleasing.com](http://www.saudipakleasing.com)  
Email : [info@saudipakleasing.com](mailto: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 Shahrah-e-Faisal, Karachi  
Tel: (021) 111-111-500  
Fax: (021) 34326031

## DIRECTORS' REVIEW

The Directors of Saudi Pak Leasing Company Limited are pleased to present the un-audited condensed Interim Financial information of the company for the quarter ended September 30, 2021.

Operating and Financial Results:

	<b>September 30, 2021</b>	<b>September 30, 2020</b>
	<b>Rupees</b>	<b>Rupees</b>
Income from finance and operating leases	19,166,711	631,538
Other operating income	<u>745,427</u>	<u>36,652,668</u>
Total income	<u>19,912,138</u>	<u>37,284,206</u>
Finance cost	<u>(8,270,352)</u>	<u>(9,720,469)</u>
Administrative and other operating expenses including depreciation	<u>(7,580,835)</u>	<u>(7,586,046)</u>
Operating profit / (loss) before provisions	<u>4,060,951</u>	<u>19,977,690</u>
Reversal / (provision) against leases, loans, receivables and investment properties	<u>957,296</u>	<u>-</u>
Profit / (Loss) before taxation	<u>5,018,247</u>	<u>19,983,400</u>
Profit / (Loss) after taxation	<u>5,018,247</u>	<u>19,974,156</u>
Earnings / (Loss) per share - basic	<u>0.11</u>	<u>0.44</u>

After incurring Profit in the corresponding period, the Management of the company, under the guidance of the Board, continued their efforts directed towards the betterment of the company and these efforts have resulted in profit after taxation of Rs. 5 million (2020: Profit after taxation Rs. 19.97 million) for the period ended 30th September 2021.

The Company has been able to reduce its book size and maintain its operations 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 remissions; write offs and long term deferment of payments to the creditors. If succeeded the said restructuring and rescheduling is likely to bring much needed improvement in 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 Company. The Board is fully aware of its responsibility towards its stakeholders and is determined to improve the financial condition.

For & on behalf of the Board



**Ahsanullah Khan**  
Director / CEO

Karachi: October 28, 2021


# STATEMENT OF FINANCIAL POSITION UN-AUDITED

As at 30 September 2021

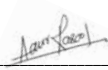
	Note	September 30, 2021 Rupees (Un-audited)	June 30, 2021 Rupees (Audited)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances	5	19,800,276	1,571,466
Short term loans	6	128,281,135	128,281,135
Short term investments	7	54,250,638	54,265,866
Trade deposits and short term prepayments		1,763,712	1,060,466
Other receivables		231,985	229,131
Current maturity of non-current assets	9	533,917,174	541,539,478
Taxation - net		1,187,675	621,029
<b>Total current assets</b>		<b>739,432,596</b>	<b>727,568,571</b>
<b>Non-current assets</b>			
Long-term loans	10	-	-
Net investment in finance leases	11	-	-
Investment properties	12	40,525,885	40,880,539
Intangible assets		-	-
Property, plant and equipment	13	63,740,787	64,410,010
<b>Total non-current assets</b>		<b>104,266,672</b>	<b>105,290,549</b>
<b>Total Assets</b>		<b>843,699,268</b>	<b>832,859,120</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
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	479,435,752	471,172,547
Accrued expenses and other payables	17	5,341,426	7,778,566
Current maturity of non-current liabilities	18	692,835,335	692,835,336
Unclaimed dividend		1,661,291	1,661,291
<b>Total current liabilities</b>		<b>1,385,075,392</b>	<b>1,379,249,328</b>
<b>Non-current liabilities</b>			
Certificates of investment		-	-
Deferred tax liability - net		-	-
Long term finances	19	-	-
Security Deposits against Finance Leases	20	-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>1,385,075,392</b>	<b>1,379,249,328</b>
<b>NET ASSETS</b>		<b>(541,376,125)</b>	<b>(546,390,208)</b>
<b>FINANCED BY</b>			
Authorized Share Capital		1,000,000,000	1,000,000,000
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		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		(1,751,956,972)	(1,757,301,748)
Surplus on revaluation of property, plant and equipment - net of tax		32,208,257	32,534,786
Unrealised gain/(loss) on re-measurement as at fair value through other comprehensive income		20,009,731	20,013,895
Accumulated actuarial (loss) / gain on defined benefit plan-net of tax		(999,666)	(999,666)
		<b>(541,376,125)</b>	<b>(546,390,208)</b>

