

**SAUDI PAK LEASING COMPANY LIMITED**

**FINANCIAL STATEMENTS (UN-AUDITED)**

**(3<sup>RD</sup> QUARTER)**

**FOR THE PERIOD ENDED**

**MARCH 31, 2020**

**QUARTERLY REPORT FOR MARCH 31, 2020**

**DIRECTORS REVIEW:**

The Directors of Saudi Pak Leasing Company are pleased to present the un-audited condensed Interim Financial information of the company for the quarter ended March 31, 2020.

**Operating and Financial Results:**

	<b>March 31, 2020 Rupees</b>	<b>March 31, 2019 Rupees</b>
Income from finance and operating leases	3,631,134	11,084,094
Other operating income	2,399,457	25,909,870
<b>Total income</b>	<b>6,030,591</b>	<b>36,993,964</b>
Finance cost	(39,512,173)	(31,657,816)
Administrative and other operating expenses including depreciation	(25,989,150)	(24,920,027)
Operating (loss) / profit before provisions	(59,470,732)	(19,583,879)
Reversal / (provision) against leases, loans, receivables and investment properties	11,263,120	20,955,380
(Loss) / Profit before taxation	(48,207,612)	1,371,501
(Loss) / Profit after taxation	(47,348,503)	13,124,041
(Loss) / Earnings per share - basic	(1.05)	0.29


The total income earned during the period ended March 31, 2020 registered a decrease of 83.70% when compared to the income during corresponding period of 2019. The operating loss before provisions stood at Rs.59.47 million during the period under consideration (operating loss of Rs.19.58 million in 2019). The management carried out physical inspection through approved valuer of NBFI & Modaraba Association and the realizable value for all movable assets against which FSV benefit has been recognized in these financial statements as an ongoing exercise and its impact is being accounted for accordingly.

The Company has been facing serious challenges on account of stuck up and non-performing loans/leases and is facing liquidity issues. No fresh leasing business has been undertaken since 2008 and the Company is concentrating on recoveries through settlements and salvaging the investments only. The company has filed legal suits in the respective courts and is also making concerted efforts and opting for out of court settlements as far as possible.

The Company has been able to substantially 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

Karachi: 23<sup>RD</sup> April, 2020

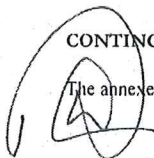
6th.Floor, LaksonSquareBuilding#1,Sarwar ShaheedRoad, Saddar,Karachi Ph: 021-35655181-82-83, Fax: (021) 35210609  
www.saudipakleasing.com

Saudi Pak Leasing Company Limited  
Condensed Interim Statement of Financial Position (Un-audited)  
As at 31 March 2020

**SAUDI PAK**  
LEASING

		(Restated) March 31, 2020 Rupees (Un-audited)	June 30, 2019 Rupees (Audited)
	Note	----- (Rupees) -----	
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances	5	2,601,931	6,060,252
Short term loans	6	86,922,935	86,922,935
Short term investments	7	29,198,477	29,515,516
Trade deposits and short term prepayments		1,221,484	1,093,160
Other receivables	8	5,508,563	5,566,100
Taxation-net		220,454	-
Current maturity of non-current assets	9	509,883,383	518,412,617
<b>Total current assets</b>		<b>635,557,227</b>	<b>647,570,579</b>
<b>Non-current assets</b>			
Long-term loans	10	-	-
Net investment in finance leases	11	-	-
Investment properties	12	42,653,811	43,717,770
Intangible assets		89,756	125,882
Property, plant and equipment	13	67,395,883	66,504,098
<b>Total non-current assets</b>		<b>110,139,449</b>	<b>110,347,750</b>
<b>Total Assets</b>		<b>745,696,676</b>	<b>757,918,329</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Borrowings from financial institutions	14	164,501,588	164,501,588
Certificates of investment	15	43,000,000	43,000,000
Accrued mark-up	16	437,502,565	398,009,594
Accrued expenses and other payables	17	6,127,305	9,378,798
Current maturity of non-current liabilities	18	725,165,066	728,495,117
Unclaimed dividend		1,661,291	1,661,291
Preference dividend payable		5,774,153	5,774,153
<b>Total current liabilities</b>		<b>1,383,731,968</b>	<b>1,350,820,541</b>
<b>Non-current liabilities</b>			
Deferred tax liability - net		-	-
Long term finances	19	-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>1,383,731,968</b>	<b>1,350,820,541</b>
<b>NET ASSETS</b>		<b>(638,035,293)</b>	<b>(592,902,211)</b>
<b>FINANCED BY</b>			
<b>Authorized Share Capital</b>			
100,000,000 (June 30, 2019: 100,000,000) ordinary shares of Rs. 10/-each		1,000,000,000	1,000,000,000
100,000,000 (June 30, 2019: 100,000,000) preference shares of Rs. 10/-each		1,000,000,000	1,000,000,000
		<b>2,000,000,000</b>	<b>2,000,000,000</b>
Issued, subscribed and paid-up share capital - ordinary shares		451,605,000	451,605,000
Issued, subscribed and paid-up share capital - preference shares		528,208,500	528,208,500
Capital reserves		183,361,290	183,361,290
Accumulated loss		(1,834,378,325)	(1,787,982,959)
Surplus on revaluation of property, plant and equipment - net of tax	21	34,167,908	32,905,207
Unrealised gain on re-measurement as at fair value through other comprehensive income		-	417
Accumulated actuarial (loss) / gain on defined benefit plan-net of tax		(999,666)	(999,666)
		<b>(638,035,293)</b>	<b>(592,902,211)</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	22		

