

SECURITY LEASING CORPORATION LIMITED

ANNUAL

2020



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Mission

SLCL is committed to make a positive contribution towards the country's economy by achieving a leading position in the leasing industry.

SLCL intends to achieve its mission by:

- Enhancing value for its shareholders and lenders.
- Providing efficient and professional services to its customers based on the latest technology.
- Developing an efficient and professionally trained human resource.
- Following good and ethical business practices.

Vision

- SLCL has an infrastructure which can cater to substantial business as such SLCL is well poised to avail opportunities which will be available due to an upsurge in the economy.
- The future of the leasing sector is linked to the macro-economic performance of the country's economy. New projects and Investment in Balancing, Modernization & Replacement (BMR) tender more opportunities to generate more business for the leasing sector.



Business Strategy

The objective of the Company is to contribute towards the economic development of the country, while maintaining the progressive growth rate of the Company, by providing lease financing to small and medium sized business enterprises and individuals in the most efficient and effective manner.

The business strategy of the Company is based on the following:

1. Enhancing value for its shareholders and lenders

By investing into a diversified lease portfolio, the Company substantially reduces the risk of potential losses, which in turn promises to shield the shareholders equity and further increase the value of the stakeholders' interests. The Company's Earning Per Share reflects that the Company has not only safeguarded the stakeholders' interests efficiently but has also been successfully able to increase the value of their interests.

2. Providing efficient and professional services to its customers

SLCL is known for its quality service. The main objective of the organization is providing high quality services at economical prices. It has been the company's policy to give a wide variety of options to its customers, in order to facilitate their individual requirments.

3. Developing an efficient and professionally trained human resource

The management philosophy of the Company is to develop and maintain a professional organization with a blend of local culture and management style. The professional staff has been hired on the basis of merit from various business organizations.

4. Following Shariah injunctions for financing activities

The Company is committed towards continued improvement and diversification in its lease portfolio. By adopting an Islamic approach to leasing, the company will be able to improve its image as well as provide innovative ways in leasing to its customers.



SECURITY LEASING CORPORATION LIMITED

Company Information

BOARD OF DIRECTORS

Mr. Muhammad Riaz Khokhar

Ms. Farah Azeem

Mr. Javed Haleem

Mr. Azim Azfar

Mr. Sharif Khawaja

Mr. Ghulam Raza Dahrai

Chairman

Chief Executive Officer

Director

Director

Director

Director

AUDIT COMMITTEE

Mr. Ghulam Raza Dahraj

Mr. Azim Azfar

Mr. Sharif Khawaja

Mr. Muhammad Ramzan Behrani

Chairman

Member

Member

Member

EXECUTIVE COMMITTEE

Mr. Muhammad Riaz Khokhar-

Ms. Farah Azeem

Mr. Azim Azfar

Mr. Javed Haleem

Mr. Ghulam Raza Dahraj

Mr. Muhammad Ramzan Behrani

Chairman

Chief Executive Officer

Member

Member

Member

Member

HR & COMPENSATION COMMITTEE

Mr. Muhammad Riaz Khokhar

Mr. Muhammad Ramzan Behrani

Mr. Ghulam Raza Dahraj

Ms. Farah Azeem

Mr. Javed Haleem

Chairman

Member

Chief Executive Officer

Member

Member

COMPANY SECRETARY

Muhammad Faroog

EXTERNAL AUDITORS

J.A.S.B. & Associates Chartered Accountants

INTERNAL AUDITORS

UHY Hassan Naeem & Co. Chartered Accountants

LEGAL ADVISORS

M/s Abdul Karim Khan & Company Advocates, Solicitors & Legal Advisor

TAX CONSULTANTS

UHY Hassan Naeem & Co. Chartered Accountants



Company Information

REGISTERED & HEAD OFFICE

Block 'B', 5th Floor, Lakson Square No. 3, Sarwar Shaheed Road, Karachi 74200 Tel: 021-35660307-08, 35660312-13 Wed: www.seclease.com e-mail: slcl@seclease.com

BRANCH

Lahore - North Region D-802, 8th Floor, City Towers, 6-K, Main Boulevard, Gulberg-II, Lahore-54600, Phones: 042 - 35788660-62 Fax: 042 - 35788659

SHARE REGISTRAR

F.D. Registrar Services (SMC-Pvt) Ltd. Office # 1705, 17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi-74000. Tel: 92-21-35478192-93 / 32271906 Fax: 92-21-32621233 E-mail: fdregistrar@yahoo.com



SECURITY LEASING CORPORATION LIMITED

NOTICE OF THE 27TH ANNUAL GENERAL MEETING

Notice is hereby given that the **Twenty Seventh** Annual General Meeting of the members of Security Leasing Corporation Limited will be held on Wednesday, 28th October, 2020 at 8:30 a.m. at the registered office of the Company situated at Block B, 5th Floor, Lakson Square Building No.3, Sarwar Shaheed Road, Karachi 74200, to transact the following business:

Ordinary Business:

- To confirm the minutes of the Twenty Sixth Annual General Meeting of the Company held on October 28, 2019.
- To receive, consider and adopt the audited accounts for the year ended June 30, 2020 and the reports of the Directors and the auditors thereon.
- 3. To appoint auditors and fix their remuneration for the year ending June 30, 2021.
- 4. To transact any other business with the permission of the Chair.

By order of the Board Muhammad Farooq Company Secretary

Karachi: October 5, 2020

Notes:

- The Share Transfer Books of the Company shall remain closed from October 21, 2020 to
 October 28, 2020 (both days inclusive). Transfers received in order at the office of our
 Shares Registrar M/s F.D. Registrar Services (SMC-Pvt.) Ltd., Office # 1705, 17th Floor,
 Saima Trade Tower, I. I. Chundrigar Road, Karachi 74000, by the close of the business
 on October 20, 2020 will be treated in time for the purpose of attending the meeting.
- A Member entitled to be present and vote at the meeting may appoint another Member as proxy to attend, speak and vote instead of him.
- The instrument appointing a proxy, duly stamped and signed, and the power of attorney
 or other authority (if any) under which it is signed or a notarially certified copy of the
 power of attorney or authority must be deposited Registered Office of the Company, B-

- 501, 5th Floor, Lakson Square # 3, Sarwar Shaheed Road, Karachinot later than 48 hours before the time of the meeting. A form of proxy is enclosed.
- Shareholders are requested to notify any change of address immediately to the Share Registrars M/s F.D. Registrar Services (SMC-Pvt.) Ltd., Office # 1705, 17th Floor, Saima Trade Tower, I. I. Chundrigar Road, Karachi – 74000.
- The CDC account holders will have to follow the under mentioned guidelines as laid down by the Securities & Exchange Commission of Pakistan:

A. For attending the meeting:

- (i) In case of individuals, the account holders or sub-account holders and / or the persons whose shares are in group accounts and their registration details are uploaded as per CDC Regulations shall authenticate their identity by showing their original Computerized National Identity Cards (CNICs) or original passports at the time of attending the meeting.
- (ii) In case of corporate entities, the Board of Directors' resolution / power of attorney with specimen signature of the nominees shall be produced (unless it has been provided earlier) at the time of the meeting.

B. For appointing proxies:

- (i) In case of individuals, the account holders or sub-account holders and / or persons whose shares are in group accounts and their registration details are uploaded as per CDC Regulations, shall submit the proxy forms accordingly.
- (ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- (iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy forms.
- (iv) The proxy shall produce their original CNIC or original passport at the time of the meeting.
- (v) In case of corporate entities, the Board of Directors resolution / power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

REPORT OF THE DIRECTORS

Your directors are pleased to present the Annual Report of the company including Financial Statement and the Audit Report for the year ended June 30, 2020.

OVERVIEW OF COUNTRY'S ECONOMY

It will be recalled that during the past decade or so Pakistan's economy has faced serious problems relating to the COVID-19 pandemic which is likely to put significant pressure on expenditures whereas revenue collections are expected to be negatively impacted. Effective measures have been and are being taken by the Federal and Provincial Governments to control the spread of COVID-19 and combat its negative effects on the Pakistan's economy, yet due to the low growth rate combined with the negative effects of COVID-19 and the time required by the businesses to recover from the negative effects. Although the country's GDP registered a growth of 5.5% during the year under review, the general state of the economy was characterized by precipitate fall in the exchange rate, sharp decline in foreign exchange reserves, huge fiscal and current account deficits, tremendous increase in country's debt burden particularly its foreign component and colossal losses continuously being piled up by public sector enterprises year after year which are funded by the government through taxes and increased borrowings.

The expectation is that the government will continue taking bold measures to put the economy on an even keel so that its problems outlined above become a matter of the past.

COMPANY'S OVERVIEW

The following is a summary of the company's attainments during the year under review in the matter of creditors', indebtedness, its equity and profitability etc.

haldsagalasmi, kaisa kaas S	30 June 2019 Rs.	30 June 2020 Rs.
Equity	96,173,639	53,440,890
Profitability	(27,613,287)	(44,079,377)
 Company's indebtedness to Institutional creditors 	383,178,998	383,178,998
 Adjustments entries in respect of the unwinding of liabilities 		
under IAS-39	22,223,399	8.872,493

The Board of Directors observed that during the year 2019-20 the rapid spread of the COVID-19 virus since February 2020 has brought economic activity to a near-halt. Most of the country has been placed under a smart lockdown. As there is an uncertainty about the duration of the COVID-19, its short and long term negative effects on businesses with regard to profitability, liquidity and the time that the business sector would require to recover from its multiple negative effects therefore the overall impact of the above factors on the Company's financial position and its financial performance cannot be predicted at this stage with reasonable certainty

The Board of Directors after reviewing the situation afresh has concluded that over the next one year it will be possible for the Company to reach settlement with the remaining creditors on the basis of discounted cash payments to them in line with the cash flow.

The financial results of the Company are summarized below:

	2019	2020	
	Rupees	Rupees	
Profit\(Loss) after tax	(27,613,287)	(44,079,377)	
Loss per share - Basic & diluted	(0.76)	(1,21)	
Appropriations:			

Transfer to statutory reserves SHARE CAPITAL & LICENSING

As indicated above against the minimum equity of Rs. 50 million prescribed by the Securities & Exchange Commission of Pakistan (SECP) the company's equity as of 30th June 2020 stood at Rs. 53,440 million.

CORPORATE SOCIAL RESPONSIBILITY

In the past your company has taken pride in demonstrating responsible corporate citizen by participating directly and indirectly in various social causes. During earthquake, floods or other natural calamities, the Company directly or by the voluntary help of its staff supported work for the betterment of the underprivileged and people in need with cash and in kind.

BUSINESS ETHICS

The Code of conduct of the Company provides a clear guiding framework for the Directors as well as the employees to operate in the environment of integrity, honesty and dedication towards the common goal of achieving positive results for the Company and its various stakeholders.

DIRECTORS' DECLARATION

The Directors have implemented the revised Code of Corporate Governance and are pleased to report as under:

- The financial statements of the company prepared by the management presents fairly its state of affairs, the results of its operations, cash flows and changes in equity.
- Proper books of accounts of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- International Financial Reporting Standards as applicable in Pakistan have been followed
 in the preparation of financial statements and any departure there from has been
 adequately disclosed.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- Key operating and financial data for the last six years in summarized form is given as annexure to this report.
- No trading in shares of the Company was carried out by the Directors, Executives and their spouses and minor children during the year.

 During the year 5 meetings of the Board of Directors and 4meetings of the Audit Committee were held. The detail of attendance of each member of the Board is given below;

Board of Directors' Meetings

Name of Directors	Meetings attended	Name of Directors	Meetings attended
Mr. M. R. Khan	4	Mr. AzimAzfar	5
Ms. Farah Azeem	5	Mr. Javed Haleem	4
Mr. Muhammad RiazKhokhar	5	Muhammad Sharif Khawaja	5
Mr. RamzanBehrani	4		
Ghulam Raza Dahraj	4		

Audit Committee Meetings

Name of Directors	Meetings	Name of Directors	Meetings
	attended		attended
Mr. Muhammad RiazKhokhar	4	Mr. Ghulam Raza Dahraj	3
Mr.AzimAzfar	3	Ms.FarahAzeem	4
Mr. RamzanBehrani	3	Muhammad Sharif Khawaja	4

PATTERN OF SHAREHOLDING

The pattern of shareholding as at June 30, 2020 is attached as annexure to this report.

ACKNOWLEDGEMENT

The Board expresses its gratitude to the investors, lenders and the regulatory authorities for their understanding and continuous support to the company in these challenging times and for their assistance in enabling it to meet the regulatory requirements. The Board also places on record its deep appreciation of the efforts put in and dedication shown by all personnel of the company which enabled it to conduct its operations in a very difficult environment during the year.

For and on behalf of the Board of Directors

Farah Azeem

Chief Executive Officer

September 28, 2020



Code of Conduct

The Code of Conduct of Security Leasing Corporation Limited (SLC) reflects our standard for proper behavior and corporate values. It is a fundamental policy of the Company to conduct its business with honesty, integrity and in accordance with the highest professional, ethical and legal standards. This Code of Conduct applies to all the people relating to SLC including Directors, Officers and Employees.

