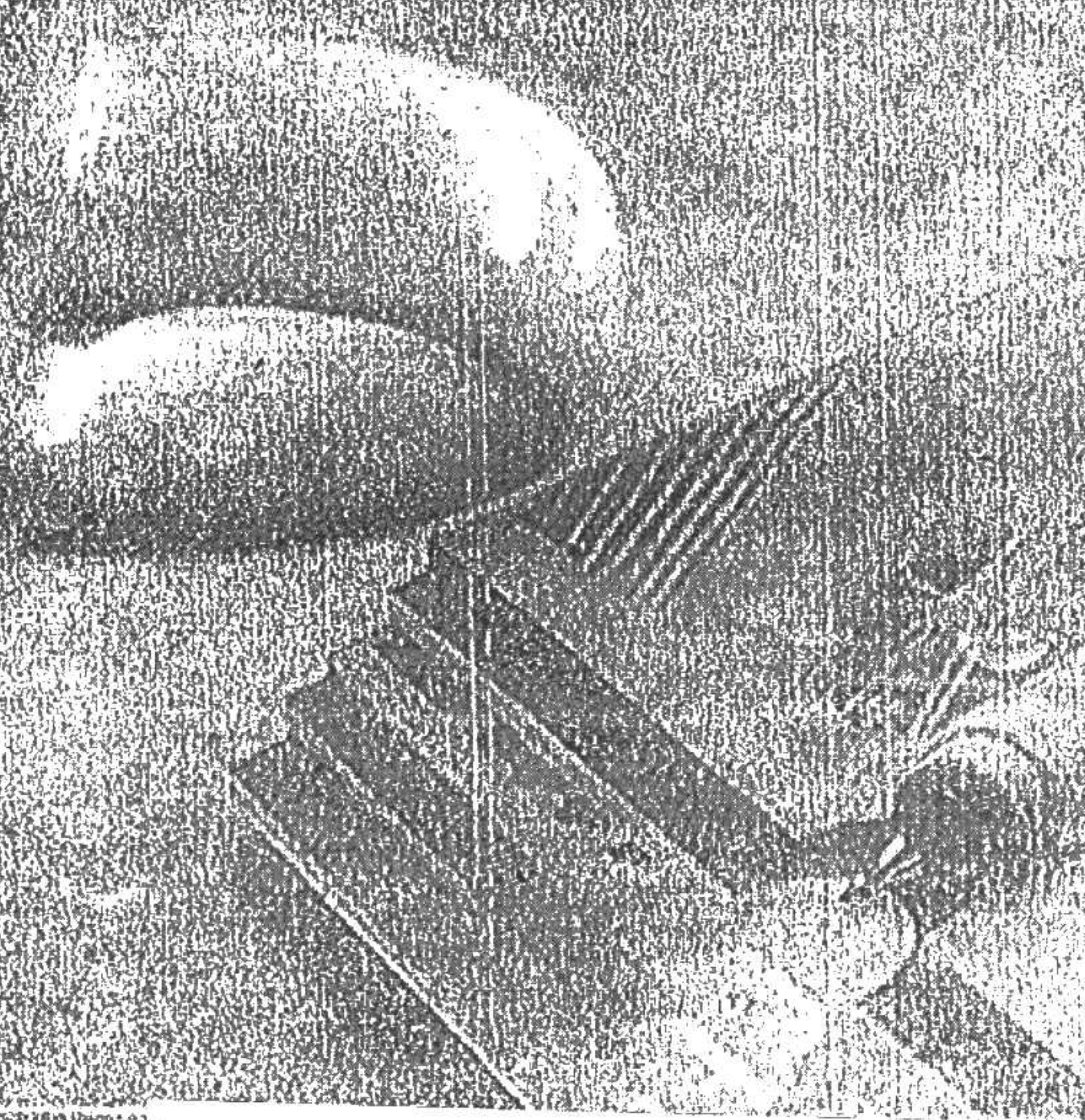
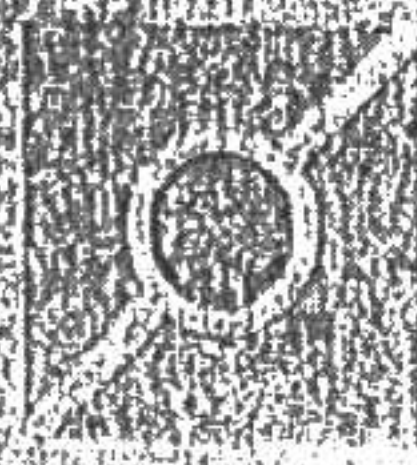