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





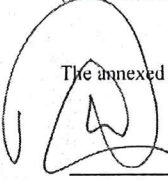
**Chief Executive**                      **Director**                      **Chief Financial Officer**

Saudi Pak Leasing Company Limited  
Condensed Interim Statement Profit or Loss (Un-audited)  
For the quarter ended March 31, 2020

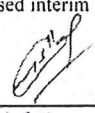
**SAUDI PAK**  
LEASING

	Note	Nine months period ended March 31,		Three months period ended March 31,	
		2020	(Restated) 2019	2020	(Restated) 2019
----- (Rupees) -----					
<b>Revenue</b>					
<b>Income from:</b>					
Finance leases	23	3,631,134	11,084,094	2,258,093	440,345
Operating leases		-	-	-	-
		3,631,134	11,084,094	2,258,093	440,345
Other operating income	25	2,399,457	25,909,870	527,321	24,823,553
<b>TOTAL INCOME</b>		6,030,591	36,993,964	2,785,414	25,263,898
<b>Expenses</b>					
Finance cost	26	39,512,173	31,657,816	13,083,664	11,228,663
Administrative and operating expenses	27	22,727,576	21,936,881	6,501,292	8,741,567
Depreciation	28	3,261,574	2,983,146	1,247,394	994,382
Amount written-off directly against loans and lease receivables		-	-	-	-
Direct cost of operating leases		-	-	-	-
		65,501,323	56,577,843	20,832,350	20,964,612
<b>Operating (Loss) / Profit before provisions</b>		(59,470,732)	(19,583,879)	(18,046,936)	4,299,286
Reversals / (Provisions) for doubtful leases, loans and other receivables		11,263,120	20,955,380	1,626,827	4,914,654
Reversal / (impairment) on investment properties		-	-	-	-
		11,263,120	20,955,380	1,626,827	4,914,654
<b>Profit / (Loss) before taxation</b>		(48,207,612)	1,371,501	(16,420,109)	9,213,939
<b>Taxation</b>					
- Current		(45,952)	11,752,540	(28,442)	(84,992)
- Deferred		905,061	-	-	-
		859,109	11,752,540	(28,442)	(84,992)
<b>Profit / (Loss) for the period</b>		(47,348,503)	13,124,041	(16,448,551)	9,128,947
(Loss) / Earnings per share - basic	31	(1.05)	0.29	(0.36)	0.20
(Loss) / Earnings per share - diluted	31	(0.48)	0.04	(0.17)	0.09

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

  
Chief Executive

  
Director

  
Chief Financial Officer

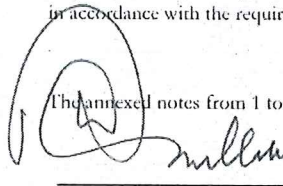
Saudi Pak Leasing Company Limited  
 Condensed Interim Statement of Comprehensive Income (Un-audited)  
 For the quarter ended March 31, 2020

