

**Security Leasing
Corporation Limited**

Half Yearly

Report

December 31, 2018



**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. M R Khan	Chairman
Ms. Farah Azeem	Chief Executive Officer
Mr. Muhammad Riaz Khokhar	Director
Mr. Javed Haleem	Director
Mr. Azim Azfar	Director
Mr. Sharif Khawaja	Director
Mr. Ghulam Raza Dahraj	Director
Mr. Abdul Ghafoor	Director

AUDIT COMMITTEE

Mr. Muhammad Riaz Khokhar	Chairman
Mr. Azim Azfar	Member
Mr. Sharif Khawaja	Member
Mr. Ghulam Raza Dahraj	Member

EXECUTIVE COMMITTEE

Mr. M R Khan	Chairman
Ms. Farah Azeem	Chief Executive Officer
Mr. Muhammad Riaz Khokhar	Member
Mr. Abdul Ghafoor	Member
Mr. Azim Azfar	Member
Mr. Javed Haleem	Member
Mr. Ghulam Raza Dahraj	Member

HR & COMPENSATION COMMITTEE

Mr. Abdul Ghafoor	Chairman
Mr. Javed Haleem	Member
Mr. Ghulam Raza Dahraj	Member
Ms. Farah Azeem	Chief Executive Officer

COMPANY SECRETARY

Muhammad Farooq

EXTERNAL AUDITORS

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

INTERNAL AUDITORS

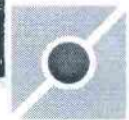
UHY Hassan Naeem & Co.
Chartered Accountants

LEGAL ADVISORS

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

TAX CONSULTANTS

UHY Hassan Naeem & Co.
Chartered Accountants



Company Information

REGISTERED & HEAD OFFICE

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

BRANCH

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

SHARE REGISTRAR

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

DIRECTORS' REVIEW

The directors are pleased to present their report on the unaudited financial statements of the company for the Half year ended December 31st, 2018. The total assets of the company as of 31st December 2018 were Rs. 661.98 million compared to Rs.685.87 million as of 30th June 2018. This was mainly due to the reduction in company's portfolio. During the Half Year under review the total revenue amounted to Rs.4.87 million compared to Rs.8.14 million during the Half Year ended 31st December 2017. The company had loss after tax of Rs.12.87 million during the period under review compared to Rs.46.85 million during the Half Year ended 31st December 2017. The loss per share as of 31st December 2018 was 0.35 compared to Rs.1.29 as of 31st December 2017.

The company's income level remained under pressure due to continued reduction in its portfolio. However 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.

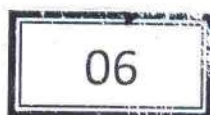
For and on behalf of the Board of Directors



Farah Azeem

Chief Executive Officer

Karachi: February 20,2019



ڈائیکٹر زکی رپورٹ

آپ کے ڈائریکٹر 31 ستمبر 2018 کو ختم ہونے والی ششماہی کی ان اوڈیٹڈ (Un-audited) مالی دستاویزات پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔ 31 دسمبر 2018 کو کمپنی کے اثاثوں کی مجموعی مالیت 661.98 ملین روپے تھی جب کہ 30 جون 2018 کو یہ مالیت 685.87 ملین روپے تھی اس کی وجہ کمپنی کی موجودہ پورٹ فولیو میں کمی ہے۔ زیر جائزہ مدت کے دوران کمپنی کی آمدنی کی سطح 4.87 ملین رہی جب کہ گزشتہ سال اس مدت میں یہ سطح 8.14 ملین تھی۔ زیر غور مدت میں کمپنی کا بعد از ٹیکس خسارہ 12.87 ملین روپے رہا جب کہ گزشتہ سال اسی مدت میں بعد از ٹیکس خسارہ 46.85 ملین تھا 31 دسمبر 2018 کو کمپنی کافی حصص نقصان 0.35 روپے رہا جب کہ گزشتہ سال اس مدت میں فی حصص خسارہ 1.29 روپے تھا۔

زیر غور مدت میں آمدنی کی سطح کم رہی تاہم آپ کے ڈائریکٹر نے کمپنی کے اثاثوں کے بہتر استعمال اور قرض خواہوں سے وصولی کے عمل کو تیز کرنے کے لیے نئے خطوط پر کام شروع کیا ہے ساتھ ہی ساتھ کمپنی کو چلانے کی انتظامی لاگت میں بھی نمایاں کمی کی گئی ہے تاکہ آمدنی کی سطح کو بڑھایا جاسکے۔

ان تمام عوامل کو مد نظر رکھتے ہوئے اس بات کی قوی امید ہے کہ اگلی ششماہی کے نتائج آمدنی کی بہتر سطح، ایکوٹی میں اضافہ فی حصص آمدنی میں اضافہ جیسے مثبت رجحان کی نشاندہی کریں گے۔

بورڈ اپنے سرمایہ کار فرض 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 ان مشکل حالات میں جاری رکھنا ممکن ہو سکا نہایت ممنون ہیں۔

بورڈ آف ڈائریکٹر زکی جانب سے اور ان کے لیے۔

فرح عظیم



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

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INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF SECURITY LEASING CORPORATION LIMITED

Introduction

We have reviewed the accompanying condensed interim statement of financial position of **Security Leasing Corporation Limited** as at December 31, 2018 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, condensed interim cash flow statement and notes to the accounts for the six months period ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for adverse conclusion

