

Dated: August 9, 2019  
Hafiz Maqsood Munshi  
Manager Regulatory Department  
Companies and Securities Compliance- RAD  
Stock Exchange of Pakistan,  
Karachi,

**SUBJECT: Request for Moving the Name of Saudi Pak Leasing Company Limited from Defaulters' Segment to Normal Counter**

Dear Sir,

With reference to your letter No. PSX/Gen-2400 dated May 30, 2019 we would like to draw your attention towards the vision and steps of the management towards the rehabilitation and restoration of normal business;

As our CEO explained, in meeting with you today, the management has the intention to pay off all its liabilities to COI holders on priority basis. This will enable the company to be a non-deposit taking institution and hence the minimum capital requirement will be reduced to PKR 50 million only and the Company after meeting such requirement will be able to get its license renewed and start its core operations.

On the Financials of 2015, the auditors expressed adverse opinion due to going concern problem, according to their understanding. The time, later, proved that their understanding regarding our going concern was not right. Despite, nonfunctioning of Board of Directors, the Company continued its operation and in the recent past has been able to recover good amount from customers and settle its liabilities as well. This is the reason why the current auditors have not expressed qualified/adverse opinion in the Financial Statements from 2016 to 2018. They have expressed disclaimer of opinion, but, that opinion is on the account balances, the carrying value of which is NIL. We draw your attention to the following comment as mentioned under para 1.3 under notes to the Financial Statements.

Quote;

" Despite the existence of the foregoing material uncertainties, these financial statements have been prepared using the going concern assumption primarily due to the reason that the Company managed to continue its operations for a nine-month period subsequent to June 30, 2018 and, as of the date of

5th Floor, Lakson Square, Building # 1, Near Jinnah Shabeel Road,  
Saddar, Karachi - 74200, Pakistan.  
021-35655181-82-83  
Fax : (021) 35210609



approval of these financial statements, a number of recovery suits filed by the Company against its customers are expected to be disposed off in due course of time as the new management is actively seeking out-of-court settlement of such suits by way of auction of collateralized assets and / or negotiated settlements. This is expected to materially improve the recoveries of overdue lease rentals and term loans from customers which, in turn, would enable the Company to settle its long outstanding financial liabilities to lenders in order to make the Company a feasible investment avenue for a resourceful investor. For this very reason, the major shareholder has made arrangements for the reconstitution of the Board of Directors and entrusted them with the responsibility of speeding up the recovery process as well as negotiate settlement of liabilities. " Unquote;

We are in communication with the auditors and ICAP on this matter on the matter of disclaimer. We expect to obtain clean report from the auditor on the Financial Statements of June 30, 2019.

We have also given detailed presentation and briefing to the shareholders/ market participants and officials of Pakistan Stock exchange in the auditorium of PSX on August 8, 2019.

In view of the above facts, we request you to transfer the name of Saudi Pak Leasing Company from the Defaulters' counter to Normal Counter. We will appreciate your early action and thank you in anticipation thereof.

Best regards,



M. Siddique Ahmed  
**(CHIEF FINANCIAL OFFICER)**