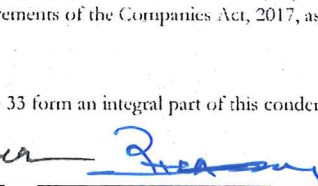


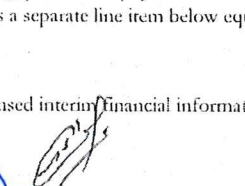
	Nine months period ended 31 March		Three months period ended 31 March	
	2020	(Restated) 2019	2020	(Restated) 2019
	-----Rupees-----			
(Loss) / profit after taxation	(47,348,503)	13,124,041	(16,448,551)	9,128,947
<b>Other comprehensive income</b>				
<i>Items that are or may be reclassified subsequently to profit or loss:</i>				
Unrealised (loss) / gain on re-measurement of available for sale investments	(417)	(614)	1,662	1,465
Surplus recognized on revaluation of office premises carried out during the period	3,120,899	-	-	-
Deferred tax on above surplus	(905,061)	-	-	-
	2,215,838	-	-	-
<b>Total comprehensive income for the year</b>	<b>(45,133,082)</b>	<b>13,123,427</b>	<b>(16,446,889)</b>	<b>9,130,412</b>

Surplus / (deficit) arising on revaluation of certain classes of property, plant and equipment has been reported in accordance with the requirements of the Companies Act, 2017, as a separate line item below equity.

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

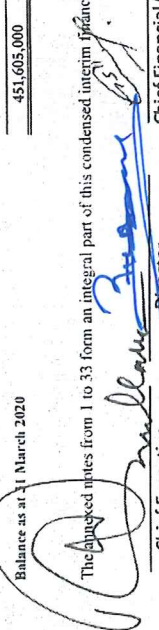
  
 Chief Executive

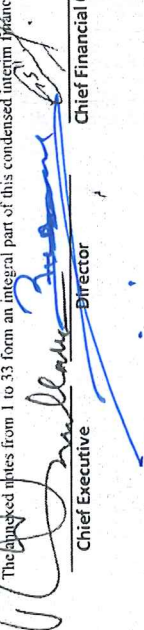
  
 Director

  
 Chief Financial Officer

Saudi Pak Leasing Company Limited  
Condensed Interim Statement of Changes in Equity (Un-audited)  
For the quarter ended March 31, 2020

	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 available for sale investments	Accumulated actuarial gain / loss on defined benefit plan- net of tax		
Balance as at June 30, 2018 (as previously reported)	451,605,000	528,208,500	177,928,194	11,961	(999,666)	(1,839,191,562)	670,818,459
Effect of correction of prior period errors	-	-	-	-	-	33,993,159	34,579,648
Balance as at June 30, 2018 (as restated)	451,605,000	528,208,500	177,928,194	11,961	(999,666)	(1,805,198,403)	616,238,811
<b>Total comprehensive income for the period</b>				(614)		13,124,041	13,124,041
- Loss after taxation							(614,000)
- Other comprehensive income							
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax						591,233	(591,233)
Balance as at 31 March 2019 (as restated)	451,605,000	528,208,500	177,928,194	11,347	(999,666)	(1,721,483,002)	603,115,454
<b>Balance as at July 1, 2019 (as restated)</b>	451,605,000	528,208,500	183,361,290	417	(999,666)	(1,787,982,959)	(591,962,711)
<b>Total comprehensive income for the period</b>				(417)		(47,348,503)	(47,348,503)
- Loss after taxation							(2,153,838)
- Other comprehensive income							
Transfer from surplus on revaluation of property, plant and equipment on account of incremental depreciation - net of deferred tax						983,137	(983,137)
Balance as at 31 March 2020	451,605,000	528,208,500	183,361,290	(417)	(999,666)	(46,365,366)	431,103,969
The audited notes from 1 to 33 form an integral part of this condensed interim financial information.						(1,834,378,325)	(1,834,378,325)

Chief Executive  Director

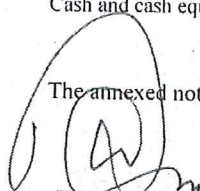
Chief Financial Officer 

Saudi Pak Leasing Company Limited  
 Condensed Interim Statement of Cash Flows (Un-audited)  
 For the quarter ended March 31, 2020

