



Security Leasing
Corporation Limited

QUARTERLY REPORT SEPTEMBER 2024

SECURITY LEASING
CORPORATION LIMITED



Security Leasing
Corporation Limited

Table of Contents

Contents	Page. No.
Mission and Vision Statement	02
Business Strategy	03
Company Information	04
Report of the Directors- English	06
Report of the Directors - Urdu	07
Statement of Financial Position	08
Statement of Profit & Loss	09
Condensed Interim Statement of Comprehensive Income	10
Condensed Interim Statement of Changes in Equity	11
Condensed Interim Cash Flow Statement	12
Condensed Interim Notes to the Financial Statement	13

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.

Mission

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.

Company Information

BOARD OF DIRECTORS

Mr. Zahid Hussain	Chairman
Mr. M.Yaqoob	Chief Executive Officer
Mr. Peer Bakhsh Soomro	Executive Director
Ms. Lubna Arshad	
Mr. Nauman Hashmi	
Mr. Mujtaba Abbasi	

Note: Approval of the above Directors from SECP is awaited

COMPANY SECRETARY

Muhammad Farooq

EXTERNAL AUDITORS

UHY Hassan Naeem & Co.
Chartered Accountants

LEGAL ADVISORS

Abdul Karim Khan & Co.
Advocates, Legal & Corporate Consultants

TAX CONSULTANTS

UHY Hassan Naeem & Co.
Chartered Accountants

Company Information

REGISTERED & HEAD OFFICE

Block 'B', 5th Floor, Lakson Square No. 3, Sarwar Shaheed Road, Karachi 74200

Tel: 35672649-35660308

Web: www.seclearse.com e-mail: slcl@seclearse.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

DIRECTORS' REVIEW

The directors are pleased to present their report on the un-audited financial statements of the company for the period ended 30 September, 2024. The total assets of the company as of 30 September 2024 are Rs.541.39 million compared to Rs.541.60 million as of 30th June 2024. During the three month period under review the total revenue of the Company were amounted to Rs.4 10 million compared to Rs.3.59 million during the three month period ended 30 September 2023. The Company has after tax profit of 0.820 million in a period under review as compared to after tax Profit of Rs.1.17 million during the three month period ended 30 September 2023. The earning per share as of 30 September 2024 is Rs.0.02 as compared to the earning per share Rs. 0.03 as of 30 September 2023.

The Board of Directors after reviewing the situation afresh has concluded that during the year 2024-25 it will be possible for the company to reduce its institutional indebtedness by making payments to the creditors on the basis of substantial discount in respect of which bulk of the creditors have already agreed in principle for settlement with the company on the basis of substantial discount. your directors are hopeful that with anticipated settlement with the creditors in the coming future the company would show positive trend in the coming periods.

Your directors recognize and appreciate the support of the regulatory authorities and the lending institutions as also the dedicated services rendered by the management and the staff of the Company.

For and on behalf of the Board of Directors



M.Yaqoob

Chief Executive Officer

Karachi: October 28, 2024

ڈائریکٹر کی رپورٹ

آپ کے ڈائریکٹر کی جانب سے 30 ستمبر 2024 کو ختم ہونے والی سہ ماہی کی ان آڈیٹڈ (Un-Audited) مالیاتی دستاویزات حاضر خدمت ہے۔ 30 ستمبر 2024 کو کمپنی کے اثاثوں کی مجموعی مالیت 541.39 ملین روپے ہے۔ جبکہ 30 جون 2024 کو یہ مالیت 541.60 ملین روپے تھی۔ زیر جائزہ مدت کے دوران کمپنی کی آمدنی کی سطح 4.10 ملین روپے رہی جبکہ گزشتہ سال اس مدت میں یہ سطح 3.59 ملین روپے تھی۔ زیر غور مدت میں کمپنی کا بعد از ٹیکس منافع 0.820 ملین روپے رہا جبکہ گزشتہ سال اس مدت میں بعد از ٹیکس منافع 1.17 ملین روپے تھا۔ 30 ستمبر 2024 کو کمپنی کا فی حصص منافع 0.02 روپے رہا جبکہ گزشتہ سال اس مدت میں فی حصص منافع 0.03 روپے تھا۔ کمپنی کے ڈائریکٹر پر امید ہیں کہ 2024-25 کے دوران مالیاتی اداروں سے حاصل کئے گئے قرضوں کو قابل قدر حد تک کم کرنے میں کامیاب ہو جائیں گے کیونکہ اکثر دیندار کمپنی کو ڈسکاؤنٹ دینے پر تیار ہو چکے ہیں۔ ان تمام عوامل کو مدنظر رکھتے ہوئے اس بات کی قوی امید ہے کہ اگلی سہ ماہی کے نتائج آمدنی کی بہتر سطح، ایکویٹی میں اضافہ، فی حصص آمدنی میں اضافہ جیسے مثبت رجحان کی نشاندہی کریں گے۔

