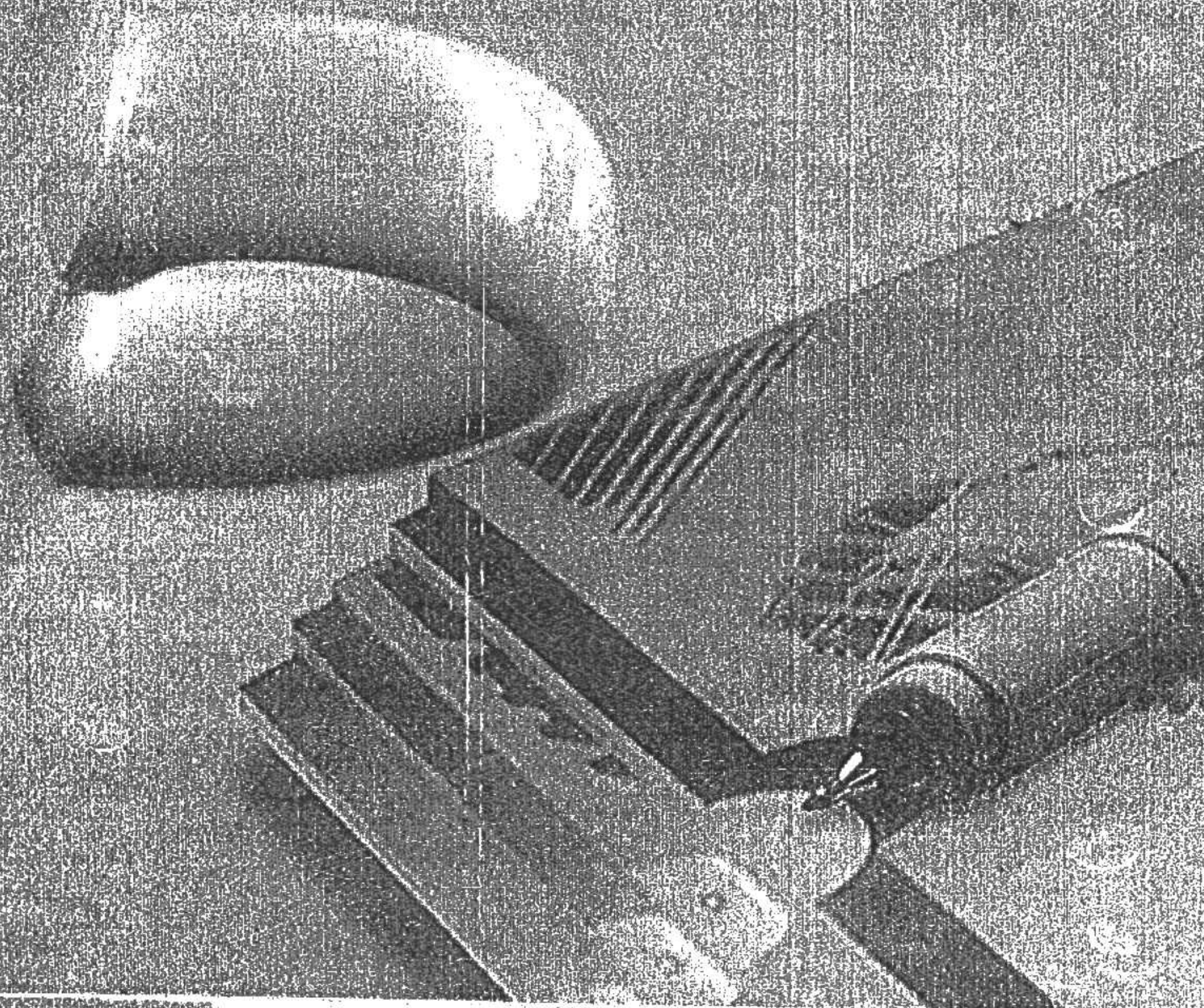
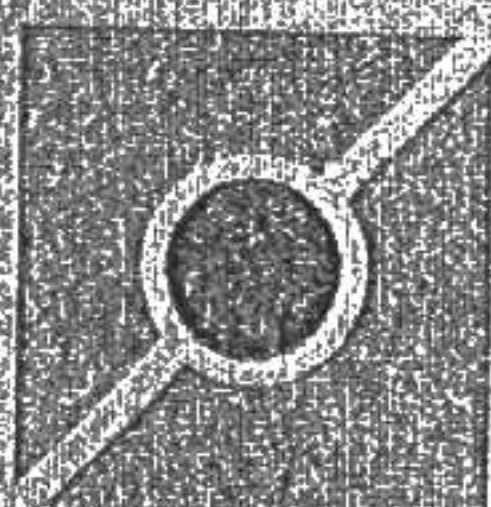


**Security Leasing
Corporation Limited**



Annual Report 2022



**Security Leasing
Corporation Limited**



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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 requirements.

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.

Company Information

BOARD OF DIRECTORS

Mr. Muhammad Riaz Khokhar
Ms. Farah Azeem
Mr. Muhammad Farrukh
Mr. Faisal Haq
Ms. Ambreen Israr
Mr. Muhammad Hasan Ansari

Member
Chief Executive Officer
Member
Member
Member
Member

Note: Approval of the above Directors from SECP is awaited.

COMPANY SECRETARY

Muhammad Farooq

EXTERNAL AUDITORS

Crowe Hussain Chaudhury & CO
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

REGISTERED & HEAD OFFICE

Block 'B', 5th Floor, Lakson Square No. 3,
Sarwar Shaheed Road, Karachi 74200
Tel: 35660307-08, 35660312-13 Fax: 021 - 3568 9854
Web: 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.
Phone: 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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the **Twenty Ninth** Annual General Meeting of the members of Security Leasing Corporation Limited will be held on Friday, 28th October, 2022 at 10:00 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:

1. To confirm the minutes of the Twenty Eighth Annual General Meeting of the Company held on October 27, 2021.
2. To receive, consider and adopt the audited accounts for the year ended June 30, 2022 and the reports of the Directors and the auditors thereon.
3. To appoint auditors and fix their remuneration for the year ending June 30, 2023.
4. To transact any other business with the permission of the Chair.

By order of the Board

Muhammad Farooq



Company Secretary

Karachi: October 05, 2022

Notes:

1. The Share Transfer Books of the Company shall remain closed from October 21, 2022 to October 28, 2022 (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, 2022 will be treated in time for the purpose of attending the meeting.
2. 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.
3. 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, Karachi not later than 48 hours before the time of the meeting. A form of proxy is enclosed.

4. 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.
5. 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, 2022.

OVERVIEW OF COUNTRY'S ECONOMY

During the last two years 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, as foreign demand slows significantly and policy support is withdrawn to contain external and fiscal imbalances, 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.

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.

	<u>30 June 2021</u> Rs.	<u>30 June 2022</u> Rs.
• Equity	59,709,392	50,960,514
• Profitability	(13,383,341)	(8,748,878)
• Company's indebtedness to Institutional creditors	383,178,998	383,178,998
• Adjustments entries in respect of the unwinding of liabilities under IAS-39	1,329,653	NIL

The Board of Directors observed that during the year 2021-22 the rapid spread of the COVID-19 virus since February 2020 has brought economic activity to a near-halt. There is an uncertainty about the duration of the COVID-19 and current political situation, 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 is working on different aspects to revive the company through fresh investment or merger and very hopeful that in coming year will reach some suitable arrangement in favour of the company. The Board of Directors have recommended the name of M/S UHY Hassan Naeem & Company, Chartered Accountants as auditor of the company in place of retiring auditors M/s Crow Hussain Chaudhary & Co. Chartered Accountants.

The financial results of the Company are summarized below:

	2021	2022
	Rupees	Rupees
Profit\ (Loss)		
after tax	(13,383,341)	(8,748,878)
Loss per share - Basic & diluted	(0.37)	(0.24)
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 2022 stood at Rs. 50.96 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 4 meetings of the Board of Directors and 4 meetings 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. Muhammad Riaz Khokhar	4	Mr. Azim Azfar	1
Ms. Farah Azeem	4	Mr. Javed Haleem	1
Muhammad Sharif Khawaja	2		
Mr. Ramzan Behrani	4		
Ghulam Raza Dahraj	4		

Audit Committee Meetings

Name of Directors	Meetings attended	Name of Directors	Meetings attended
Mr. Muhammad Riaz Khokhar	4	Mr. Ghulam Raza Dahraj	4
Mr. Azim Azfar	1	Ms. Farah Azeem	4
Mr. Ramzan Behrani	4	Muhammad Sharif Khawaja	1

PATTERN OF SHAREHOLDING

The pattern of shareholding as at June 30, 2022 is attached as annexure to this report.

ACKNOWLEDGEMENT

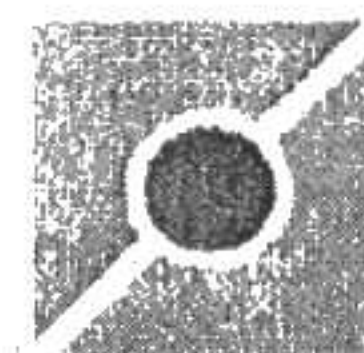
The Board expresses its gratitude to the investors, lenders and the regulatory authorities for their understanding and continuous support to the company in these challenging times and for their assistance in enabling it to meet the regulatory requirements. The Board also places on record its deep appreciation 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 30, 2022



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



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 by Securities & Exchange Commission of Pakistan, Stock Exchanges and other bodies relating to the Company.

7. Charity and voluntary work

The Company 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

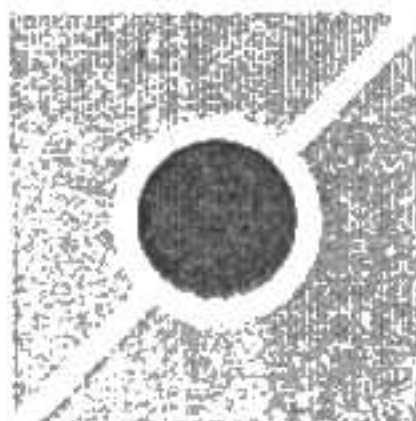
No assets of the Company or belongings of the employees should be used without specific permission. All employees must adhere to the Services' Rules of the Company.