The Code fosters the culture that each member of the Board and staff is responsible to reflect integrity and leadership with the provisions of the Mission, Vision, Company policies and all applicable statutory guidelines for the Company.

It encourages the employees to work proficiently with due diligence in following the internal policies of the Company for dealing with each other, customers and all third parties related directly or indirectly with the Company.

The Salient features of the Code are explained below:

1. Conflict of Interest

Each Director and employee should exercise its judgment in order to avoid association with any other activity, person or company that conflicts with or appear to conflict with the best interests of the Company. Any situation which may involve a conflict of interest or reasonably expected to involve such conflict should be disclosed promptly.

2. Protection of the Proprietary information

All the trade secrets, other proprietary information and business data of the Company are valuable assets. All the Directors and employees who are entrusted with such information are responsible to properly safeguard and do not disclose such information, data and knowledge to any person except such information which is made public in compliance with statutory requirement by the Company or is given proper authority in writing to disclose such information for any specific purpose.

3. Honesty, integrity and ethical standards

All Directors and employees must act honestly, fairly and exhibit highest level of integrity and ethical standards in dealing with all the stakeholders of the Company. Employees must deal ethically with all the customers, suppliers and other parties with fair consideration and without any personal favour. During the course of any business interaction, the employees should ensure that SLC name, integrity and reputation should

not be damaged if such interaction becomes public in any manner.

4. Political contribution

No funds or assets of the Company may be contributed to any political party of organization or any person who holds an office of public importance.

5. Bribes

No amount may be paid or received in cash or in kind on account of bribes or for any such matter which helps in influencing any decision relating to the Company interests



SECURITY LEASING CORPORATION LIMITED

Code of Conduct

6. Compliance with laws and regulations

All Directors and employees must ensure to comply with all the laws, guidelines, regulations and directives as issued be Securities & Exchange Commission of Pakistan, Stock Exchanges and other bodies relating to the Company.

7. Charity and voluntary work

The Compnay encourages the culture of mutual help, assistance, charity and voluntary work in time of need of any person or community. All Directors and employees are encouraged to participate in such activities of national calamity like floods, earthquake or other social work.

8. Communication and disclosure

The Directors should take steps to ensure that employees are encouraged to communicate with their seniors or any other appropriate person in regard to ethical practices of when in doubt about a course of action in any particular situation. Employees must be encouraged to report violation of rules, regulations, laws or internal policies of the Company without any fear of retaliation or retribution.

9. Family connections and employment of relatives

Any dealing with any customer or third party or organization where the employee has a direct or indirect or family connection must be promptly disclosed to the Company.

10. General Discipline

No assets of the Company or belongings of the employees should be used without specific permission. All employees must adhere to the Services' Rules of the Company.



Six Years Financial Summary

	2020	2019	2018	2017	2015	2014
	Ra'000	Rs/000	Re '000	Rs '000	Rs 000	Rs 000
BALANCE SHEET						
Ordinary share capital outstanding	363,000	363,000	363,000	363,000	363,000	363,006
Preference share capital outstanding	75,028	75,028	76,026	75,028	75.028	75,028
Shareholders' Fund	438,028	438,028	438,028	438,028	438,028	438,028
Reserves	(384,586)	(341,854)	(315,587)	(345, 335)	(334,984)	(313,123)
Unrealised loss on Investment					7/	
Networth	53,442	96,174	122,440	92.693	103,044	124,905
Surplus on revaluation of Fixed Assets	19,652	20,998	22,345	26,093	33,465	37,436
Certificates of Investment	The same of				-	330
Borrowings from Financial & Other Institutions	374,307	360,956	342,574	431,029	466,393	494,973
Lease/Musharika disbursements				0	10,000	\$8,261
Net investment in Leases	170,861	197,403	219,073	287,675	380,414	383,150
Long Term Finances	-		- Laboratoria	1		450
Fixed Assets	61,661	64,296	66,952	73,636	93,423	114,987
Total Current Assets	232,002	257,653	268,559	281,793	357,185	514,778
Total Assets	628,490	656,775	685,879	752,860	863,642	918,949
Total Current Liabilities	537,389	483,892	452 630	488,678	425,126	708,464
Total Liabilities	555,397	539,603	541,094	634,074	727.132	756,609
Total Assets to Networth (times)	11.76	6.83	5.80	8.12	8.38	7.36
PROFIT & LOSS						
Total Income	7,922	9,535	12,989	12,318	17,550	36,060
Net Of Gain on De-recognition and unwinding of Financial Liabilit	-		103,267	(35,678)		(69,786
Financial & Other Charges	1,222	1,298	557	527	4,584	3,378
Admin & Operating Expenses	11,101	15,009	24,336	31,925	79,895	78,600
Provisions & Other Charges	26,542		25,988	4,049	(19,863)	17,895
Total Expenses	38,856	16,307	50,881	36,501	64,616	99,873
(Loss)/Profit Before Tex	(44,079)	(24,666)	92,294	(59,860)	(47,068)	(133,599
(LossyProfit After Tax	(44,079)	(27.613)	25,999	(37,126)	(28,521)	(134,927
Break-up Value (PKR)	1.67	2.67	3.31	2.71	3.12	3.71
KEY RATIOS						
Loss per share - PKR - less preferred dividend	(1,21)	(0.76)	0.72	(1.02)	(0.79)	(3.72
Revenue per share - PKR -	0.18	0.22	0.30	0.28	0.40	0.82
Loss before Unwinding of Financial Liabilities, provisions and tax	-55.55%	-71.02%	-91.65%	-163.46%	-381.38%	-127 349
Loss /Profit before Tax ratio	-556%	-261%	710.55%	-485.96%	-268.18%	-370.499
Income/ Expense ratio (times)	0.20	0.58	0.26	0.34	0.27	.0.30
Current ratio (times)	0.43	0.53	0.59	0.54	0.84	0.7
Long term Debt equity ratio (times)	0.34	0.58	0.72	1.57	2.93	0.3
Return on average equity	-58.92%	-25.26%	24.17%	-34.17%	-25.02%	-71.339
Return on average assets	-6.86%	-4.11%	3.61%	-4.74%	-3.20%	-12 939
Total assets turnover ratio (times)	79.33	68.88	52.80	61.12	49.21	25.4



Statement of Value Added

	2020	2019
Revenues from leasing operations		89,292
Other income	7,922,454	9,445,932
Gain on de-recognition of financial liabilities		COMMONWEAU T
Unwinding of financial liability	(13,135,632)	(18,094,622)
	(5,213,178)	(8,559,398)
Direct cost of leases and others	(3.833.939)	(7,483,325)
Impairment on Investment		
Value added	(9,047,117)	(16,042,723)
Distributed as follows		
To Employees	2	
As remuneration	4,307,880	4,869,179
To Government		
As income tax		2,747,040
To Provider of Finance		
Financial charges	1,222,006	1,297,921
To Depositors		
As profit on invesments		
To Shareholders		

Dividends

As reserves and retained profits



Statement of Compliance with Code of Corporate Governance Name of company Security Leasing Corporation Limited Year ending 30THJune 2020

The company has complied with the requirements of the Regulations in the following manner:

- 1. The total number of directors are7 as per the following:
- a. Male: 6
- b. Female: 1
- 2. The composition of board is as follows:
- a) Independent Directors 5
- b) Executive Directors 2
- The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
- The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
- 5. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
- 7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
- 8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- 9. The Board has not arranged Directors' Training program.
- 10. The board has approved appointment of CFO, Company Secretary. The Company has designated one of its employees as a Secretary to Audit Committee to act as Coordinator between the firm providing internal audit services and the Audit Committee of the Board of Directors.
- 11. CFO and CEO duly endorsed the financial statements before approval of the board.



12. The board has formed committees comprising of members given below:

a) Audit Committee:

Mr. Ghulam Raza Dahraj Chairman Mr. Azim Azfar, Member Mr. Muhammad Sharif Khawaja Member Mr. Ramzan Behrani Member

b) HR and Remuneration Committee:

Mr. Muhammad Riaz Khokhar Chairman
Mr. Ghulam Raza Dahraj Member
Mr. Javeed Haleem Member

Ms. Farah Azeem Chief Executive officer

Mr. Ramzan Behrani Member

c) Executive Committee:

Mr. Muhammad Riaz Khokhar Chairman
Ms. Farah Azeem Chief Executive Officer Member
Mr. Azim Azfar Member
Mr. Javeet Haleem Member

Mr. Azim Aziar
Mr. Javeed Haleem
Mr. Ghulam Raza Dahraj
Mr. Ramzan Behrani
Member

- 13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
- 14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:
- a) Audit Committee: Once in a quarter
- b) HR and Remuneration Committee: Once in a year
- 15. The board has set up an effective internal audit function/ or has outsourced the internal audit function to UHY Hassan Naeem and Company (Chartered Accountants)who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
- 16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP
- 17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 18. We confirm that all other requirements of the Regulations have been complied with.

Muhammad RiazKhokar

Chairman

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Security Leasing Corporation Limited - Pattern of Share Holding of Ordinary Shares As On June 30, 2020

Share H	olding	ſ	Number of	Total Shares
From	То		Share Holders	Held
			400	1000
86	1	-	100	1223
82	101	-	500	30676
46	501	-	1000	42312
110	1001	-	5000	284343
27	5001	-	10000	210441
5	10001	-	15000	60001
6	15001	-	20000	112500
5	20001	-	25000	116900
6	25001	-	30000	164000
1	30001	-	35000	34500
2	40001	-	45000	82009
4	45001	-	50000	191500
2	50001	-	55000	106000
1	65001	-	70000	69526
1	70001		75000	73000
1	85001	-	90000	86000
1	95001	-	100000	100000
1	100001		105000	100720
2	115001	-	120000	238400
1	120001		125000	122500
1	165001	-	170000	166500
1	265001		270000	269000
1	300001		305000	303500
1	405001		410000	409000
1	455001		460000	455595
1	665001		670000	669000
1	825001		830000	823500
1	850001		855000	852500
1	905001		910000	906500
1	1260001	-	1265000	1263240
1	3170001	-	3175000	3174435
1	10280001	-	10285000	10285000
1	14495001	-	14500000	14495679
403				36,300,000

Note 1 : <u>Directors, CEO their Spouse and Minor Children</u>

	No of Shares	<u>%</u>
Mr. Azim Azfar	500	0.00
Mr. Muhammad Ramzan Behrani	500	0.00
Mr. Muhammad Riaz Khokhar	500	0.00
Mr. Ghulam Raza	500	0.00
Mr. Muhammad Sharif Khawaja Mehta	500	0.00
Mr. Javed Haleem	500	0.00
	3,000	0.01

Note 2: Shareholders holding Ten percent or more voting interest in the Company

 S.M. Nadim Shafiqullah - Vice Chairman
 14,495,679
 39.93

 Merrill, Lynch, Pierce, Fenner, Smith, Inc. Usa
 10,285,000
 28.33

Note 3 : Chief financial officer (CFO) & Company Secretary does not hold any shares.

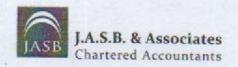


Security Leasing Corporation Limited
Pattern of Share Holding of Preference Shares As On June 30, 2020

Share Holdi	ing	Number of	Total Shares	Percentage of
From	То	Share Holders	Held	Issued Capital
1	100	3	13	0.00
101	500	2	748	0.01
501	1,000	3 2 4 2	2,874	0.04
1,001	5,000	2	4,200	0.06
95,000	100,000	1	99,001	1.32
495,001	500,000	1	500,000	6.66
1,000,001	1,005,000	1	1,001,489	13.35
2,445,001	2,450,000	1	2,449,200	32.64
3,445,001	3,450,000	1	3,445,250	45.92
		16	7,502,775	100.00
Categories of Sharehold	lers	Number	Shares Held	Percentage
Individuals		10	7,273	0.10
Mutual Funds			4,446,739	59.27
Joint Stock Companies		2 2	2,449,762	32.65
Financial Institutions		1	500,000	6.66
Provident Fund		1	99,001	1.32
		16	7,502,775	100.00

Note 1:

None of Directors, CEO their Spouse and Minor Children held any preference Shares.



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INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Security Leasing Corporation Limited

Review Report on the Statement of Compliance with the Code of Corporate Governance

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of Security Leasing Corporation Limited for the year ended June 30, 2020 to comply with the requirements of section 156 of the Act.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company corporate governance procedures and risks.

The Code requires to place before Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Following instance of non-compliance with the requirement of the Code was observed which is not stated in statement of Compliance:

The management has informed us that the company has designated one of it's employee as a secretary to Audit Committee to also act as coordinator between the firm providing internal audit services and the Audit Committee of the Board of Directors; whereas Regulation 32 (2)(b) of Listed Companies (Code of Corporate Governance) Regulations 2017 requires that in case internal audit function is outsourced by company, the company shall designate a fulltime employee other than chief financial officer, as head of internal audit holding equivalent qualification prescribed under the code, to act as a coordinator between firm providing internal audit services and the board.