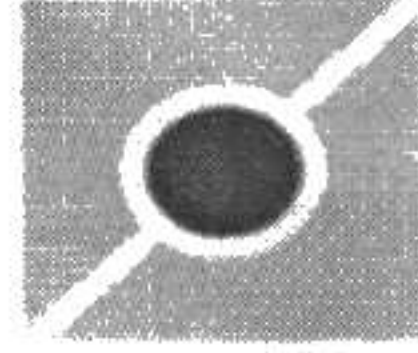
Security Leasing
Corporation Limited



QUARTERLY REPORT
MARCH, 2023



Security Leasing
Corporation Limited



**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.



**Security Leasing
Corporation Limited**

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

COMPANY SECRETARY

Muhammad Farooq

EXTERNAL AUDITORS

UHY Hassan Naeem & Co
Chartered Accountants

LEGAL ADVISORS

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

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

DIRECTORS' REVIEW

The directors are pleased to present their report on the un-audited financial statements of the company for the period ended March 31, 2023. The total assets of the company as of 31 March 2023 are Rs.620.21 million compared to Rs.620.458 million as of 30th June 2022. During the Nine month period under review the total revenue of the Company were amounted to Rs. 9.56 million compared to Rs.7.64 million during the Nine month period ended 31 March 2022. The Company has after tax profit of 1.599 million in a period under review as compared to after tax loss of Rs.1.335 million during the Nine month period ended 31 March 2022. The earning per share as of 31 March 2023 is Rs.0.04 as compared to the loss per share Rs. (0.04) as of 31 March 2022.

The Board of Directors after reviewing the situation afresh has concluded that during the year 2022-23 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



Farah Azeem

Chief Executive Officer

Karachi: April 28, 2023

ڈائریکٹر کی رپورٹ

آپ کے ڈائریکٹر کی جانب سے 31 مارچ 2023 کو ختم ہونے والے 09 ماہی کی ان آڈیٹڈ (Un-Audited) مالی دستاویزات حاضر خدمت ہے۔ 31 مارچ 2023 کو کمپنی کے اثاثوں کی مجموعی مالیت 620.21 ملین روپے تھی جبکہ 30 جون 2022 کو یہ مالیت 620.458 ملین روپے تھی۔ زیر جائزہ مدت کے دوران کمپنی کی آمدنی کی سطح 9.56 ملین روپے رہی جبکہ گزشتہ سال اس مدت میں یہ سطح 7.64 ملین روپے تھی۔ زیر غور مدت میں کمپنی کا بعد از ٹیکس منافع 1.599 ملین روپے رہا جبکہ گزشتہ سال اسی مدت میں بعد از ٹیکس خسارہ 1.335 ملین روپے تھا۔

31 مارچ 2023 کو کمپنی کافی حصص منافع 0.04 روپے رہا جبکہ گزشتہ سال اس مدت میں فی حصص خسارہ (0.04) روپے تھا۔ کمپنی کے ڈائریکٹر مالیاتی اداروں سے حاصل کئے گئے قرضوں کو کم کرنے کی ہر ممکن کوشش کر رہے ہیں اکثر دیندار کمپنی کو ڈسکاؤنٹ دینے پر تیار ہو چکے ہیں ان تمام عوامل کو مد نظر رکھتے ہوئے اس بات کی قوی امید ہے کہ اگلی سہ ماہی کے نتائج آمدنی کی بہتر سطح ایکوٹی میں اضافہ فی حصص آمدنی میں اضافہ جیسے مثبت رجحان کی نشاندہی کریں گے۔ بورڈ اپنے سرمایہ کاروں 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 حالت میں جاری رکھنا ممکن ہو سکا نہایت ممنون ہیں۔ بورڈ آف ڈائریکٹرز کی جانب سے اور ان کے لئے۔

فرح عظیم

چیف ایگزیکٹو آفیسر


28 اپریل 2023

SECURITY LEASING CORPORATION LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