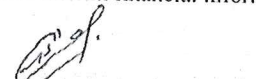


	Quarter Ended	
	March 31, 2020	(Restated) March 31, 2019
	-----Rupees -----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
	29	
Finance cost paid	(23,930,725)	(21,435,874)
Taxes paid	(19,201)	(20,315)
Finance lease rentals received	(266,406)	(248,642)
	<b>18,661,806</b>	<b>37,666,881</b>
<i>Net cash flows from operating activities</i>	<b>18,376,199</b>	<b>37,397,924</b>
	<b>(5,554,526)</b>	<b>15,962,050</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Acquisition of property, plant, equipment and vehicle	-	(2,951,680)
Short term investments - net	1,733,857	(46,192)
Proceeds from sale of property, plant, equipment and vehicle	862,066	718,590
Repayment of long term loans / Employees Advances	(5,350)	(113,371)
Dividend received	5,631	3,960
<i>Net cash (used in) / from investing activities</i>	<b>2,596,204</b>	<b>(2,388,693)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of long term finances	-	-
Repayment of certificates of investment	(500,000)	-
<i>Net cash used in financing activities</i>	<b>(500,000)</b>	<b>-</b>
Net decrease in cash and cash equivalents during the period	<b>(3,458,322)</b>	<b>13,573,357</b>
Cash and cash equivalents at beginning of the period	<b>6,060,252</b>	<b>9,738,553</b>
Cash and cash equivalents at end of the period	<b>2,601,931</b>	<b>23,311,911</b>

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

  
 \_\_\_\_\_  
 Chief Executive

  
 \_\_\_\_\_  
 Director

  
 \_\_\_\_\_  
 Chief Financial Officer

## 1. LEGAL STATUS AND OPERATIONS

- 1.1 Saudi Pak Leasing Company Limited ('the Company') was incorporated in Pakistan on 08 January 1991 under the Companies Ordinance, 1984 (now repealed with the enactment of the Company Act, 2017 on May 30, 2017) and is listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 6th Floor, Lakson Square Building No.1, Sarwar Shaheed Road, Saddar, Karachi. The main business activity of the Company is leasing of assets. The Company's license to carry out the business of leasing had expired on 18 May 2010 and renewal is pending with the Securities and Exchange Commission of Pakistan (SECP).

Saudi Pak Industrial & Agricultural Investment Company Limited (SAPICO) is the major shareholder and as of 31 March, 2020 held 35.06% (June 30, 2019: 35.06%) of issued ordinary share capital of the Company and 63% (June 30, 2019: 63%) of issued preference share capital of the Company.

The Company also operates its office at Office No. 337/338, 4th Floor, JEFF Heights, Commercial Plaza, 77-E-1, Gulberg III, Lahore.

- 1.2 The country's weak economic fundamentals has had a pessimistic impact on the local economy. The country is facing serious challenges for the last several years on account of numerous factors.

Leasing companies are facing liquidity crunch, consequently affected the Company as well. The Company was thus trapped in the mud of defaults wherein recovery from customers has become an uphill task. The management is trying its level best to recover stuck up funds as much as possible from the available means.

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

- The Company submitted its rehabilitation plan duly approved by its Board of Directors to the SECP. The plan envisages the revival of operation upon renewal of its license by SECP based on MER of Rs. 50 million upon meeting the condition.

## 2. BASIS OF PREPERATION

### 2.1 Statement of Compliance

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of International Accounting Standard - 34 (IAS 34), 'Interim Financial Reporting' issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017, and provisions of, and directives issued under, the Companies Act, 2017, the Non-Banking Finance Companies (Establishment and regulation) Rules, 2003 (NBFC Rules, 2003), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC 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.

These condensed interim financial statements have been prepared in accordance with the format generally followed for financial institutions and the provisioning requirements have been determined in accordance with requirements of the NBFC Regulations, 2008.

### 2.2 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.



### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, ESTIMATES AND JUDGMENTS

The significant accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2019 except that with effect from July 01, 2019, the Company has adopted the International Financial Reporting Standard (IFRS) 16 Leases which replaced the previous leases standard IAS 17 Leases. However, as permitted by paragraph C14 of IFRS 16, the Company has not made any adjustments on transition for leases in which it is a lessor and has accounted for its investment in finance leases applying IFRS 16 from the date of initial application i.e. July 01, 2019.

The preparation of these condensed interim financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. However, actual results may differ from these estimates. In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation and uncertainty were the same as those that were applied to the annual financial statements for the year ended June 30, 2019.