Six Years Financial Summary

	2022	2021	2020	2019	2018	2017
	Rs'000	Rs'000	Rs'000	Rs'000	Rs '000	Rs '000
BALANCE SHEET						
Ordinary share capital outstanding	363,000	363,000	363,000	363,000	363,000	363,000
Preference share capital outstanding	75,028	75,028	75,028	75,028	75,028	75,028
Shareholders' Fund	438,028	438,028	438,028	438,028	438,028	438,028
Reserves	(408,066)	(399,317)	(385,933)	(341,854)	(315,587)	(345,335)
Unrealised loss on Investment			-			-
Networth	29,962	38,711	52,094	96,174	122,440	92,693
Surplus on revaluation of Fixed Assets	20,998	20,998	20,998	20,998	22,345	26,093
Certificates of Investment					-	-
Borrowings from Financial & Other Institutions	383,179	381,849	374,307	360,956	342,574	431,029
Lease/Musharika disbursements					-	0
Net Investment in Leases	166,350	170,861	170,861	197,403	219,073	267,675
Long Term Finances						-
Fixed Assets	56,413	59,038	61,661	64,296	66,952	73,636
Total Current Assets	229,229	233,042	232,002	257,653	268,559	261,793
Total Assets	620,459	626,896	628,490	656,775	685,879	752,860
Total Current Liabilities	569,498	567,186	537,389	483,892	452,630	488,678
Total Liabilities	569,498	567,186	555,397	539,603	541,094	634,074
Total Assets to Networth (times)	20.71	16.19	12.06	6.83	5.60	8.12
PROFIT & LOSS						
Total Income	10,037	7,848	7,922	9,535	12,989	12,318
Net Of Gain on De-recognition and unwinding of Financial Liabilities			-	-	103,267	(35,678)
Financial & Other Charges	1,010	1,119	1,222	1,298	557	527
Admin & Operating Expenses	11,096	11,780	11,101	15,009	24,336	31,925
Provisions & Other Charges		-	26,542		25,968	4,049
Total Expenses	16,077	12,900	38,866	16,307	50,861	36,501
(Loss)/Profit Before Tax	(7,895)	(12,476)	(44,079)	(24,866)	92,294	(59,860)
(Loss)/Profit After Tax	(8,748)	(13,383)	(44,079)	(27,613)	25,999	(37,126)
Break-up Value (PKR)	1.36	1.67	1.67	2.67	3.31	2.71
KEY RATIOS						
Loss per share • PKR • less preferred dividend	(0.37)	(0.37)	(1.21)	(0.76)	0.72	(1.02)
Revenue per share - PKR -	0.23	0.18	0.18	0.22	0.30	0.28
Loss before Unwinding of Financial Liabilities, provisions and tax	-20.61%	-64.36%	-55.55%	-71.02%	-91.65%	-163.46%
Loss /Profit before Tax ratio	-79%	-159%	-556%	-261%	710.55%	-485.96%
Income/ Expense ratio (times)	0.62	0.61	0.20	0.58	0.26	0.34
Current ratio (times)	0.40	0.41	0.43	0.53	0.59	0.54
Long term Debt equity ratio (times)	0.00	0.00	0.35	0.58	0.72	1.57
Return on average equity	-25.48%	-29.48%	-59.46%	-25.26%	24.17%	-34.17%
Return on average assets	-1.40%	-2.13%	-6.86%	-4.11%	3.61%	-4.74%
Total assets turnover ratio (times)	61.82	79.88	79.33	68.88	52.80	61.12

Statement of Value Added

	2022	2021
Revenues from leasing operations	-	-
Other income	10,036,701	7,848,955
Gain on de-recognition of financial liabilities	-	-
Unwinding of financial liability	(1,314,775)	(7,424,717)
	<u>8,721,926</u>	<u>424,238</u>
Direct cost of leases and others	(4,862,073)	(5,519,505)
Impairment on Investment	-	-
	<u>3,859,853</u>	<u>(5,095,267)</u>
Value added		
Distributed as follows		
To Employees		
As remuneration	3,610,680	3,637,584
To Government		
As income tax	853,295	906,758
To Provider of Finance		
Financial charges	1,010,356	1,119,855
To Depositors		
As profit on investments	-	-
To Shareholders		
Dividends	-	-
Retained in business		
As reserves and retained profits	-	-



**Security Leasing
Corporation Limited**

Statement of Compliance with Code of Corporate Governance

Name of company Security Leasing Corporation Limited

Year ending 30TH June 2022

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

1. The total number of directors are 6 as per the following:

- a. Male: 4
- b. Female: 2

2. The composition of board is as follows:

- a) Independent Directors 4
- b) Executive Directors 2

3. 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).

4. 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.

6. 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.

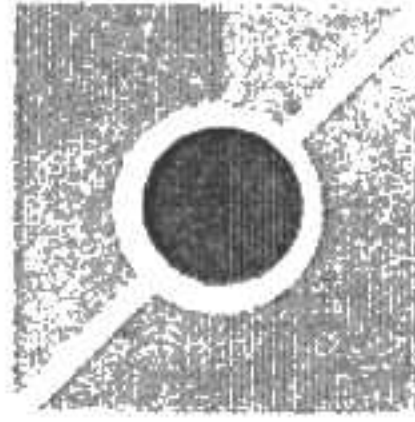
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

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.



**Security Leasing
Corporation Limited**

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

Audit Committee: (Subject to approval of SECP)

Mr. Hassan Ansari
Mr. Faisal Haq,
Ms. Ambreen Israar

Chairman
Member
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:

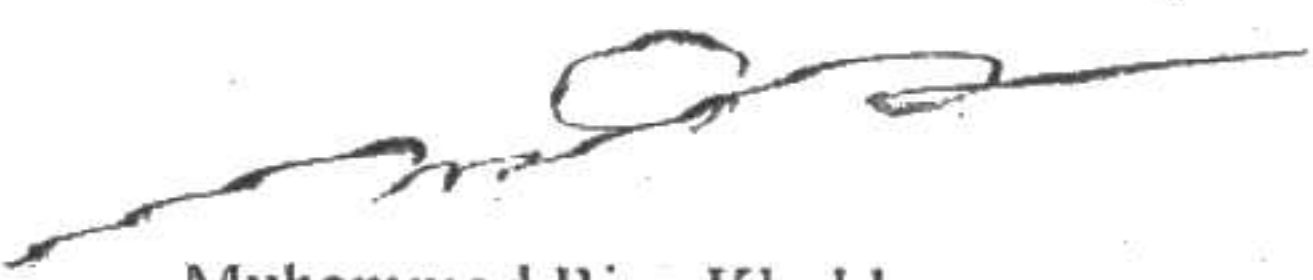
- a) Audit Committee: Once in a quarter
- b) HR and Remuneration Committee: Once in a year

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 Riaz Khokhar
Chairman

Security Leasing Corporation Limited -
Pattern of Share Holding of Ordinary Shares As On June 30, 2022

Share Holding			Number of Share Holders	Total Shares Held
From	To			
85	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
5	25001	-	30000	137240
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	405001	-	410000	409000
1	455001	-	460000	455595
1	665001	-	670000	669000
1	825001	-	830000	823500
1	850001	-	855000	852500
1	905001	-	910000	906500
1	1593001	-	1593500	1593500
1	3170001	-	3175000	3174435
1	10280001	-	10285000	10285000
1	14495001	-	14500000	14495679
400				36,300,000

Note 1 : Directors, CEO their Spouse and Minor Children

	<u>No of Shares</u>	<u>%</u>
M.R. Khan - Chairman	500	0.00
Ms. Asma Rasheed Rafiqui	350	0.00
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
	3,850	0.01

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

S.M. Nadim Shafiqullah	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, 2022

Share Holding		Number of Share Holders	Total Shares Held	Percentage of Issued Capital
From	To			
1	100	3	13	0.00
101	500	2	748	0.01
501	1,000	4	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 Shareholders

	<u>Number</u>	<u>Shares Held</u>	<u>Percentage</u>
Individuals	10	7,273	0.10
Mutual Funds	2	4,446,739	59.27
Joint Stock Companies	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.**

Independent Auditor's Review Report
To the Members of Security Leasing Corporation Limited
Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the 'Regulations') prepared by Board of Directors of **Security Leasing Corporation Limited** ('the Company'), for the year ended June 30, 2022 in accordance with the requirements of regulation 36 of the Regulations and provision Ixxvi of the Code.

The responsibility for compliance with the Regulations and the Code is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations and the Code.

As a part of our audit of the 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's corporate governance procedures and risks

The Regulations require the Company to place before the 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 length transaction and transactions which are not executed at arm lengths price and recording proper justification for using such alternative pricing mechanism and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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 procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Following instances of non-compliance with the requirements of the Regulations were observed which are not stated in the Statement of Compliance:

- I. The board has not setup risk management system as per the requirements of the Code of Corporate Governance.
- II. The management has informed us that the Company has designated one of its 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) Regulation 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



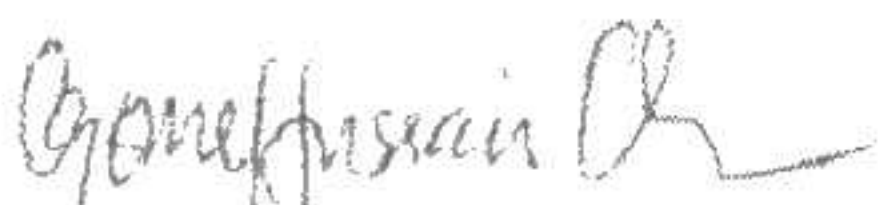
head of internal audit holding equivalent qualification prescribed under the Code, to act as a coordinator between firm providing internal audit services and the Board.

- III. We observed that during the year, the Board had not filled the casual vacancy within 90 days that arose on 29 September 2022 as result the Board and its respective committees operated at below the minimum required numbers of directors.

Further, we highlight below instance of non-compliance with the requirement of the Regulations as reflected in the paragraph reference where it is stated in the Statement of Compliance:

- I. The Board has not made arrangements to carry out orientation courses on the Code of Corporate Governance for its directors. Furthermore, the directors (excluding exempted directors) have not acquired the mandatory certification of directors training program from the Institutes specified by the Securities and Exchange Commission of Pakistan (SECP).
- II. As per the proviso to regulation # 24 of Listed Companies (Code of Corporate Governance) Regulations, 2019, the same person shall not simultaneously hold the position of Company Secretary and Chief Financial Officer. However, as noted in clause 11 of the statement of compliance, currently these positions are held by the same person (i.e., Mr. Muhammad Farooq) since considering the volume of business, it is cost effective for the Company to assign these two positions to a single individual.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance for and on behalf of the Company, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2022.