	Note	Un-audited 31 March 2023 Rupees	Audited 30 June 2022 Rupees
ASSETS			
Current assets			
Cash and bank balances	5	1,184,894	332,114
Short term loan		54,000,000	54,000,000
Advances, prepayments and other receivables		886,274	908,163
Taxation-net		8,530,425	7,637,904
Current maturity of non-current assets	6	166,350,452	166,350,452
Total current assets		230,952,045	229,228,633
Non-current assets			
Net investment in finance leases	7	-	-
Long-term deposits		494,500	494,500
Property and equipment	8	337	337
Investment Property		54,445,434	56,413,338
Deferred tax asset	9	334,321,869	334,321,869
Total non-current assets		389,262,140	391,230,044
Total assets		620,214,185	620,458,677
LIABILITIES			
Current liabilities			
Accrued and other liabilities		85,430,617	87,274,956
Unclaimed dividend		638,283	638,283
Current maturity of non-current liabilities	10	481,584,924	481,584,924
Total current liabilities		567,653,824	569,498,163
Non-current liabilities			
Long -term finances	11	-	-
Long-term deposits		-	-
Total non-current liabilities		-	-
Total liabilities		567,653,824	569,498,163
NET ASSETS		52,560,361	50,960,514
REPRESENTED BY SHAREHOLDERS' EQUITY			
Share capital and reserve			
Issued, subscribed and paid-up share capital	12	438,027,750	438,027,750
Reserves	13	(406,465,860)	(408,065,707)
Surplus on revaluation of fixed assets		20,998,471	20,998,471
Total shareholders' equity		52,560,361	50,960,514
CONTINGENCIES AND COMMITMENTS			
	14		

The annexed notes from 1 to 17 form an integral part of these financial statements.


FARAH AZEEM
CHIEF EXECUTIVE OFFICER


MUHAMMAD FAROOQ
CHIEF FINANCIAL OFFICER


M. RIAZ KHOKHAR
CHAIRMAN

SECURITY LEASING CORPORATION LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

		Nine Month Ended		Quarter ended	
	Note	March 31, 2023 Rupees	March 31, 2022 Rupees	March 31, 2023 Rupees	March 31, 2022 Rupees
REVENUE					
Income from:					
Finance leases		-	-	-	-
Other operating income		<u>9,559,947</u>	<u>7,639,162</u>	<u>2,776,273</u>	<u>2,682,153</u>
		9,559,947	7,639,162	2,776,273	2,682,153
Unwinding of financial liability		-	(1,314,775)	-	(2,629,551)
		<u>9,559,947</u>	<u>6,324,387</u>	<u>2,776,273</u>	<u>52,602</u>
EXPENSES					
Administrative and selling		<u>7,856,560</u>	<u>6,893,968</u>	<u>2,453,782</u>	<u>2,132,312</u>
Finance costs		<u>3,207</u>	<u>20,185</u>	<u>932</u>	<u>3,218</u>
		<u>7,859,767</u>	<u>6,914,153</u>	<u>2,454,714</u>	<u>2,135,530</u>
Operating (Loss)/Profit before Income tax		1,700,180	(589,766)	321,559	(2,082,928)
Income tax expense					
- current		<u>(100,333)</u>	<u>(745,259)</u>	<u>-</u>	<u>(401,065)</u>
		<u>(100,333)</u>	<u>(745,259)</u>	<u>-</u>	<u>(401,065)</u>
Profit / (Loss) for the period		<u>1,599,847</u>	<u>(1,335,025)</u>	<u>321,559</u>	<u>(2,483,993)</u>
Profit / (Loss) per share	15	<u>0.04</u>	<u>(0.04)</u>	<u>0.01</u>	<u>(0.07)</u>

The annexed notes from 1 to 17 form an integral part of these financial statements.


 FARAH AZEEM
 CHIEF EXECUTIVE OFFICER


 MUHAMMAD FAROOQ
 CHIEF FINANCIAL OFFICER



 M. RIAZ KHOKHAR
 CHAIRMAN

SECURITY LEASING CORPORATION LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

	Nine Month Ended		Quarter ended	
	March 31, 2023 Rupees	March 31, 2022 Rupees	March 31, 2023 Rupees	March 31, 2022 Rupees
Loss for the year	1,599,847	(1,335,025)	321,559	(2,483,993)
Other comprehensive income	-	-	-	-
Total Comprehensive loss for the year	1,599,847	(1,335,025)	321,559	(2,483,993)

The annexed notes from 1 to 17 form an integral part of these financial statements.