بورڈ اپنے سرمایہ کار قرض دہندہ اور ریگولیٹری اتھارٹیز کے اس مشکل وقت میں مسلسل تعاون پر نہایت شکر گزار ہیں۔ ساتھ ساتھ اپنے تمام عملے کی کوششوں اور ان کی لگن جس کی وجہ سے کمپنی کے آپریشن کو اس مشکل وقت میں جاری رکھنا ممکن ہو سکا، ان کے نہایت ممنون ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے اور ان کے لیے

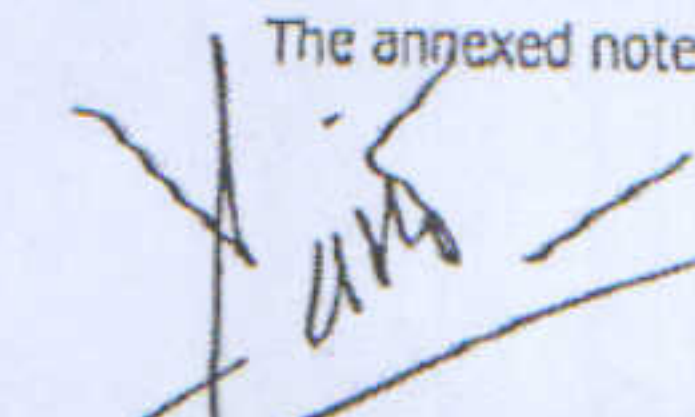

مُحَمَّد يَعْقُوب
چیف ایگزیکٹو آفیسر
28 اکتوبر 2024

SECURITY LEASING CORPORATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2024

	Note	September 2024 Rupees Un-audited	June 2024 Rupees Audited
ASSETS			
Current assets			
Cash and bank balances	5	562,187	696,939
Short term Loan		54,000,000	54,000,000
Advances, prepayments and other receivables		931,249	899,795
Taxation-net		7,905,356	7,351,594
Current maturity of non-current assets	7	92,590,062	92,590,062
Total current assets		155,988,854	155,538,390
Non-current assets			
Long-term deposits		494,500	494,500
Long-term finances	8	-	-
Investment Property		50,508,122	51,165,494
Property and equipment - Restated		81,959	84,953
Deferred tax asset		334,321,868	334,321,869
Total non-current assets		385,406,449	386,066,816
Total assets		541,395,303	541,605,206
LIABILITIES			
Current liabilities			
Accrued and other liabilities		33,367,075	34,397,041
Unclaimed dividend		638,283	638,283
Current maturity of non-current liabilities		460,678,049	460,678,049
Total current liabilities		494,683,407	495,713,373
Non-current liabilities			
Long-term finances	8	-	-
Long-term deposits	9	-	-
Total non-current liabilities		-	-
Total liabilities		494,683,407	495,713,373
NET ASSETS		46,711,896	45,891,833
REPRESENTED BY SHAREHOLDERS' EQUITY			
Share capital and reserve			
Issued, subscribed and paid-up share capital	10	438,027,750	438,027,750
Reserves	11	(412,314,325)	(413,134,388)
Surplus on revaluation of fixed assets		20,998,471	20,998,471
		46,711,896	45,891,833
Total shareholders' equity		46,711,896	45,891,833

CONTINGENCIES AND COMMITMENTS

The annexed notes from 1 to 15 form an integral part of these financial statements.