Crowe Hussain Chaudhury & Co.
Chartered Accountants
Karachi.

Dated: **06 OCT 2022**

UDIN: CR202210207Dyjis4t7N

Independent Auditor's 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 (the 'Company'), which comprise the statement of financial position as at June 30, 2022, and the statement of profit or loss, the statement of other comprehensive income, the statement of changes in equity, 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 purposes of the audit.

In our opinion because of the significance for the matters stated in the basis for adverse opinion paragraph below, to the best of our information and according to the explanations given to us, the statement of financial position, the profit or loss account, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof, does not conform with the accounting and reporting standards as applicable in Pakistan and does not give the information required by the Companies Act, 2017, in the manner so required and respectively do not give a true and fair view of the state of Company's affairs as at June 30, 2022 and of the loss, total comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis for Adverse Opinion

- The Company has recorded deferred tax asset of Rs. 334 million (2021: Rs. 334 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 below paragraph of material uncertainty relating to going concern therefore, sufficient future profit will not be available against which deferred tax asset could be utilized. In our view, deferred tax asset should be derecognized. Had the deferred tax asset been derecognized, deferred tax asset, equity would have been lower by Rs. 334 million whereas loss for the year would have been increased by Rs. 334 million.
- The Company has recorded short term loan receivable amounting Rs. 54 million due from First Pakistan Securities Limited. As per IFRS 9 and time-based criteria mentioned in Schedule X of the NBFC prudential regulations, the receivable is required to be fully provided. Although the management has initiated a suit for the recovery of the said amount but, in the absence of sufficient and appropriate audit evidence we are unable to satisfy ourself on the recoverability of the said amount and hence on the adequacy of the provision required. Had the provision been made, short

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term loan receivable would have been lower by Rs. 54 million whereas loss for the year would have been increased by Rs. 54 million.

- The Company has recorded net investment in finance lease amounting Rs. 160.874 million. Out of this, amount related to minimum lease payment receivable of Rs. 15.437 million party wise breakups were not available. While making provision of potential and other losses in respect of net investment in finance leases amounting Rs. 179.394 million, the Company has taken impact of security deposit and advance against lease amounting to Rs. 163 million which we were unable to verify as supports for these balances were not available. Had the provision been made excluding these adjustments, net investment in the finance leases would have been lower by Rs. 163 million whereas loss for the year would have been increased by the same amount.
- The Company losses has been accumulated to Rs. 595.955 million as at June 30, 2022 (2021: Rs. 581.183 million). Further, the operating cash flows of the Company are also negative since 2012. These circumstances, and sizeable decline in business activities, indicate that the material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business. However, the financial statements have been prepared on a going concern basis. In our opinion, Management's use of the going concern assumption in the financial statements is inappropriate.

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 the *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.

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. As described in the Basis for Adverse Opinion section of our report, we conclude that other information is also materially misstated with respect to these matters.

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Key Audit Matters

Except for the matters described in the Basis for Adverse *Opinion* section, we have determined that there are no other key audit matters to communicate in our report.

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 the accounting and reporting standards as applicable in Pakistan and the 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 are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objective is 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 an 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 as applicable in Pakistan will always detect a material misstatement when it exists. 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 part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for 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 the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on 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 a 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 regulatory returns or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to

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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 regulatory returns, including the disclosures, and whether the regulatory returns 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.

From the matters communicated with the Board of Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, except for the matters stated in Basis for Adverse opinion section of the report, we further report that in our opinion:

- a) proper books of account has been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the profit or loss account, the statement of 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 the Companies Act, 2017 (XXI of 2017), and are in agreement with the books of account
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and;
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980)

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The engagement partner on the audit resulting in this independent auditor's report is Imran Shaikh.

A handwritten signature in dark ink, appearing to read "G. Hussain Chaudhury", written over the printed name.

Crowe Hussain Chaudhury & Co.
Chartered Accountants

Karachi

Date: 06 OCT 2022

UDIN: AR202210207qf9slv0PL

SECURITY LEASING CORPORATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2022

		2022	2021
		-----Rupees-----	
ASSETS	Note		
Current assets			
Cash and bank balances	5	332,114	388,066
Short term investments	6	-	-
Short term loan	7	54,000,000	54,000,000
Prepayments and other receivables	8	908,163	967,847
Taxation-net		7,637,904	6,824,709
Current maturity of net investment in finance lease	9	166,350,452	170,860,980
Total current assets		229,228,633	233,041,602
Non-current assets			
Net investment in finance leases	10	-	-
Long-term deposits		494,500	494,500
Property and equipment	11	337	404
Investment properties	12	56,413,338	59,037,210
Deferred tax asset	13	334,321,869	334,321,869
Total non-current assets		391,230,044	393,853,983
Total assets		620,458,677	626,895,585
LIABILITIES			
Current liabilities			
Accrued and other liabilities	14	87,274,956	86,292,638
Unclaimed dividend		638,283	638,283
Current maturity of non-current liabilities	15	481,584,924	480,255,272
Total current liabilities		569,498,163	567,186,193
Non-current liabilities			
Long-term finances	16	-	-
Long-term deposits	17	-	-
Total non-current liabilities		-	-
Total liabilities		569,498,163	567,186,193
NET ASSETS		50,960,514	59,709,392
REPRESENTED BY SHAREHOLDERS' EQUITY			
Share capital and reserve			
Issued, subscribed and paid-up share capital	18	438,027,750	438,027,750
Reserves	19	(408,065,707)	(399,316,329)
Surplus on revaluation of fixed assets	20	20,998,471	20,998,471
Total shareholders' equity		50,960,514	59,709,392
CONTINGENCIES AND COMMITMENTS	21		

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


MS. FARAH AZEEM
CHIEF EXECUTIVE OFFICER


MUHAMMAD FAROOQ
CHIEF FINANCIAL OFFICER


M. RIAZ KHOKHAR
CHAIRMAN

SECURITY LEASING CORPORATION LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 -----Rupees-----	2021
REVENUE			
Income from:			
Other operating income	22	<u>10,036,701</u>	<u>7,848,955</u>
		10,036,701	7,848,955
EXPENSES			
Administrative and selling expenses	23	<u>(11,096,625)</u>	<u>(11,780,966)</u>
Finance costs	24	<u>(1,010,356)</u>	<u>(1,119,855)</u>
Unwinding of financial liability		<u>(1,314,775)</u>	<u>(7,424,717)</u>
Provision & Write-offs		<u>(4,510,528)</u>	<u>-</u>
		<u>(17,932,284)</u>	<u>(20,325,538)</u>
Operating loss before Income tax		(7,895,583)	(12,476,583)
Taxation			
- current tax expense	25	<u>(853,295)</u>	<u>(906,758)</u>
		(853,295)	(906,758)
Loss for the year		<u>(8,748,878)</u>	<u>(13,383,341)</u>
Loss per share	26	<u>(0.24)</u>	<u>(0.37)</u>

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



MS. FARAH AZEEM
CHIEF EXECUTIVE OFFICER



MUHAMMAD FAROOQ
CHIEF FINANCIAL OFFICER



M. RIAZ KHOKHAR
CHAIRMAN

SECURITY LEASING CORPORATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2022

	2022	2021
	-----Rupees-----	
Loss for the year	(8,748,878)	(13,383,341)
Other comprehensive income		
Other comprehensive income for the year	-	-
Total Comprehensive (loss) for the year	<u><u>(8,748,878)</u></u>	<u><u>(13,383,341)</u></u>

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


MS. FARAH AZEEM
CHIEF EXECUTIVE OFFICER


MUHAMMAD FAROOQ
CHIEF FINANCIAL OFFICER


M. RIAZ KHOKHAR
CHAIRMAN

SECURITY LEASING CORPORATION LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2022

	Reserves-----			Surplus on revaluation of Fixed assets	Total
	Capital	Revenue	Unappropriated loss		
Share capital	Statutory reserve				
----- Rupees -----					
Balance as at June 30, 2020	438,027,750	181,867,005	(567,800,493)	20,998,471	73,092,733
Loss for the year			(13,383,341)		(13,383,341)
Balance as at June 30, 2021	438,027,750	181,867,005	(581,183,834)	20,998,471	59,709,392
Loss for the year			(8,748,878)		(8,748,878)
Balance as at June 30, 2022	438,027,750	181,867,005	(589,932,712)	20,998,471	50,960,514

MS.FARAH AZEEM
CHIEF EXECUTIVE OFFICER

MUHAMMAD FAROOQ
CHIEF FINANCIAL OFFICER

M.RIAZ KHOKHAR
CHAIRMAN

SECURITY LEASING CORPORATION LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2022

	Note	2022 -----Rupees-----	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax		(7,895,583)	(12,476,583)
Depreciation		2,623,872	2,623,877
Gain on disposal of property and equipment		(215,447)	(30,460)
Finance costs		1,010,356	1,119,855
Unwinding of financial liability		1,329,652	7,542,841
Provision for potential lease and other losses		4,510,528	-
		<u>9,258,961</u>	<u>11,256,113</u>
Operating income / (loss) before working capital changes		1,363,378	(1,220,470)
Working capital changes			
Decrease / (increase) in advances, prepayments and other receivables		59,684	(1,316)
(Decrease) / increase in accrued and other liabilities		982,318	4,245,655
		<u>1,042,002</u>	<u>4,244,339</u>
Cash from operations after working capital changes		2,405,380	3,023,869
Financial charges paid		(1,010,356)	(1,119,855)
Taxes paid		(1,666,490)	(2,150,677)
		<u>(2,676,846)</u>	<u>(3,270,532)</u>
Net cash used in operating activities		(271,466)	(246,663)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property and equipment(net)		215,514	30,500
Long term deposits		-	10,000
Net cash generated from investing activities		215,514	40,500
Net decrease in cash and cash equivalents		(55,952)	(206,163)
Cash and cash equivalents at beginning of the year		388,066	594,229
Cash and cash equivalents at end of the year		<u>332,114</u>	<u>388,066</u>


MS. FARAH AZEEM
CHIEF EXECUTIVE OFFICER


MUHAMMAD FAROOQ
CHIEF FINANCIAL OFFICER


M. RIAZ KHOKHAR
CHAIRMAN

SECURITY LEASING CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

1 LEGAL STATUS AND NATURE OF BUSINESS

- 1.1** Security Leasing Corporation Limited ("the Company") was incorporated in Pakistan on December 6, 1993 under the repealed Companies Ordinance 1984 and is listed on Pakistan Stock Exchange Limited 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** 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 preceding 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 with its lenders of long and short term financial liabilities.