Based on our review except for above non-compliance with Regulation 32 (2)(b), nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2020.

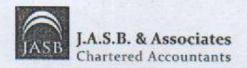
Chartered Accountants

Engagement Partner: Basharat Rasool

Assorales

Karachi

Dated: 29-09-2020



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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SECURITY LEASING CORPORATION LIMITED

Report on the Audit of the Financial Statements

Adverse Opinion

We have audited the annexed financial statements of Security Leasing Corporation Limited, which comprise the statement of financial position as at June 30, 2020 and the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of the audit.

In our opinion and to the best of our information and according to the explanations given to us, because of the significance of the matter discussed in the Basis for Adverse Opinion section of our report, the statement of financial position, statement of profit or loss and other comprehensive income, the statement of changes in equity and statement of cash flows together with the notes forming part thereof do not conform with approved accounting standards as applicable in Pakistan, and do not give information required by the Companies Act, 2017, in the manner so required and respectively do not give true and fair view of the state of Company's affairs as at June 30, 2020 and of the profit or loss and other comprehensive income or loss, the changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

a) As described in Note 1.2 to the financial statements, the financial statements have been prepared on going concern basis. As at the balance sheet date, accumulated loss of the company was Rs. 566.454 million (2019; Rs. 523.721 million) as against the issued, subscribed and paid up capital of Rs. 438.027 million (2019; Rs. 438.027 million) and current liabilities of the company exceed its current assets by Rs. 305.387 million (2019; Rs. 226.239 million). The Company is facing operational and financial problems. There is no sufficient appropriate audit evidence that the management's plans are feasible and ultimate outcome will improve the Company's current situation. In our opinion, the going concern assumption used in the preparation of these financial statements is inappropriate and the Company may not be able to realize its assets and discharge its liabilities in the normal course of business.







b) The Company has recorded deferred tax asset of Rs. 334.321 million (2019: Rs. 334.321 million) based on its future plans which projects that future taxable profit would be available against which such deferred tax assets could be utilized. However, in our view, there is no sufficient appropriate audit evidence that the management's plans are feasible and ultimate outcome will improve the Company's current situation as discussed in (a) above, therefore, sufficient future taxable profits will not be available against which deferred tax asset could be utilized. In our view, deferred tax asset should be de-recognized. Had the deferred tax asset been de-recognized, deferred tax asset, equity would have been lower by 334.321 million whereas profit for the year would have been lower by 334.321 million.

We,conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants, as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

KEY AUDIT MATTERS

Impact of COVID-19 (Refer note 32 to the annexed financial statements)

Key Audit Matters

Due to the COVID-19 situation and lockdown in the country since March 2020, business activity has been adversely affected. The Company's factory and offices were closed Many of the functions and operations were carried out remotely. This affected the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

In relation to the accounting and reporting obligations, management assessed the following significant areas for incorporating COVID - 19 impact in the financial statements:

- expected credit losses (ECL) under IFRS 9, 'Financial Instruments';
- the impairment of tangible and intangible assets under IAS 36, 'Impairment of nonfinancial assets';
- provisions and contingent liabilities under IAS 37, including onerous contracts; and

How the matter was addressed in our audit

Our audit procedures amongst others included the following:

- Obtained an overall understanding of the changes in financial reporting process and underlying controls in order to determine the appropriate audit strategy;
- Unlisted technology for communication and evidence gathering;
- For information / record provided by management in scanned form, the original record was checked subsequently when the lockdown was relaxed;
- For confirmation received through email, the authenticity of the confirmations was ensured by performing alternate procedure such as making telephone calls to confirming parties;
- Assessed the reasonableness of forwardlooking factors under the COVID-19 situation used by management in preparing ECL model;

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Key Audit Matters

 going concern assumption used for the preparation of the financial statements

The COVID-19 pandemic is a significant development during the year having the most significant impact on audit strategy and its execution and involved assessment of significant management judgments in the preparation of financial statements. Therefore, we considered it to be a key audit mafter.

How the matter was addressed in our audit

- Evaluated whether any impairment indicators exist that could trigger impairment for tangible and intangible assets;
- Evaluated management's assessment as to whether any provisions were required to be recorded as a result of COVID-19; and
- Evaluated management's going concern assessment by reviewing the approved budget / future cash flow forecast and assessed whether going concern assumption is appropriate.
- Assessed the adequacy of the disclosures made by the Company under the applicable financial reporting framework.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with approved accounting standards as applicable in Pakistan and requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

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Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue and auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exits. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As a part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and access the risks of material misstatement of the financial statements, whether due to
 fraud or error, design and perform audit procedures responsive of those risks, and obtain audit
 evidence that is sufficient and appropriate to provide a basis of our opinion. The risk of not
 detecting a material misstatement resulting from fraud is higher than for one resulting from
 error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the
 override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit
 procedures that are appropriate in the circumstances, but not for the purpose of expressing an
 opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of going concern basis of accounting and, based in the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the
 disclosures, and whether the financial statements represent the underlying transactions and
 events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

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- a) proper books of account have been kept by the company as required by the Companies Act, 2017
 (XIX of 2017));
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns and are further in accordance with the accounting policies consistently applied.
- investments made, expenditure incurred and guarantees extended during the year were for the purpose of company's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980),

The engagement partner on the audit resulting in this independent auditor's report is Mr. Basharat Rasool.

Chartered Accountants

Karachi

Dated: 29-09-2020

SECURITY LEASING CORPORATION LIMITED STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2020

		2020	2019
		(Rup	ees')
ASSETS	Note		
Current assets			
Cash and bank balances	5	594,229	313,65
Short term investments Short term finances			
Advances, prepayments and other receivables	7 8	54,000,000	54,000,00
Taxation-net	0	966,531	996,75
Current maturity of non-current assets		5,580,804	4,939,010
Total current assets	9	170,860,980	197,403,18
Total Carter Models		232,002,544	257,652,59
Non-current assets			
Net investment in finance leases	10		
Long-term deposits	11	504,500	504,500
Property and equipment	12	61,661,517	64,295,878
Deferred tax asset	13	334,321,869	334,321,869
Total non-current assets		396,487,886	399,122,247
TOTAL ASSETS		628,490,430	656,774,84
LIABILITIES			
Comment Bakellande			
Current liabilities Accrued and other liabilities		0.00.00	
Current maturity of non-current liabilities	14	82,685,266	80,241,204
Total current liabilities	15	454,704,277	403,650,52
Total current naomities		537,389,543	483,891,73
Non-current liabilities			
Long-term finances	16	18,008,154	55,710,99
Long-term deposits	17		
Total non-current liabilities		18,008,154	55,710,997
TOTAL LIABILITIES		=== 20= 60=	#20 602 WA
TOTAL EMBERTED		555,397,697	539,602,734
NET ASSETS		73,092,733	117,172,110
DEDDECENTED BY CUARFUOI DEDG FOURTY			
REPRESENTED BY SHAREHOLDERS' EQUITY			
Share capital and reserve			
Issued, subscribed and paid-up share capital	18	438,027,750	438,027,750
Reserves	19	(384,586,860)	(341,854,111
		53,440,890	96,173,639
Surplus on revaluation of fixed assets	20	19,651,843	20,998,47
Total shareholders' equity	20	The Control of the Co	117,172,110
		73,092,733	117,172,110
CONTINGENCIES AND COMMITMENTS	21		

The annexed notes from 1 to 35 form an integral part of these financial statements.

Faran Azeem Chief Executive Officer Muhammad Farooq Chief Financial Officer

SECURITY LEASING CORPORATION LIMITED STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2020

		2020	2019
	Note	(Rup	ees')
REVENUE			
Income from:			
Finance lease Contracts		#4	89,292
Other operating income	22	7,922,454	9,445,932
		7,922,454	9,535,224
Unwinding of financial liability		(13,135,632)	(18,094,622)
		(13,135,632)	(18,094,622)
EXPENSES		(5,213,178)	(8,559,398)
Administrative and selling expenses	23	(11,101,990)	(15,008,928)
Finance costs Provision & Write-offs	24	(1,222,006)	(1,297,921)
Provision & Write-ons		(38,866,199)	(16,306,849)
Operating loss before Income tax		(44,079,377)	(24,866,247)
Taxation			
- current tax expense	25		(2,747,040)
			(2,747,040)
Loss for the year		(44,079,377)	(27,613,287)
Loss per share	26	(1.21)	(0.76)
		+	- union-resident

The annexed notes from 1 to 35 form an integral part of these financial statements.

Farah Azeem

Chief Executive Officer

Muhammad Farooq **Chief Financial Officer**

SECURITY LEASING CORPORATION LIMITED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2020

	Note	020 (Rupe	(Rupees')		
Loss for the year	(44,	079,377)	(27,613,287)		
Total comprehensive loss for the year		079,377)	(27,613,287)		

The annexed notes from 1 to 35 form an integral part of these financial statements.

Farnh Azeem Chief Executive Officer Muhammad Farooq Chief Financial Officer

SECURITY LEASING CORPORATION LIMITED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2020

		2020 (Rup	2019
	Note		ices j
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		(44,079,377)	(24,866,247)
Depreciation	12.1	2,634,343	2,656,424
Finance costs	24	1,222,006	1,297,92
Unwinding of financial liability		13,350,906	18,381,363
Provision for potential lease		26,542,203	
		43,749,458	22,335,708
Operating loss before working capital changes		(329,919)	(2,530,539)
Working capital changes			
Decrease in net investment in finance leases	10	-	21,670,500
Decrease in advances, prepayments and other receivables		30,238	196,23
Decrease in deposits from leases			(19,945,102
Increase in accrued and other liabilities		2,444,057	72,14
		2,474,295	1,993,78
Cash from operations after working capital changes		2,144,376	(536,757
Financial charges paid	24	(1,222,006)	(1,297,921
Taxes paid		(641,794)	(1,191,790
		(1,863,800)	(2,489,711)
Net cash generated from / (used in) operating activities		280,576	(3,026,468)
CASH FLOWS FROM INVESTING ACTIVITIES			
CASH FLOWS FROM FINANCING ACTIVITIES			
Not increase in //decrease) in each and each annual last		.0/	1 6 60
Net increase in / (decrease) in cash and cash equivalents Cash and cash equivalents at beginning of the year		280,576	(3,026,468
Cash and cash equivalents at beginning of the year	200	313,653	3,340,12
Cash and cash equivalents at end of the year	27	594,229	313,65

The annexed notes from 1 to 35 form an integral part of these financial statements.

Parah Azeem Chief Executive Officer Muhammad Farooq Chief Financial Officer

SECURITY LEASING CORPORATION LIMITED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2020

101111111111111111111111111111111111111		- Reserves			
	Capital .		Revenue		
	Share Capital	Statutory reserve	Unappropriated profit/ (loss)	Unrealised (loss)/gain on remeasurement of available for sale investments	Total
			(Rupees')		******
Balance as at July 01, 2018	438,027,750	181,867,005	(527,202,473)		92,692,282
Profit for the year		- N	25,999,827	-	25,999,827
Transferred from surplus on revaluation of fixed assets - incremental depreciation (net of tax)		· .	3,748,189		3,748,189
Balance as at June 30, 2018	438,027,750	181,867,005	(497,454,457)	-	122,440,298
Loss for the year			(27,613,287)		(27,613,287)
Transferred from surplus on revaluation of fixed assets- incremental depreciation (net of tax)			1,346,628		1,346,628
Balance as at June 30, 2019	438,027,750	181,867,005	(523,721,116)		96,173,639
Loss for the year			(44,079,377)		(44,079,377)
Transferred from surplus on revaluation of fixed assets - incremental depreciation (net of tax)			1,346,628		1,346,628
Balance as at June 30, 2020	438,027,750	181,867,005	(566,453,865)		53,440,890

Ferah Azeem Chief Executive Officer Muhammad Farooq Chief Financial Officer

SECURITY LEASING CORPORATION LIMITED NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

LEGAL STATUS AND NATURE OF BUSINESS

1.1 Security Leasing Corporation Limited ("the Company") was incorporated in Pakistan on December 6, 1993 and commenced its operations on May 21, 1995. The Company is a Non-Banking Finance Company (NBFC) under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and engaged in the business of leasing.

The registered office of the Company is situated at Block B, 5th Floor, Lakson Square Building No.3, Sarwar Shaheed Road, Karachi, Pakistan. The Company is listed on Pakistan Stock Exchange.

1.2 The Company is licensed to operate as leasing Company by Securities and Exchange Commission of Pakistan (SECP) and its forbearance of the license was extended up to July 2011. The renewal request is submitted with the Commission which is pending.

Net shareholder's equity of the Company as at June 30, 2020 is Rs. 73.093 million (2019: Rs. 117.172 million as compared to the minimum equity level of Rs. 50 million).