M. YAQOOB
CHIEF EXECUTIVE OFFICER


MUHAMMAD FAROOQ
CHIEF FINANCIAL OFFICER

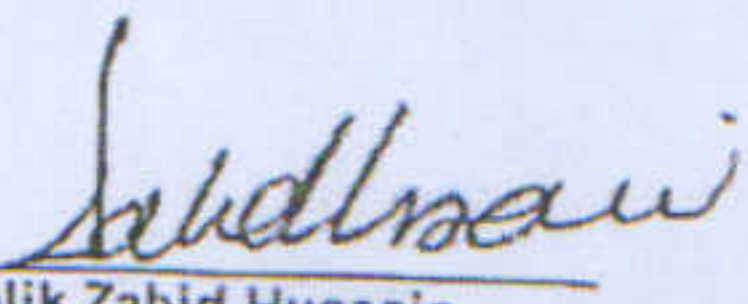

Malik Zahid Hussain
CHAIRMAN

SECURITY LEASING CORPORATION LIMITED
 STATEMENT OF PROFIT OR LOSS
 FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (Un-audited)

	Note	September 2024 Rupees	September 2023 Rupees
REVENUE			
Income from:			
Finance leases		-	-
Other operating income		4,100,748	3,595,364
		<u>4,100,748</u>	<u>3,595,364</u>
Unwinding of financial liability		<u>-</u>	<u>-</u>
		<u>4,100,748</u>	<u>3,595,364</u>
EXPENSES			
Administrative and selling		(3,276,166)	(2,422,789)
Finance costs		(4,519)	(1,378)
		<u>(3,280,685)</u>	<u>(2,424,167)</u>
Operating Profit before Income tax		<u>820,063</u>	<u>1,171,197</u>
Income tax expense			
- current		<u>-</u>	<u>-</u>
(Loss)/Profit for the period		<u>820,063</u>	<u>1,171,197</u>
(Loss)/Earning per share	12	<u>0.02</u>	<u>0.03</u>


 M. YAQOOB
 CHIEF EXECUTIVE OFFICER


 MUHAMMAD FAROOQ
 CHIEF FINANCIAL OFFICER


 Malik Zahid Hussain
 CHAIRMAN

SECURITY LEASING CORPORATION LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (Un-audited)

	September 2024 Rupees	September 2023 Rupees
(Loss)/ Profit for the period	820,063	1,171,197
Total Comprehensive (loss)/income for the period	<u>820,063</u>	<u>1,171,197</u>

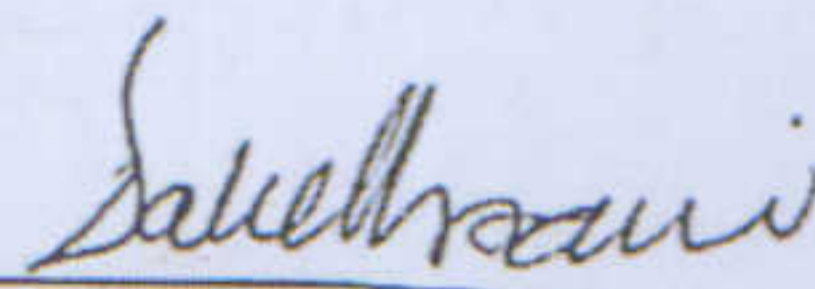
The annexed notes from 1 to 15 form an integral part of these financial statements.



M. YAQOOB
CHIEF EXECUTIVE OFFICER



MUHAMMAD FAROOQ
CHIEF FINANCIAL OFFICER




Malik Zahid Hussain
CHAIRMAN

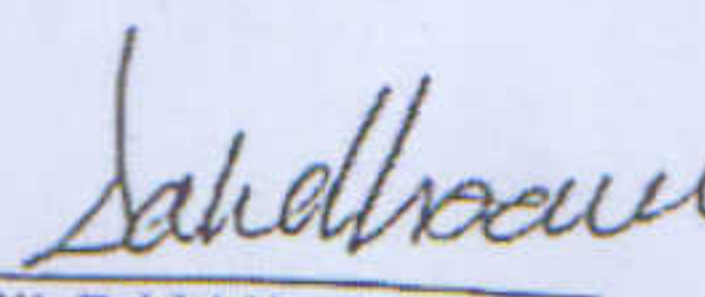
SECURITY LEASING CORPORATION LIMITED
 STATEMENT OF CHANGES IN EQUITY
 FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (Un-audited)