### 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 2019.

	Note	March 31, 2020 Rupees (Un-audited)	June 30, 2019 Rupees (Audited)
<b>5. CASH AND BANK BALANCES</b>			
Cash in hand		50,000	117,545
Balance with State Bank of Pakistan in current account - local currency		40,448	46,977
Balances with other banks:			
- in current account		5,500	5,500
- in saving accounts		2,505,983	5,890,230
		<u>2,601,931</u>	<u>6,060,252</u>

5.1 This represents saving deposit accounts maintained with various commercial banks at mark-up rate ranging from 10% to 11.25% (30 June 2019: 7% to 8.5%) per annum.

	Note	March 31, 2020 Rupees (Un-audited)	June 30, 2019 Rupees (Audited)
<b>6. SHORT TERM LOANS - Secured</b>			
Term loan to customers			
- Considered doubtful	6.1	165,231,135	165,231,135
Provision for non-performing loans		(78,308,200)	(78,308,200)
		<u>86,922,935</u>	<u>86,922,935</u>

6.1 This represents term finance facilities provided to customers and carries mark-up ranging from 16.25% to 25% (30 June 2019: 16.25% to 25%) per annum. However, the accrual of such mark-up is suspended as required by prudential regulations.

	Note	March 31, 2020 Rupees (Un-audited)	June 30, 2019 Rupees (Audited)
<b>7. SHORT TERM INVESTMENTS</b>			
At fair value through other comprehensive income	7.1	14,738,831	14,751,290
At amortized cost	7.2	14,459,646	14,764,226
		<u>29,198,477</u>	<u>29,515,516</u>

#### 7.1 Investments at fair value through other comprehensive income

Ordinary shares of listed companies- at cost	7.1.1	73,894	85,935
Ordinary shares of unlisted companies- at cost	7.1.2	14,664,938	14,664,938
Other investment- at cost		25,758,520	25,758,520
		40,497,352	40,509,393
Unrealised gain on re-measurement of investments		-	417
Accumulated impairment		(25,758,520)	(25,758,520)
		<u>14,738,831</u>	<u>14,751,290</u>

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

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

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

#### 7.2 Investment at amortized cost

This represents investment in Government Market Treasury Bill having maturity on 9th April 2020 and carries effective mark-up at a rate of 13.44% (30 June 2019: 11%) per annum.



11.3 Provision for lease losses		
Balance at beginning of the year	900,886,204	970,078,595
Charge for the period	2,400,000	3,191,354
Reversal for the period	(13,663,045)	(72,383,745)
Write-offs against provision	(11,263,045)	(69,192,391)
	(911,560)	-
Balance at end of the period	888,711,599	900,886,204

12. INVESTMENT PROPERTIES

	<u>Rupees</u>	
<b>As at July 01, 2018</b>		
Cost		66,160,092
Accumulated depreciation		(14,219,005)
Accumulated impairment		(6,805,696)
<b>Net book value</b>		<u>45,135,391</u>
<i>Movement during the period ended March 31, 2019</i>		
Opening net book value		45,135,391
Depreciation charge		(1,232,546)
<b>Closing net book value</b>		<u>43,902,846</u>
<b>As At March 31, 2019</b>		
Cost		66,160,092
Accumulated depreciation		(15,451,551)
Accumulated impairment		(6,805,696)
<b>Net book value</b>		<u>43,902,846</u>
<b>As at July 01, 2019</b>		
Cost		66,160,092
Accumulated depreciation		(15,636,626)
Accumulated impairment		(6,805,696)
<b>Net book value</b>		<u>43,717,770</u>
<i>Movement during the period ended March 31, 2020</i>		
Opening net book value		43,717,770
Depreciation charge		(1,063,959)
<b>Closing net book value</b>		<u>42,653,811</u>
<b>As At March 31, 2020</b>		
Cost		66,160,092
Accumulated depreciation		(16,700,585)
Accumulated impairment		(6,805,696)
<b>Net book value</b>		<u>42,653,811</u>
Rate of depreciation (per annum)		<u>5%</u>