Since the start of the financial and economic crisis in Pakistan in October 2008, the financing facilities of the Company were abruptly withdrawn by the banks which resulted in reduction of portfolio of leasing and other finances. The private sector especially NBFCs could not attract any funding in form of either equity or financing facility due to crowding out by high fiscal borrowings of government in the last years. The Company was feeling extraordinary pressure on its repayment capacity due to constant reduction of portfolio and absence of sizeable fresh business. Therefore, the Company negotiated on different occasion in last four years with its lenders of long and short term funding for the reprofiling of its financial liabilities and now the Company has requested all its lenders to make full and final settlement by offering Specific leased assets under charge, additional lease assets from the portfolio and all the properties owned by the Company.

Mitigating Factors

The main objective of requesting the lenders for full and final settlements of financial liabilities was to increase cash flows and equity of the Company. In addition to these measures, the Company is also taking drastic steps to reduce the administrative costs by laying of its staff from all cadres as well as revising certain staff benefits. These measures will help operationally for the Company as a going concern entity.

The Management is hopeful that settlement with lenders will assist in reducing losses and improving the equity of the Company. This will make the company attractive for equity participation/merger/acquisition to inject additional equity.

The Company is making efforts to improve equity level through bringing fresh equity. In this regard some positive progress has been made.

The company is constantly looking for options to increase the equity levels by soliciting investor for cash and in kind equity investment. The Board and its management are hopeful that these measures would bring stability to the Company and results would start to improve in the coming periods.

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2. BASIS OF MEASUREMENT

These financial statements have been prepared under historical cost convention except for certain property and equipment which have been stated at revalued amounts and financial assets and financial liabilities which have been stated at their fair values, cost or amortized cost.

The financial statements have been prepared following the accrual basis of accounting except for the cash flow information.

3. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the approved accounting standards, as applicable in Pakistan and the requirements of the Companies Act, 2017 (Act), the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). Approved accounting standards comprise such International Financial Reporting Standard (IFRS) issued by International Accounting Standard Board (IASB) as are notified under the provisions of the Companies Act, 2017, provisions of and directives issued under the Companies Act, 2017. Wherever, the requirements of the Act, the Rules and the Regulations differ with the requirements of IFRS, the requirements of the Act, the Rules or the Regulations shall prevail.

- 3.1 Initial application of new standards, amendments and interpretations to the existing standards
- 3.1.1 New standards, amendments to the existing accounting and reporting standards and interpretations effective during the year
 - IFRS 16 "Leases" has replaced the guidance on accounting for leases, including IAS 17 "Leases", IFRIC 4" Determining whether an Arrangement contains a Lease", SIC-15 "Operating Leases Incentive" and SIC-27 "Evaluating the substance of transactions involving the legal form of a Lease". IFRS 16 has introduced a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right-of-use of the underlying asset and a lease liability representing its obligations to make lease payments. Lessor accounting remains similar to the current standard i.e. lessor continues to classify leases as finance or operating leases.

The management has assessed that the application of IFRS 16 does not have any significant impact on the Company's financial reporting.

There are certain other amendments to accounting and reporting standards and interpretations that became applicable during the year but are considered not to be relevant or did not have any significant effect on the Company's financial reporting and operations and, therefore, have not been disclosed in these financial statements.

3.1.2 New standards, amendments to the accounting and reporting standards and interpretations that are not yet effective and have not been early adopted by the Company.

There are certain other new standards and amendments to the approved accounting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2020. However, these standards and amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Use of critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience, the Regulations and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustment to the carrying amounts of assets and liabilities in the next year.

In the process of applying the Company's accounting policies, management has made the following estimates and judgment which are significant to the financial statements:

- a) allowance for potential lease and loan losses (note 4.06);
- b) classification of investments (note 4.07);
- c) determining the residual values and useful lives of depreciable assets (note 4.09 & 4.10);
- d) impairment (note 4.09);
- e) income tax and deferred tax (note 4.15); and
- f) provisions (note 4.17).

4.2 Revenue recognition

Finance lease and hire purchase income

Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases. Initial direct costs are included in the initial measurement of the finance lease receivable and reduce the amount of income recognised over the lease term.

Income from finance leases and hire purchases is suspended if rent is past due by the minimum criteria prescribed by the Regulations.

Front end fee and other lease related income is recognised as income on receipt.

Operating lease income

Rental income from operating leases is recognised on accrual basis over the term of the lease contract.

Return on investments

Markup/Return on loans, advances and investments is recognised on accrual basis using the effective interest method.

Fees and commission income are recognised on accrual basis when the service has been provided.

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Dividend income is recognised when the Company's right to receive dividend is established.

Capital gain or loss arising on sale of investments are taken to income in the period in which they arise.

Return on deposits, short term placements and other money market securities is recognised on a time proportion basis.

4.3 Long term loans and finances

These are initially recognized at cost being the fair value of the consideration received together with the associated transaction cost. Subsequently, these are stated at amortized cost using the effective interest method.

4.4 Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market other than (a) those that the Company intends to sell immediately or in the near term, which shall be classified as held-for-trading, and those that the Company upon initial recognition designates as at fair value through profit or loss account; (b) those that the Company upon initial recognition designates as available-for-sale; or (c) those for which the Company may not recover substantially all of its initial investment, other than because of credit deterioration, which shall be classified as available for sale.

Subsequent to initial measurement loans and receivables are measured at amortized cost using the effective interest method. Gains/Losses arising on remeasurement of loans and receivables are taken to the profit and loss account.

Gain or loss is also recognized in profit and loss account when loans and receivables are derecognised or impaired, and through the amortization process.

4.5 Net investment in finance lease

Leases where the Company transfers substantially all the risks and rewards incidental to ownership of an asset to the lessees are classified as finance lease. A receivable is recognised at an amount equal to the present value of the lease payments, including any guaranteed residual value and unamortized direct cost.

4.6 Provision for potential lease losses and provision for other doubtful loans and receivables

The provision for potential leases and provision for other doubtful loans and receivables are made based on the appraisal of each lease or loan that takes into account the Regulations issued by SECP from time to time.

Developing the allowance for potential leases and doubtful loans and other receivables is subject to numerous judgments and estimates. In evaluating the adequacy of allowance, management considers various factors, including the requirements of the Regulations, the nature and characteristics of the obligator, current economic conditions, credit concentrations or deterioration in pledged collateral, historical loss experience, delinquencies and present value of future cash flows expected to be received. Lease installment, loans and other receivables are charged off, when in the opinion of management, the likelihood of any future collection is believed to be minimal.

4.7 Investments

All purchases and sales of securities that require delivery within the time frame established by regulation or market convention are recognised at the trade date. Trade date is the date on which the Company commits to purchase or sell the asset.

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The management determines the appropriate classification of its investments in accordance with the requirements of International Accounting Standard 39 "Financial Instruments: Recognition and Measurement (IAS-39)" at the time of purchase and re-evaluates this classification on a regular basis. The investments of the Company have been categorised as per the requirements of IAS 39 as follows:

At fair value through profit or loss

- a) These are classified as 'held-for-trading' if (a) acquired or incurred principally for the purpose of selling or re-purchasing it in the near term; (b) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking; or (c) a derivative (except for a derivative that is a designated and effective hedging instrument).
- b) Upon initial recognition these are designated by the Company as 'at fair value through profit or loss' except for equity instruments that do not have a quoted market price in an active market, and whose fair value can not be reliably measured.

Held-to-maturity

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Company has the positive intent and ability to hold to maturity other than at fair value through profit or loss, available for sale and loans and receivables.

Available-for-sale

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not (a) loans and receivables, (b) held-to-maturity investments, or (c) financial assets at fair value through profit or loss.

All quoted investments except 'at fair value through profit or loss' and held-for-trading are initially recognised at cost inclusive of transaction costs. Investments at fair value through profit or loss and held for trading are initially recognised at cost. All quoted investments are subsequently marked to market using the year end bid prices obtained from stock exchange quotations or quotes from brokers. Held-to-maturity investments are subsequently measured at amortized cost using the effective interest method. Investments in delisted / unquoted investments are carried at cost less impairment in value, if any. Investments other than shares are stated at their principal amounts less provision for amounts considered doubtful.

Unrealised gains / losses on investments classified as at fair value through profit or loss are taken to profit and loss account while unrealised gains / losses on investments classified as available for sale are taken to equity until these are derecognised, at which time the cumulative gain or loss previously recognised in equity is taken to profit and loss account.

Gain or loss is also recognized in profit and loss account when held-to-maturity investments are derecognised or impaired, and through the amortization process.

Impairment of investments is recognised in profit and loss account when there is a permanent diminution in their value. On impairment of available-for-sale investments, cumulative loss that had been recognised directly in equity is removed from equity and recognised in profit and loss account even though the investments have not been derecognised. Impairment losses recognised in profit and loss account for an investment in equity instrument classified as available-for-sale are not reversed through profit and loss account. Impairment loss related to investments carried at cost is not reversed.

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Derecognition

All investments are de-recognized when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

4.8 Repurchase and resale transactions

The Company enters into transactions of re-purchase (repo) and re-sale (reverse repo) of securities at contracted rates for a specified period of time following the trade date accounting. These transactions are recorded as follows:

- a) in case of sale under re-purchase obligations, the securities remain on the balance sheet and
 a liability is recorded in respect of the consideration received as 'Borrowing'. Charges arising
 from the differential in sale and re-purchase values are accrued on a prorata basis; and
- b) in case of purchases under re-sale obligations, the securities are not recognized on the balance sheet and the consideration paid is recorded as 'Placement' and the differential of the purchase price and contracted re-sale price is recognized over the period of the contract.

4.9 Property and equipment

Owned

Initial recognition

An item of property and equipment is initially recognized at cost which is equal to the fair value of consideration paid at the time of acquisition or construction of the asset.

Measurement subsequent to initial recognition

Carried at revaluation model

Office premises, leasehold improvements and furniture & fixture are stated at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Fair value is determined by professional valuers with sufficient regularity such that the carrying amount does not differ materially from fair value at the balance sheet date.

Carried at cost model

Property and equipment other than those mentioned above are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation

All items of property and equipment are depreciated on a straight line basis at rates which will write off their cost or revalued amount over their expected useful lives. The estimated useful lives, residual values and depreciation method are reviewed and adjusted, if appropriate, at each balance sheet date.

Depreciation on additions during the year is charged from the month of acquisition. No depreciation is charged in the month of disposal.

Subsequent expenditure relating to an item of property and equipment is capitalized to the initial cost of the item when the expenditure meets the recognition criteria. All other subsequent expenditure is expensed in the period in which it is incurred.

Profit and loss on disposal of property and equipment is included in income currently.



Impairment

At each balance sheet date, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. Where an impairment loss subsequently reverses, the reversal of an impairment loss is recognized immediately in profit or loss unless the relevant asset is carried at a revalued amount in which case the reversal of the impairment loss is treated as a revaluation increase.

Capital work - in - progress

Capital work-in-progress are carried at cost, less any recognized impairment loss. These expenditures are transferred to relevant category of property and equipments as and when assets start operation.

Leased

Assets subject to finance lease are accounted for by recording the asset at the lower of present value of minimum lease payments under the lease agreements and fair value of assets acquired. The related obligations under the lease are accounted for as liabilities. Financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of charge on the outstanding liability. Depreciation is charged in a manner similar to owned assets.

4.10 Intangible Assets

Intangible assets are recognized if it is probable that the future economic benefits that are attributable to the assets will flow to the company and that the cost of such assets can also be measured reliably.

Generally, cost associated with the development or maintenance of computer software programmes are recognized as an expense as incurred. However, costs that are directly associated with identifiable software and have probable economic benefits exceeding one year, are recognized as an intangible assets. Direct costs include the purchase cost of software and related overhead cost. Computer software costs that are directly associated with the computer and computer controlled machines, which cannot operate without the related specific software, are included in the costs of the respective assets. When the software is not an integral part of the related hardware, it is classified an intangible asset. Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Expenditures, which enhance or extend the performance of computer software beyond their original specification and useful life are recognized as capital improvement and added to the original cost of the software.

4.11 Compensated absences

The Company provides its employees with non-accumulated compensated absences that are recognized when the absences occur.

4.12 Foreign currency translation

Transactions in foreign currencies are accounted for in rupees at the rate of exchange prevailing on the date of transaction. Monetary assets and liabilities in foreign currencies as at the balance sheet date are expressed in rupees at rates of exchange prevailing on that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transactions. Exchange gains and losses are included in income currently.

4.13 Financial instruments

Financial assets and liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument and de-recognised when the Company loses control of contractual rights that comprise the financial assets and in the case of financial liabilities when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on the de-recognition of the financial assets and liabilities is included in the profit and loss account currently.