## CONTINGENCIES AND COMMITMENTS

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

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

## PROFIT AND LOSS (UN-AUDITED)

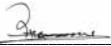
For the quarter ended September 30, 2021

	Note	Quarter ended	
		September 30, 2021	September 30, 2020
		(Rupees)	
<b>Revenue</b>			
Income from:			
Finance leases	23	19,166,711	631,538
Other operating income	25	745,427	36,652,668
<b>TOTAL INCOME</b>		<b>19,912,138</b>	<b>37,284,206</b>
<b>Expenses</b>			
Finance cost	26	8,270,352	9,720,469
Administrative and operating expenses	27	6,485,225	6,514,258
Depreciation	28	1,095,610	1,071,788
		<b>15,851,187</b>	<b>17,306,515</b>
<b>Operating Profit / (Loss) before provisions</b>		<b>4,060,951</b>	<b>19,977,690</b>
Reversals / (Provisions) for doubtful leases, loans and other receivables - net		957,296	-
Increase / (Decrease) in fair value of investment		-	5,710
		<b>957,296</b>	<b>5,710</b>
<b>Profit / (Loss) before taxation</b>		<b>5,018,247</b>	<b>19,983,400</b>
<b>Taxation</b>			
- Current		-	(9,244)
- Deferred		-	-
		-	(9,244)
<b>Profit / (Loss) for the period</b>		<b>5,018,247</b>	<b>19,974,156</b>
<b>Earnings / (Loss) per share - basic</b>	31	<b>0.11</b>	<b>0.44</b>

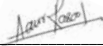
The annexed notes from 1 to 33 form an integral part of this condensed interim financial information.



Chief Executive Officer



Director



Chief Financial Officer

## STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

For the quarter ended September 30, 2021

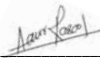
	Quarter ended	
	September 30, 2021	September 30, 2020
	(Rupees)	
Profit / (Loss) after taxation	5,018,247	19,974,156
<i>Other comprehensive income</i>		
<i>Items that are or may be reclassified subsequently to profit or loss:</i>		
Unrealised gain / (loss) on re-measurement of investments as at fair value through other comprehensive income	(4,164)	-
Total comprehensive income for the year	<u>5,014,083</u>	<u>19,974,262</u>



Chief Executive Officer



Director



Chief Financial Officer



# STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

For the quarter ended September 30, 2021

	Issued, subscribed and paid-up share capital					Reserves			Surplus on revaluation of property, plant and equipment net	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	Unrealised gain on re-measurement of investment as at fair value through other comprehensive income			
<b>Balance as at July 1, 2020</b>	451,005,000	328,208,300	179,278,601	(5,711)	(999,686)	(1,759,685,598)	33,840,902	(967,796,932)		
Profit for the period	-	-	-	-	-	19,974,156	-	-	19,974,156	
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax	-	-	-	-	-	910,899	(910,899)	-	-	
Decrease in deferred tax liability on surplus on revaluation of fixed assets due to change in tax rate	-	-	-	-	-	-	-	-	-	
Unrealised loss on re-measurement of available for sale investments	-	-	-	106	-	-	-	-	106	
<b>Balance as at September 30, 2020</b>	451,005,000	328,208,300	179,278,601	106	-	20,885,055	(810,899)	19,974,262		
<b>Balance as at July 1, 2021</b>	451,005,000	328,208,300	179,540,025	(5,005)	(999,686)	(1,738,800,583)	32,330,003	(547,762,870)		
<b>Total comprehensive income for the quarter ended</b>	-	-	-	20,083,895	(999,686)	(1,757,301,788)	32,334,796	(546,390,208)		
Profit for the period	-	-	-	-	-	5,018,297	-	-	5,018,297	
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	-	-	-	(4,164)	-	-	-	-	(4,164)	
Unrealised (loss) / gain on re-measurement of available-for-sale investments	-	-	-	(6,164)	-	-	-	-	(6,164)	
<b>Balance as at 30 September 2021</b>	451,005,000	328,208,300	179,540,025	20,083,721	(999,686)	(1,735,258,922)	32,328,227	(543,378,829)		