	Share capital	Capital Statutory reserve	Reserves		Total
			Revenue	Surplus on revaluation of Fixed assets	
			Unappropriated profit		
Rupees					
Balance as at June 30, 2023	438,027,750	181,867,005	(610,972,299)	20,998,471	29,920,927
<u>Change in equity for the period ended September 30, 2023</u>					
Profit/(Loss) for the period	-	-	1,171,197	-	1,171,197
Balance as at September 30, 2023	438,027,750	181,867,005	(609,801,102)	20,998,471	31,092,124
<u>Change in equity for the period ended June 30, 2024</u>					
Profit/(Loss) for the year			15,970,906		15,970,906
Balance as at June 30, 2023	438,027,750	181,867,005	(595,001,393)	20,998,471	45,891,833
<u>Change in equity for the period ended September 30, 2024</u>					
Profit/(Loss) for the period			820,063		820,063
Balance as at September 30, 2024	438,027,750	181,867,005	(594,181,330)	20,998,471	46,711,896

The annexed notes from 1 to 15 form an integral part of these financial statements.


 M. YAQOOB
 CHIEF EXECUTIVE OFFICER


 MUHAMMAD FAROOQ
 CHIEF FINANCIAL OFFICER


 Malik Zahid Hussain
 CHAIRMAN

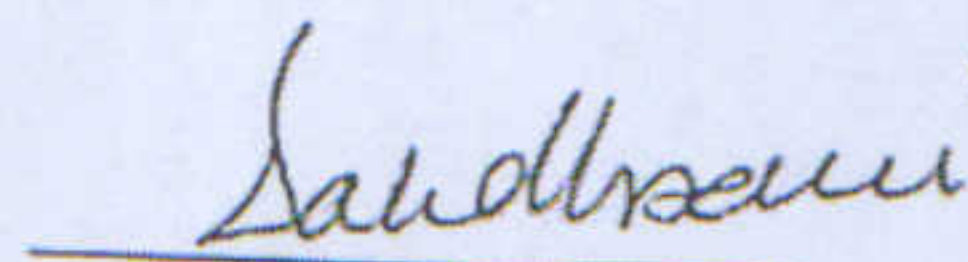
SECURITY LEASING CORPORATION LIMITED
 STATEMENT OF CASH FLOWS
 FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (Un-audited)

	Note	September 2024 Rupees	September 2023 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/Profit before income tax including discontinued operation		820,063	1,171,197
Depreciation		660,368	655,968
Finance costs		4,519	1,378
Unwinding of financial liability/Issue cost of sukuk		-	-
		664,886	657,346
Operating (loss)/profit before working capital changes		1,484,949	1,828,543
Working capital changes			
Decrease in advances, prepayments and other receivables		(31,454)	(2,708)
Decrease in accrued and other liabilities		(1,029,966)	(2,822,744)
		(1,061,420)	(2,825,452)
Cash from operations after working capital changes		423,529	(996,909)
Financial charges paid		(4,519)	(1,378)
Taxes paid		(553,762)	(401,509)
		(558,281)	(402,887)
Net cash from operating activities		(134,752)	(1,399,796)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property and equipment(net)		-	-
Net cash from investing activities		-	-
Net increase in cash and cash equivalents		(134,752)	(1,399,797)
Cash and cash equivalents at beginning of the period		696,939	2,064,959
Cash and cash equivalents at end of the period	5	562,187	665,162

The annexed notes from 1 to 15 form an integral part of these financial statements.


 M. YAQOOB
 CHIEF EXECUTIVE OFFICER


 MUHAMMAD FAROOQ
 CHIEF FINANCIAL OFFICER


 Malik Zahid Hussain
 CHAIRMAN

SECURITY LEASING CORPORATION LIMITED
NOTES TO AND FORMING PART OF THE
FINANCIAL STATEMENTS
FOR THE QUARTER ENDED SEPTEMBER 30, 2024

1. LEGAL STATUS AND NATURE OF BUSINESS

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

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

- 1.2 Net shareholder's equity of the Company as at September 30, 2024 is Rs. 46.71 million (June 2024: Rs. 45.89 million as compared to the minimum equity level of Rs. 50 million).

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.

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 MEASUREMENT

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

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

3. STATEMENT OF COMPLIANCE

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted for the preparation of these quarterly accounts is the same as those applied in the preparation of the preceding annual published accounts of the company for the year ended June 30, 2024.