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. 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.

2 BASIS OF PREPARATION

2.1 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.

2.2 Basis of measurement

These financial statements have been prepared under historical cost convention except for 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.

2.3 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.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with approved accounting standards as applicable in Pakistan, requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which forms the basis of making 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. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in period of revision and future periods if the revision affects both current and future periods.

Significant accounting estimates and areas where judgements were made by the management in the application of accounting policies are discussed below:

- Future financial projections and going concern assumptions;
- Classification of investments and impairment thereon;
- Residual values and useful lives of property, plant, equipment and investment properties;
- Revaluation of property, plant and equipment;
- Recognition and measurement of current and deferred taxes;
- Measurement the present value of defined benefit obligation and the fair value of plan assets;
- Allowance for potential lease, loan losses and other receivables; and
- Classification of investment in leases

3 NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO PUBLISHED APPROVED ACCOUNTING STANDARDS

3.1 Standards, interpretations and amendments to approved accounting standards that are not yet effective

The following standards, amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (Annual periods beginning on or after)
- IFRS 3 - Revised conceptual framework (Amendments)	January 01, 2022
- IFRS 9 - Financial Instruments: Classification and Measurement	January 01, 2022
- IAS 16 – Property, plant and equipments: Proceeds before intended use	January 01, 2022
- IAS 37 - Onerous contracts: cost of fulfilling a contract	January 01, 2022
- IAS 1 - Classification of liabilities as current or non-current (Amendments)	January 01, 2023
- IAS 1 - Disclosure of accounting policies (Amendments)	January 01, 2023
- IAS 8 - Definition of accounting estimates (Amendments)	January 01, 2023
- IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction (Amendments)	January 01, 2023

The above standards and amendments are not expected to have any material impact on the Company's financial statements in the period of initial application.

3.2 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Company

The following new standards, amendments to published standards and interpretations would be effective from dates mentioned below against the respective standard or interpretation.

Standard or Interpretation	Effective date (Annual periods beginning on or after)
IAS 1 - Classification of liabilities as current or non-current (Amendments)	January 01, 2023
IAS 1 - Disclosure of accounting policies (Amendments)	January 01, 2023
IAS 8 - Definition of accounting estimates (Amendments)	January 01, 2023
IAS 12 - Deferred tax related to assets and liabilities arising from a single transaction (Amendments)	January 01, 2023

There are number of other standards, amendments and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These accounting policies have been applied consistently to all years presented.

4.1 Cash and cash equivalent

Cash and cash equivalents comprise of cash balances and bank deposits. For the purpose of the statement of cash flows, cash and cash equivalents comprise of cash in hand and balances with banks in current and saving accounts.

4.2 Financial Assets

The Company recognizes a financial asset when and only when it becomes a party to the contractual provisions of the instrument evidencing investment. The Company classifies its financial assets into either of following three categories:

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it is held within business model whose objective is to hold assets to collect contractual cash flows, and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding. Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

Financial assets measured at fair value through Other Comprehensive Income (FVTOCI)

A financial asset is classified as at fair value through other comprehensive income when either:

- a) It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding; or
- b) It is an investment in equity instrument which is designated as at fair value through other comprehensive income in accordance with the irrevocable election available to the Company at initial recognition.
- c) Such financial assets are initially measured at fair value plus transaction costs that are directly attributable to the acquisition or issue thereof.

Financial assets measured at fair value through Profit or loss (FVTPL)

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at fair value through the statement of profit or loss (FVTPL). Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition. If such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in the statement of profit or loss.

4.2.1 Subsequent measurement

Financial assets measured at amortized cost

These assets are subsequently measured at amortized cost (determined using the effective interest method) less accumulated impairment losses.

"Interest / markup income, foreign exchange gains and losses and impairment losses arising from such financial assets are recognized in profit or loss

Financial assets measured at fair value through Other Comprehensive Income (FVTOCI)

These are subsequently measured at fair value less accumulated impairment losses.

A gain or loss on a financial asset measured at fair value through other comprehensive income in accordance is recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment (except for investments in equity instruments which are designated as at fair value through other comprehensive income in whose case the cumulative gain or loss previously recognized in other comprehensive income is not so reclassified). Interest is calculated using the effective interest method and is recognized in profit or loss.

Financial assets measured at fair value through Profit or loss (FVTPL)

These assets are subsequently measured at fair value.

Net gains or losses arising from remeasurement of such financial assets as well as any interest income accruing thereon are recognized in profit or loss.

4.2.2 De-recognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

The Company directly reduces the gross carrying amount of a financial asset when the Company has no reasonable expectations of recovering the financial asset in its entirety or a portion thereof. A write-off constitutes a derecognition event.

4.3 Leases

Net investment in finance lease

Leases where the Company transfers substantially all the risks and rewards incidental to ownership of the leased assets to the lessees, are classified as finance leases.

The leased asset is derecognized and the present value of the lease receivable (net of initial direct costs for negotiating and arranging the lease) is recognized on the statement of financial position. The difference between the gross lease receivables and the present value of the lease receivables is recognized as unearned finance income.

A receivable is recognized at an amount equal to the present value of the minimum lease payments under the lease agreements, including guaranteed residual value, if any.

Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned finance income. The finance income is recognized in the statement of profit or loss on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivables.

Initial direct costs incurred by the Company in negotiating and arranging finance leases are added to finance lease receivables and are recognized as an expense in the statement of profit or loss over the lease term on the same basis as the finance lease income.

4.4 Provision against non-performing exposures

Calculating the provision for net investment in finance lease losses and provision for terminated leases is subject to numerous judgments and estimates. In evaluating the adequacy of provision, management considers various factors, including the requirements of the NBFC Regulations, the nature and characteristics of the obligor, current economic conditions, credit concentrations, historical loss experience and delinquencies. Lease receivables are charged off, when in the opinion of management, the likelihood of any future collection is believed to be minimal.

4.5 Investment properties

Investment properties are accounted for under cost model and are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged to profit or loss by applying the straight line method at the rate 2.5% per annum after taking into account residual value, if any. Depreciation on additions is charged from the date of addition till the date the investment properties are disposed off. The residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each reporting date.

Gains or losses on sale of investment properties are charged to profit or loss in the period in which they arise.

4.6 Intangible assets

These are stated at cost less accumulated amortization and impairment losses, if any. Amortization is charged to profit or loss using the straight line method in accordance with the rates specified in the financial statements. Amortization is charged when an asset is made available for use until the date the asset is disposed off. The residual values, useful life and amortization methods are reviewed at each reporting date and adjusted, if deemed appropriate. Gain and losses on disposal of such assets, if any, are included in profit or loss.

4.7 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.

4.8 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 derecognized or impaired, and through the amortization process.

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 asset.

Measurement subsequent to initial recognition

Carried at cost model

Property and equipment are carried at cost less accumulated depreciation less accumulated impairment loss.

Depreciation

All items of property and equipment are depreciated on a straight line basis at the rates as specified in note 11 of the financial statements, which will write off their cost or revalued amount over their expected useful lives. The estimated useful lives, residual values and depreciation methods are reviewed and adjusted, if appropriate at each reporting date.

Depreciation on additions 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 accordingly.

4.10 Financial liabilities

"Financial liabilities are classified as measured at amortized cost or 'at fair value through profit or loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in the statement of profit or loss

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in the statement of profit or loss. Any gain or loss on de-recognition is also recognized in the statement of profit or loss.

Financial liabilities are derecognized when the contractual obligations are discharged or cancelled or have expired or when the financial liability's cash flows have been substantially modified.

4.11 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position only when there is a legally enforceable right to set off the recognized amounts and the Company intends either to settle on a net basis or to realize the assets and settle the liabilities simultaneously

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 Related parties transactions

All transactions with related parties, if any, are recorded at an arm's length price except as defined in note-31

4.14 Provisions and contingencies

A Provision is recognized in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as interest expense.

As the actual outflows can differ from estimates made for provisions due to changes in laws, regulations, public expectations, technology, prices and conditions, and can take place many years in the future, the carrying amounts of provisions are reviewed at each reporting date and adjusted to take account of such changes. Any adjustments to the amount of previously recognized provision is recognized in the statement of profit or loss unless the provision was originally recognized as part of cost of an asset.

Contingent liabilities

A contingent liability is disclosed when the Company has a possible obligation as a result of past events, whose existence will be confirmed only by the occurrence or non-occurrence, of one or more uncertain future events not wholly within the control of the Company; or the Company has a present legal or constructive obligation that arises from past events, but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or the amount of the obligation cannot be measured with sufficient reliability.

4.15 Revenue recognition

Finance lease income

The Company follows the finance lease method in accounting for the recognition of lease income. Under this method, the unearned lease income i.e. the excess of gross lease rentals and the estimated residual value over the cost of the leased assets is deferred and taken to income over the term of the lease contract, so as to produce a systematic return on the net investment in finance lease. Revenue recognition from finance leases is suspended when rent is past due by ninety days or more in accordance with the requirements of the NBFC Regulations.

Processing, front-end and commitment fee and commission are recognized as income when such services are provided.

Gain on termination of lease contracts and late payment charges are recognized as income when realized.

Operating lease income

Rental income from assets given under operating leases is recognized on an accrual basis.

Other Income

Income on term loans

Income on term loans is recognized using effective yield on a time proportionate basis. However, income on non-performing loan receivables is recognized on receipt basis in accordance with the requirements of the NBFC Regulations, 2008.

Mark-up / return on investments

Mark-up income on debt securities is recognized on time proportion basis using the effective yield on instruments.

Dividend income

Dividend income from investments is recognized when the Company's right to receive dividend is established.

Interest income on bank deposits

Interest income on bank deposits is recognized on time proportion basis using the effective interest method

4.16 Taxation

Income tax comprises current and deferred tax. Income tax expense is recognized in profit or loss account except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case, it is recognized in equity or other comprehensive income.

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account available tax credits, rebates and tax losses, or minimum tax, whichever is higher. The charge for the current tax is calculated using tax rates enacted or substantively enacted at the reporting date. The charge for current tax also includes adjustments, where considered necessary, relating to prior years.

Deferred

Deferred tax is recognized using the balance sheet liability method on all temporary differences between the carrying amount of assets and liabilities used for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognized only to the extent that the entity has sufficient taxable temporary differences or there is convincing other evidence that the sufficient taxable profit will be available against which the unused tax losses or unused tax credits can be utilized by the entity. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the financial statements for the period in which the dividend is approved by the shareholders.