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

Chief Executive Officer

Director

Chief Financial Officer

## CASH FLOW STATEMENT (UN-AUDITED)

For the quarter ended September 30, 2021

Note	Quarter ended	
	September 30, 2021	September 30, 2020
	(Rupees)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>8,802,990</b>	<b>(6,622,281)</b>
Finance cost paid	(7,147)	(2,175)
Taxes paid	-	(9,244)
Security deposits paid to lessees	-	-
Interest receivable from Govt. Securities - T-Bills	98,891	-
Decrease in net investment in finance leases	9,388,105	6,597,042
	<u>9,479,849</u>	<u>6,585,623</u>
<b>Net cash flows from operating activities</b>	<b>18,282,839</b>	<b>(36,659)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant and equipment	(71,730)	-
Short term investments - net	15,228	56,475
Proceeds from disposal of short term investments	-	-
Proceeds from sale of property, plant and equipment	-	-
Repayment of long term loans	-	91,999
Dividend received	2,474	-
<b>Net cash (used in) / from investing activities</b>	<b>(54,028)</b>	<b>148,474</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of term finances certificates	-	(2,000,000)
Net cash used in financing activities	-	(2,000,000)
	<u>18,228,811</u>	<u>(1,888,184)</u>
Net decrease in cash and cash equivalents during the period		
Cash and cash equivalents at beginning of the period	1,571,466	4,978,655
Cash and cash equivalents at end of the period	<u>19,800,276</u>	<u>3,090,470</u>

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

  
Chief Executive Officer

  
Director

  
Chief Financial Officer

## NOTES TO THE FINANCIAL INFORMATION (UN-AUDITED)

For the quarter ended September 30, 2021

### 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 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 2020 holds 35.06% (30 June 2021: 35.06%) of issued ordinary share capital of the Company and 63% (30 June 2021: 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 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 Company submitted its rehabilitation plan duly approved by its Board of Directors to the SECP. The plan envisages revival of operation upon renewal of its license by the SECP based on MER of Rs. 50 million with a non-deposit taking status until next improvement if the new sponsor decides to go as a deposit taking company and upon meeting the condition of final negotiated settlement of certain liabilities out of recoveries expected to be materialized during 2020-2021 or thereafter besides negotiations underway with investors desirous of settlement with the Company subject to approval of the competent authority.

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 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.

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 2021

**Notes to the Financial Statements**

*For the quarter ended September 30, 2021*

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 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 2021.

**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, 2021.

**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 for the year ended 30 June 2021.

		September 30, 2021 Rupees (Un-audited)	June 30, 2021 Rupees (Audited)
<b>5. CASH AND BANK BALANCES</b>	Note		
Cash in hand		75,000	75,000
Balance with State Bank of Pakistan in current account - local currency		32,859	32,859
Balances with other banks:			
- in current account		5,500	5,500
- in saving accounts	5.1	19,686,917	1,458,107
		<u>19,800,276</u>	<u>1,571,466</u>

- 5.1 This represents saving deposit accounts maintained with MCB Bank Limited carrying mark-up at the rate of 5.5% (30 June 2021: 5.5%) per annum.

