

SME_Leasing Limited

(A Subsidiary of SME Bank Ltd.)

SME LEASING LIMITED

THIRD QUARTERLY REPORT SEPTEMBER 30, 2023

CORPORATE INFORMATION

BOARD OF DIRECTORS

Javed Mehmood, Chairman
Tahir Saeed Effendi
Muhammad Mubeen Mufti
Darakhshan S. Vohra
Asghar Maqsood

CHIEF EXECUTIVE OFFICER

Asghar Maqsood

AUDIT COMMITTEE

Tahir Saeed Effendi, Chairman
Muhammad Mubeen Mufti

RISK MANAGEMENT COMMITTEE

Javed Mehmood, Chairman
Muhammad Mubeen Mufti

HUMAN RESOURCE COMMITTEE

Tahir Saeed Effendi, Chairman
Muhammad Mubeen Mufti
Asghar Maqsood

PROCUREMENT COMMITTEE

Tahir Saeed Effendi, Chairman

NOMINATION COMMITTEE

Tahir Saeed Effendi, Chairman
Muhammad Mubeen Mufti

COMPANY SECRETARY & CFO

Uzma Ehsan

EXTERNAL AUDITORS

BDO Ebrahim & Co,
Chartered Accountants

HEAD INTERNAL AUDIT

Syed Khurram Ali

TAX CONSULTANTS

EY Ford Rhodes
Chartered Accountants

LEGAL ADVISOR

Mohsin Tayebaly & Company
Advocate & Legal Consultant

REGISTERED OFFICE

56-F, Nazim-ud-Din Road, F-5/1, Blue Area, Islamabad

MAIN OFFICE

Office No.304, 3rd Floor, Business Arcade, Shakra-e-Faisal, Karachi
Tel: (+92-21) 34322128-129-137
E-mail: info@smelease.com

REGISTRAR AND SHARE TRANSFER CERTIFICATE

Corptec Associates (Pvt.) Limited

503-E, Johar Town, Lahore

BANKS AND LENDING INSTITUTIONS

SME Bank Limited

Meezan Bank Limited

Directors' Review Report

The Board of Directors of SME Leasing Limited (the Company) is pleased to present the un-audited Condensed Interim Financial Statements for the quarter ended September 30, 2023.

The Company remained aggressively focused on Recoveries from problematic/NPL portfolio. During the period under review, the fresh business of Rs.2.17 million was written while total recoveries from the portfolio aggregated Rupees 30.83 million, out of which Rupees 13.10 million were from the non-performing portfolio. The Company continued to follow up on early settlements of the non-performing portfolio through legal processes and negotiations. Provisions for a non-performing portfolio recorded a net reversal of Rupees 2.89 million. Revenues on the other hand recorded a decrease of Rupees 4.51 million when compared with the corresponding period last year. The loss before tax during the period under review was Rs. 41.17 million as compared to a profit of Rs. 0.340 million in the corresponding period last year. Funding constraints remained a major obstacle in converting the company into a profit-making institution.

The net equity of the Company reduced from 7.85 million in December 2022 to a negative of Rs 33.41 million as of September 30, 2023, due to the impact of current quarter loss of Rs 41.26 million. The minimum prescribed Equity requirement is Rs. 50 million for non-deposit leasing companies. The Company is not meeting with the minimum equity requirement, therefore, the Company's license has been put on hold since May 20, 2019.

In the current quarter, the current liabilities increased by Rs. 11.07 million and non-current liabilities increased by Rs 6.55 million whereas the total assets recorded a net decrease of Rs. 23.63 Million mainly due to maturity of the current portion of lease financing during the quarter.

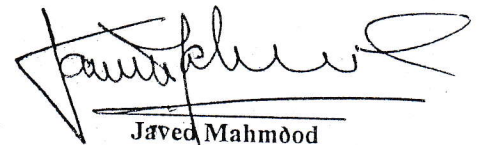
The CCoP in its meeting held on December 28, 2022 has approved the delisting of the holding Company from the privatization list. Subsequent to year-end, the federal Cabinet, in a meeting held on March 17, 2023, approved winding down plan for the Holding Company. In this scenario we had approached the SME Bank Limited (The Parent Company) to give a way forward plan for the SME Leasing Limited. Ministry of Finance vide letter no. F.No.3(27) IF-III/2005-435 dated February 19, 2024 has advised SME Bank Limited (The Parent Company) to process liquidation of SME Leasing Limited at the time of liquidation of the Bank. In view of the winding up of the SME Bank Limited (The Parent Company) is going on, lack of a viable plan for the Company going forward from Parent Company and related matters, the Company was unable to release its financial results on time. The vacancy of two members on the Board still persist as the parent company (SME Bank holding 73.14% shares) has not yet nominated its candidates as yet. The Company will promptly resubmit the new nominations once they are received from the Bank.

The Board recognizes and appreciates the continued support of its shareholders.

On behalf of Board of Directors



Asghar Maqsood
Chief Executive Officer



Javed Mahmood
Chairman

Dated: April 29, 2024

ڈائریکٹرز کی جائزہ رپورٹ

ایس ایم ای لیزنگ لمیٹڈ (کمپنی) کے بورڈ آف ڈائریکٹرز 30 ستمبر 2023ء کو ختم ہونے والی مدت کیلئے غیر آڈٹ شدہ مجموعی مالیاتی حسابات پیش کر رہے ہیں۔

دوران مدت کمپنی نے اپنی توجہ NPL پورٹ فولیو سے وصولیوں پر مرکوز رکھی۔ زیر جائزہ مدت کے دوران، 2.17 ملین روپے کے نئے کاروبار لکھے گئے، جب کہ پورٹ فولیو سے کل ریکوریز 30.83 ملین روپے ہوئیں، جن میں سے 13.10 ملین روپے نان پرفارمنگ پورٹ فولیو سے تھیں۔ کمپنی قانونی عمل اور گرفت و شنید کے ذریعے نان پرفارمنگ پورٹ فولیو کے ابتدائی تصفیے کو جاری رکھے ہوئے ہے۔ نان پرفارمنگ پورٹ فولیو کے پروویژنز میں 2.89 ملین روپے کا خالص ریورسل ریکارڈ کیا گیا۔ دوسری جانب گزشتہ سال کی اسی مدت کے مقابلے میں محصولات میں 4.51 ملین روپے کمی ہوئی۔ زیر جائزہ مدت کے دوران قبل از ٹیکس خسارہ مبلغ 41.17 ملین روپے رہا جو کہ گذشتہ سال کی اسی مدت میں 0.340 ملین روپے منافع تھا۔ فنڈنگ کی رکاوٹیں کمپنی کو منافع بخش ادارے میں تبدیل کرنے میں ایک بڑی رکاوٹ بنی رہیں۔