4.17 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.

4.18 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.

	Note	2022 -----Rupees-----	2021
5 CASH AND BANK BALANCES			
Cash in hand		-	-
Balance with State Bank of Pakistan in current account			
-Local currency		29,569	29,569
Balances with other banks in:			
-Current accounts		286,061	342,013
-Saving accounts	5.1	16,484	16,484
		<u>332,114</u>	<u>388,066</u>

5.1 These represent saving deposit accounts carrying mark-up at the rates ranging from 5.5% to 8.25% (2021: 2.2% to 3.00%) per annum

		2022 -----Rupees-----	2021
6 SHORT TERM INVESTMENTS			
At fair value through profit or loss			
Ordinary shares of an unlisted public company	6.1	20,000,000	20,000,000
Less: Provision for impairment	6.2	(20,000,000)	(20,000,000)
		<u>-</u>	<u>-</u>

6.1	2022 (Number of shares)	2021	Name of investee company	2022 Cost	2022 Market value	2021 Cost	2021 Market value
	2,000,000	2,000,000	First Pakistan Security Limited	20,000,000	-	20,000,000	-

6.2 The above provision for investments held are considered by the Company for the purpose of determination of provisioning requirements.

7 SHORT TERM LOAN

Loan to other than related party- considered doubtful	7.1	54,000,000	54,000,000
Less: Provision for non-performing loan		-	-
		<u>54,000,000</u>	<u>54,000,000</u>

7.1 These represent the balance receivable against short term loan facilities provided to First Pakistan Security Limited. Since such loans are non-performing, markup accrual thereon has been suspended in accordance with the requirements of Regulation 25 and Schedule XI of the NBFC Regulations, 2008

8 PREPAYMENTS AND OTHER RECEIVABLES

Prepayments	467,013	496,197
Other receivables	441,150	471,650
	<u>908,163</u>	<u>967,847</u>

	Note	2022 -----Rupees-----	2021
9 CURRENT MATURITY OF NET INVESTMENT IN FINANCE LEASE			
Net investment in finance leases	10	166,350,452	170,860,980
		166,350,452	170,860,980
10 NET INVESTMENT IN FINANCE LEASES			
Non-performing exposure			
Minimum lease payment receivable		294,068,632	294,068,632
Add: Residual value of leased assets		98,449,557	98,449,557
Gross investment in finance leases		392,518,189	392,518,189
Less: Income suspended	10.1	(52,249,428)	(52,249,428)
Provision for potential lease and other losses	10.2	(173,918,309)	(169,407,781)
Net investment in leases		166,350,452	170,860,980
Less: Current maturity shown under current asset		(166,350,452)	(170,860,980)
		-	-
10.1 Income suspended			
Balance at beginning of the year		52,249,428	52,249,428
Balance at end of the year		52,249,428	52,249,428
10.2 Provision for potential lease and other losses			
Balance at beginning of the year		169,407,781	169,407,781
Provision for the year		4,510,528	-
Balance at end of the year		173,918,309	169,407,781

11 PROPERTY AND EQUIPMENT

2022										
Description	COST				Depreciation				Written down value as at June 30, 2022	Depreciation rates in %
	As at July 01, 2021	Additions during the year	(Disposal during the year)	As at June 30, 2022	As at July 01, 2021	Charge for the year	(Disposals / transfers made during the year)	As at June 30, 2022		
-----Rupees-----										
• Leasehold improvements	22,274,000	-	-	22,274,000	22,273,999	-	-	22,273,999	1	2.5%
• Furniture and fixtures	5,388,644	-	(233,430)	5,155,214	5,388,322	-	(233,394)	5,154,928	286	20%
• Office equipent	450,679	-	-	450,679	450,663	-	-	450,663	16	36%
• Computer Equipment	1,351,031	-	-	1,351,031	1,351,004	-	-	1,351,004	27	36%
- Generator and air conditioners	3,060,674	-	(711,038)	2,349,636	3,060,650	-	(711,021)	2,349,629	7	20%
June 30, 2022	32,525,028	-	(944,468)	31,580,560	32,524,638	-	(944,415)	31,580,223	337	
June 30, 2021	34,070,079	-	(1,545,037)	32,525,042	34,069,635	-	(1,544,997)	32,524,638	404	

12 INVESTMENT PROPERTIES	Note	2022 -----Rupees-----	2021
Cost			
Opening		104,955,000	104,955,000
Addition		-	-
Transferred from owned property		-	-
		<u>104,955,000</u>	<u>104,955,000</u>
Accumulated depreciation			
Opening		45,917,790	43,293,913
Charge for the year		2,623,872	2,623,877
		<u>48,541,662</u>	<u>45,917,790</u>
CARRYING VALUE		<u>56,413,338</u>	<u>59,037,210</u>
RATE (%)		<u>2.5%</u>	<u>2.5%</u>

The investment properties comprises of the following office premises:

- Office Suit D801 - 804 8th floor Citi Towers, 6-K Main Boulevard Gulberg-II, Lahore
- Office Suit B304 3rd floor Lakson Square Building No.3, Sarwar Shaheed Road, Karachi
- Office Suit B501- 504 5th floor Lakson Square Building No.3, Sarwar Shaheed Road, Karachi

The above said properties were occupied by the Company (owner occupied) for use in its business and administrative purposes. However in 2021 the Company rented out such offices to third parties to earn rental income this resulted change in use of the said properties from owner-occupation to investment property, the Company transferred the said properties from property and equipment to investment property.

The Company uses the cost model for the valuation of investment properties, thus in such a case of a transfer from property and equipment to investment property, no change occurred to the cost of said properties.

Had the properties been revalued as at 30 June 2022, the fair value of the properties would have been as follows:

The fair value of investment properties as at June 30, 2022 as per valuation report of independent valuer are Rs. 157.443 million (2021:Rs. 125.954 million)

13 DEFERRED TAX ASSET	Note	2022 -----Rupees-----	2021
Debit balances arising due to:			
Overdue rentals not due in future		83,722,987	83,722,987
Provision for potential leases losses		-	-
Provision for other non-performing loans		-	-
Unabsorbed tax depreciation		293,429,881	293,429,881
Minimum turn over 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 leaseholder land and office buildings		(11,723,072)	(11,723,072)
		(43,713,835)	(43,713,835)
		334,321,869	334,321,869

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

14 ACCRUED AND OTHER LIABILITIES		2022 -----Rupees-----	2021
Accrued expenses		10,802,877	10,929,412
Advance against leases		64,912,887	64,882,887
Other liabilities		11,559,192	10,480,339
		87,274,956	86,292,638

15 CURRENT MATURITY OF NON- CURRENT LIABILITIES

Long term finances	16	383,178,998	381,849,346
Long term deposits	17	98,405,926	98,405,926
		481,584,924	480,255,272

16 LONG-TERM FINANCES - secured

Other than related party

Privately Placed SUKUKs	16.2	231,054,635	230,201,666
Long-term loans	16.3	152,124,363	151,647,680
		383,178,998	381,849,346
		383,178,998	381,849,346
Less: Current maturity due but not paid			
Privately Placed SUKUK		231,054,635	213,281,250
Long-term loans		152,124,363	140,116,486
		383,178,998	353,397,736
Less: Current maturity shown under current liabilities			
Privately Placed SUKUK		-	16,920,416
Long-term loans		-	11,531,194
		-	28,451,610
Current maturity of long term finance		383,178,998	381,849,346
		-	-

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. Since the company has defaulted again on its liabilities and whole amount has been classified as current liabilities. Therefore, the amortization has been stopped and loans are presented on the face value.

16.2 Principal terms of SUKUKs

Particulars	Security	Repayment period		Profit rate per annum	Amount outstanding (Rupees)	
		from	to		2022	2021
From financial institutions						
Privately placed SUKUK-2	Secured against specific lease rentals receivable and related lease assets	Mar-09	Jan-22	Zero % (2021: Zero%)	231,054,635	230,201,666

16.3 Principal terms of Long -Term Loans

Particulars	Security	Repayment period		Profit rate per annum	Amount outstanding (Rupees)	
		from	to		2022	2021
The Bank of Khyber	Secured against property	Apr-10	Jan-22	Zero % (2021: Zero%)	97,012,487	96,753,344
The Bank of Punjab	Secured against specific lease rentals receivable and related lease assets	Apr-10	Jan-22	Zero % (2021: Zero%)	38,675,001	38,527,297
Soneri Bank Limited	Secured against specific lease rentals receivable and related lease assets	Apr-10	Jan-22	Zero % (2021: Zero%)	16,436,875	16,367,039

17 LONG-TERM DEPOSITS

Note

2022
-----Rupees-----
2021

Security deposits against leases		98,405,926	98,405,926
Less: Current maturity of security deposits	15	98,405,926	98,405,926
		-	-

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

18	SHARE CAPITAL	Note	2022 -----Rupees-----	2021
	Authorized capital			
	75,000,000 (2021: 75,000,000) ordinary shares of Rs. 10 each		750,000,000	750,000,000
	50,000,000 (2021: 50,000,000) preference shares of Rs. 10 each		500,000,000	500,000,000
			<u>1,250,000,000</u>	<u>1,250,000,000</u>
	Issued, subscribed and paid-up share capital			
	22,100,000 (2021: 22,100,000) ordinary shares of Rs. 10 each fully paid in cash		221,000,000	221,000,000
	14,200,000 (2021: 14,200,000) ordinary shares of Rs. 10 each issued as fully paid bonus shares		142,000,000	142,000,000
			<u>363,000,000</u>	<u>363,000,000</u>
	Preference shares			
	7,502,775 (2021: 7,502,775) preference shares-class A of Rs. 10 each fully paid in cash		75,027,750	75,027,750
		18.2	<u>438,027,750</u>	<u>438,027,750</u>
			2022	2021
18.1	Movement in number of shares		-----Number-----	

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	<u>36,300,000</u>	<u>36,300,000</u>

Preference shares

Number of the shares at beginning of the year	7,502,775	7,502,775
Redeemed during the year	-	-
Number of the shares at end of the year	<u>7,502,775</u>	<u>7,502,775</u>

- 18.2** The Company raised additional equity of Rs. 150 million through right issue of 15 million non-convertible 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 had the option to redeem these shares after 12 months from the date of the issue. The preference shareholders had 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	
	From	To
3,750,000 shares (1st redemption)	June-07	November-07
3,750,000 shares (2nd redemption)	June-08	November-08
3,750,000 shares (3rd redemption)	June-09	November-09
3,750,000 shares (4th redemption)	June-10	November-10

The right of redemption has now expired against these preference shares.