		September 30, 2021 Rupees (Un-audited)	June 30, 2021 Rupees (Audited)
<b>6. SHORT TERM LOANS - Secured</b>	<b>Note</b>		
Term loan to customers - considered doubtful	6.1	165,231,135	165,231,135
Provision for non-performing loans		(36,950,000)	(36,950,000)
		<u>128,281,135</u>	<u>128,281,135</u>

- 6.1 This represents term finance facilities provided to customers and carries mark-up ranging from 16.25% to 25% (30 June 2021: 16.25% to 25%) per annum.

**7. SHORT TERM INVESTMENTS**

Investments in Shares		40,317,501	40,322,025
Amortized cost	6.1	13,933,137	13,943,841
Other Investment - Club membership cards		<u>25,758,520</u>	<u>25,758,520</u>
		80,009,158	80,024,386
Accumulated impairment on Club membership cards		<u>(25,758,520)</u>	<u>(25,758,520)</u>
		<u>54,250,638</u>	<u>54,265,866</u>

- 7.1 This represents investment of shares in unquoted and quoted Companies. The investment is stated at fair value.

**7.2 Amortized cost**

Government Market Treasury Bills	7.2.1	<u>13,933,137</u>	<u>13,943,841</u>
----------------------------------	-------	-------------------	-------------------

- 7.2.1 This represents investment in Government Market Treasury Bill having maturity on 18 November 2021 and carries effective mark-up at a rate of 7.2293% (30 June 2021: 7.342%) 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		65,916,234	65,913,380
Receivable from Provident Fund		2,880,000	2,880,000
Others		<u>3,101,369</u>	<u>3,101,369</u>
		71,897,603	71,894,749
Provision against doubtful receivables		<u>(71,665,618)</u>	<u>(71,665,618)</u>
		<u>231,985</u>	<u>229,131</u>

Notes to the Financial Statements

For the quarter ended September 30, 2021

	Note	September 30, 2021 Rupees (Un-audited)	June 30, 2021 Rupees (Audited)
<b>9. CURRENT MATURITY OF NON - CURRENT ASSETS</b>			
Current portion of:			
Long term loans	10	47,433,850	47,433,850
Net investment in finance leases	11	486,483,325	494,105,628
		<u>533,917,174</u>	<u>541,539,478</u>
<b>10. LONG TERM LOANS - secured</b>			
<b>Related party</b>			
Due from employees - considered good		222,546	222,546
<b>Other than related party</b>			
Term loan to customers - considered doubtful	10.1	100,164,030	100,164,030
		<u>100,386,576</u>	<u>100,386,576</u>
		<u>(52,952,726)</u>	<u>(52,952,726)</u>
Provision for non-performing loans		47,433,850	47,433,850
		<u>(47,433,850)</u>	<u>(47,433,850)</u>
Current maturity of long term loans	9	-	-
		<u>-</u>	<u>-</u>
<b>10.1</b> 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 2021: 16.00% to 22.66%) per annum.			
<b>11. NET INVESTMENT IN FINANCE LEASES</b>			
Minimum lease payments receivable		1,228,964,480	1,238,325,329
Add: Residual value of leased assets		<u>305,225,654</u>	<u>305,225,654</u>
<b>Gross investment in finance leases</b>		<b>1,534,190,134</b>	<b>1,543,550,983</b>
Less: Unearned lease income		-	-
Mark-up held in suspense		<u>220,488,228</u>	<u>221,269,477</u>
		<u>220,488,228</u>	<u>221,269,477</u>
		<u>1,313,701,906</u>	<u>1,322,281,506</u>
Less: Provision for potential lease losses		<u>827,218,582</u>	<u>828,175,878</u>
<b>Net investment in finance leases</b>		<b>486,483,324</b>	<b>494,105,628</b>
Less: Current portion of net investment in finance leases		<u>(486,483,324)</u>	<u>(494,105,628)</u>
		<u>-</u>	<u>-</u>

12. INVESTMENT PROPERTIES

Rupees

As at July 01, 2020

Cost	66,160,092
Accumulated depreciation	(17,055,241)
Accumulated impairment	(6,805,696)
<b>Net book value</b>	<b><u>42,299,155</u></b>