کمپنی کی خالص ایکویٹی موجودہ سہ ماہی کے 41.26 ملین روپے کے خسارہ کے باعث دسمبر 2022 میں 7.85 ملین روپے سے کم ہو کر 30 ستمبر 2023 تک منفی 33.41 ملین روپے رہ گئی جبکہ نان ڈپازٹ لیزنگ کمپنیوں کے لیے کم از کم تجویز کردہ ایکویٹی 50 ملین روپے ہے۔ چونکہ کمپنی اس کم از کم ایکویٹی کی ضرورت کو پورا نہیں کر پارہی ہے لہذا اس کا لائسنس 20 مئی 2019 سے روک دیا گیا ہے۔

دوران سہ ماہی، موجودہ قرضہ جات میں 11.07 ملین روپے کا اضافہ ہوا اور نان کرنٹ قرضہ جات میں 6.55 ملین روپے کا اضافہ ہوا، جبکہ کل اثاثہ جات میں مبلغ 23.63 ملین روپے کی خالص کمی ہوئی، جس کی بنیادی وجہ اس سہ ماہی کے دوران لیز فنانسنگ کے موجودہ حصے کی میچورٹی ہے۔

کابینہ کمیٹی برائے نجکاری (سی سی او پی) نے 28 دسمبر 2022ء کو ہونے والے اپنے اجلاس میں ہولڈنگ کمپنی کو نجکاری کی فہرست سے خارج کرنے کی منظوری دی۔ بعد ازاں سال کے اختتام کے بعد، وفاقی کابینہ نے 17 مارچ 2023ء کو ہونے والے اجلاس میں ہولڈنگ کمپنی کے لیے وائٹنگ پلان کی منظوری دی۔ اس منظر نامے میں، ہم نے ایس ایم ای بینک لمیٹڈ (پیرنٹ کمپنی) سے رابطہ کیا تاکہ ایس ایم ای لیزنگ لمیٹڈ کے لیے آگے کا منصوبہ فراہم کیا جاسکے۔ وزارت خزانہ نے بذریعہ لیٹر نمبر F.No.3(27) IF-III/2005-435 مورخہ 19 فروری 2024 کو SME بینک لمیٹڈ (پیرنٹ کمپنی) کو مشورہ دیا کہ وہ ایس ایم ای بینک کے ساتھ، ایس ایم کی لیزنگ کی لیکویڈیشن کا عمل بھی شروع کرے۔ ایس ایم ای بینک لمیٹڈ (پیرنٹ کمپنی) کے وائٹنگ اپ کے باعث پیرنٹ کمپنی کی جانب سے کمپنی کے مستقبل کے لیے ایک قابل عمل پلان کی کمی، اور متعلقہ معاملات کی وجہ سے، کمپنی اپنے مالیاتی نتائج وقت پر جاری کرنے سے قاصر رہی۔ مزید برآں، بورڈ کے دو ڈائریکٹرز، جنہیں ابتدائی طور پر ایس ایم ای بینک لمیٹڈ (پیرنٹ کمپنی) نے نامزد کیا تھا اور جن کے نام منظوری کے لیے کمیشن کو بھیجے گئے تھے، نے بینک سے استعفیٰ دینے کی وجہ سے اپنے عہدوں سے دستبردار ہونے کا فیصلہ کیا ہے۔ بینک سے نئی نامزدگیاں موصول ہونے کے بعد کمپنی انہیں فوری طور پر دوبارہ جمع کرائے گی۔

بورڈ اپنے تمام اسٹیک ہولڈرز کی جانب سے کئے جانے والے مستقل تعاون پر بے حد مشکور ہے۔

جاوید محمود

چیرمین

اصغر مقصود

چیف ایگزیکٹو آفیسر

مورخہ: 29 اپریل 2024ء

SME LEASING LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED)
AS AT September 30, 2023

		September 30, 2023	December 31, 2022
	Note	----- Rupees -----	
ASSETS			
NON - CURRENT ASSETS			
Property and equipment	7	3,459,524	4,125,665
Right-of-use assets	8	534,809	2,535,715
Net investment in finance leases	10	246,547,027	249,698,037
Long term finances and loans - secured	11	36,128,335	38,197,867
Long term loans to employees - secured	12	-	195,773
Long term deposits and prepayments	13	713,222	1,105,566
		287,382,917	295,858,623
CURRENT ASSETS			
Advances	14	2,220,659	2,499,935
Prepayments and other receivables	15	1,493,851	853,893
Current maturity of assets subject to finance lease	10	14,079,535	34,795,101
Current maturity of non current assets	16	3,600,102	-
Cash and bank balances	17	2,429,783	832,853
		23,823,930	38,981,782
TOTAL ASSETS		311,206,847	334,840,406
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital		<u>1,000,000,000</u>	<u>1,000,000,000</u>
100,000,000 (2020: 100,000,000) Ordinary shares of Rs 10 each			
Issued, subscribed and paid-up capital		<u>320,000,000</u>	<u>320,000,000</u>
32,000,000 (2020: 32,000,000) Ordinary shares of Rs. 10 each			
Capital reserves		<u>38,019,277</u>	<u>38,019,277</u>
		358,019,277	358,019,277
REVENUE RESERVES			
Reserve against future losses		<u>10,447,052</u>	<u>10,447,052</u>
Accumulated losses		<u>(401,873,695)</u>	<u>(360,613,560)</u>
		(391,426,643)	(350,166,508)
		(33,407,366)	7,852,769
NON - CURRENT LIABILITIES			
Long-term deposits	10.1	<u>145,023,587</u>	<u>137,841,991</u>
Defined benefit obligation		<u>9,548,231</u>	<u>10,182,680</u>
		154,571,818	148,024,671
CURRENT LIABILITIES			
Trade and other payables		<u>3,891,211</u>	<u>5,764,896</u>
Mark-up accrued on borrowings		<u>22,877,593</u>	<u>6,479,106</u>
Short term borrowings - secured	19	<u>149,922,699</u>	<u>139,175,806</u>
Current maturity of non-current liabilities	20	<u>9,897,846</u>	<u>19,707,733</u>
Current maturity of liabilities against assets subject to finance lease	18	<u>928,709</u>	<u>3,871,502</u>
Provision for compensated absences		<u>2,292,277</u>	<u>3,613,944</u>
Taxation - net		<u>232,060</u>	<u>349,979</u>
		190,042,395	178,962,966
TOTAL EQUITY AND LIABILITIES		311,206,847	334,840,406
CONTINGENCIES AND COMMITMENTS			
	21		