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.

	Note	2022 -----Rupees-----	2021
The Company's capital consist of:			
Issued, subscribed and paid-up share capital	18	438,027,750	438,027,750
Reserves	19	(408,065,707)	(399,316,829)
		<u>29,962,043</u>	<u>38,710,921</u>
19 RESERVES			
Capital reserve			
Statutory reserves	19.1	181,867,005	181,867,005
Revenue reserve			
Accumulated loss		(589,932,712)	(581,183,834)
		<u>(408,065,707)</u>	<u>(399,316,829)</u>
19.1 Movement in statutory reserves			
Balance at beginning of the year		181,867,005	181,867,005
Transferred during the year		-	-
Balance at end of the year		<u>181,867,005</u>	<u>181,867,005</u>
Statutory reserve represents profit set aside to comply with the NBFC Regulations, 2008.			
20 SURPLUS ON REVALUATION OF FIXED ASSETS	Note	2022 -----Rupees-----	2021
Surplus on revaluation of fixed assets	20.1	32,721,543	32,721,543
Deferred tax liability recognized	20.2	(11,723,072)	(11,723,072)
		<u>20,998,471</u>	<u>20,998,471</u>
20.1 Reconciliation of surplus on revaluation of fixed assets			
At the beginning of the year		32,721,543	32,721,543
At the end of the year		<u>32,721,543</u>	<u>32,721,543</u>
20.2 Deferred tax liability			
At the beginning of the year		11,723,072	11,723,072
At the end of the year		<u>11,723,072</u>	<u>11,723,072</u>

21 CONTINGENCIES AND COMMITMENTS

21.1 There is no contingencies and commitments as at June 30, 2022 (2021: Nil)

	Note	2022 -----Rupees-----	2021
22 OTHER OPERATING INCOME			
Income from other than financial assets	22.1	10,036,701	7,848,955
		10,036,701	7,848,955

22.1 Income from other than financial assets

Fees, commissions and other charges	60,000	531,755
Gain/Loss on disposal of property and equipment	215,447	30,460
Rental income	9,761,254	7,286,740
	10,036,701	7,848,955

23 ADMINISTRATIVE AND SELLING EXPENSES

Salaries, allowances and benefits		3,610,680	3,637,584
Directors' remuneration	23.1	506,000	60,000
Telephone and fax		67,410	99,439
Postage and courier		6,323	6,833
Electricity		264,502	164,337
Office maintenance		549,508	1,077,046
Software maintenance		190,646	231,405
Canteen		86,635	64,100
Traveling and conveyance		25,700	5,100
Advertisement		64,000	28,800
Printing and stationery		53,845	45,805
Central depository		-	2,374
Fees and subscription		228,310	252,365
Legal and professional		2,030,536	2,319,751
Auditors' remunerations	23.2	395,628	359,661
Depreciation	12	2,623,872	2,623,877
Rent, rates and taxes		393,030	802,489
		11,096,625	11,780,966

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

	2022 -----Rupees-----	2021
23.2 Auditors' remuneration		
Annual audit	359,662	326,965
Out-of-pocket expenses	35,966	32,696
	395,628	359,661

24 FINANCE COSTS

Short term finance	24.1	989,041	1,119,855
Bank charges		21,315	-
		<u>1,010,356</u>	<u>1,119,855</u>

- 24.1** This amount represents the markup charges on the Rs. 7.5 million amount of loan amount obtained from Mr. Syed Muhammad Nadim Shafiqullah as short term loan during the year ended June 30, 2018. The Company agreed to repay in 9 monthly installments. However, the repayment of the said loan remains outstanding as of 30 June 2022.

25 Income tax

Current

The tax charge for the current year represents minimum charge at 1.25 % of gross income under section 113 of the Income Tax Ordinance, 2001

Assessments of the Company have been finalized up to the tax year 2018. 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.

26 (LOSS) PER SHARE - basic and diluted	2022	2021
	-----Rupees-----	
(loss) for the year from continuing operations	(8,748,878)	(13,383,341)
(loss) attributable to ordinary shareholders	<u>(8,748,878)</u>	<u>(13,383,341)</u>
	-----Numbers-----	
Number of ordinary shares issued and subscribed	<u>36,300,000</u>	<u>36,300,000</u>
	-----Rupees-----	
Loss per share from continuing operations	(0.24)	(0.37)
Earnings per share from discontinued operations	-	-
(loss) per share	<u>(0.24)</u>	<u>(0.37)</u>

Earning / (loss) per share has been calculated by dividing profit/ (loss) 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, 2022.

27 CASH AND CASH EQUIVALENTS	2022	2021
	-----Rupees-----	
Cash and Bank balances	<u>332,114</u>	<u>388,066</u>

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, 2022				
	Finance lease	Rental Income	Musharika	Others	Total
	----- Rupees -----				
Segment revenues	-	9,761,254	-	275,447	10,036,701
Segment result	(7,206,825)	8,846,871	-	275,447	1,915,493
Unallocated cost					
Finance cost	-	-	-	-	(1,010,356)
Administrative and selling exp	(8,400,328)	914,383	-	-	(7,485,945)
Unwinding of financial liability	-	-	-	-	(1,314,775)
Loss before income tax	-	-	-	-	(7,895,583)
Income tax expense/ credit	-	-	-	-	(853,295)
Loss for the year	-	-	-	-	(8,748,878)
Other information					
Segment assets	166,350,452	56,413,675	-	-	222,764,127
Unallocated assets	-	-	-	-	397,694,550
Total assets	166,350,452	56,413,675	-	-	620,458,677
Segment liabilities	569,498,163	-	-	-	569,498,163
Unallocated liabilities	-	-	-	-	-
Total liabilities	569,498,163	-	-	-	569,498,163
Net assets	-	-	-	-	50,960,514
Capital expenditure	-	-	-	-	-

	June 30, 2021				
	Finance lease	Rental Income	Musharika	Others	Total
	----- Rupees -----				
Segment revenues	-	7,286,740	-	562,215	7,848,955
Segment result	(2,734,670)	6,383,826	-	562,215	4,211,371
Unallocated cost					
Finance cost	-	-	-	-	(1,119,855)
Administrative and selling exp	(9,046,296)	902,914	-	-	(8,143,382)
Unwinding of financial liability	-	-	-	-	(7,424,717)
Loss before income tax	-	-	-	-	(12,476,583)
Income tax expense/ credit	-	-	-	-	(906,758)
Loss for the year	-	-	-	-	(13,383,341)
Other information					
Segment assets	170,860,980	59,037,614	-	-	229,898,594
Unallocated assets	-	-	-	-	396,996,991
Total assets	170,860,980	59,037,614	-	-	626,895,585
Segment liabilities	567,186,193	-	-	-	567,186,193
Unallocated liabilities					
Total liabilities	567,186,193	-	-	-	567,186,193
Net assets	-	-	-	-	59,709,392
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:

	Note	2022 -----Rupees-----	2021
Classes of financial assets - carrying value			
Cash and cash equivalent			
Cash and bank balances	5	332,114	388,066
Loans and receivables			
Short term loan	7	54,000,000	54,000,000
Long-term deposits		494,500	494,500
Net investment in finance leases	9	166,350,452	170,860,980
		221,177,066	225,743,546

- 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	2022		2021	
	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

29.4 Analysis of financial assets that are past due:

	Total	Loans and receivables	Net investment in finance lease	Operating lease receivables
Gross carrying amountRupees.....			
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	193,918,309	20,000,000	173,918,309	-
Total Impairment loss	193,918,309	20,000,000	173,918,309	-
Net carrying amount	166,350,452	-	166,350,452	-

- 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:

	2022				Total
	Within 6 month	6 month to 1 year	One to five years	Over five years	
Rupees.....				
Financial Assets					
Cash and cash equivalent	332,114	-	-	-	332,114
Loans and receivables	54,000,000	-	-	-	54,000,000
Lease receivables	340,268,761	-	-	-	340,268,761
	394,600,875	-	-	-	394,600,875
Financial liabilities					
Accrued and other liabilities	87,274,956	-	-	-	87,274,956
Long-term finances	383,178,998	-	-	-	383,178,998
Long-term deposits	98,405,926	-	-	-	98,405,926
	568,859,880	-	-	-	568,859,880
	(174,259,005)	-	-	-	(174,259,005)
	2021				
	Within 6 month	6 month to 1 year	One to five years	Over five years	Total
Rupees.....				
Financial Assets					
Cash and cash equivalent	388,066	-	-	-	594,229
Loans and receivables	54,000,000	-	-	-	54,000,000
Lease receivables	340,268,761	-	-	-	340,268,761
	394,656,827	-	-	-	394,862,990
Financial liabilities					
Accrued and other liabilities	82,685,266	-	-	-	82,685,266
Long-term finances	254,190,853	51,053,749	69,061,903	-	374,306,505
Long-term deposits	98,405,926	-	-	-	98,405,926
	435,282,045	51,053,749	69,061,903	-	555,397,697
	(40,625,218)	(51,053,749)	(69,061,903)	-	(160,534,707)

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:

Name of related party	Nature of relationship	Description of transaction	2022	2021
			Total value of transaction	Total value of transaction
.....Rupees.....				
Azim Azafar	Director	Director Fee	-	-
M. Riaz Khokhar	Director	Director Fee	62,000	12,000
Ghulam Raza Dahraj	Director	Director Fee	216,000	12,000
M.Sharif Khawaja	Director	Director Fee	25,000	12,000
Javed Haleem	Director	Director Fee	12,000	12,000
Ramzan Behrani	Director	Director Fee	191,000	12,000
Various	Executives	E.O.B.I	18,720	9,360

32 CORRESPONDING FIGURES

The corresponding figures have been rearranged and reclassified, wherever considered necessary for the purposes of comparison and better presentation. Following reclassifications has been made in the financial statements:

	Reclassified from component	Reclassified to component	— Rupees —
1	<i>(Disclosed in Accrued and other liabilities)</i>	<i>(Disclosed on the face of statement of financial position)</i>	
	Unclaimed Dividend	Unclaimed Dividend	<u>638,283</u>

33 NUMBER OF EMPLOYEES

The number of employees as at year end are 4 (2021:7) and average number of employees during are 4 (2021: 6).