Movement during the period ended September 30,2020

Opening net book value	42,299,155
Depreciation charge	(354,654)
<b>Closing net book value</b>	<b><u>41,944,501</u></b>

As at July 01, 2021

Cost	66,160,092
Accumulated depreciation	(18,473,857)
Accumulated impairment	(6,805,696)
<b>Net book value</b>	<b><u>40,880,539</u></b>

Movement during the period ended September 30,2020

Opening net book value	40,880,539
Depreciation charge	(354,654)
<b>Closing net book value</b>	<b><u>40,525,885</u></b>

As at September 30, 2021

Cost	66,160,092
Accumulated depreciation	(18,828,511)
Accumulated impairment	(6,805,696)
<b>Net book value</b>	<b><u>40,525,885</u></b>
Rate of depreciation	<b><u>2.22% to 5%</u></b>

13. PROPERTY, PLANT AND EQUIPMENT

	Note	September 30, 2021 Rupees (Un-audited)	June 30, 2021 Rupees (Audited)
Property, plant and equipment - own use		63,360,422	64,029,645
Property, plant and equipment - operating lease		380,365	380,365
		<u>63,740,787</u>	<u>64,410,010</u>
<b>Additions - Cost</b>			
	10.1		
<b>Owned assets</b>			
Office Premises		-	-
Office equipment		71,730	-
	9	<u>71,730</u>	<u>-</u>
<b>Total additions</b>		<u>71,730</u>	<u>-</u>
<b>Disposals - WDV</b>			
<b>Owned assets</b>			
Vehicles		-	-
Office equipment		-	-
<b>Total Disposals</b>		<u>-</u>	<u>-</u>

Notes to the Financial Statements

For the quarter ended September 30, 2021

		September 30, 2021 Rupees (Un-audited)	June 30, 2021 Rupees (Audited)
<b>14. BORROWINGS FROM FINANCIAL INSTITUTIONS</b>			
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 2021, the Company has accrued a mark-up of Rs. 99.903 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 2020, the Company has accrued a mark-up of Rs. 55.658 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, 2021 Rupees (Un-audited)	June 30, 2021 Rupees (Audited)
<b>15. CERTIFICATE OF INVESTMENT</b>		<u>43,000,000</u>	<u>43,000,000</u>
<b>16. ACCRUED MARK-UP</b>			
Mark-up on:			
Certificates of investment		110,444,328	109,090,355
Long term finances		48,634,743	48,198,655
Term finance certificates		164,934,494	161,859,049
Short term borrowings from financial institutions		155,422,187	152,024,488
		<u>479,435,752</u>	<u>471,172,547</u>



	Note	September 30, 2021 Rupees (Un-audited)	June 30, 2021 Rupees (Audited)
<b>17. ACCRUED EXPENSES AND OTHER PAYABLES</b>			
Accrued expenses		4,148,852	6,691,057
Others		1,192,574	1,087,509
		<u>5,341,426</u>	<u>7,778,566</u>
<b>18. CURRENT MATURITY OF NON- CURRENT LIABILITIES</b>			
Current portion of:			
Certificate of investment		50,549,000	50,549,000
Long term finances	19	356,494,443	356,494,443
Security deposits against finance leases	20	285,791,894	285,791,894
		<u>692,835,335</u>	<u>692,835,336</u>
<b>19. LONG TERM FINANCES</b>			
Long term finances - secured	19.1	149,561,501	149,561,501
Long term finances - unsecured		5,703,696	5,703,696
	19.2	<u>155,265,197</u>	<u>155,265,197</u>
Term finance certificates - secured	19.3	201,229,246	201,229,246
		<u>356,494,443</u>	<u>356,494,443</u>
Current maturity of long term finances	18	<u>(356,494,443)</u>	<u>(356,494,443)</u>
		<u>-</u>	<u>-</u>
<b>19.2 Long term finances Secured</b>			
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
Soneri Bank Limited	19.2.3	61,999,996	61,999,996
<b>Un-secured</b>			
Silk Bank Limited	19.2.4	5,703,696	5,703,696
		<u>155,265,197</u>	<u>155,265,197</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 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 2021, the Company has accrued mark up of Rs. 16.757 million.