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

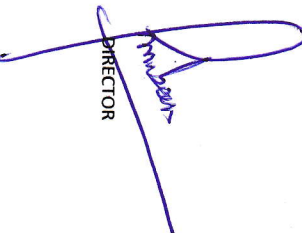
SME LEASING LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

	Nine Months Ended		Quarter Ended	
	September 30,	September 30,	September 30,	September 30,
	2023	2022	2023	2022
	Un-Audited		Un-Audited	
	Rupees			
REVENUE				
Finance leases	5,160,487	8,105,153	1,370,337	4,543,259
Finance and loans	3,604,018	5,991,685	1,623,334	834,253
Other income	940,694	117,740	513,525	99,527
	9,705,199	14,214,578	3,507,196	5,477,039
EXPENSES				
Administrative and general expenses	27,940,768	36,053,718	8,547,806	11,618,800
Finance cost	25,822,436	17,175,688	10,092,918	6,852,049
	53,763,204	53,229,406	18,640,724	18,470,849
Operating loss before reversal	(44,058,005)	(39,014,828)	(15,133,528)	(12,993,810)
Potential lease losses written back	1,927,891	37,881,028	664,847	14,833,003
Credit losses on loans and receivables reversal	962,332	1,473,947	366,822	138,125
	2,890,223	39,354,975	1,031,669	14,971,128
Profit/(loss) for the period before taxation	(41,167,782)	340,147	(14,101,859)	1,977,318
Taxation	92,353	176,531	15,289	67,312
Net Profit/(loss) for the period	(41,260,135)	163,616	(14,117,148)	1,910,006
Profit/(Loss) per share - basic and diluted	(1.29)	0.01	(0.44)	0.06

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

SME LEASING LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

	September 30, 2023	September 30, 2022
	----- Rupees -----	
Profit/(Loss) after taxation for the period	(41,260,135)	163,616
Other comprehensive income	-	-
Total comprehensive profit/(loss) for the period	<u><u>(41,260,135)</u></u>	<u><u>163,616</u></u>

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

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

DIRECTOR

SME LEASING LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

	Capital reserves			Revenue reserves		Total shareholder equity
	Issued, subscribed and paid-up capital	Share premium	Statutory reserve	Reserve against future losses	Unappropriated profit	
	----- Rupees -----					
Balance at January 01, 2022 - Audited	320,000,000	10,000,000	28,019,277	10,447,052	(361,930,933)	6,535,396
Total Comprehensive loss for the period ended September 30, 2022						
Profit/(Loss) after taxation	-	-	-	-	-	163,616
Balance at September 30, 2022 -Un Audited	<u>320,000,000</u>	<u>10,000,000</u>	<u>28,019,277</u>	<u>10,447,052</u>	<u>(361,767,317)</u>	<u>6,699,012</u>
Balance at January 01, 2023 - Audited	320,000,000	10,000,000	28,019,277	10,447,052	(360,613,560)	7,852,769
Total Comprehensive loss for the period ended September 30, 2023						
Profit/(Loss) after taxation	-	-	-	-	-	(41,260,135)
Balance at September 30, 2023 - Un-Audited	<u>320,000,000</u>	<u>10,000,000</u>	<u>28,019,277</u>	<u>10,447,052</u>	<u>(401,873,695)</u>	<u>(33,407,366)</u>

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

SME LEASING LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

		Nine Months Ended	
		September 30, 2023	September 30, 2022
		-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
	(Loss) / Profit before taxation	(41,167,782)	340,147
	Adjustment for:		
	Depreciation and amortization	2,598,518	2,693,740
	Provision of gratuity	294,351	1,549,529
	Provision for compensated absences	(362,392)	1,352,282
	Finance cost	25,389,930	16,260,604
	Interest income	(567,910)	(25,620)
	Finance charge on right of use of assets	432,506	915,084
	Gain on disposal of property and equipment	(372,784)	(92,120)
	Potential lease losses written back	(1,927,891)	(37,881,028)
	Credit losses on loans and receivables reversal	(962,332)	(1,473,947)
		24,521,996	(16,701,477)
	Operating loss before working capital changes	(16,645,786)	(16,361,330)
	(Increase)/Decrease in current assets:		
	Net investment in finance leases	21,625,370	79,511,770
	Long term finances and loans - secured	3,452,746	10,831,140
	Long term loans to employees - secured	343,886	191,799
	Prepayments and other receivables	(639,958)	(1,085,335)
	Long term deposits and prepayments	392,344	15,000
	Advances	279,276	(287,458)
		25,453,664	89,176,916
	Increase/(Decrease) in operating liabilities:		
	Long term deposits	(2,628,854)	(59,719,959)
	Trade and other payables	(1,873,183)	976,384
	Cash generated from operations	4,305,841	14,072,011
	Financial charges paid	(8,991,443)	(13,926,538)
	Interest income received	940,694	117,740
	Gratuity paid	(928,800)	(1,120,928)
	Compensated expenses paid	(959,214)	-
	Benefits paid	-	(841,219)
	Taxes paid	(210,271)	(189,082)
		(10,149,034)	(15,960,027)
	Net cash flows generated from / (used in) operating activities	(5,843,193)	(1,888,016)
	CASH FLOWS FROM INVESTING ACTIVITIES		
	Additions to property and equipment	(129,684)	(261,520)
	Proceeds from disposal of property and equipment	-	-
	Net cash used in investing activities	(129,684)	(261,520)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Lease rentals paid	(3,177,087)	(3,502,719)
	Net cash used in financing activities	(3,177,087)	(3,502,719)
	Net decrease in cash and cash equivalents	(9,149,964)	(5,652,255)
	Cash and cash equivalents at beginning of the period	(138,342,952)	(134,025,751)
	Cash and cash equivalents at end of the period	(147,492,916)	(139,678,006)