At the time of initial recognition, all financial assets and financial liabilities are measured at cost, which is the fair value for the consideration given or received for it. Transaction costs are included in the initial measurement of all financial assets and liabilities except for transaction costs incurred on financial assets and liabilities classified as 'at fair value through profit or loss' and held-for-trading and that may be incurred on disposal. The particular recognition methods adopted for the measurement of financial assets and liabilities subsequent to initial measurement are disclosed in the policy statements associated with each item.

Financial assets carried on the balance sheet include cash and bank balances, advances and deposits. Loans and receivables, finance leases and investments have been stated as per the policies mentioned in note 4.05, 4.06 and 4.07 respectively.

Financial liabilities carried on the balance sheet include certificates of investment, deposits, accrued and other payables. Loans and finances have been stated as per the policies mentioned in note 4.04.

4.14 Off-setting

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet when the Company has a legally enforceable right to set-off the recognised amounts and it intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

4.15 Taxation

Current tax

The charge of current tax is based on taxable income at the applicable rate of taxation after taking into account available tax credits and rebates. Income for the purpose of computing current taxation is determined under the provisions of tax laws.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of temporary timing differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities using tax rates enacted at the balance sheet date. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.



4.16 Related parties transactions

All transactions with related parties, if any, are recorded at an arm's length price except when defined.

4.17 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

4.18 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash with banks, running finance facilities availed by the Company, which are payable on demand (if any) and short term investments realisable within three months (if any) are included as part of cash and cash equivalent for the purpose of statement of cash flow.

4.19 Repossessed leased assets

These are stated at lower of the original cost of the related asset, exposure to the Company and the net realisable value of the assets repossessed. Gain or losses on the disposal of such assets are recognized in the profit and loss account.

4.20 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency.

4.21 Certificate of investments

Return on certificate of investments issued by the Company is recognised on a time proportion basis.

4.22 Dividend distribution

Dividend distribution to the Company's shareholders is recognized in the financial statements in the period in which the dividend is approved by the Board of Directors of the Company.

4.23 Segmental reporting

A business segment is a distinguishable component of the Company that is engaged in providing an individual product or service or a group of related products or services and that is subject to risk and returns that are different from those of other business segments. As the risk and rate of return are predominantly affected by difference in these products or services, the primary format for reporting segment information is based on business segment.

4.24 Discontinued operations

A discontinued operation is a component of the Company's business that represents a separate major line of business or geographical area of operations that has been disposed of or is held for sale. Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative profit and loss account is restated as if the operation had been discontinued from the start of the comparative period.

Non-current (or disposal groups comprising assets and liabilities) that are expected to be recovered primarily through sale rather than through continuing use are classified as held for sale. Immediately before classification as held for sale, the assets (or components of a disposal group) are remeasured in accordance with the Company's accounting policies. Thereafter generally the assets (or disposal group) are measured at the lower of their carrying amount and fair value less cost to sell. Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognized in profit or loss. Gains are not recognized in excess of any cumulative impairment loss.

General 4.25

	Figures have been rounded-off to n	earest Pakista	mi Rupee.		
			200	2020	2019
				(Ruj	oees')
			Note		
5.	CASH AND BANK BALANCES				
	Cash in hand				
	Balance with State Bank of Pakistan	Balance with State Bank of Pakistan in current account			
	Balances with other banks in:	29,569	29,569		
	- Current accounts			548,176	267,600
	- Saving accounts			16,484	16,484
				594,229	313,653
					THE STATE OF THE S
				2020	2019
	SHORT TERM INVESTMENTS - A			(Ruр	ees')
6.	SHORT TERM INVESTMENTS - A	ivaliable for	sale		
	Other than related party	Unit / S	hares		
		2020 *	2019		
	Listed Securities	to the	The second		
	Unlisted Securities				
	Ordinary (First Pakistan				
	shares Securities Limited)	1,399,141	1,399,141	20,000,000	20,000,000
	Impairment			(20,000,000)	(20,000,000)
					à ·
7.	SHORT TERM FINANCES				
	Other than related party				
	Placement - considered doubtful			54,000,000	54,000,000
	Less: Provision			-	-
				54,000,000	54,000,000
0	ADVANCES BREDAVAGNES AND	OTHER DE	CERTA DE DO		
8.	ADVANCES, PREPAYMENTS ANI				
	Prepayments			525,363	555,601
	Other receivables			441,150	441,150
				966,513	996,751
9.	CURRENT MATURITY OF NON -	CURRENT A	SSETS		
0152	Net investments in leases			100 960 090	
	14ct myestinents in leases		10	170,860,980	197,403,183
				1/0,000,900	19/14031103

2020 2019 -(Rupees')-Note

197,403,183

(197,403,183)

170,860,980

(170,860,980)

NET INVESTMENT IN FINANCE LEASE

Lease rentals receivable

Unearned lease income Income suspended

Less:

Add: Residual value of leased assets Gross investment in finance leases

Provision for potential lease losses

Net investment in leases

Net investment in finance leases Less: current portion of net investment in finance leases

2.5		2020	· · · · · · · · · · · · · · · · · · ·		2019	
	Not Later than one year	Later than one year	Total (Rm	Not Later than one year	Later than one year	Total
			(ma)	,,		
lote	294,068,632		294,068,632	294,068,632		294,068,632
				98,449,557		08 440 557
	98,449,557		98,449,557	96,449,00/		98,449,557
	392,518,189	-	392,518,189	392,518,189		392,518,189
		-				
10.1	52,249,428	4	52,249,428	52,249,428		52,249,428
	340,268,761		340,268,761	340,268,761		340,268,761
10.2	169,407,781		169,407,781	142,865,578		142,865,578
	170,860,980	*	170,860,980	197,403,183		197,403,183
	170,860,980		170,860,980	197,403,183		197,403,183

lance at beginning of the year come suspended during the year come reversed during the year lance at end of the year ovision for potential lease and other losses		52,249,428 52,249,428	52,249,428 - 52,249,428
lance at beginning of the year come suspended during the year come reversed during the year lance at end of the year		52,249,428	52,249,428 - -
come suspended during the year come reversed during the year lance at end of the year			
come reversed during the year lance at end of the year		52,249,428	52,249,428
lance at end of the year		52,249,428	52,249,428
ovision for potential lease and other losses			
ovision for potential lease and other losses			
lance at beginning of the year		142,865,578	142,865,578
		26,542,203	
			-
lance at end of the year		169,407,781	142,865,578
NIC TERM DEROCING			
ING TERM DEPOSITS			
hers		504,500	504,500
		504,500	504,500
OPERTY AND EQUIPMENT			
perty and equipment	19.1	61 661 517	64,295,878
Owned		THE RESIDENCE AND ADDRESS OF THE PARTY AND	64,295,878
1	ovision for the year versed for the year ance at end of the year NG TERM DEPOSITS hers OPERTY AND EQUIPMENT perty and equipment	ovision for the year versed for the year ance at end of the year NG TERM DEPOSITS hers OPERTY AND EQUIPMENT perty and equipment 12.1	ovision for the year versed for the year ance at end of the year NG TERM DEPOSITS ners 504,500 504,500 DERTY AND EQUIPMENT perty and equipment 12.1 61,661,517

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				2020				
	Cost	/ Revalued Ame	ounts		Depreciation		Written	Depreciation
Description	As at July 01, 2019	Additions/ Disposals during the year	As at June 30, 2020	As at July 1, 2019	Charge for the year/ (Transfers/ Disposal)	As at June 30, 2020	down value as at June 30, 2020	Rate in % ,
				Rupees			************	
OWNED								
Office premises	104,955,000		104,955,000	40,670,041	2,623,872	43,293,913	61,661,087	2.5
Leasehold Improvements	22,274,000		22,274,000	22,273,999		22,273,999	1	15
Furniture and fixtures	5,480,307	-	5,480,307	5,479,971		5.479.971	336	20
Office equipment	1,272,706	70	1,272,706	1,262,203	10,471	1,272,674	32	36
Computer equipment	1,982,378	- TEN -	1,982,378	1,982,341		1,982,341	37	36
Generator and air conditioners	3,060,674		3,060,674	3,060,650		3,060,650	24	20
Vehicles	687,575	(687,575)		687,557	(687,557)		18	24.30
June 30, 2020	139,712,640	(687,575)	139,025,065	75,416,762	2,634,343 (687,557)	77,363,548	61,661,535	
June 30, 2019	139,712,640		139,712,640	72,760,338	2,656,424	75,416,762	64,295,878	

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		2020 (Rup	2019 ees')
	Not	e	
13.	DEFERRED TAX ASSET		
2010	Debit balances arising due to:		
	Overdue rentals not taxable in future	83,722,987	83,722,987
	Provision for potential lease losses	-	4
	Provision for other non performing assets		
	Unabsorbed tax depreciation	293,429,881	293,429,881
	Minimum turnover tax	882,836	882,836
		378,035,704	378,035,704
	Credit balances arising due to:		
	Accelerated tax depreciation	(1,004,849)	(1,004,849)
	Net investment in finance lease	(30,985,914)	(30,985,914)
	Surplus on revaluation of leasehold land and office building	(11,723,072)	(11,723,072)
		(43,713,835)	(43,713,835)
		334,321,869	334,321,869

This represents the probable benefits expected to be realized in future years determined on the projected financial statements under prevailing circumstances for the next few years. 13.1

			2020	2019
			(Rup	ees')
		Note		
4.	ACCRUED AND OTHER LIABILITIES			
	Accrued liabilities		5,564,111	3,738,390
	Advance against leases		64,032,887	63,857,887
	Unclaimed dividend		638,283	638,283
	Other liabilities		12,449,985	12,006,649
	CURRENT MATURITY OF NON-CURRENT LIA	DILPTIFE	82,685,266	80,241,209
5-	CURRENT MATURITY OF NON-CURRENT LIA	CHILITIES		
	Long term finances	16	356,298,351	305,244,602
	Long term deposits	17	98,405,926	98,405,926
			454,704,277	403,650,528
).	LONG-TERM FINANCES - secured			
	Other than related party			
	Privately Placed SUKUKs	16.3	225,498,618	217,188,028
	Long-term loans	16.4	148,807,887	143,767,571
			374,306,505	360,955,599
	Less: Current maturity due but not paid			
	Privately Placed SUKUK		182,812,500	152,343,750
	Long-term loans		122,432,102	101,847,103
			305,244,602	254,190,853
	Less: Current maturity shown under current liabi	lities		
	Privately Placed SUKUK	ircics	30,468,750	30,468,750
	Long-term loans		20,584,999	20,584,999
			51,053,749	51,053,749
			356,298,351	305,244,602
			18,008,154	55,710,997

- 16.1 In January 2012, in view of the difficult financial situation with no bright prospects of new funding in form of direct equity or financing, the Company requested the lenders to modify the terms of the long term finance by extending the repayment period from 4 years to 10 years with effect from February 2012. In order to reflect the impact of this extension in the tenure according to the Para 40 of International Accounting Standard 39 Financial Instruments, the Company has recomputed the accounting effect on derecognition of all the financial liabilities to record the gain and unwinding of the related liabilities accordingly.
- 16.2 The amount of gain arisen due to difference between the existing carrying amount of original financial liability and new financial liability recognised was recorded as income through both equity and Profit & loss account. This amount would be amortized as unwinding of financial liability over the repayment term.

The management is making rigorous efforts for settlement of long term finances.

16.3 Principal terms of SUKUKs

Particulars	Security	Repayme	nt period	Profit rate per	Amount outstandin (Rupees)	
		from	То	annum	2020	2019
From financi	al institution	ıs		1000		
Privately placed SUKUK-2	Secured against specific lease rentals receivable and related lease assets	Mar-09	Jan-22	Zero % (2019: Zero%)	225,498,618	217,188,028

16.4 Principal terms of Long Term Loans

Particulars	Security	Repayment period		Profit rate per	Amount outstanding (Rupees)	
	A STATE OF THE STA	from	To	annum	2020	2019
Long-Term I	oans	V				
The Bank of Khyber	Secured against property	Apr-10	Jan-22	Zero % (2019: Zero%)	95,101,684	92,154,332
The Bank of Punjab	Secured against specific lease rentals receivable and related lease assets	Арг-10	Jan-22	Zero % (2019: Zero%)	37,721,427	36,303,583
Soneri Bank Limited	Secured against specific lease rentals receivable and related lease assets	Apr-10	Jan-22	Zero % (2019: Zero%)	15,984,776	15,309,656

	2020	2019
	(Rup	ees')
Note		

LONG-TERM DEPOSITS

Security deposits against leases	
Less: Current maturity of security deposits	

98,405,926 98,405,926 98,405,926 98,405,926

These represent interest free security deposits received against lease contracts and are refundable/adjustable at the expiry/termination of the respective leases.

SHARE CAPITAL 18.