	Note	March 31, 2020 Rupees (Un-audited)	(Restated) June 30, 2019 Rupees (Audited)
<b>13. PROPERTY, PLANT AND EQUIPMENT</b>			
Property, plant and equipment - own use		67,015,483	66,123,698
Property, plant and equipment - operating lease		380,400	380,400
		<u>67,395,883</u>	<u>66,504,098</u>
<b>Additions - Cost</b>			
<i>Owned assets</i>			
Vehicle		-	2,352,595
Office equipment		-	538,835
<b>Total additions</b>		<u>-</u>	<u>2,891,430</u>
<b>Disposals - Cost</b>			
<i>Owned assets</i>			
Vehicle		<u>67,624</u>	<u>(689,790)</u>
<b>14. BORROWINGS FROM FINANCIAL INSTITUTIONS</b>			
<b>Letter of placements - Unsecured</b>			
National Bank of Pakistan	14.1	77,500,000	77,500,000
Innovative Investment Bank Limited	14.2	60,000,000	60,000,000
Meezan Bank Limited	14.3	27,001,588	27,001,588
		<u>164,501,588</u>	<u>164,501,588</u>
<b>14.1</b>	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 31 March 2020, the Company has accrued a mark-up of Rs. 86.73 million.		
<b>14.2</b>	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 31 March 2020, the Company has accrued a mark-up of Rs. 48.45 million.		
<b>14.3</b>	This represents finance of Rs. 150 million obtained from Meezan Bank Limited (MEBL) on 20 September 2008, under Murabaha arrangement at a rate of 12% per annum. The Company paid Rs. 81 million on various dates from September 2008 to June 2011. The remaining amount of Rs. 69 million was restructured by way of settlement agreement on 22 April 2011 whereby the Company transferred a lease portfolio of Rs. 32 million. On 03 September 2012, a revised settlement agreement was signed according to which loan to be settled by way of transferring of Company's assets / collateral held by the Company against one of its non-performing borrowers and cash payment of Rs. 9.870 million as down payment. The Company made the down payment on 06 September 2012 and the collateral held by the Company against the non-performing borrower is to be transferred after the execution of a tripartite agreement between the Company, MEBL and the said borrower. The management is currently under a negotiation for an early execution of the said agreement. As per the restructuring terms, the finance carries no mark-up.		
<b>15. CERTIFICATE OF INVESTMENT</b>		<u>43,000,000</u>	<u>43,000,000</u>
<b>16. ACCRUED MARK-UP</b>			
<i>Mark-up on:</i>			
- certificates of investment		99,719,980	94,843,283
- long term financies		45,458,806	43,732,689
- term finance certificates		157,140,059	134,406,068
- short term borrowings from financial institutions		135,183,720	125,027,554
		<u>437,502,565</u>	<u>398,009,594</u>
<b>17. ACCRUED EXPENSES AND OTHER PAYABLES</b>			
Accrued expenses		1,562,384	4,516,202
Others		4,564,921	4,862,596
		<u>6,127,305</u>	<u>9,378,798</u>

	Note	March 31, 2020 Rupees (Un-audited)	June 30, 2019 Rupees (Audited)
<b>18. CURRENT MATURITY OF NON- CURRENT LIABILITIES</b>			
Current portion of:			
Certificate of investment		50,549,000	51,049,000
Long term finances	19	378,532,443	378,532,443
Security deposits against finance leases	20	296,083,624	298,913,674
		<u>725,165,066</u>	<u>728,495,117</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
Term finance certificates - secured	19.2 19.3	155,265,197 223,267,246	155,265,197 223,267,246
Current maturity of long term finances	18	378,532,443 (378,532,443)	378,532,443 (378,532,443)
		<u>-</u>	<u>-</u>
<b>19.2 Long term finances</b>		<b>Principal Outstanding</b>	
		March 31, 2020	June 30, 2019
		----- (Rupees) -----	
<b>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 instalments of Rs. 12.5 million each from 17 September 2005 to 17 March 2009. The agreement was amended with the maturity date to March 2010. As of 31 March 2020, all instalments were paid except for the last instalment which was due on 17 March 2009 and is still outstanding. As per agreement the finance carries mark-up at 6 month KIBOR + 1.5%, payable semi-annually. As of 31 March 2020, the Company has accrued mark up of Rs. 14.62 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 instalments up to December 31, 2012. The Company paid the instalments up to December 31, 2010 since when no further repayments have been made. Further, as per the revised agreement, the finance carries mark-up at 12% per annum, payable monthly. However, the accrual of markup has been stopped as the result of confirmation of liability received by external auditor.