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

SME LEASING LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

		Nine Months Ended	
		September 30, 2023	September 30, 2022
		-----Rupees-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
	(Loss) / Profit before taxation	(41,167,782)	340,147
	Adjustment for:		
	Depreciation and amortization	2,598,518	2,693,740
	Provision of gratuity	294,351	1,549,529
	Provision for compensated absences	(362,392)	1,352,282
	Finance cost	25,389,930	16,260,604
	Interest income	(567,910)	(25,620)
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	Gain on disposal of property and equipment	(372,784)	(92,120)
	Potential lease losses written back	(1,927,891)	(37,881,028)
	Credit losses on loans and receivables reversal	(962,332)	(1,473,947)
		24,521,996	(16,701,477)
	Operating loss before working capital changes	(16,645,786)	(16,361,330)
	(Increase)/Decrease in current assets:		
	Net investment in finance leases	21,625,370	79,511,770
	Long term finances and loans - secured	3,452,746	10,831,140
	Long term loans to employees - secured	343,886	191,799
	Prepayments and other receivables [†]	(639,958)	(1,085,335)
	Long term deposits and prepayments	392,344	15,000
	Advances	279,276	(287,458)
		25,453,664	89,176,916
	Increase/(Decrease) in operating liabilities:		
	Long term deposits	(2,628,854)	(59,719,959)
	Trade and other payables	(1,873,183)	976,384
		4,305,841	14,072,011
	Cash generated from operations		
	Financial charges paid	(8,991,443)	(13,926,538)
	Interest income received	940,694	117,740
	Gratuity paid	(928,800)	(1,120,928)
	Compensated expenses paid	(959,214)	-
	Benefits paid	-	(841,219)
	Taxes paid	(210,271)	(189,082)
		(10,149,034)	(15,960,027)
	Net cash flows generated from / (used in) operating activities	(5,843,193)	(1,888,016)
	CASH FLOWS FROM INVESTING ACTIVITIES		
	Additions to property and equipment	(129,684)	(261,520)
	Proceeds from disposal of property and equipment	-	-
	Net cash used in investing activities	(129,684)	(261,520)
	CASH FLOWS FROM FINANCING ACTIVITIES		
	Lease rentals paid	(3,177,087)	(3,502,719)
	Net cash used in financing activities	(3,177,087)	(3,502,719)
	Net decrease in cash and cash equivalents	(9,149,964)	(5,652,255)
	Cash and cash equivalents at beginning of the period	(138,342,952)	(134,025,751)
	Cash and cash equivalents at end of the period	(147,492,916)	(139,678,006)

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR

SME LEASING LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

1 THE COMPANY AND ITS OPERATIONS

- 1.1 SME Leasing Limited (the 'Company') was incorporated in Pakistan on July 12, 2002 as an unlisted public company and acquired the status of a listed company on December 13, 2006. The Company is a subsidiary of SME Bank Limited (the 'Holding Company'). At the time of incorporation, the Company was a wholly owned subsidiary of SME Bank Limited, whereby under an arrangement the assets and liabilities of the leasing division of SME Bank Limited were transferred to the Company on January 28, 2003. The Company is listed on Pakistan Stock Exchange and its registered office is situated at 56-F, Nazim-ul-Din Road F-6/1, Blue Area, Islamabad. The core objective of the Company is to extend lease and working capital financing facilities to small and medium enterprises of the Country. The PACRA Credit Rating Agency has assigned a long term rating of B- (2021: B-) and a short-term rating of A4 (2021: A4) to the Company in the month of April 2022.
- 1.2 The license of the Company to operate as a leasing company expired on May 20, 2019. Thereafter, the Company applied via applications reference # SMEL/MO/2019 dated April 16, 2019 and SMEL/MO/2022 dated April 15, 2022 for its renewal in the manner so required by the NBFC rules, 2003. However, renewal of license was in progress till the release date of these condensed interim financial statements.
- 1.3 The Company obtained license of non deposit taking NBFC and as per section 4 (Schedule I) of NBFC Regulations 2008, a non deposit taking NBFC shall have minimum equity of Rs. 50 million. The Company being non deposit taking NBFC has not complied with said requirement of NBFC Regulations 2008 of maintaining minimum capital requirement.

The Company has received a show cause notice through letter no. SECP/SCD/Adj-I/30/2022-056 dated January 12, 2024 from SECP upon the continuous non-compliance of minimum equity requirements of Rs. 50 million and approval of winding down plan of Holding Company by Federal Government (refer 1.6).

- 1.4 The Company requested the Holding Company vide letter no. SSL/2024/0030 dated January 31, 2024 to seek guidance from Ministry of Finance about the show cause notice (refer 1.5) and against which, Holding Company received a response from MOF vide their letter no. F.No. 3(27)F-III/2005-435 dated February 19, 2024 in which it has been advised to process the liquidation of SME leasing Limited in conjunction with the liquidation of the Holding Company (refer no 1.6)

Pakistan Stock Exchange through its notice No. PSX/N-32, dated January 10, 2024 has placed the SME leasing Limited under the Defaulters' Segment of PSX with effect from January 11, 2024 under PSX Regulation 5.11.1.(i).

These factors along with other factors mentioned below (refer 1.5 to 1.6) indicate that the Company's is not a going concern and the Company may not be able to realize its assets and discharge its liabilities in the normal course of business. However, these condensed interim financial statements have been prepared by the management on a going concern basis of accounting without any adjustment to the carrying amounts of assets and liabilities.

- 1.5 During the period ended September 30, 2023, the Company has reported a loss of Rs 41.26 million (September 30, 2022: profit of Rs. 0.164 million) which has increase accumulated losses to Rs.401.874 million (December 31, 2022: Rs. 360.613 million) as on September 30, 2023. Further, the net assets of the Company amounts to Rs (33.407) million (December 31, 2022: Rs. 7.853 million). The Company has negative cash and cash equivalent of Rs.147.493 million (December 31, 2022: Rs.138.343 million) which comprise of running finance facility from SME Bank Limited and as of that date the Company's current liabilities exceed its current assets by Rs. 166.218 million (December 31, 2022: Rs. 139.981 million).