 FARAH AZEEM
 CHIEF EXECUTIVE OFFICER


 MUHAMMAD FAROOQ
 CHIEF FINANCIAL OFFICER


 M. RIAZ KHOKHAR
 CHAIRMAN

SECURITY LEASING CORPORATION LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

	Share capital	Capital	Reserves	Surplus on revaluation of Fixed Assets	Total
		Statutory reserve	Revenue		
Balance as at June 30, 2021	<u>438,027,750</u>	<u>181,867,005</u>	<u>(581,183,834)</u>	<u>20,998,471</u>	<u>59,709,392</u>
<u>Change in equity for the period ended March 31, 2022</u>					
Loss for the period			1,599,847		1,599,847
Balance as at March 31, 2021	<u>438,027,750</u>	<u>181,867,005</u>	<u>(579,583,987)</u>	<u>20,998,471</u>	<u>61,309,239</u>
<u>Change in equity for the year ended June 30, 2022</u>					
Loss for the year			(8,748,878)		(8,748,878)
Balance as at June 30, 2022	<u>438,027,750</u>	<u>181,867,005</u>	<u>(589,932,712)</u>	<u>20,998,471</u>	<u>50,960,514</u>
<u>Change in equity for the period ended March 31, 2023</u>					
Loss for the period			1,599,847		1,599,847
Balance as at March 31, 2023	<u>438,027,750</u>	<u>181,867,005</u>	<u>(588,332,865)</u>	<u>20,998,471</u>	<u>52,560,361</u>


FARAH AZEEM
CHIEF EXECUTIVE OFFICER



MUHAMMAD FAROOQ
CHIEF FINANCIAL OFFICER


M. RIAZ KHOKHAR
CHAIRMAN

SECURITY LEASING CORPORATION LIMITED
CONDENSED INTERIM CASH FLOWS STATEMENT
FOR THE PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

	Note	March 31, 2023 Rupees	March 31, 2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before income tax including discontinued operation		1,700,180	(589,766)
Depreciation		1,967,903	1,967,904
Finance costs		3,207	20,185
Unwinding of financial liability/issue cost of sukuk		-	1,329,652
		<u>1,971,110</u>	<u>3,317,741</u>
Operating loss before working capital changes		3,671,290	2,727,975
Working capital changes			
(Increase)in advances, prepayments and other receivables		21,889	52,388
(Decrease) / Increase in accrued and other liabilities		(1,844,338)	(846,117)
		<u>(1,822,449)</u>	<u>(793,729)</u>
Cash from operations after working capital changes		1,848,841	1,934,246
Financial charges paid		(3,207)	(20,185)
Taxes paid		(992,854)	(1,356,631)
		<u>(996,061)</u>	<u>(1,376,816)</u>
Net cash from operating activities		852,780	557,430
CASH FLOWS FROM INVESTING ACTIVITIES			
Long term deposits		-	-
Net cash from investing activities		-	-
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term finances		-	-
Net cash used in financing activities		-	-
Net increase in cash and cash equivalents		852,780	557,430
Cash and cash equivalents at beginning of the year		332,114	388,066
Cash and cash equivalents at end of the year	16	<u>1,184,894</u>	<u>945,496</u>


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 PERIOD ENDED MARCH 31, 2023

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 Exchanges.

- 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 funding.

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 measure, the Company also taking drastic steps to reduce the administrative costs.

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 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, 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 Ordinance, 1984. Wherever, the requirements of the Ordinance, 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 half yearly accounts are the same as those applied in the preparation of the preceding annual published accounts of the company for the year ended June 30, 2022.

