

## NEWS

### [Approximately Rs. 3.6 trillion will be required to be disbursed by listed banks to achieve the 50 percent Gross Advances to Deposit Ratio \(ADR\) target by December 2024, according to Topline Securities.](#)

To recall, the government has imposed an additional tax on banks if they fail to meet a 50 percent ADR threshold by December 2024. As of June 2024, the banking sector's average ADR stands at 38.6 percent

**If banks are unable to reach the 50 percent ADR mark at the end of December 2024, they will incur an additional 10 percent tax if the ADR is between 40-50 percent, and a 16 percent additional tax if the ADR falls below 40 percent.**

**As of June 30, 2024, only 3 out of 19 listed banks, which include Samba Bank (SBL), Faysal Bank (FABL), and Askari Bank (AKBL), have a gross ADR above 50 percent.**

To avoid this tax, a few banks have recently started lending at as low as 4 percent (KIBOR minus 12 percent), as per channel checks

Given the low demand for funds (good quality) on the corporate side, it will be difficult for the banks to achieve the target, and they may eventually end up provisioning higher taxes.

### [The Pakistan Stock Exchange \(PSX\) continued its record-breaking rally on Monday as the KSE-100 Index gained 1,378.34 points to hit an all-time high level of 84,910.30 points.](#)

In a brief note, brokerage house Topline Securities said this surge was driven by **falling bond yields and an expected sharp drop in inflation**, igniting a wave of optimism in the market.

The **three top trading companies** were Pak Petroleum with 40,779,930 shares at Rs. 126.69 per share, Hub Power Company XD with 28,080,507 shares at Rs. 121.70 per share and Fauji Cement with 23,127,553 shares at Rs. 28.00 per share.

Hoehst Pakistan Limited witnessed a **maximum increase** of Rs. 185.20 per share price, closing at Rs 2,285.20, whereas the runner-up was Pakistan Tobacco Company Limited with Rs. 85.77 rise in its per share price to Rs 1,027.45.

Bhanero Textile Mills Limited **witnessed a maximum decrease** of Rs. 82.27 per share closing at Rs. 966.73 followed by Hallmark Company Limited with Rs. 43.04 decline to close at Rs. 1,132.30.

### [Four IPPs ink deal to annual pacts early](#)

ISLAMABAD: The federal government's work on different Independent Power Producers (IPPs) has started delivering results as four IPPs, **M/s Atlas Power, M/s Saba Power, M/s Rousch Power and Lalpir Power have initialed (signed) premature scrapping of pacts whereas Hubco is likely to follow suit on** Tuesday or Wednesday, well-informed sources told Business Recorder

**The government believes that it will save Rs 325 billion on the remaining life of five IPPs (3-10 years)**, the sources said, adding that the government has shown willingness to pay previous capacity dues of five IPPs but not interest as some of the IPPs have accused the government of defaulting on pacts. The saving from termination will be of Rs 0.65 per unit.

## [Saudi Arabia's Investment Minister Khalid bin Abdulaziz Al-Falih will lead a high-level delegation to Pakistan from October 9-11, 2024, to strengthen economic cooperation](#)

Earlier this year, Saudi Crown Prince Mohammed bin Salman made a commitment to **fast-track a \$5 billion investment package for Pakistan**.

It bears mentioning that Pakistan expects to **receive investments worth \$27 billion from Gulf countries in the next five years**. The federal government has already shared details of projects with Saudi Arabia and the United Arab Emirates.

## [SECP registers 2,617 new companies in September 2024](#)

The Securities and Exchange Commission of Pakistan (SECP) registered 2,617 new companies during September 2024, witnessing an increase of 5.7 % as compared to the corresponding month of last year, said a press release issued by the Commission today.

Foreign investment has been reported in 61 new companies, attracting investors from various countries, including Afghanistan, Australia, Cameroon, China, France, Jamaica, Japan, Malaysia, New Zealand, Saudi Arabia, Turkey, the UK, and the USA.

The majority of the investment came from China, with 43 companies receiving funding.

## [Govt. to pursue major refinery projects with Saudi investors](#)

Pakistan will advance two major projects in the refining sector during the Saudi delegation's visit from October 9-11. State-owned Pakistan State Oil (PSO) and its subsidiary, Pakistan Refinery Limited (PRL), will engage with Saudi investors regarding the Greenfield Refinery and Brownfield Refinery projects to attract investment in these initiatives, sources disclosed

Pakistan has been actively seeking investment in the Greenfield Refinery Project since approving a policy last year that includes significant incentives, such as a 7.5 per cent deemed duty for 25 years and a 20-year tax holiday. The country is looking for investments from Saudi Aramco and Chinese Sinopec for this project.

During a recent visit to China, the Pakistani government delegation sought investment from the China Export & Credit Insurance Corporation, known as Sinosure, which expressed its willingness to finance \$1 billion for the expansion.

## [KARACHI: PPL Asia, a subsidiary of Pakistan Petroleum Limited \(PPL\) has reached a settlement with Iraq's state-owned Midland Oil Company \(MdOC\) regarding the Exploration, Development, and Production Service Contract for Block-08 in Iraq](#)

The settlement between Pakistan Petroleum Limited (PPL) Asia E&P B.V., a subsidiary of PPL, and Midland Oil Company (MdOC) marks the conclusion of their Exploration, Development and Production Service Contract (EDPSC) for Block-8, Iraq, which expired in May 2022

Efforts to resolve the lingering settlement from 2022 involved addressing longstanding disputes and claims between the parties, it added

A significant milestone in these efforts was the net settlement of \$6.0 million, with MdOC paying through a third party," PPL said. This final resolution closed all matters related to the contract without either side admitting fault or liability, reflecting the persistent and strategic endeavors to achieve a mutually favorable outcome after over two years of engagement, it added. "This not only brings closure to PPL's operations in Block-8 but also delivers a valuable foreign exchange recovery for the company and Pakistan."

### [SEARL suffers loss of Rs3.3bn in FY24 due to impairment loss](#)

The Searle Company Limited (PSX: SEARL) suffered a loss of Rs3.33 billion [LPS: Rs6.95] for the year ended June 30, 2024, due to a substantial loss on investment in a subsidiary.

It is noteworthy that SEARL reported a substantial impairment loss of Rs5.2bn on its investment in a subsidiary, which was the sole factor contributing to the weak earnings during this period.

### [The government has declared a three-day public holiday in Islamabad and Rawalpindi to ensure the smooth conduct of the upcoming Shanghai Cooperation Organisation \(SCO\) summit](#)

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