18.1

- March 2012	CONTRACTOR OF THE PARTY OF THE	THE RESIDENCE OF THE PARTY OF
A. Tarrett	DOWNSON	A 22 22 2 2 2 2
78455	11011360	capita

75,000,000 (2019: 75,000,000) ordinary shares of Rs.10 each 50,000,000 (2019: 50,000,000) preference shares of Rs.10 each	750,000,000	750,000,000
Julius Committee of the	1,250,000,000	1,250,000,000
Issued, subscribed and paid-up share capital		
22,100,000 (2019: 22,100,000) ordinary shares of Rs.10 each fully paid in cash	221,000,000	221,000,000
14,200,000 (2019: 14,200,000) ordinary shares of Rs. 10 each issued as fully paid bonus shares	142,000,000	142,000,000
	363,000,000	363,000,000
Preference shares		
7,502,775 (2019: 7,502,775) preference shares-class A of Rs. 10 each fully paid in cash	75,027,750	75,027,750
	438,027,750	438,027,750
Movement in number of shares		
Ordinary shares		
Number of the shares at beginning of the year	36,300,000	36,300,000
Issued during the year	-	
Number of the shares at end of the year	36,300,000	36,300,000
Preference shares		
Number of the shares at beginning of the year Redeemed during the year	7,502,775	7,502,775
	The second secon	

The Company raised additional equity of Rs. 150 million through right issue of 15 million nonconvertible and non-cumulative preference shares - class A of Rs. 10 each in September 2003. These preference shares carry preferred right to dividend computed @ 35% of profit after tax and statutory reserves subject to a maximum profit of Rs. 40 million. The Company has the option to redeem these shares after 12 months from the date of the issue. The preference shareholders have the right to exercise the put option in tranches by giving three months advance notice as per the following schedule:

Percentage of redemption

Period to exercise put option

7,502,775

3,750,000 shares	(1st redemption)
3,750,000 shares	(2nd redemption)
3,750,000 shares	(3rd redemption)
3,750,000 shares	(4th redemption)

Number of the shares at end of the year

From	To
June-07	November-07
June-08	November-08
June-09	November-09
June-10	November-10

18.3 Capital management policies and procedures

The Company's objective for managing capital is to safeguard its ability to continue as a going concern in order to continue providing returns to its shareholders. Further, the Company ensures to comply with all the regulatory requirements regarding capital and its management. Capital requirements applicable to the Company are set and regulated by the Securities and Exchange Commission of Pakistan (SECP). These requirements are put in place to ensure sufficient solvency margins. The Company manages its capital requirement by assessing its capital structure against the required capital level on a regular basis.

			2020 (Rupe	2019
		Note	Krape	And /
	The Company's capital consist of:			
	Issued, subscribed and paid-up share capital Reserves	18	438,027,750 (384,586,860)	438,027,750 (341,854,111)
	Reserves	19 .	53,440,890	96,173,639
			53,440,890	96,173,639
19.	RESERVES			
	Capital reserve			
		19.1	181,867,005	181,867,005
	Revenue reserve Accumulated loss		(566,453,865)	(523,721,116)
	2 icedinated 1000		(384,586,860)	(341,854,111)
19.1	Movement in statutory reserves			
	Balance at beginning of the year		181,867,005	181,867,005
	Transferred during the year			The State of the last
	Balance at end of the year		181,867,005	181,867,005
Statu	tory reserve represents profit set aside to comply with the NB	FC Re	gulations, 2008.	
			2020	2019
			(Rupe	es')
	SURPLUS ON REVALUATION OF FIXED ASSETS	Note		
20.	SURPLUS ON REVALUATION OF FIAED ASSETS			
	Surplus on revaluation of fixed assets	20.1	31,374,915	32,721,543
	Deferred tax liability recognised	20.2	(11,723,072)	(11,723,072)
			19,651,843	20,998,471
20.1	Reconciliation of surplus on revaluation of fixed asset	s		
	At the beginning of the year		32,721,543	34,068,171
	Surplus during the year			
	Surplus realized on account of incremental depreciation-net of	ff tax	(1,346,628)	(1,346,628)
	At the end of the year	1	31,374,915	32,721,543
20.2	Deferred tax liability			
	At the beginning of the year		11,723,072	11,723,072
	Deferred tax liability arise/(adjusted) during the year		0 1/4/5///5/	
	Deferred tax liability realized on account of incremental deprecia	tion	-	
	At the end of the year		11,723,072	11,723,072
21.	CONTINGENCIES AND COMMITMENTS		1	1
		1	1	15

There is no contingencies and commitments as at balance sheet date.

			2020	2019
			(Rupee	s')
22.	OTHER OPERATING INCOME			
	Income from other than financial assets	2.2.1	7,922,454	9,445,932
			7,922,454	9,445,932
22.1	Income from other than financial assets			
	Fees, commissions and other charges		-	32,000
	Rental income		7,922,454	9,413,932
			7,922,454	9,445,932
23.	ADMINISTRATIVE AND SELLING EXPENSES			
	Salaries, allowances and benefits	23.1	4,307,880	4,869,179
	Directors' fee	23.2	108,000	234,000
	Telephone and fax		93,040	107,520
	Postage and courier		5,847	7,034
	Electricity		221,947	408,263
	Office maintenance		1,046,755	1,354,787
	Software maintenance		129,470	239,486
	Insurance		1,039	166,907
	Canteen expenses		120,077	160,136
	Traveling and conveyance		13,530	37,530
	Advertisement expenses		61,406	67,310
	Printing and stationery		122,875	159,878
	Central depository charges		55,122	20,191
	Subscriptions and listing fees		373,584	1,119,191
	Legal and professional charges		628,770	2,036,878
	Auditors' remunerations	23.3	331,108	377,429
	Statutory filing fees		15,560	24,510
	Depreciation		2,634,343	2,656,424
	Rent, rates and taxes		831,637	962,275

23.1 Remuneration of directors, chief executive and executives:

		2020			2019	
	Directors	Chief executive	Executives	Directors	Chief executive	Executives
Chairman Advisory Honorarium			•	1,320,000		
Managerial remuneration		1,500,000	900,000		1,500,000	900,000
Other benefits						
		1,500,000	900,000	1,320,000	1,500,000	900,000
No. of persons	1	1	-1	1	1	1
		10000000			. \ . 1.	HIIII

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11,101,990

15,008,928

23.2 Directors' fee

This represents remuneration paid to the non-executive directors of the Company for attending meetings of the Board and Board's committees.

		(Ru	pees')
		Note	
23.3	Auditor's remuneration		
	Annual audit	232,938	196,075
	Half yearly review	65,340	98,604
	Other certifications		55,000
	Out-of-pocket expenses	32,830	27,750
		331,10	377,429
24.	FINANCE COSTS		
	Markup on:		
	Short term finance	1,222,00	1,297,921
		1,222,00	6 1,297,921

25. INCOME TAX EXPENSE

Current

The tax charge for the current year represents minimum charge at 1% of gross income under section 113 of the Income Tax Ordinance, 2001

Assessments of the Company have been finalized upto the tax year 2019. Returns are deemed to be an assessment order passed by the Commissioner of Income Tax under section 120 of Income Tax Ordinance, 2001. The said returns have so far not been selected for audit by the tax department.

25.1 Effective tax rate reconciliation

Numerical reconciliation between the average tax rate and the applicable tax rate has not been presented as provision for current year income tax has been made under section 113 of the Income Tax Ordinance, 2001 related to minimum tax. The Company's tax computation gives rise to a tax loss due to unabsorbed tax depreciation.

2020

		-	(Rupe	es')
26.	LOSS PER SHARE - basic and diluted	Note		
	Loss for the year from continuing operations (Loss)/profit for the year from discontinuing operations		(44,079,377)	(27,613,287)
	Loss attributable to ordinary shareholders	-	(44,079,377)	(27,613,287)
	Number of ordinary shares issued and subscribed		Numbers 36,300,000	Numbers 36,300,000
	Loss per share from continuing business Earnings per share from discontinue business		Rupees (1.21)	Rupees (0.76)
	Loss per share		(1.21)	(0.76)

Earning (loss)/profit per share has been calculated by dividing (loss)/profit for the year attributable to the ordinary shareholders outstanding at the period end by the weighted average number of shares outstanding during the year.

Diluted earnings per share

There is no dilution effect on the basic earning per share of the Company as the Company has no convertible dilutive potential ordinary shares outstanding on June 30, 2019.

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	2020	2019
	(Rupee	25')
Note		
5 _	594,229	313,053
-	594,229	313,653

7. CASH AND CASH EQUIVALENTS

Cash and Bank balances

28. SEGMENT INFORMATION

The primary sources of revenue segments are Finance Lease, Musharika business and Capital Market Operations based on the nature of business and related risk associated with each type of business segment. Other operations, which are not deemed by the management to be sufficiently significant to disclose as separate items are reported under others.

Segment assets and liabilities included all assets and liabilities related to the segment and relevant proportion of the assets and liabilities allocated to the segment on reasonable basis.

Segment revenue and expenses included all revenue and expenses related to the segment and relevant proportion of the revenue and expenses allocated to the segment on reasonable basis.

	June 30, 2020						
	Finance lease	Rental Income	Musharika	Others	Total		
Segment revenues		7,922,454			7,922,454		
Segment result	(29,707,697)	6,780,068			(22,927,629)		
Unallocated cost							
Finance cost					(1,222,006)		
Administrative and selling exp					(6,794,110)		
Unwinding of financial liability					(13,135,632)		
Loss before income tax					(44,079,377)		
Income tax expense/ credit							
Loss for the year					(44,079,377)		
Other information					*		
Segment assets	170,860,980	61,661,517			232,522,497		
Unallocated assets				ani -	395,967,933		
Total assets	170,860,980	61,661,517			628,490,430		
Segment liabilities	555,397,697				555,397,697		
Unallocated liabilities							
Total liabilities	555,397,697				555,397,697		
Net assets			-		73,092,733		
Capital expenditure	THE PROPERTY.						



	June 30, 2019				
	Finance lease	Rental Income	Musharika	Others	Total
			- Rupees		
Segment revenues	89,292	9,413,932	-	32,000	9,535,224
Segment result	(3,583,596)	8,217,641	1,40	32,000	
Unallocated cost					
Finance cost					(1,297,921)
Administrative and selling exp					(15,008,928)
Unwinding of financial liability					(18,094,622)
Loss before income tax				Santani ((24,866,247)
Income tax expense/ credit					(2,747,040)
(Loss)/profit for the year					(27,613,287)
Other information					
Segment assets	219,073,683	66,952,302			261,699,061
Unallocated assets					395,075,783
Total assets	219,073,683	66,952,302			656,774,844
Segment liabilities	541,094,325				539,602,734
Unallocated liabilities					
Total liabilities	541,094,325				539,602,734
Net assets					117,172,110
Capital expenditure					-

The Company is primarily exposed to credit risk, liquidity risk and market risk. The Company has designed and implemented a framework of controls to identify, monitor and manage these risks as follows:

29. Credit risk

Credit risk is the risk that one party to financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet contractual obligations to be similarly effected by changes in economics, political and other conditions. Concentration of credit risk indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

The Company manages its credit risk by monitoring credit exposure, limiting transaction with specific counter party and continually assessing the credit worthiness of counter parties. Management considers that all the financial assets that are neither past due nor impaired are of good credit quality. The maximum exposure of the Company to credit risk at reporting date without taking account any collateral held or other credit enhancements is as follows:

				2020 (Rupe	2019 es')
			Note		
Classes of financial assets - carrying	ng value				
Cash and cash equivalent					
Cash and bank balances			5	594,229	313,653
Loans and receivables					
Short term finances			7	54,000,000	54,000,000
Accrued return on investments					1 to -1
Long-term deposits			11	504,500	504,500
Net investment in finance leases			10	170,860,980	197,403,183
water who had been all	25 Th	1		225,959,709	252,221,336

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- 29.1 The credit risk to cash and cash equivalent is negligible, since the counter parties are reputable banks with high quality external credit rating.
- 29.2 Loans and receivables of the Company are secured by collaterals that are disclosed in their relevant notes.
- 29.3 The Company manages concentration of credit risk exposure through diversification of activities to avoid undue concentrations of risks with individuals, groups of specific industry segment. An analysis by class of business of the Company's net investments in finance leases, hire purchase contracts, investment and other financial assets is given below:

Sector	2020		2019		
	Rupees	%	Rupees	%	
Textile	80,348,130	24.72	80,348,130	24.72	
Construction	25,999,520	8.00	25,999,520	8.00	
Transport and communication	91,331,677	28.10	91,331,677	28.10	
Oil and gas	772,848	0.24	772,848	0.24	
Food and beverages	15,050,210	4.63	15,050,210	4.63	
Engineering	22,915,221	7.05	22,915,221	7.05	
Consumer leases	5,108,238	1.57	5,108,238	1.57	
Health care	10,002,197	3.08	10,002,197	3.08	
Travel and tourism	2,808,087	0.86	2,808,087	0.86	
Pharmaceutical	425,209	0.13	425,209	0.13	
Advertisement	572,569	0.18	572,569	0.18	
Auto and allied	3,308,314	1.02	3,308,314	1.02	
Publications	9,988,159	3.07	9,988,159	3.07	
Glass and ceramics	8,675,504	2.67	8,675,504	2.67	
Others	47,665,910	14.67	47,665,910	14.67	
Total	324,971,793	100	324,971,793	100	

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29.4 Analysis of financial assets that are past due:

	Total	Loans and receivables	Net investment in finance lease	Operating lease receivables
	- 40	Ru	ipees	
Gross carrying amount				
Not past due	61,593,079		61,593,079	
Past due by more than 30 days but not more than 180 days				
Past due by more than 180 days but not more than 360 days				•
Past due by more than 360	298,675,682	20,000,000	278,675,682	
	360,268,761	20,000,000	340,268,761	
Impairment loss on				
Past due by more than 180 days				
Past due by more than 180 days but not more than 360 days				
Past due by more than 360 days	189,407,781	20,000,000	169,407,781	
Total impairment loss	189,407,781	20,000,000	169,407,781	
Net carrying amount	170,860,980		170,860,980	

29.5 Financial assets that are past due and impaired are disclosed in notes. Impairment is determined after considering the forced sale value of the collateral held.