19.2.3 This represents finance of Rs. 115 million obtained from Soneri Bank Limited on 22 March 2010 mainly for lease financing activities. The finance was restructured by way of settlement agreement on 22 December 2010. As per the rescheduling terms the entire principal was payable in monthly instalments of Rs. 1 million starting from November 2010. The Company paid the instalments upto 16 March 2011. The Company restructured the loan by way of settlement agreement on 7 May 2013 to settle the loan through following terms:

- Rs. 43 million by way of transfer of a property (held as collateral of Rs. 43 million against the 'borrower') or a cash payment of Rs. 25 million as full and final settlement of Rs. 43 million.

- Rs. 34.5 million by way of transfer of a property (held as collateral of Rs. 34.5 million against the borrower) at Thokar Niaz Baig, Lahore. However, this property has not been transferred to Soneri Bank Limited due to legal complications and the company is considering to offer alternate property of the same value acceptable to Soneri Bank Limited;
- Cash payment of Rs. 5 million in 12 equal monthly instalments of Rs. 0.416 million each commencing from the date of execution of settlement agreement.

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

- 19.2.4 This represents finance of Rs. 15.7 million obtained from Silk Bank Limited on 27 April 2009 against issuance of irrevocable letter of comfort to Silk Bank on account of Uni-Link International for opening of letter of credit. The Company has paid Rs. 4 million upto 31 March 2011. The finance has been restructured by way of a settlement agreement dated 12 September 2012. As per the agreement loan was to be settled by making down payment of Rs. 0.707 million and balance of Rs. 11 million was to be paid in 54 equal monthly instalments of Rs. 0.204 million per month. Five monthly instalments of Rs. 0.204 million each were paid by the Company upto November 2014 and since then the Company has not paid any amount. As of 31 March 2020, the Company has accrued a mark up of Rs. 6.79 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.

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

	Note	March 31, 2020 Rupees (Un-audited)	June 30, 2019 Rupees (Audited)
<b>20. LONG TERM SECURITY DEPOSITS AGAINST FINANCE LEASES</b>			
Security deposits against finance leases	20.1	296,083,624	298,913,674
Current maturity of deposits against finance leases	18	<u>(296,083,624)</u>	<u>(298,913,674)</u>
		<u>-</u>	<u>-</u>
20.1 This represents security deposits received from lessees under lease contracts and are adjustable on maturity of the respective leases.			
<b>21. SURPLUS ON REVALUATION OF ASSETS</b>			
Surplus on revaluation of property, plant and equipment	21.1	<u>34,167,908</u>	<u>42,783,336</u>
		<u>34,167,908</u>	<u>42,783,336</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. 3,120,899 during the year.			
<b>22. CONTINGENCIES AND COMMITMENTS</b>			
There is no significant change in the status of contingencies and commitments as reported in the audited financial statements for the year ended June 30, 2019.			
<b>23. INCOME FROM FINANCE LEASES</b>			
Income from finance lease contracts		2,765,344	10,817,094
Gain on termination of finance lease contracts		<u>865,790</u>	<u>267,000</u>
		<u>3,631,134</u>	<u>11,084,094</u>
<b>24. CAPITAL MANAGEMENT POLICIES AND PROCEDURES</b>			
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 NBFRC 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. 750 million by 30 June 2011, 30 June 2012, 30 June 2014 and 30 June 2015 respectively.			
The Company has requested the SECP for relaxation in the above requirements and is hopeful that this request will be accepted based on the conditions of the business environment and the Company's position in the overall leasing sector, as well as its past performance and the reason given in note 1.2.			
<b>25. OTHER OPERATING INCOME</b>			
<b>Income from financial assets:</b>			
- Dividend income		5,631	3,960
- Interest income from government securities		1,404,291	852,327
- Interest income from savings accounts		<u>195,093</u>	<u>528,878</u>
		1,605,015	1,385,165
<b>Income from non-financial assets:</b>			
- Gain on sale of property, plant and equipment		742,376	279,571
- Waiver on settlement of short/long term finances		-	20,960,520
- Others		<u>52,066</u>	<u>3,284,614</u>
		794,442	24,524,705
		<u>2,399,457</u>	<u>25,909,870</u>
<b>26. FINANCE COST</b>			
Mark-up on:			
- Long term finances		1,726,117	1,296,432
- Term finance certificates		22,733,991	15,187,740
- Short term borrowings		10,156,166	10,119,234
Return on certificates of investment		4,876,697	5,034,095
Bank charges		<u>19,202</u>	<u>20,315</u>
		<u>39,512,173</u>	<u>31,657,816</u>