SECURITY LEASING CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

	Note	Un-audited March 31, 2023 Rupees	Audited June 30, 2022 Rupees
8 PROPERTY AND EQUIPMENT			
Property and equipment - owned		<u>337</u>	<u>337</u>
		<u>337</u>	<u>337</u>
Opening WDV of property and equipment		<u>31,580,560</u>	32,525,028
Disposals/ transfers made at WDV		-	(944,468)
		<u>31,580,560</u>	31,580,560
ACCUMULATED DEPRECIATION			
Opening		<u>31,580,223</u>	32,524,638
On disposal		-	(944,415)
		<u>31,580,223</u>	31,580,223
Closing WDV of property and equipment		<u>337</u>	<u>337</u>
INVESTMENT PROPERTY			
COST			
Opening		<u>104,955,000</u>	104,955,000
Addition		-	-
Transferred from owned property		-	-
		<u>104,955,000</u>	104,955,000
ACCUMULATED DEPRECIATION			
Opening		<u>48,541,662</u>	45,917,785
Charge for the year / period		<u>1,967,904</u>	2,623,877
Transferred from owned property		-	-
		<u>50,509,566</u>	48,541,662
CARRYING VALUE		<u>54,445,434</u>	<u>59,037,210</u>
RATE (%)		<u>2.50%</u>	<u>2.50%</u>
9 DEFERRED TAX ASSET		<u>334,321,869</u>	<u>334,321,869</u>
Amount shown in deferred taxation represents balances as at June 30, 2019. No further deferred tax has been recognized during the period and shall be recorded in annual financial statements, if applicable.			
10 CURRENT MATURITY OF NON- CURRENT LIABILITIES			
Long term finances	11	<u>383,178,998</u>	383,178,998
Long term deposits		<u>98,405,926</u>	98,405,926
		<u>481,584,924</u>	<u>481,584,924</u>
11 LONG-TERM FINANCES - secured			
Other than related party			
Privately Placed SUKUKs		<u>231,054,635</u>	231,054,635
Long-term loans		<u>152,124,363</u>	152,124,363
		<u>383,178,998</u>	383,178,998
Transfer to liabilities directly associated with the assets held for sale		-	-
		<u>383,178,998</u>	383,178,998
Less: Current maturity due but not paid			
Privately Placed SUKUKs		<u>205,664,063</u>	205,664,063
Long-term loans		<u>137,870,860</u>	137,870,860
		<u>343,534,923</u>	343,534,923
Less: Current maturity shown under current liabilities			
Privately Placed SUKUKs		<u>23,493,713</u>	23,493,713
Long-term loans		<u>16,150,362</u>	16,150,362
		<u>39,644,075</u>	39,644,075
Current maturity of long term finance		<u>383,178,998</u>	383,178,998
		-	-

SECURITY LEASING CORPORATION LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2023 (UN-AUDITED)

12 SHARE CAPITAL

	Un-audited March 31, 2023 Rupees	Audited June 2022 Rupees
Authorised capital		
75,000,000 (30 June 2020: 75,000,000) ordinary shares of Rs. 10 each	750,000,000	750,000,000
50,000,000 (30 June 2020: 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 (30 June 2020: 22,100,000) ordinary shares of Rs. 10 each fully paid in cash	221,000,000	221,000,000
14,200,000 (30 June 2020: 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 (30 June 2020: 7,502,775) preference shares-class A of Rs. 10 each fully paid in cash	75,027,750	75,027,750
	<u>438,027,750</u>	<u>438,027,750</u>

13 RESERVES

Capital reserve		
Statutory reserves	181,867,005	181,867,005
Revenue reserve		
Accumulated loss	(588,332,865)	(589,932,712)
	<u>(406,465,860)</u>	<u>(408,065,707)</u>

14 CONTINGENCIES AND COMMITMENTS

Commitments for lease disbursements	-	-
-------------------------------------	---	---

15 (LOSS)/EARNINGS PER SHARE - Basic and diluted

	Nine Month Ended		Quarter ended	
	March 31, 2023 Rupees	March 31, 2022 Rupees	March 31, 2023 Rupees	March 31, 2022 Rupees
Loss attributable to ordinary Shareholders	1,599,847	(1,335,025)	321,559	(2,483,993)
Number of ordinary shares issued and subscribed	36,300,000	36,300,000	36,300,000	36,300,000
Loss per share-Rupees	0.04	(0.04)	0.01	(0.07)

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

16 CASH AND CASH EQUIVALENTS


	Note	Un-audited March 31, 2023 Rupees	Un-audited March 31, 2022 Rupees
Balances with banks	5	1,184,894	945,496
		<u>1,184,894</u>	<u>945,496</u>

17 DATE OF AUTHORIZATION

These financial statements were authorized for issue on April 28, 2023 by the Board of Directors of the Company.


FARAH AZEEM
CHIEF EXECUTIVE OFFICER


MUHAMMAD FAROOQ
CHIEF FINANCIAL OFFICER


M. RIAZ KHOKHAR
CHAIRMAN