Notes to the Financial Statements

For the quarter ended September 30, 2021

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, 2021, the Company had accrued mark-up of Rs. 24.054 million.

19.2.3 As on March 29, 2010, the Company had a financial obligation in respect of Term Finance facilities obtained from M/s. Soneri Bank Limited (SBL) as under:

Term Finance I - PKR 66.66 million  
 Term Finance II - PKR 35.00 million  
 Running Finance - PKR 49.97 million  
 Total PKR 151.637

- The company paid TF-II of PKR 35 million and RF PKR 1.5 million.
- The company also paid PKR 5 million upto May 7, 2013, on which date revised settlement agreement was entered with SBL to restructure the entire obligation of pending PKR 110 million to be paid as under:
  - a PKR 43 million by way of transfer of property (held as collateral of PKR 43 million against the borrower) or a cash payment of PKR 25 million as full and final settlement of PKR 43 million. The company settled the loan amounting to PKR 43 million by way of cash payment of PKR 25 million on August 28, 2013 (and recognized the waiver of PKR 18 million against the said payment)
  - b Cash paid of PKR 5 million in twelve equal monthly payment of PKR 0.416 million each commencing from the date execution of settlement agreement (company paid PKR 5 million in twelve equal installments as agreed).
  - c PKR 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 negotiating with SBL to accept alternate property of the same value acceptable to Soneri Bank Limited;
- Remaining principal obligation amounting to Rs. 27.5 million will be waived upon successful transfer of properties / cash payment as referred to above.
- Further, as per the revised restructuring terms, the finance carries no mark-up.
- During the year, the bank filed a petition for recovery suit in Banking Court claiming Rs.79.999 million against default by the company in the implementation of settlement agreement dated May 2013 with the bank. The Company was required to make payment of Rs.39.5 million and waiver of Rs.27 million was to be availed upon full repayment. The company however on payment of agreed instalment up to Rs. 5 million till 2015 subsequently defaulted in repayment of balance amount of Rs 34.5 million. The suit filed is proceeding in the court. The company intends to settle this liability as per the agreement.

19.2.4 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 2021, the Company had accrued a markup of Rs. 7.823 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.

Notes to the Financial Statements

For the quarter ended September 30, 2021

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, 2021 Rupees (Un-audited)	June 30, 2021 Rupees (Audited)
<b>20. LONG TERM SECURITY DEPOSITS AGAINST FINANCE LEASES</b>			
Security deposits against finance leases	20.1	285,791,894	285,791,894
Current maturity of deposits against finance leases	18	<u>(285,791,894)</u>	<u>(285,791,894)</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>32,208,257</u>	<u>32,534,786</u>
		<u>32,208,257</u>	<u>32,534,786</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 and December 16, 2019. 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 and Rs. 64,926,000 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 it 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 June 2021 amounted to Rs.178.904 million (2021: 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

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

	September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited)
<b>Note</b>	-----	-----
<b>23. INCOME FROM FINANCE LEASES</b>	<b>(Rupees)</b>	<b>-----</b>
Income from finance lease contracts	781,249	523,538
Gain on termination of finance lease contracts	<u>18,385,462</u>	<u>108,000</u>
	<u><u>19,166,711</u></u>	<u><u>631,538</u></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.