These factors along with other factors indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern and the Company may not be able to realize its assets and discharge its liabilities in the normal course of business. However, these condensed interim financial statements have been prepared on going concern basis considering the factors mentioned below:

- The Parent Company has granted a short term running finance facility to the Company amounting to Rs. 150 million out of which Rs. 149.923 million has been utilized as at September 30, 2023 (December 31, 2022: Rs. 139.176 million). The said facility can be extended to the extent of Rs. 300 million as per the stand-by agreement for finance facility. The Parent Company will not call off the said amount till December 31, 2024 and the holding company will facilitate, assist and support the Company in arrangement of finance from external sources as and when required by the Company.

- The management of the Company has prepared cash flow projections which reflect that based on financial support by the Parent Company the Company will be able to continue its business on going concern basis in the foreseeable future.

- Efforts are being made by the management to reduce the overall cost of the company.

Based on the above mentioned financial measures and the concerted operational measures being taken by the Company, the management is confident of the going concern status of the Company and therefore, has prepared these condensed interim financial statements on a going concern basis of accounting.

1.6 With respect to privatization of the Parent Company, SME Bank Limited (Bank) and its Subsidiary, the Cabinet Committee on Privatization (CCOP) approved the new privatization program of the Bank on March 06, 2019 to divest the Government of Pakistan (GOP) equity stake in the Bank along with management control to a strategic investor as per the decision dated November 19, 2018 of the GOP, whereas the due process was started and various stakeholders participated including the prospective investors. However, due to lack of interest of prospective investors, Board of Privatization Commission in its meeting held on November 25, 2021 has recommended delisting of SME Bank Limited from list of privatizations.

The Financial Adviser (FA) of Privatization Commission asserted that despite all efforts and iterative interactions with the pre-qualified bidders to date positive feedback from the pre-qualified bidders is not forthcoming and owing to the deteriorating financial position of Bank, the FA recommended to shelve the Transaction. Recommendation of the Board of Privatization was presented to the CCOP in its meeting held on December 31, 2021, where the CCOP decided to ascertain the way forward of the bank prior to delisting from list of privatization; and in this regard constituted a committee consisting of Deputy Governor SBP, Secretary Finance, Secretary Privatization Commission, Chairman SECP and Minister of Finance.

The CCoP meeting was held on December 26, 2022, wherein a summary dated December 24, 2022, submitted by the Ministry of Privatization regarding "privatization of the Holding Company" and approved the recommendation of PC Board, in its meeting held on November 25, 2022, regarding the delisting of SME Bank Limited (the Holding Company) from privatization program, to enable Finance Division and SBP to proceed further in the matter. However, CCoP in its meeting held on December 28, 2022 has approved the delisting of the Holding Company from the privatization list. Subsequent to year-end, the federal cabinet, in a meeting held on March 17, 2023, approved winding down plan for the Holding Company. The State Bank of Pakistan (SBP) via its Circular No. BPRD (R&PD) /SME/2023/3729 dated May 10, 2023, specifies that the SBP has prohibited the Holding Company from receiving fresh deposits with effect from the close of business on March 27, 2023. Further, in terms of Clause (a) of Sub-Section (1) of Section 21 of the Deposit Protection Corporation Act, 2016, the Holding Company is hereby declared as a failed institution effective from the close of business as of March 27, 2023.

2 SUMMARY OF SIGNIFICANT TRANSACTIONS AND BALANCES

Net lease disbursements	2.1	<u>2,170,000</u>	<u>14,983,300</u>
Recoveries	2.2	<u>30,830,892</u>	<u>80,621,928</u>

2.1 This represents amount disbursed against new leases written during the period

2.2 This represents recoveries from non-performing loans amounting to Rs.13.090 (December 31, 2022 Rs.52.719) and regular parties amounting to Rs.17.740 (December 31, 2022 Rs.27.905).

3 BASIS OF PREPARATION

3.1 Statement of compliance

These condensed interim financial statements of the Company for the period ended September 30, 2023 have been prepared in accordance with requirement of the International Accounting Standard 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 NBFC Rules), and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). In case where requirements differ, the provision or directives issued under the Companies Act, 2017, NBFC Rules, 2003 and NBFC Regulations, 2008 shall prevail.

These condensed interim financial statements does not include all the disclosure required in the annual financial statements. Accordingly, the condensed interim financial statements should be read in conjunction with annual financial statements for the year ended December 31, 2022.

3.2 New and amended standards and interpretations to published accounting and reporting standards that are effective in the current period

There are certain amendments to the published accounting and reporting standards that are mandatory for the Company's accounting period beginning on January 1, 2023. However, these do not have any significant impact on the Company's operations and, therefore, have not been detailed in these condensed interim financial statements.

3.3 Standards, interpretations and amendments to accounting and reporting standards that are not yet effective

There are certain new and amended standards, interpretations and amendments that are mandatory for the Company's accounting periods beginning on or after July 01, 2023 but are considered not to be relevant or will not have any significant effect on the Company's operations and are, therefore, not detailed in these condensed interim financial statements.

3.4 Standards, amendments and interpretations to the published standards that are notified by the Securities and Exchange Commission of Pakistan (SECP)

Following new standard have been issued by the International Accounting Standards Board (IASB) which are notified by the SECP for the purpose of applicability in Pakistan.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
Financial Instruments - IFRS 9	June 30, 2024

The SECP has issued S.R.O. 1827(I)/2022 and has extended the effective date for applicability of International Financial Reporting Standard - Financial Instruments (IFRS 9) in place of International Accounting Standard (IAS 39) (Financial Instruments: Recognition and Measurement) for Non-Banking Finance Companies from reporting period/year ending on or after June 30, 2024.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computations followed for the preparation of these condensed interim financial statements are same as those applied in preparing the financial statements for the year ended December 31, 2022.

5 SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENT

The preparation of condensed interim financial information requires management to make judgments, estimates and assumptions that effects the application of accounting policies and reported amounts of assets and liabilities, income and expenses. However, actual results may differ from estimates.

In preparing these condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key sources of estimates uncertainty are the same as applied to the financial statements of the company for the year ended December 31, 2022.

6 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financials statements of the Company as at and for the year ended December 31, 2022.