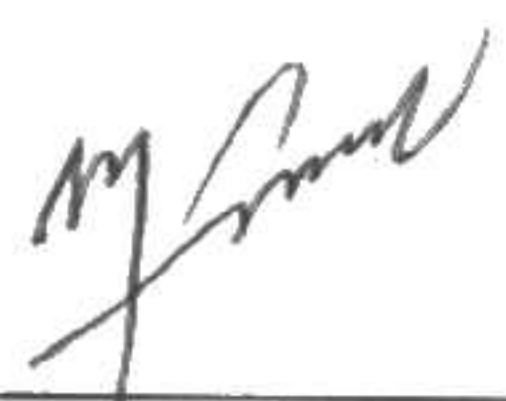
34 CORRESPONDING FIGURES

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 30th, September 2022 by the Board of Directors of the Company.


MS. 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 Leasing Corporation Limited** do hereby appoint
_____ of _____ or failing him/her
_____ of _____ or failing him/her
_____ of _____ or failing him/her
to be proxy and to vote for me at the **Annual General Meeting** of the Company to be held on
October 28, 2022, at 10:00 a.m. and at any adjournment thereof in the same manner as I/we
would vote if personally present at such meeting.

Signed this _____ day of _____ 20 _____

Signature: _____

Rupees 5/-
Revenue Stamp

Address: _____

Total Shares Held: _____ Folio/CDC A/c. No.: _____

Holder of Share Nos. From: _____ To _____

Witnesses:

Signature: _____

Signature: _____

Name: _____

Name: _____

NIC #: _____

NIC # _____

Address: _____

Address: _____

NOTE:

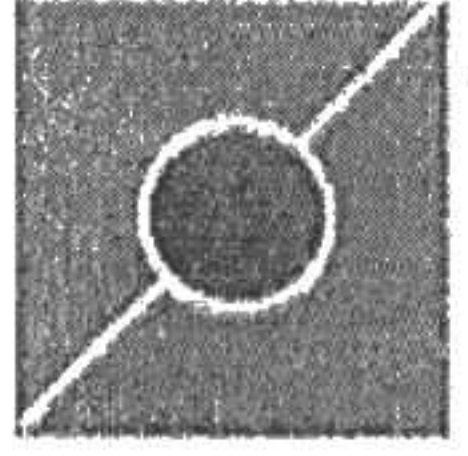
1. Signature should agree with specimen registered with the company.
2. Proxy to be valid must be deposited with the Company at its registered office not less than forty-eight hours before the meeting.
3. Proxy need not be a member.

For CDC Account Holders/Corporate Entities

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

- i) the proxy form shall be witnessed by the two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- ii) 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) along with proxy form of the Company.

سیکورٹی لیزنگ کارپوریشن لمیٹڈ



پراکسی فارم

میں مسما _____ ساکن _____

ضلع _____ بحیثیت ممبر سیکورٹی لیزنگ مسما _____

سے کمپنی کے سالانہ اجلاس عام جو بتاریخ 28 اکتوبر 2022ء بوقت 10:00 بجے صبح منعقد ہو رہا ہے میں اور اس کے کسی ملوثی شدہ اجلاس میں ووٹ ڈالے۔

ڈاک ٹکٹ منسلک کریں

دستخط کی تاریخ _____

ممبر کے دستخط _____

فونیو ممبر _____

شیروں کی تعداد _____

گواہوں کے دستخط اور پتے _____

۲

نوٹ:

۱۔ اجلاس عام میں شرکت اور رائے دی کا اہل ممبر اپنی جانب سے شرکت اور رائے دی کے لیے اپنا پراکسی مقرر کر سکتا ہے پراکسی کا کمپنی کا ممبر ہونا ضروری ہے۔

۲۔ یہ فارم ممبر یا اس کے انارنی کی جانب سے جسے تحریری طور پر اتھارائزڈ کیا گیا ہو کی جانب سے دستخط کیا جائے۔ اگر ممبر کارپوریشن ہے تو اس کی عام ممبر موجود ہونی چاہئے۔

۳۔ پراکسی کی تقرری کے دستاویز پاور آف انارنی یا دیگر دستاویز جس کے تحت تقرری ہوئی یا پاور آف انارنی کی تصدیق شدہ کاپی اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل جمع کرانی ہوگی۔

۴۔ سی ڈی سی اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر کو پراکسی فارم کے ہمراہ کمپیوٹرائزڈ قومی شناختی کارڈ یا پاور آف انارنی کی تصدیق شدہ کاپی بھی منسلک کرنی ہوگی۔ پراکسی کو اجلاس کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔ کارپوریٹ ادارہ ہونے کی صورت میں بحیثیت ممبر بورڈ آف ڈائریکٹرز کی منظور شدہ قرارداد پاور آف انارنی بمعہ نمونہ دستخط ہمراہ پراکسی فارم جس کرانا ہوں گے۔

29 واں سالانہ اجلاس عام کے سلسلے میں ممبران کو نوٹس

بذریعہ ہذا مطلع کیا جاتا ہے کہ سیکورٹی لیزنگ کارپوریشن لمیٹڈ کے ممبران کا 29 واں سالانہ اجلاس عام بتاریخ 28 اکتوبر 2022 بروز جمعہ بوقت صبح 10:00 بجے سیکورٹی لیزنگ کارپوریشن لمیٹڈ کے رجسٹرڈ آفس واقع لیکن اسکوائر بلڈنگ نمبر 3 فلور نمبر 5 سرور شہید روڈ میں درج ذیل امور کی انجام دہی کے لیے منعقد ہوگا۔

عمومی امور:

- 1۔ سیکورٹی لیزنگ کارپوریشن لمیٹڈ کے 28 ویں سالانہ اجلاس عام منعقدہ 27 اکتوبر 2021ء کی کارروائی کی توثیق۔
- 2۔ 30 جون 2022 کو ختم ہونے والے مالی سال کی بابت کمپنی کے سالانہ آڈٹ شدہ حسابات (مجموعی و انفرادی) مع ڈائریکٹرز اور آڈیٹرز کی رپورٹس کی وصولی ان پر غور و خوض اور منظوری۔
- سیکورٹی لیزنگ کارپوریشن لمیٹڈ کی سالانہ رپورٹ 2022ء کمپنی کی ویب سائٹ پر اپ لوڈ کر دی گئی ہے۔
- 3۔ مالی سال 2023ء کے لیے آڈیٹرز کی تقرری اور ان کے لیے مشاہرہ طے کرنا۔

دیگر امور:

- 4۔ صدر اجلاس کی اجازت سے کسی بھی دیگر امور کی انجام دہی۔

تاریخ 05 اکتوبر 2022

محمد فاروق
کمپنی سیکریٹری

نوٹس:

- 1۔ سیکورٹی لیزنگ کارپوریشن لمیٹڈ کے حصص کی منتقلی کی کتاب 21 اکتوبر 2022 سے 28 اکتوبر 2022 تک دونوں دن شامل ہوں گے بند رہیں گی۔ حصص کی منتقلی کے لیے جو درخواستیں کمپنی کے شیئر رجسٹرار میسرز ایف ڈی رجسٹرار سروس ایس ایم پی پرائیویٹ لمیٹڈ آفس نمبر 1705-17 واں فلور صائمہ ٹریڈ ٹاور A آئی آئی چندری گروڈ کراچی کو 20 اکتوبر 2022 کے دفتری اوقات ختم ہونے سے قبل موصول ہوں گی، نقد منافع مقسمہ کے استحقاق کے تعین کے لیے بروقت بھیجی جائیں گی۔
- 2۔ ایک ممبر جو اجلاس میں شرکت کرنے اور ووٹ دینے کا حق رکھتا ہے وہ اپنی جگہ کسی دوسرے فرد کو اجلاس میں شرکت بولنے اور ووٹ دینے کے لیے تحریری طور پر اپنی پرکسی مقرر کر سکتا ہے۔
- 3۔ پرکسی مقرر کئے جانے سے متعلق دستاویز Instrument اور پاور آف اٹارنی یا دیگر کوئی اور اتھارٹی جس کے تحت اس پر دستخط کئے گئے ہیں یا اس پاور آف اٹارنی کی نوٹری سے تصدیق شدہ نقل کو موثر ہونے کے لیے سیکورٹی لیزنگ کارپوریشن لمیٹڈ کے رجسٹرڈ آفس میں اجلاس کے وقت سے کم از کم 48 گھنٹے قبل لازماً جمع کرادیں۔
- 4۔ ممبران سے درخواست ہے کہ وہ اپنے رجسٹرڈ پتے میں تبدیلی سے اگر کوئی ہو، کمپنی کے شیئر رجسٹرار میسرز ایف ڈی رجسٹرار سروس پرائیویٹ لمیٹڈ آفس نمبر 1705 فلور نمبر 17، صائمہ ٹریڈ ٹاور آئی آئی چندری گروڈ کراچی کو فوری طور پر مطلع کریں ایسی درخواستیں کتب کی بندش سے قبل پہنچ جانا چاہئیں تاکہ استحقاق اگر کوئی ہو تو درست پتہ پر روانہ کیا جاسکے۔
- 5۔ سی ڈی سی اکاؤنٹ ہولڈرز کو دیگر قواعد کے ساتھ ساتھ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے مقرر کردہ ہدایات پر عمل کرنا ہوگا جو کہ درج ذیل ہے۔

(الف) اجلاس میں شرکت کے لیے:

- 1۔ انفرادی شیئر ہولڈر ہونے کی صورت میں اکاؤنٹ ہولڈر یا ضمنی اکاؤنٹ ہولڈر اور ایسا فرد جس کی سیکورٹیز گروپ اکاؤنٹ کی صورت میں ہوں اور ان کی رجسٹریشن تفصیلات قواعد و ضوابط کے مطابق اپ لوڈ کی گئی ہوں وہ اجلاس عام میں شرکت کے موقع پر اپنی شناخت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ دکھا کر کر سکتے ہیں۔
- 2۔ کارپوریٹ انٹینٹی کی صورت میں اجلاس کے موقع پر بورڈ آف ڈائریکٹرز کی قرارداد یا مختار نامہ بعد نامزد کئے جانے والے فرد کے نمونے کے دستخط کے پیش کئے جانے چاہئیں۔ ماموائے اس کے کہ وہ پہلے ہی فراہم نہیں کئے گئے۔

(ب) پرکسی کے تقرر کے لیے:

- 1۔ ایسا فرد اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور ایسا شخص کو جس کی سیکورٹیز گروپ اکاؤنٹ کی شکل میں ہوں اور ان کی رجسٹریشن کی تفصیلات ضوابط کے مطابق جمع کروائی گئی ہوں اجلاس میں شرکت کے لیے درج بالا تقاضوں کے مطابق پرکسی فارم جمع کرانا ہوگا۔
- 2۔ پرکسی فارم پر کم از کم دو گواہوں کے دستخط مع نام پتہ اور موثر کمپیوٹرائزڈ قومی شناختی کارڈ نمبر ثبت ہونا چاہئے۔
- 3۔ پرکسی فارم کے ساتھ اصل حقدار اور پرکسی کے موثر کمپیوٹرائزڈ قومی شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقل بھی منسلک ہونا چاہئیں۔
- 4۔ اجلاس کے وقت پرکسی کو اصل کمپیوٹرائزڈ قومی شناختی کارڈ یا اصل پاسپورٹ پیش کرنا ہوگا۔
- 5۔ کارپوریٹ ادارہ کی صورت میں کمپنی کے پرکسی فارم کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد یا پاور آف اٹارنی اگر پہلے سے فراہم نہ کئے گئے ہوں تو جس کے ساتھ دستخط کے نمونے specimen بھی منسلک ہونا چاہئیں۔

بورڈ آف ڈائریکٹرز کی میٹنگز

میٹنگز میں شرکت کی	ڈائریکٹر کا نام	میٹنگز میں شرکت کی	ڈائریکٹر کا نام
04	جناب محمد رمضان بحرانی	02	جناب محمد شریف خواجہ
04	غلام رضا دھراج	04	جناب محمد ریاض کھوکھر
		01	جناب عظیم اظفر
04	محترمہ فرح عظیم	01	جناب جاوید حلیم

آڈٹ کمیٹی میٹنگز

میٹنگز میں شرکت کی	ڈائریکٹر کا نام	میٹنگز میں شرکت کی	ڈائریکٹر کا نام
04	غلام رضا دھراج	04	جناب محمد ریاض کھوکھر
04	فرح عظیم	01	جناب عظیم اظفر
		01	جناب شریف خواجہ
		04	رمضان بحرانی

شیئر ہولڈنگ کار رجحان


اس رپورٹ کے ساتھ 30 جون 2022 کو شیئر ہولڈنگ کے رجحان بطور ضمیمہ منسلک ہے۔

اعتراف

بورڈ اپنے سرمایہ کار، قرضہ دہندہ اور ریگولیٹری اتھارٹیز کے اس چیلنجنگ وقت میں کمپنی کے ساتھ مسلسل تعاون اور ادراک کے لیے ان کے ساتھ ممنونیت کا اظہار کرنا چاہتا ہے جس کی وجہ سے ضابطوں پر عملدرآمد کو ممکن بنا سکے۔ بورڈ اس بات کو بھی رکارڈ پر لانا چاہتا ہے کہ وہ اپنے تمام عملے کی کوششوں اور ان کی لگن کی وجہ سے کمپنی کے لیے سال کے دوران مشکل حالات میں آپریشن کو جاری رکھنا ممکن ہو سکا۔

بورڈ آف ڈائریکٹرز کی جانب سے اور ان کے لیے

فرح عظیم


چیف ایگزیکٹو آفیسر

30 ستمبر 2022

کاروباری اقدار

کمپنی کا کوڈ آف کنڈکٹ ڈائریکٹرز کے ساتھ ساتھ ملازمین کے لیے ایک واضح رہنمائی کا ڈھانچہ فراہم کرتا ہے کہ وہ سالمیت، دیانتدار اور لگن کے ماحول میں کام کریں تاکہ وہ کمپنی اور اس کے شرکاء مفاد کے مشترکہ مقاصد کے مثبت نتائج حاصل کر سکیں۔

ڈائریکٹر کا اعلان

ڈائریکٹرز ترمیم شدہ کوڈ آف کارپوریٹ گورننس کا نفاذ کر چکے ہیں جس کو درج ذیل پیش کرتے ہوئے خوشی محسوس کرتے ہیں

☆ مینجمنٹ کے تیار کردہ مالیاتی اسٹیٹمنٹس، معاملات، آپریشن کے نتائج، کیش فلو اور ایکوٹی میں رد و بدل کی درست تصویر پیش کرتے ہیں۔

☆ مناسب طور سے کھاتوں کی بکس رکھی گئی ہیں۔

☆ مالیاتی اسٹیٹمنٹس کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو استعمال کیا گیا ہے اور اکاؤنٹنگ تخمینوں کی بنیاد مناسب اور محفوظ اندازے ہیں۔

☆ مالیاتی اسٹیٹمنٹس کی تیاری میں بین الاقوامی مالیاتی رپورٹنگ اسٹینڈرڈز ہیں ان پر عملدرآمد کیا گیا اور ان پر عملدرآمد نہ ہونے کی صورت میں ان کو مناسب طور پر ظاہر کیا ہے۔

☆ اندرونی نگرانی نظام کا ڈیزائن مضبوط ہے اور اس کا موثر طور پر نفاذ کیا جا چکا ہے اور اس کی موثر نگرانی کی جاتی ہے۔

☆ گذشتہ چھ سالوں کا اہم آپریٹنگ اور مالیاتی ڈیٹا کا خلاصہ اس رپورٹ کے ساتھ بطور ضمیمہ منسلک ہے۔

☆ سال کے دوران بورڈ آف ڈائریکٹرز کی 4 اور آڈٹ کمیٹی کی 4 میٹنگز منعقد ہو چکی ہیں۔ میٹنگ میں ہر رکن کی حاضری کی تفصیلات درج ذیل ہیں۔

کمپنی کے ڈائریکٹرز اس بات کو محسوس کرتے ہیں کہ عالمی وبا کو روکنے کی معیشت کو فروری 2020 سے تقریباً منجمد کر دیا ہے۔ ملک میں سیاسی عدم استحکام کرونا وائرس کے دورانیے کا حتمی تعین نہ ہونا اور موجودہ سیلاب کی وجہ سے معیشت اور کاروبار پر پڑنے والے منفی اثرات کا اندازہ لگانا مشکل ہے۔

کمپنی کے ڈائریکٹران اس تمام صورت حال کا از سر نو جائزہ لینے کے بعد اس نتیجے پر پہنچے ہیں کہ سال 2021-22 کے دوران مالیاتی اداروں سے حاصل کئے گئے قرضوں کو قابل قدر حد تک کم کرنے میں کامیاب ہو جائیں گے کیونکہ اکثر قرض دہندہ کمپنی کو ایک قابل قدر ڈسکاؤنٹ دینے پر تیار ہو چکے ہیں۔

کمپنی کے بورڈ آف ڈائریکٹرز نے یہ فیصلہ بھی کیا ہے کہ مالی سال 2022-2023 کیلئے UHY HASSAN NAEEM & COMPANY چارٹرڈ اکاؤنٹنٹ کو موجودہ CROWE HUSSAIN CHUDHARY & COMPANY چارٹرڈ اکاؤنٹنٹ کی جگہ کمپنی کا نیا آڈیٹر نامزد کیا جائے۔

کمپنی کے مالیاتی نتائج کا خلاصہ درج ذیل ہے

سال	2022	2021
	روپے	روپے
نفع/نقصان بعد از ٹیکس	(8,748,878)	(13,383,341)
آمدنی فی حصص - بنیادی اور کمزور	(0.24)	(0.37)

شیئر کیپٹل

جیسا کہ بتایا گیا ہے کہ 30 جون 2022 کو کمپنی کی ایکویٹی سیکوریٹی ایکسچینج کمیشن آف پاکستان (ایس ای سی پی) کی متعین ایکویٹی جس کی کم سے کم حد 50 ملین ہے کے مقابلے میں 50.960 ملین رہی۔

کارپوریٹ سماجی ذمہ داری

ماضی میں کمپنی نے بطور ایک ذمہ دار کارپوریٹ شہری کے، بلواسطہ یا بلاواسطہ، متعدد سماجی کاموں میں حصہ لیا۔ زلزلہ، سیلاب اور دیگر قدرتی آفات میں کبھی بلواسطہ اور کبھی رضا کارانہ طور، نقد رقم اور/یا جنس کی صورت میں، ان کی اور دیگر کم مراعات یافتہ لوگوں کی فلاح و بہبود کے لیے مدد کی۔

ڈائریکٹر کی رپورٹ

آپ کے ڈائریکٹرز 30 جون 2022ء کو اختتام پذیر سال کی کمپنی کی سالانہ رپورٹ بشمول مالیاتی دستاویزات اور آڈیٹڈ رپورٹ پیش کر کے خوشی محسوس کرتے ہیں۔

معیشت کا جائزہ

زیر غور سال 2021-22 میں پاکستانی معیشت جو کہ پچھلے ایک عشرے سے دباؤ کا شکار تھی عالمی وبا کرونا کی وجہ سے نہایت متاثر ہوئی۔ Covid-19 جہاں ایک طرف اخراجات میں بے پناہ اضافے کا باعث بنا وہیں دوسری طرف آمدنی کی وصولی پر بری طرح اثر انداز ہوا۔ اگرچہ کہ وفاقی اور صوبائی حکومتوں نے اس دباؤ پر قابو پانے کے لیے نہایت موثر اقدامات کئے لیکن اس وبا کی وجہ سے معیشت کو پہنچنے والے نقصانات کے ازالے کے لیے کافی وقت درکار ہوگا۔ معیشت کی مجموعی صورت حال زرمبادلہ کے ذخائر میں کمی، روپے کی قدر میں کمی اور کرنٹ اکاؤنٹ میں خسارے کو پورا کرنے کے لیے پبلک سیکٹر اور بیرونی قرضوں کا سہارا لیا۔ توقع یہ کی جا رہی ہے کہ حکومت اپنے اقدامات کو جاری رکھے گی اور ان دلیرانہ فیصلوں کی روشنی میں ملک کی معیشت کو درپیش مسائل قصہ پارینہ بن جائیں گے۔

کمپنی کا جائزہ

درج ذیل گوشوارہ سال 2021-22 میں کمپنی انتظامیہ کی کاوشوں کو ظاہر کرتا ہے۔

30 جون 2021

30 جون 2022

روپے

روپے

59,709,392

50,960,514

ایکویٹی

(13,383,341)

(8,748,878)

نفع/نقصان

383,178,998

383,178,998

قرضہ جات بیرونی

IAS-39 کے تحت ان وائیٹنگ آف

1,329,653

صفر

لائسنس کا اندراج