SECURITY LEASING CORPORATION LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (Un-audited)

	Note	September 2024 Rupees Un-audited	June 2024 Rupees Audited
5 CASH AND BANK BALANCES			
Cash in hand		124,800	-
Balance with State Bank of Pakistan In current account		29,569	29,569
Balances with other banks in:			
-Current accounts		391,334	650,886
-Saving accounts		16,484	16,484
		<u>562,187</u>	<u>696,939</u>
6 CURRENT MATURITY OF NON - CURRENT ASSETS			
Net investments in leases	7	<u>92,590,062</u>	<u>92,590,062</u>
		<u>92,590,062</u>	<u>92,590,062</u>
7 NET INVESTMENT IN LEASES			
Non performing exposure			
Minimum lease payment receivable		240,160,676	240,160,676
Add: Residual value of leased assets		93,979,557	93,979,557
Gross investment in finance lease		334,140,233	334,140,233
Less: Income suspended		(51,225,857)	(51,225,857)
Provision for potential lease and other losses		(190,324,314)	(190,324,314)
Net investment in leases		92,590,062	92,590,062
Less: Current maturity shown under current assets		(92,590,062)	(92,590,062)
		<u>-</u>	<u>-</u>
8 LONG-TERM FINANCES - secured			
Other than related party			
Privately Placed SUKUKs		231,054,635	231,054,635
Long-term loans		135,687,488	135,687,488
		366,742,123	366,742,123
Less: Current maturity due but not paid			
Privately Placed SUKUKs		231,054,635	231,054,635
Long-term loans		135,687,488	135,687,488
		366,742,123	366,742,123
Less: Current maturity shown under current liabilities			
Privately Placed SUKUKs		-	-
Long-term loans		-	-
		<u>366,742,123</u>	<u>366,742,123</u>
		<u>-</u>	<u>-</u>

SECURITY LEASING CORPORATION LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (Un-audited)

	September 2024 Rupees Un-audited	June 2024 Rupees Audited
9 LONG-TERM DEPOSITS		
Security deposits against leases	93,935,926	93,935,926
Less: current maturity of security deposits	<u>93,935,926</u>	<u>93,935,926</u>
	-	-
10 SHARE CAPITAL		
Authorised capital		
75,000,000 (2017: 75,000,000) ordinary shares of Rs. 10 each	750,000,000	750,000,000
50,000,000 (2017: 50,000,000) preference shares of Rs. 10 each	<u>500,000,000</u>	<u>500,000,000</u>
	<u>1,250,000,000</u>	<u>1,250,000,000</u>
Issued, subscribed and paid-up share capital		
22,100,000 (2017: 22,100,000) ordinary shares of Rs. 10 each fully paid in cash	221,000,000	221,000,000
14,200,000 (2017: 14,200,000) ordinary shares of Rs. 10 each issued as fully paid bonus shares	<u>142,000,000</u>	<u>142,000,000</u>
	<u>363,000,000</u>	<u>363,000,000</u>
Preference shares		
7,502,775 preference shares-class A of Rs. 10 each fully paid in cash	<u>75,027,750</u>	<u>75,027,750</u>
	<u>438,027,750</u>	<u>438,027,750</u>
11 RESERVES		
Capital reserve		
Statutory reserves		
Revenue reserve	181,867,005	181,867,005
(Accumulated loss)/Unappropriated profit	<u>(594,181,330)</u>	<u>(595,001,393)</u>
	<u>(412,314,325)</u>	<u>(413,134,388)</u>

SECURITY LEASING CORPORATION LIMITED
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE QUARTER ENDED SEPTEMBER 30, 2024 (Un-audited)

	September 2024 Rupees Un-audited	September 2023 Rupees Un-audited
12 (LOSS)/EARNINGS PER SHARE		
Profit for the period	820,063	1,171,197
Profit attributable to ordinary shareholders-Rupees	<u>820,063</u>	<u>1,171,197</u>
Number of ordinary shares issued and subscribed	<u>36,300,000</u>	<u>36,300,000</u>
Profit per share	<u>0.02</u>	<u>0.03</u>

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

	September 2024 Rupees Un-audited	September 2023 Rupees Un-audited
13 CASH & CASH EQUIVALENTS		
Cash & bank	<u>562,187</u>	<u>665,162</u>
	<u>562,187</u>	<u>665,162</u>

14 DATE OF AUTHORIZATION


These financial statements were authorized for issue on October 28, 2024 by the Board of Directors of the Company.

15 GENERAL

Figures have been rounded-off to nearest rupees.



 M. YAQOOB
 CHIEF EXECUTIVE OFFICER



 MUHAMMAD FAROOQ
 CHIEF FINANCIAL OFFICER



 Malik Zahid Hussain
 CHAIRMAN