	September 30, 2023 (Un-Audited)	December 31, 2022 (Audited)
	----- Rupees -----	
7 PROPERTY AND EQUIPMENT		
Balance as at January 1	4,125,665	3,340,157
Additions/Deletion during the period / year	129,683	1,428,281
Depreciation charged for the period / year	(795,824)	(642,773)
	<u>3,459,524</u>	<u>4,125,665</u>

Note

8 RIGHT-OF-USE ASSETS

Balance as at January 1		2,535,715	6,697,288
Deletion during the period / year		(198,212)	(1,235,155)
Depreciation charged for the period / year		(1,802,694)	(2,926,418)
		<u>534,809</u>	<u>2,535,715</u>

9 INTANGIBLE ASSETS

Cost		1,507,142	1,507,142
Accumulated amortization		(1,507,142)	(1,507,142)
		<u>-</u>	<u>-</u>

10 NET INVESTMENT IN FINANCE LEASES

Net investment in finance leases	10.1	260,626,562	280,324,041
Less: Current maturity of net investment in leases		(14,079,535)	(30,626,004)
		<u>246,547,027</u>	<u>249,698,037</u>

10.1 Net investment in finance leases

	September 30, 2023 (Un-audited)			December 31, 2022 (Audited)		
	Total	Later than one year and less than five years	Not later than one year	Total	Later than one year and less than five years	Not later than one year
	----- (R u p e e s) -----					
Minimum lease payments	227,773,527	222,761,811	5,011,716	251,764,111	239,054,319	12,709,792
Add: Residual value of leased assets	154,547,637	145,023,587	9,524,050	157,176,491	137,841,991	19,334,500
Gross investment in leases	<u>382,321,164</u>	<u>367,785,398</u>	<u>14,535,766</u>	<u>408,940,602</u>	<u>376,896,310</u>	<u>32,044,292</u>
Less: Unearned lease income	(2,383,070)	(1,926,839)	(456,231)	(6,371,584)	(4,953,296)	(1,418,288)
Less: Markup held in suspense account	(39,651,435)	(39,651,435)	-	(40,656,989)	(40,656,989)	-
	<u>(42,034,505)</u>	<u>(41,578,274)</u>	<u>(456,231)</u>	<u>(47,028,573)</u>	<u>(45,610,285)</u>	<u>(1,418,288)</u>
Less: Provision for potential lease losses	340,286,659	326,207,124	14,079,535	361,912,029	331,286,025	30,626,004
	(79,660,097)	(79,660,097)	-	(81,587,988)	(81,587,988)	-
Net investment in finance leases	<u>260,626,562</u>	<u>246,547,027</u>	<u>14,079,535</u>	<u>280,324,041</u>	<u>249,698,037</u>	<u>30,626,004</u>

	Note	September 30,	December 31,
		2023 (Un-Audited)	2022 (Audited)
		----- Rupees -----	
11 LONG TERM FINANCES AND LOANS - SECURED			
Considered good		6,926,563	6,349,199
Considered doubtful		37,056,534	41,086,644
		43,983,097	47,435,843
Less: Provision		(4,254,660)	(5,216,992)
		39,728,437	42,218,851
Less: Current maturity	16	(3,600,102)	(4,020,984)
		<u>36,128,335</u>	<u>38,197,867</u>
12 LONG TERM LOAN TO EMPLOYEES - SECURED			
Vehicle loan		-	343,886
Less: Current Maturity	16	-	(148,113)
		<u>-</u>	<u>195,773</u>
13 LONG TERM DEPOSITS AND PREPAYMENTS			
Other deposits		713,222	772,222

14 ADVANCES

Considered good - unsecured			
Employees	14.1	201,903	368,541
Legal advisors	14.2	1,917,000	1,952,000
SBP deposit		15,000	15,000
Others		86,756	164,394
		<u>2,220,659</u>	<u>2,499,935</u>

14.1 This represents interest free advances given to employees against salaries. These are recovered through monthly deductions from salaries over a period upto one year from the date of granting loans.

14.2 This represents advance payments made to the legal advisors of the Company for handling cases on behalf of the Company.

15 PREPAYMENTS AND OTHER RECEIVABLES

Prepayments		1,493,851	788,893
Other receivable		-	65,000
		<u>1,493,851</u>	<u>853,893</u>

	September 30,	December 31,
	2023	2022
Note	(Un-Audited)	(Audited)
	----- Rupees -----	

16 CURRENT MATURITY OF NON CURRENT ASSETS

Current maturity of:			
Long term finances and loans	11	3,600,102	4,020,984
Long term loans to employees	12	-	148,113
		<u>3,600,102</u>	<u>4,169,097</u>

17 CASH AND BANK BALANCES

Balances with banks in:			
in current accounts		2,375,371	778,442
Cash in hand		54,412	54,412
		<u>2,429,783</u>	<u>832,854</u>

18 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	September 30, 2023			December 31, 2022		
	(Un-Audited)			(Audited)		
	Minimum lease payment	Finance Charges not due yet	Present value	Minimum lease payment	Finance Charges not due yet	Present value
	----- Rupees -----					
Upto one year	1,361,215	432,506	928,709	4,219,827	348,325	3,871,502
Later than one year but not later than five years	-	-	-	-	-	-
Total minimum lease payments	<u>1,361,215</u>		<u>928,709</u>	<u>4,219,827</u>	<u>348,325</u>	<u>3,871,502</u>

19 SHORT-TERM BORROWING - SECURED

The facility for short-term running finance available from SME Bank Limited amounting to Rs. 150 million (December 31, 2022: Rs. 150 million). Mark-up is payable at rate of 26.27% (December 31, 2022: from 11.65% to 18.10%) per annum. The finance are secured by way of hypothecation of the Company's leased assets and related receivables.

20 CURRENT MATURITY OF NON-CURRENT LIABILITIES	Note	September 30, 2023	December 31, 2022
		(Un-Audited)	(Audited)
----- Rupees -----			
Long term finance		373,233	373,233
Long term deposits	10.1	9,524,050	44,545,236
		<u>9,897,846</u>	<u>44,918,469</u>

21 CONTINGENCIES AND COMMITMENTS

21.1 Contingencies

A suit has been filed against the Company impleaded it for declaration, injunction and damages amounting to Rs. 3.5 million in the Honourable High Court of Sindh. The evidence of the parties has been completed before the commissioner and the case is at the stage of final arguments.