Notes to the Financial Statements

For the quarter ended September 30, 2021

	September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited)
Note	-----	-----
	(Rupees)	
<b>25. OTHER OPERATING INCOME</b>		
<b>Income from financial assets:</b>		
- Dividend income	2,474	-
- Interest income from government securities	220,042	279,753
- Interest income from savings accounts	27,912	61,000
	<u>250,427</u>	<u>340,753</u>
<b>Income from non-financial assets:</b>		
- Gain on sale of property, plant and equipment	-	-
- Waiver on settlement of long term finances	-	36,308,915
- Others	495,000	3,000
	<u>495,000</u>	<u>36,311,915</u>
	<u>745,427</u>	<u>36,652,668</u>
<b>26. FINANCE COST</b>		
Mark-up on:		
- Long term finances	436,088	637,212
- Term finance certificates	3,075,445	4,054,858
- Short term borrowings	3,397,699	3,397,699
Return on certificates of investment	1,353,973	1,628,525
Bank charges	7,147	2,175
	<u>8,270,352</u>	<u>9,720,469</u>
<b>27. ADMINISTRATIVE AND OPERATING EXPENSES</b>		
Salaries, Allowances and Benefits	4,046,598	4,140,198
Directors' Fee	550,000	700,000
Rent	77,440	211,200
Repairs and maintenance	549,460	549,317
Insurance	12,759	54,924
Utilities	295,672	132,723
Vehicle running expenses	246,516	43,699
Printing and stationery	68,953	15,660
Telephone and postage	73,996	94,289
Travelling and conveyance - Directors	26,000	-
Fee and subscriptions	179,040	12,564
Legal and professional charges	93,400	226,100
Advertising and entertainment	91,301	29,720
Miscellaneous	174,090	303,864
	<u>6,485,225</u>	<u>6,514,258</u>
<b>28. DEPRECIATION</b>		
Depreciation on owned assets	740,956	717,134
Depreciation on investment properties	354,654	354,654
	<u>1,095,610</u>	<u>1,071,788</u>

Note	September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited)
	----- (Rupees) -----	
<b>29. CASH GENERATED FROM OPERATIONS</b>		
(Loss) / profit for the period before taxation	5,018,247	19,983,400
Adjustment for non cash charges and other items :		
Depreciation - owned assets	740,956	717,134
Depreciation - investment properties	354,654	354,654
Income on finance lease contracts	(781,249)	(523,538)
Financial and other charges	8,270,352	9,720,469
Provision / (reversals) for doubtful leases, loans and other receivables	(957,296)	-
Dividend income	(2,474)	-
Interest income from government securities	(220,042)	(279,753)
Gain on sale of property, plant & equipment	-	-
Amount written off directly against loans, lease receivables and investments	-	-
Gain on settlement of term finance certificates	-	(36,311,915)
Other Income	(495,000)	-
Impairment on available for sale investments	-	5,710
	<u>6,909,901</u>	<u>(26,317,239)</u>
(Loss)/profit before working capital changes	<u>11,928,148</u>	<u>(6,333,838)</u>
<b>Working capital changes</b>		
Short term loans / Investments	15,228	366,168
Trade deposits and short term prepayments / other receivables	(703,246)	(468,621)
Accrued and other payables	(2,437,140)	(185,990)
	<u>(3,125,158)</u>	<u>(288,443)</u>
Cash (used in) / generated from operations after working capital changes	<u>8,802,990</u>	<u>(6,622,281)</u>

**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:

<b>Directors fee</b>		
Fee	550,000	700,000
<b>Key management personnel</b>		
Remuneration to key management personnel	1,755,000	1,755,000
<b>Other related parties</b>		
Payments to provident fund	127,500	127,500

Notes to the Financial Statements

For the quarter ended September 30, 2021

	September 30, 2021 (Unaudited)	September 30, 2020 (Unaudited)
Note	-----	-----
<b>31. EARNINGS / (LOSS) PER SHARE - BASIC</b>		
Profit / (Loss) after taxation attributable to ordinary shareholders	<u>5,018,247</u>	<u>19,974,156</u>
	(Number)	
Weighted average number of ordinary shares	<u>45,160,500</u>	<u>45,160,500</u>
	(Rupees)	
Earnings / (Loss) per share - Basic	<u>0.11</u>	<u>0.44</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 October 27, 2021 by the Board of Directors.

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



Chief Executive Officer



Director



Chief Financial Officer