	Note	March 31, 2020 Rupees (Un-audited)	(Restated) March 31, 2019 Rupees (Un-audited)
<b>27. ADMINISTRATIVE AND OPERATING EXPENSES</b>			
Salaries, Allowances and Benefits		13,577,043	12,405,438
Expenses on meetings of Board of Directors		1,796,553	150,000
Rent		447,669	802,548
Repairs and maintenance		1,540,758	1,527,596
Insurance		131,869	120,226
Utilities		549,099	374,750
Vehicle running expenses		75,500	179,045
Printing and stationery		424,502	205,604
Telephone and postage		469,362	420,997
Travelling and conveyance		145,410	1,177,481
Fee and subscriptions		960,312	1,778,894
Legal and professional charges		1,427,346	1,197,939
Advertising and entertainment		123,180	222,708
Auditors' remuneration		156,500	261,500
Miscellaneous		902,473	1,112,155
		<u>22,727,576</u>	<u>21,936,881</u>
<b>28. DEPRECIATION</b>			
Depreciation on owned assets		2,197,613	1,919,187
Depreciation on investment properties		1,063,961	1,063,959
		<u>3,261,574</u>	<u>2,983,146</u>
<b>29. CASH GENERATED FROM OPERATIONS</b>			
(Loss) / profit for the period before taxation		(48,207,612)	1,371,501
Adjustment for non cash charges and other items :			
Depreciation - owned assets		2,197,613	1,919,187
Depreciation - investment properties		1,753,105	1,063,959
Income on finance lease contracts		(2,765,344)	(10,817,094)
Financial charges and other charges		39,512,173	31,657,816
Provision / (reversals) for doubtful leases, loans and other receivables		(11,263,120)	(20,955,380)
Dividend income		(5,631)	(3,960)
Interest income from government securities		(1,404,291)	(852,327)
Gain on sale of property, plant & equipment		(742,376)	(279,571)
Gain on settlement of loans		-	(20,960,520)
		<u>27,282,129</u>	<u>(19,227,890)</u>
(Loss)/profit before working capital changes		(20,925,483)	(17,856,389)
<b>Working capital changes</b>			
Short term loans		-	299,700
Short Term Investments		317,039	46,192
Trade deposits and short term prepayments / other receivables		(70,787)	(699,179)
Accrued and other payables		(3,251,493)	(3,226,198)
		<u>(3,005,241)</u>	<u>(3,579,485)</u>
Cash (used in) / generated from operations after working capital changes		<u>(23,930,725)</u>	<u>(21,435,874)</u>
<b>30. TRANSACTIONS WITH RELATED PARTIES AND ASSOCIATED UNDERTAKINGS</b>			

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

	Note	March 31, 2020 Rupees (Un-audited)	March 31, 2019 Rupees (Un-audited)
<b>Major Shareholder</b>			
Rent paid		-	240,000
<b>Directors fee</b>			
Fee		1,350,000	150,000
<b>Key management personnel</b>			
Remuneration to key management personnel		6,290,828	3,870,521
<b>Other related parties</b>			
Payments to provident fund		382,500	302,500

***Balances outstanding as of the end of the reporting period***

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

<b>Major shareholder</b>			
Preference dividend payable		3,642,485	3,642,485



	Note	March 31, 2020 Rupees (Un-audited)	March 31, 2019 Rupees (Un-audited)
<b>31. EARNINGS / (LOSS) PER SHARE - BASIC AND DILUTED</b>			
(Loss) / Profit after taxation attributable to ordinary shareholders		<u>(47,348,503)</u>	<u>13,124,041</u>
		(Number)	
Weighted average number of ordinary shares		<u>45,160,500</u>	<u>45,160,500</u>
		(Rupees)	
(Loss) / Earnings per share - Basic		<u>(1.05)</u>	<u>0.29</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.

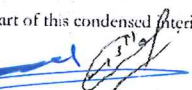
**33. DATE OF AUTHORIZATION**

This condensed interim financial information (un-audited) was authorized for issue on 23 April 2020 by the Board of Directors.

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

  
 Chief Executive

  
 Director

  
 Chief Financial Officer