29.6 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. Liquidity risk arises because of the possibility that the Company could be required to pay its liabilities earlier than expected or difficulties in raising funds to meet commitments associated with financial liabilities as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The following are the contractual maturities of financial liabilities, including interest payments and excluding impact of netting agreements:

		Carlo La	2020		
	Within 6 month	6 month to 1 year	One to five years	Over five years	Total
Financial Assets	•••		Rupees		
Cash and cash equivalent	594,229				594,229
Loans and receivables	54,000,000		-		54,000,000
Lease receivables	340,268,761				340,268,761
	394,862,990		-	-	394,862,990
Financial liabilities					
Accrued and other liabilities	82,359,438		116		82,359,438
Long -term finances	254,190,853	51,053,749	69,061,903		374,306,505
Long-term deposits	98,405,926	-	-		98,405,926
	434,956,217	51,053,749	69,061,903		555,071,869
	(40,093,227)	(51,053,749)	(69,061,903)	Was .	(160,208,879)

2019				
Within 6 month	6 month to 1 year	One to five years	Over five years	Total
		Rupees		
313,653				313,653
54,000,000				54,000,000
340,268,761		1 - 5 -		340,268,761
394,582,414	-	*	-	394,582,414
80,241,209	-		average.	80,241,209
254,190,853	51,053,749	55,710,997		360,955,599
98,405,926			Dia e	98,405,926
432,837,988	51,053,749	55,710,997	-	539,602,734
(38,255,574)	(51,053,749)	(55,710,997)		(145,020,320)
	313,653 54,000,000 340,268,761 394,582,414 80,241,209 254,190,853 98,405,926 432,837,988	month 1 year 313,653 - 54,000,000 - 340,268,761 394,582,414 - 80,241,209 - 254,190,853 51,053,749 98,405,926 - 432,837,988 51,053,749	Within 6 6 month to One to five years Rupees 313,653	Within 6 6 month to One to five years Rupees. 313,653

29.7 Market risk

Market risk is the risk that the value of a financial instruments will fluctuate as a result of changes in interest rates or market prices due to a change in credit rating of the issuer of the instrument, change in market sentiments, speculative activities, activities, supply and demand of securities and liquidity in the market. The Company is not exposed to currency risk as it is not involved in foreign currency transactions. However, it is exposed to interest rate risk and market price risk.

29.7.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Due to restructuring of the long & short term borrowings the Company, the rate of markup is now zero percent for the next 12 months and therefore, the Company is exposed to changes in market interest rates only for net investment in lease.

Cash flow sensitivity analysis for variable rate instruments

Due to restructuring of the long & short term borrowings of the Company, the rate of markup is now zero percent for the next 12 months and therefore, the sensitivity analysis is not performed.

30. FAIR VALUE OF FINANCIAL ASSETS

The fair value of all other financial assets and financial liabilities is estimated to approximate their carrying value.

31. TRANSACTIONS WITH RELATED PARTIES

The related parties of the Company include staff provident fund, staff gratuity fund, directors, key management personnel and companies in which directors are common or a director hold office. Transactions with directors and key management personnel are disclosed in their relevant notes. Transactions with other related parties and the balances outstanding at the year end are given below:

A CONTRACTOR OF THE PARTY.			2020	
Name of related party	Nature of relationship	Description of transaction	Total value of transaction	Closing balance
			Rupe	ees
Azim Azfar	Director	Director Fee	18,000	
M. Riaz Khokhar	Director	Director Fee	24,000	
Ghulam Raza Dahraj	Director	Director Fee	12,000	
M.Sharif Khawaja	Director	Director Fee	24,000	
Javed Haleem	Director	Director Fee	6,000	1
Ramzan Behrani	Director	Director Fee	24,000	
Various	Executives	E.O.B.I	9,360	*

			2019		
Name of related party	Nature of relationship	Description of transaction	Total value of transaction	Closing balance	
			Rupe	ees	
Azim Azfar	Director	Director Fee	54,000		
M. Riaz Khokhar	Director	Director Fee	60,000		
Ghulam Raza Dahraj	Director	Director Fee	48,000		
M.Sharif Khawaja	Director	Director Fee	48,000		
Javed Haleem	Director	Director Fee	18,000		
Ramzan Behrani	Director	Director Fee	6,000		
Various	Executives	E.O.B.I	21,840		
M.R. Khan	Chairman	Advisor Honorarium	1,320,000		
M. Riaz Khokhar	Director	Travelling Expenses	15,250		
Ghulam Raza Dahraj	Director	Travelling Expenses	5,000		
M.Sharif Khawaja	Director	Travelling Expenses	7,000		
Javed Haleem	Director	Travelling Expenses	3,000		
Ramzan Behrani	Director	Travelling Expenses	1,000		

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32. IMPACT OF COVID-19 (CORONA VIRUS)

The pandemic of COVID-19 that has rapidly spread all across the world has not only endangered human lives but has also adversely impacted the global economy. On March 20, 2020, the Government of the Sindh announced a temporary lock down as a measure to reduce the spread of the COVID-19. Complying with the lockdown, the Company temporarily suspended its operations from March 23, 2020. In the Company's case, the lockdown was subsequently relaxed from end of May, 2020.

After implementing all the necessary Standard Operating Procedures (SOPs) to ensure safety of employees, the Company henceforth resumed its operations and has taken all necessary steps to ensure smooth and adequate continuation of its business in order to maintain business performance despite slowed down economic activity. The lockdown has caused disruptions in operation and management of the company. It is also expected that the outbreak may have some effect in the future. Due to this, management has assessed the accounting implications of these developments on these financial statements, including but not limited to the following areas:

- expected credit losses under IFRS 9, 'Financial Instruments';
- the impairment of tangible and intangible assets under IAS 36, 'Impairment of non financial assets';
- the net realisable value of inventory under IAS 2, 'Inventories';
- deferred tax assets in accordance with IAS 12, 'Income taxes';
- provisions and contingent liabilities under IAS 37, including onerous contracts; and
- going concern assumption used for the preparation of these financial statements.

According to management's assessment, there is no significant accounting impact of the effects of COVID-19 in these financial statements.

33. NUMBER OF EMPLOYEES

The number of employees as at year end are 6 (2019: 7) and average number of employees during the year are 7 (2019: 11).

34. CORRESPONDING FIGRUES

Corresponding figures have been rearranged and reclassified, where necessary, for the purpose of comparison. However no significant reclassification has been made.

35. DATE OF AUTHORIZATION

These financial statements were authorized for issue on 22-29-2020 by the Board of Directors of the Company.

Farah Azeem Chief Executive Officer Muhammad Farooq Chief Financial Officer M. Riaz Khokhar Chairman

FORM OF PROXY



I/We		of
being a member of Security Leasi		
	of	or failing him/her
		or failing him/her
	of	or failing him/her
to be proxy and to vote for me at the A	nnual General Meet	ing of the Company to be held on
October 28, 2020, at 8:30 a.m. and a	t any adjournment the	ereof in the same manner as I/we
would vote if personally present at sucl	n meeting.	
Signed this da	ay of	20
Signature:		Rupees 5/- Revenue Stamp
		ite venue stamp
Address:		
Total Shares Held: Folio/	CDC A/c. No.:	
Holder of Share Nos. From:		То
Witnesses:		
Signature:	Signatur	re:
Name:	Name:	
NIC #:		
Address:		

NOTE

- 1. Signature should agree with specimen registered with the company.
- Proxy to be valid must be deposited with the Company at its registered office not less than forty-eight hours before the meeting.
- 3. Proxy need not be a member.

For CDC Account Holders/Corporate Entities

In addition to the above the following have to be met:

- the proxy form shall be witnessed by the two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iii) The proxy shall produce his/her original CNIC or passport at the time of the Meeting.
- iv) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has provided earlier) alongwith proxy form of the Company.

سيكور ٹی ليز نگ كار پوريشن لميشد



پرا نسی قارم		
	_ ماكن	میں متمی اسیا
امسماة	بحثیت ممبر سیورٹی لیزنگ مشی	ضلع
البيح صبح منعقد ہور ہاہے میں اور اس کے کسی ملتوی شد		ہے مینی کے سالاندا جلاس عام
		اجلاس میں ووٹ ڈالے۔
		وشخط کی تاریخ
ڈاک ٹکٹ منسلک کریں		ممبرك ومتخط
		فإيونبر
		شيرُ ول كي تعداد
		گواہوں کے دستخط اور پتے
		r
		نوث:
ئے دہی کے لیے اپنا پراکسی مقرر کرسکتا ہے پراکسی کا کمپنی	ئے وہی کا اہل ممبرا پنی جانب سے شرکت اور را۔	ا ـ اجلاس عام میں شرکت اور را
		ممبر ہونا صروری ہے۔
ؤ کی جانب سے دستخط کیا جائے۔اگر ممبر کارپوریشن ہے		
ى جوئى يا پاورة ف1نارنى كى تصديق شده كالي اجلاس	ئ نار آنا الالزار كرمة الدين مجمع تقرير	اس کی عام مهر موجود دو فی چاہیا سور رائس کی آتھ ری کر رہیاں
		العقادے كم ازكم 48 گفته فيل
يؤرائز ڈقومی شاختی کارڈیا پاسپورٹ کی مصدقہ نقول بھو	یا سب ا کاؤنٹ ہولڈرکو پرائسی فارم کے ہمراہ کمپ	م يى ۋى ى ا كاؤنٹ ہولڈر م
رڈیا پاسپورٹ پیش کرنا ہوگا۔ کار پوریٹ ادارہ ہونے ک	ہلاس کے وقت اپنا اصل کمپیوٹرائز ڈقومی شاختی کا	منسلك كرنى ہوگى - پرائسي كوام
) بمعة نموند وستخط بمراه پراکسی فارم جمع کرانا ہوں گے۔	ف دُائر يكثرز كى منظور شده قرار داد اياورآف اثار في	صورت من بحيثيت مبر بوردا

27 والسالا تداجلاس عام كيسليط بس مبران كووش

بذر میں بذا مطلع کیا جاتا ہے کے بیکورٹی نیز کے کار بی دیشن کمیران کا 27وال سالا شاجاس عام بتاری 28 اکتوبر 2020 بروز بدھ پوشت کی جورٹی لیز گ کار بیوریشن کمینیٹر سے دجنر والا فس واقع میکن اسکوائز بلڈ تک فبر 3 طور فبر 5 سرور میروروڈ میں ورج والی امورکی انجام وہ میں کے متعقد ہوگا۔

عوى امور:

1 يكورنى ليزنك كار بوريش لمينل كـ 26 ويسمالا نهاجاس عام منعقد و 28 أكثور 2019 وكا كاردوائي كي توثيل-

2-30 جون 2020 کوئتم ہونے والے مالی سال کی بایت کینی کے سالات آ ڈے شدہ حسابات (مجموعی واقتر اور کا بیکٹرز اور آ ڈیٹرز کی رپورٹس کی وصولی ان پر تحوی اور منظور کی۔) سیکورٹی ایز گلے کارپوریش کمیلائڈ کی سالاندر پورٹ 2020ء مکیٹنی کی ویب سائٹ پراپ او آئروک گائ ہے۔

3 - ال مال J.A.S.B.& Associates' Chartered Accountants كي الجود وبار والقرار كي الوران ك لي مشاهره في المرادع

:1996

4_صدراجان كالبازت الكى وكراموركى انجام دى-

عري 05 آلاي 2020 ال

بخگم بورڈ محمد فاروق مہنی بیکریٹری

ں۔ 1۔ بکررٹی اپر کے کار پریش لیپلڈ کے صفی کی نتقلی کی کانب 21 اکٹر ر2020ء کے 12 اکٹر ر2020ء تک دونوں مان کی اول کے بندر پی کی جسس کی نتقلی کے لیے جو درخواتیں کمپنی کے شیئز رجنو پر پسرز ایف ڈی رجنو ارسرواں ایس ایم ہی چا کیویٹ کمپیٹر آئس فیم رکا 170 وال طور صائنے ٹر ٹیڈ کا ورکم آئی چندری کرروڈ کر اپنی کو 20 کو کئر کی اوقات فتح ہوئے مے کی موصول ہوں کی نقد منافع منتصر کے اختصال کے تھیں کے لیے پروقت تھی جا کیںگی۔