21.2 Commitments

There are no commitments as at September 30, 2023 (December 31, 2022: nil).

22 OTHER INCOME	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)
----- Rupees -----				
Income from financial assets	567,910	25,620	473,742	25,620
Income from non-financial assets	372,784	92,120	39,783	73,907
	<u>940,694</u>	<u>117,740</u>	<u>513,525</u>	<u>99,527</u>

23 ADMINISTRATIVE AND GENERAL EXPENSES

Salaries, allowances and other benefits	17,943,310	24,587,249	4,904,991	7,670,325
Directors' fee	220,000	405,000	-	30,000
Rent	167,150	137,087	99,549	23,949
Electricity, gas and water	1,008,380	930,880	417,444	402,790
Telephone and postage	605,875	591,626	221,296	190,635
Repairs and maintenance	469,958	434,354	159,328	173,423
Books and periodicals	37,295	30,290	9,000	6,710
Vehicle running	274,275	315,899	81,475	157,960
Advertising	-	12,200	-	-
Travelling, conveyance and entertainment	438,156	718,621	115,806	220,831
Printing and stationery	177,051	542,722	60,125	364,116
Auditors' remuneration	442,250	474,100	350,000	205,350
Depreciation	2,598,518	2,693,740	613,134	898,941
Staff training and development	-	13,000	-	-
Legal and professional	2,410,102	3,029,429	950,970	916,223
Insurance	673,383	629,867	363,681	221,932
Miscellaneous	456,565	507,655	201,007	135,616
Brokerage Expense	18,500	-	-	-
	<u>27,940,768</u>	<u>36,053,718</u>	<u>8,547,806</u>	<u>11,618,800</u>

24 FINANCE COST

Mark-up on short term borrowings	25,328,525	16,177,985	9,927,100	6,543,278
Lease finance charges	432,506	915,084	104,918	307,843
Bank charges	61,405	82,619	60,900	928
	<u>25,822,436</u>	<u>17,175,688</u>	<u>10,092,918</u>	<u>6,852,049</u>

25 TAXATION

25 TAXATION	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)
----- Rupees -----				
Minimum tax under Section 113 of the Income Tax Ordinance, 2001.	92,353	176,531	15,289	67,312

25.1 Current tax liability

Provision for the current year income tax has been made under the provisions of minimum tax under Section 113 of the Income Tax Ordinance, 2001.

26 PROFIT/(LOSS) PER SHARE - BASIC AND DILUTED

26 PROFIT/(LOSS) PER SHARE - BASIC AND DILUTED	September 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022
	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)
Profit/(Loss) after taxation attributable to ordinary shareholders	(41,260,135)	163,616	(14,117,148)	1,910,006
Weighted average number of ordinary shares outstanding during the period	32,000,000	32,000,000	32,000,000	32,000,000
Basic profit/(loss) per share (Rupees)	(1.29)	0.01	(0.44)	0.06

26.1 No figure for diluted earnings per share has been presented as the Company has no potential ordinary shares outstanding at the quarter end.

27 TRANSACTIONS WITH RELATED PARTIES

The related party of the Company include SME Bank Limited (the Parent Company), Staff Provident fund, directors, key management personnel and companies in which directors are common or hold office. Transactions with related parties and the balances outstanding at the period ended given below:

	September 30, 2023 (Un-Audited)	December 31, 2022 (Audited)
	Rupees -----	
27.1 BALANCES		
SME Bank Limited (Parent Company)		
Short term borrowings	149,922,699	140,695,386
	September 30, 2023 (Un-Audited)	September 30, 2022 (Un-Audited)
	Rupees -----	
27.2 TRANSACTIONS		
SME Bank Limited (Parent Company)		
Markup on Short term borrowings	25,328,525	16,177,985
Repayment of Short term borrowings facility-net	8,991,443	3,511,770
Rent expense paid for Peshawar branch	357,678	359,178
Key Management Personnel		
Key management remuneration	5,183,471	6,351,053
Staff Provident Fund		
Contribution towards provident fund	502,159	608,671

All transactions are carried out on commercial terms and on arm's length basis.

28 SEGMENTAL INFORMATION

A segment is a distinguishable component of the Company that is engaged in business activities from which the Company earns revenues and incur expenses and its results are regularly reviewed by the Company's chief operating decision makers to make decisions about resources to be allocated to the segment and assess its performance. Further, discrete financial information is available for each segment.

The Company's reportable segments under IFRS 8 are therefore finance lease, loans and receivables, and investments. Other operations, which are not deemed by the management to be significant to disclose as separate items are reported under others.

All assets and liabilities are allocated to reportable segments other than assets and liabilities not directly related to particular segment.

Particulars	September 30, 2023 (Un-Audited)			
	Finance Lease	Loans and Receivable	Others	Total
	Rupees -----			
Segment Revenue	5,160,487	3,604,018	940,694	9,705,199
Reversal of provision - net	1,927,891	962,332	-	2,890,223
Segment Results	<u>7,088,378</u>	<u>4,566,350</u>	<u>940,694</u>	<u>12,595,422</u>
Unallocated Cost				
Finance Cost				(25,822,436)
Administrative & selling expenses				(27,940,768)
				<u>(53,763,204)</u>
Loss before income tax				(41,167,782)
Income tax expense				(92,353)
Loss for the period				<u>(41,260,135)</u>
Other information				
Segment Assets	260,626,562	39,728,437	-	300,354,999
Unallocated Assets			10,851,848	10,851,848
Total Assets				<u>311,206,847</u>
Segment Liabilities	152,055,901			152,055,901
Unallocated Liabilities			192,558,312	192,558,312
Total Liabilities				<u>344,614,213</u>
Net Assets				<u>(33,407,366)</u>
Capital Expenditure			(129,684)	<u>(129,684)</u>
Particulars	September 30, 2022 (Un-Audited)			
	Finance Lease	Loans and Receivable	Others	Total
	Rupees -----			
Segment Revenue	8,105,153	5,991,685	117,740	14,214,578
Reversal of provision - net	37,881,028	1,473,947	-	39,354,975
Segment Results	<u>45,986,181</u>	<u>7,465,632</u>	<u>117,740</u>	<u>53,569,553</u>
Unallocated Cost				
Finance Cost				17,175,688
Administrative & selling expenses				36,053,718
				<u>53,229,406</u>
Loss before income tax				340,147
Income tax expense				176,531
Loss for the period				<u>163,616</u>
Other Information				
Segment Assets	233,711,765	43,761,248	-	277,473,013
Unallocated Assets			14,678,533	14,678,533
Total Assets				<u>292,151,546</u>
Segment Liabilities	115,028,072			115,028,072
Unallocated Liabilities			170,424,462	170,424,462
Total Liabilities				<u>285,452,534</u>
Net Assets				<u>6,699,012</u>
Capital Expenditure			(261,519)	<u>(261,519)</u>

28.1 Revenue reported above represents revenue from external customers. There are no intersegment sales.

28.2 Revenue from finance lease includes income from finance lease operations and gain/(loss) on termination of lease. Revenue from loan and receivable includes markup income on loans to customers and employees and revenue from investment includes gain on disposal of investment.