2 را کے تاہد ان شار کرے کے اوروں دیے کا حق رکھنا ہے وہا کی جگہ کی دومرے فرد کا جانس شار کرکھنا کا لیا کے اوروں کا ہے۔ 3 ہے آئی مقرر کے جانے سے محلق وستاویر Instrument اور پاور آف اٹارٹی پادگہ کو گارا اورا انسان کی کو اوروں کے اس کے تعدیق میں موجوعے کے جس بیاس پاورآ ف اٹارٹی کی فوری سے قصدیق شدہ کی کو موجوعے کے اور کا کھی گل اور ڈیٹی کر اور ان سے کہ اور 48 کھی گل اور ڈیٹی کر اوراں۔

4. مجبران سے درخواست ہے کہ دواہتے رجنز فی ہے جس تیر بلی ہواکہتی کے شیئز رجنز ارتبسر ایف فری رجنز ارفسروں پرائیوں کم بیٹن آفس ٹیسر 170 کا درٹیسر 17 نسا تدیز کے بادر آئی جندری گر روڈ کراچی کو فوری طور رمنام کر کرایا کی درخواشیں کئی بادرٹی جا کہ گاڑی جاتا جا تیکن جا کہ انتقاق اگر کوئی جو درست بید پر دواند کیا جا تھا۔

5 ين وي كاكان و المرافز و الكرة الدك ما تعدم الحريق اليذ المريخ كيفن أفس إكتان كي جانب عقر ركروه بالمات والمر كاموكا وكره وذيل ب-

(1年)1月かかかかり

ار الله اوی شیئر بولذر دونے کی سورے میں اکا وَ اب مولند باغمی اکا وَ اب مولند اور ایا ایسافر دیمس کی سکور شیخ گردپ اکاؤنٹ کی سورے میں بول اور ان کی رہتر میٹن تھیدا ہے تو الدوشوانیا سے مطابق آپ اوا کی کئی بول دواجا اس مام میں شرکت کے سوقع پر این شاخت اینامس کی پیواز از تو می شاختی کار ایا اسس یا سپورٹ دکھا کرکرائے تیں۔

2۔ کار پورے ایکن کی صورت میں اجلاس کے موقع پر پورڈ آف ڈائر کی قرار داوا میں تاہرو کے جانے والے فرد کے مولے کے مطلا کے بیٹی کے جانے والی ۔ ماسواے اس کے کروہ پہلے ہی قرار مولیوں کے گے۔

(-) ياكى كالررك لي:

۔ 1۔ ایپافروا کاؤٹ مولٹر پاسب اکاؤٹ مولٹراور کیا ہے تھی کوجس کی سیکورٹیز کروپ اکاؤٹ کی جول اوران کی رجیزیشن کی تصیافت خوابیا کے مطابق عج کروائی کی جول اجاس میں شرکت کے لیے درج بلا فاق نسوں کے مطابق پر اکسی فارم بڑج کرانا ہوگا۔

2- ياكى قارى كاد كوروك الموس ك والقائل كالميد الدمور كوروا والحراق كالموقر والمعالم المياسية

3- ياكى قام كساته السل عقد اراور ياكمى كم موثر كبييز ازوق فى شاختى كارة بالما سيورث كي تقد يق شد فقول الك شكك وقاع اليس.

4_ اجلاس كروقت يراكى كواس كيدوزود وقدى شافقى كارويا السل بالمودث وتألى كرا والا

5۔ کار بوریت ادارہ کی صورت میں کمٹنی کے پرائسی قارم کے ساتھ بورؤاف ڈائز بکٹرز کی قرارداولیا درآف اٹار نی اگر پہلے سے قراہم ند کتے گئے ہول قوجس کے ساتھ دھو کے عمول قوجس کے ساتھ دھو کے عمول specimen میں شکلات معامل آئیں۔

ڈائز یکٹری رپورٹ

آپ کے ڈائر مکٹرز 30 جون 2020 ء کو اختتام پذیر سال کی ممپنی کی سالاند رپورٹ بشمول مالیاتی دستاویزات اورآ ڈیوڈر پورٹ پیش کر کے خوشی محسوس کرتے ہیں۔

معيشت كاجائزه

زیر خور سال 20-91 0 2 میں پاکتانی معیشت جو کہ پچھلے ایک عشرے سے دباؤ کا شکارتھی عالمی وبا کروتا کی وجہ سے نہایت متاثر ہوئی۔ Covid-19 جباں ایک طرف افراجات میں بے پناہ اضافے کا باعث بناہ ہیں دوسری طرف آ مدنی کی وصولی پر بری طراح اثر انداز ہوا۔ اگر چہ کہ دفاتی اورصوبائی حکومتوں نے اس وباپر قابو پانے کے لیے نبایت موثر اقد امات کے لیکن اس وبا کی وجہ سے معیشت کو وکٹینے والے انتصابات کے ازالے کے لیے کائی وقت درکار ہوگا۔ اگر چہ کہ گزشتہ سال ملکی معیشت کی نمو 5.5 فیصدر دبی تا تیم معیشت کی جموعی صورت حال زرمباد لدے ز فائر میں کی روپے کی تذریش کی اور کرنٹ اکاؤنٹ میں خمارے کو پورا کرنے کے لیے پیک سیکٹراور بیرونی قرضوں کا سیارالیا۔ توقع میرک جاری ہے کہ حکومت اسے اقد امات کو جاری رکھی اور ان د لیرانہ فیصلوں کی دوٹنی میں ملک کی معیشت کو در پیش مسائل قصد پارینہ بن جا کیں گے۔

تميني كاجائزه

درج ذیل گوشوارہ سال20-2019 میں کمپنی انتظامیہ کی کاوشوں کوظا ہر کرتا ہے۔

2020⊕£30	2019⊍£30	
1 21	'- 11	
53,440,890	96,173,639	انجوني
(44,079,377)	(27,613,287)	نفخ ا تقسان
383,178,998	383,178,998	قرضهات بيروني
		IAS-39 كِ قَتْ الن والنَيْقُ مُكِ أَلْ
8,872,493	22,223,399	لا تعميليد كا عدراج

کمپنی کے ڈائر بکٹرزاس بات کومسوں کرتے ہیں کہ عالمی وہا کرونائے ملکی معیشت کوفروری 2020 سے تقریبًا مجمد کردیا ہے۔ ملک کے بیشتر حسوں میں ابھی بھی اسارے لوک ڈاؤن کی پالیسی نافذ ہے۔ چونکہ تا حال کرونا وائرس کے دورانیے کا حتی تعین نہیں کیا جاسکا ہے جس کی وجہ سے معیشت اور کاروبار پر پڑنے والے منفی اثر ات کا انداز ولگانا مشکل ہے۔

کمپنی کے ڈائر بکٹران اس تمام صورت حال کا از سرنو جائزہ لینے کے بعد اس منتج پر پہنچ ہیں کہ سال 21-2020 کے دوران مالیا تی اداروں سے حاصل کئے گئے قرضوں کو قائل قدر دعد تک کم کرنے میں کامیاب ہوجائیں گے کیونکہ اکثر قرض دھندہ کمپنی کوایک قائل قدر ڈسکاؤنٹ دینے پرتیار ہو چکے ہیں۔

سمینی کے مالیاتی نتائج کا خلاصدورج ذیل ہے

2020	2019	بال
رو چ	رو پیا	
(44,079,377)	(27,613,287)	نفع/نقصان بعداز فیکس
(1.21)	(.76)	آمدنی فی حصص - بنیادی اور کمزور

شيتركبييط

جیسا کہ بنایا گیا ہے کہ 50 جون 2020 کو کمپنی کی ایکوٹی سیکیورٹی ایکچیج کمیشن آف پاکستان (ایس ای کی پی) کی متعین ایکوٹی جس کی کم ہے کم حد 50 ملین ہے کے مقابلے میں 53.440 ملین 440ری۔

كاربوريث ساجى ومددارى

ماضی میں کمپنی نے بطورا کیک ذمہ دار کار پوریٹ شہری کے، بلواسطہ یابلا واسط، متعدد ساجی کاموں میں حصہ لیا۔ زلزلہ، سیلاب اور دیگر فقدرتی آفات میں بھی بلواسطہ اور بھی رضا کارانہ طور، نقدرتم اور ایاجنس کی صورت میں، ان کی اور دیگر کم مراعات یافتہ لوگوں کی فلاح و بہود کے لیے مدد کی۔

كاروبارى اقتدار

کمپنی کا کوڑ آف کنڈ کٹ ڈائر بکٹرز کے ساتھ ساتھ ملاز مین کے لیے ایک واضح رہنمائی کا ڈھانچ فراہم کرتا ہے کہ وہ سالمیت، دیا نتدارااور لگن کے ماحول میں کام کریں تا کہ وہ کمپنی اوراس کے شرکاء مفاد کے مشتر کہ مقاصد کے مثبت نتائج حاصل کرسکیں۔

ڈائر یکٹر کا اعلان

ڈائز کیٹرز ترمیم شدہ کوڈ آف کارپوریٹ گورننس کا نفاذ کر بچکے ہیں جس کو درج ذیل پیش کرتے ہوئے خوشی محسوس کرتے ہیں

یے مینجنٹ کے تیار کردہ مالیاتی اسٹیمنٹس ،معاملات ، آپریشن کے نتائج ،کیش فلواور ایکوٹی میں ردّوبدل کی درست تصویر پیش کرتے ہیں۔

اسبطورے کھاتوں کی بکس رکھی گئی ہیں۔

الیاتی اللیمنش کی تیاری میں مناسب اکا وَ نشک پالیسیوں کو استعال کیا گیا ہے اور اکا وَ نشک تخینوں کی بنیاد مناسب اور محفوظ اندازے ہیں۔

جہ مالیاتی المیشمنٹس کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈ زہیں ان پرعملدرآ مدکیا گیا اور ان پر عملدرآ مدندہونے کی صورت میں ان کومنا سب طور پر ظاہر کیا ہے۔

اندرونی تگرانی نظام کاؤیزائن مضبوط ہےاوراس کاموٹر طور پرنفاذ کیاجاچکا ہےاوراس کی موٹر تگرانی کی جاتی ہے۔

الدشتة جيرسالون كااجم آپريٹنگ اور مالياتي ڈيٹا كاخلاصداس رپورٹ كے ساتھ بطور ضميم منسلك ہے۔

ال کے دوران بورڈ آف ڈائر کیٹرزی 5 اور آڈٹ کمیٹی کی 4 میٹنگز منعقد ہوچکی ہیں۔میٹنگ میں ہررکن کی عاضری کی تفصیلات درج ذیل ہیں۔

بوردة ف دُارَ يكش كيميثنگز

میٹنگزیں شرکت کی	دُارْ يَكْرُكَانَام	مینگزین شرکت کی	ۋائز يكثر كانام
05	جناب عظيم اظفر	04	ايم آرخان
04	جناب محدر مضان بحراني	05	جناب محرشريف خواجه
04	غلام رضا دهراج	05	جناب تحدرياض كفوكفر

04

11		
· Line	The L	17
ميثنكز	ے ۔و	21
10.5		

			, , ,
میٹنگز میں شرکت کی	ڈائر بکٹر کانام	مینگزمین شرکت کی	ڈائر یکٹر کانام
″03	غلام رضادهاراج	04	جناب تمررياض كحوكفر
04	فرجعظيم	03	جناب عظيم اظفر
		04	جناب شريف خواجه
		03	رمضان بحرانی

شيئر ہولڈنگ کار جمان

اس رپورٹ کے ساتھ 30 جون 2020 کوشیئر جولڈنگ کے رجحان بطور ضمیمہ شسکک ہے۔

اعتراف

بورڈ اپنے سرمایدکار،قرضہ دہندہ اورریگولیٹری اقتار ٹیز کے اس چیلجنگ وقت میں کمپنی کے ساتھ مسلسل تعاون اور اور اک کے لیئے ان کے ساتھ ممنونیت کا ظہار کرنا جا ہتا ہے جس کی وجہ سے ضابطوں پرعملدر آمدگوممکن بنا سکے۔بورڈ اس ہات کو بھی رکارڈ پرلانا جا ہتا ہے کہ وہ اپنے تمام عملے کی کوششوں اور ان کی گئن کی وجہ سے کمپنی کے لیے سال کے دور ان مشکل حالات میں آپریشن کو جاری رکھنا ممکن ہوسکا۔

بورڈ آف ڈائر بکٹرز کی جانب سے اور ان کے لیے

جيف ايكز يكيو يُوا كفيسر

28 تتبر 2020