29 FAIR VALUE AND RISK MANAGEMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value of underlying financial assets are determined based on requirements of Regulation 66 of Non-Banking Finance Companies and Notified Entities Regulations, 2008 and directives if any, issued by the Securities and Exchange Commission of Pakistan.

The table below analyses recurring fair value measurements for financial assets and financial liabilities. These fair value measurements are categorized into different levels in the fair value hierarchy based on the inputs to valuation techniques used. The different levels are defined as follows:

Level 1	Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities.
Level 2	Valuation techniques (for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable).
Level 3	Valuation techniques (for which the lowest level input that is significant to the fair value measurement is unobservable).

29.1 The Company has not disclosed the fair values for these financial instruments, because their carrying amounts are reasonable approximation of fair value.

29.2 For financial instruments that are recognized at fair value on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. The Company's policy is to recognize transfers into and transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. During the period ended September 30, 2023, there were no transfers between Level 1, Level 2 or Level 3 of fair value measurements.

30 As at September 30, 2023, the Company held the following classes of financial instruments measured at fair value:

September 30, 2023 (Un-audited)	Note	Carrying amount			Fair value				
		Cash and cash equivalent	Loans and receivables	Other assets and liabilities	Total	Level 1	Level 2	Level 3	Total
----- Rupees -----									
Financial assets not measured at fair value									
Cash and bank balance	17	2,429,783	-	-	2,429,783	-	-	-	-
Advances	14	-	2,220,659	-	2,220,659	-	-	-	-
Deposits, prepayments and other receivables	15	-	1,493,851	-	1,493,851	-	-	-	-
Long term finances and loans and accrued interest thereon	11	-	39,728,437	-	39,728,437	-	-	-	-
Net investment in finance leases	10	-	260,626,562	-	260,626,562	-	-	-	-
		<u>2,429,783</u>	<u>304,069,509</u>	<u>-</u>	<u>306,499,292</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities not measured at fair value									
Trade and other payables		-	-	3,891,211	3,891,211	-	-	-	-
Accrued mark-up on borrowings		-	-	22,877,593	22,877,593	-	-	-	-
Short term borrowings	19	149,922,699	-	-	149,922,699	-	-	-	-
Provision for compensated absences		-	-	2,292,277	2,292,277	-	-	-	-
Long term finance	20	-	-	373,233	373,233	-	-	-	-
Long term deposits	10	-	-	145,023,587	145,023,587	-	-	-	-
Defined benefit obligation		-	-	9,548,231	9,548,231	-	-	-	-
Lease liabilities	18	-	-	928,709	928,709	-	-	-	-
		<u>149,922,699</u>	<u>-</u>	<u>184,934,841</u>	<u>334,857,540</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

As at December 31, 2022 the Company held the following classes of financial instruments measured at fair value:

December 31, 2022 (Audited)	Note	Carrying amount			Fair value				
		Cash and cash equivalent	Loans and receivables	Other assets and liabilities	Total	Level 1	Level 2	Level 3	Total
----- Rupees -----									
Financial assets not measured at fair value									
Cash and bank balance	16	832,853	-	-	832,853	-	-	-	-
Advances	13	-	2,499,935	-	2,499,935	-	-	-	-
Deposits, prepayments and other receivables	14	-	853,893	-	853,893	-	-	-	-
Long term finances and loans and accrued interest thereon	10	-	42,218,851	-	42,218,851	-	-	-	-
Net investment in finance leases	9	-	280,324,041	-	280,324,041	-	-	-	-
		832,853	325,896,720	-	326,729,573	-	-	-	-
Financial liabilities not measured at fair value									
Trade and other payable		-	-	5,764,896	5,764,896	-	-	-	-
Accrued mark-up on borrowings		-	-	6,479,106	6,479,106	-	-	-	-
Short term borrowings	18	139,175,806	-	-	139,175,806	-	-	-	-
Provision for compensated absences		-	-	3,613,944	3,613,944	-	-	-	-
Long term finances	19	-	-	373,233	373,233	-	-	-	-
Long term deposits	9	-	-	137,841,991	137,841,991	-	-	-	-
Defined benefit obligation		-	-	10,182,680	10,182,680	-	-	-	-
Lease liabilities	17	-	-	3,871,502	3,871,502	-	-	-	-
		139,175,806	-	168,127,352	307,303,158	-	-	-	-

	Note	September 30,	September 30,
		2023	2022
		(Un-Audited)	(Un-Audited)
		----- Rupees -----	
31 CASH AND CASH EQUIVALENTS			
Cash and bank balances	17	2,429,783	1,017,380
Short term borrowings	19	(149,922,699)	(140,695,386)
		<u>(147,492,916)</u>	<u>(139,678,006)</u>

32 GENERAL

32.1 In order to comply with the requirement of IAS 34, the condensed interim financial position has been compared with the balances of annual audited financial statements of preceding financial year. Whereas, the condensed interim statement of profit or loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows and condensed interim statement of changes in equity have been compared with the balances of comparable period of immediately preceding financial year.

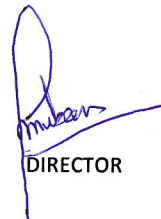
32.2 The figures in the condensed interim financial statements are rounded off to the nearest rupee.

33 DATE OF AUTHORISATION FOR ISSUE

These financial statements were authorized for issue on 29 April 2024 by the Board of Directors of the Company.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


DIRECTOR