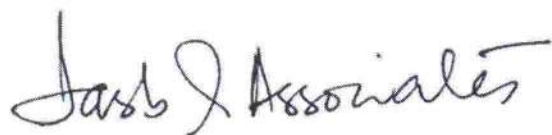
- a) As described in Note 1.2 to the interim financial information, the financial information has been prepared on going concern basis. The Company has incurred a loss of Rs.12.878 million in the current interim period (2017: Rs. 46.858 million). As at interim balance sheet date, accumulated loss of the company was Rs. 509.870 million (June 30, 2018: Rs. 497.454 million) as against the issued, subscribed and paid up capital of Rs. 438.027 million (June 30, 2018: Rs. 438.027 million) and current liabilities of the company exceed its current assets by Rs. 220.706 million (June 30, 2018: Rs. 184.071 million). The Company is, therefore, facing operational and financial problems. There is no sufficient appropriate audit evidence that the management's plans are feasible and ultimate outcome will improve the Company's current situation. The going concern assumption used in the preparation of this interim financial information is inappropriate; therefore, the Company may not be able to realize its assets and discharge its liabilities in the normal course of business.
- b) The Company has recorded deferred tax asset of Rs. 334.322 million (June 30, 2018: 334.322 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, there is no sufficient appropriate audit evidence that the management's plans are feasible and ultimate outcome will improve the Company's current situation as discussed in (a) above, therefore, sufficient future taxable profits will not be available against which deferred tax asset could be utilized.

Further, deferred tax asset should be de-recognized. Had the deferred tax asset been-recognized,

Conclusion

Our Review indicates that, because of the significant matters stated in proceeding paragraphs, this accompanying interim financial information as of and for the half year ended December 31, 2018 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

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

A handwritten signature in black ink that reads "Jash & Associates". The signature is written in a cursive, flowing style.**Chartered Accountants**

Karachi

Dated: February 20, 2019

SECURITY LEASING CORPORATION LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

		Un-audited 31 December 2018	Audited 30 June 2018
		------(Rupees')-----	
	Note		
ASSETS			
Current assets			
Cash and bank balances	5	927,507	3,340,121
Short term finances		54,000,000	54,000,000
Advances, prepayments and other receivables		1,272,096	1,192,987
Taxation-net		7,236,465	6,494,261
Current maturity of non-current assets	6	183,591,447	203,532,424
Total current assets		247,027,515	268,559,793
Non-current assets			
Net investment in finance leases	7	14,507,892	15,541,259
Long-term deposits		504,500	504,500
Property and equipment	8	65,619,618	66,952,302
Deferred tax asset	9	334,321,869	334,321,869
Total non-current assets		414,953,879	417,319,930
TOTAL ASSETS		661,981,394	685,879,723
LIABILITIES			
Current liabilities			
Accrued and other liabilities		78,802,663	80,169,061
Current maturity of non-current liabilities	10	388,931,231	372,461,849
Total current liabilities		467,733,894	452,630,910
Non-current liabilities			
Long-term finances	11	62,340,900	88,383,407
Long-term deposits		-	80,008
Total non-current liabilities		62,340,900	88,463,415
TOTAL LIABILITIES		530,074,794	541,094,325
NET ASSETS		131,906,600	144,785,398
REPRESENTED BY SHAREHOLDERS' EQUITY			
Share capital and reserve			
Issued, subscribed and paid-up share capital	12	438,027,750	438,027,750
Reserves	13	(328,001,664)	(315,587,451)
		110,026,086	122,440,299
Surplus on revaluation of fixed assets		21,880,515	22,345,099
Total shareholders' equity		131,906,600	144,785,398
CONTINGENCIES AND COMMITMENTS	14		

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


CHAIRMAN

SECURITY LEASING CORPORATION LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE PERIOD ENDED DECEMBER 31, 2018 (UN-AUDITED)

	Half Year Ended		Quarter Ended	
	December 31	December 31	December 31	December 31
	2018	2017	2018	2017
	----- (Rupees) -----		----- (Rupees) -----	
Note				
REVENUE				
Income from:				
Finance lease Contracts	87,196	3,717,342	8,863	3,600,685
Other operating income	4,788,684	4,428,033	2,388,602	2,204,451
	<u>4,875,880</u>	<u>8,145,375</u>	<u>2,397,465</u>	<u>5,805,136</u>
Unwinding of financial liability	(9,624,424)	(15,138,590)	(4,673,007)	(7,365,073)
	<u>(9,624,424)</u>	<u>(15,138,590)</u>	<u>(4,673,007)</u>	<u>(7,365,073)</u>
	<u>(4,748,544)</u>	<u>(6,993,215)</u>	<u>(2,275,542)</u>	<u>(1,559,937)</u>
EXPENSES				
Administrative and selling	7,451,393	13,613,074	2,946,904	7,695,691
Finance costs	661,861	197,973	589,195	103,593
Provision & Write-offs	-	25,988,384	-	4,291,844
	<u>8,113,254</u>	<u>39,799,431</u>	<u>3,536,099</u>	<u>12,091,128</u>
Operating Loss before Income tax	<u>(12,861,798)</u>	<u>(46,792,646)</u>	<u>(5,811,641)</u>	<u>(13,651,065)</u>
Income tax expense				
- current	(17,000)	(66,000)	-	(33,000)
	<u>(17,000)</u>	<u>(66,000)</u>	<u>-</u>	<u>(33,000)</u>
Loss for the period	<u>(12,878,798)</u>	<u>(46,858,646)</u>	<u>(5,811,641)</u>	<u>(13,684,065)</u>
Loss per share	15 <u>(0.35)</u>	<u>(1.29)</u>	<u>(0.16)</u>	<u>(0.38)</u>

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


CHAIRMAN

SECURITY LEASING CORPORATION LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED DECEMBER 31, 2018 (UN-AUDITED)

	Half Year Ended		Quarter Ended	
	December 31	December 31	December 31	December 31
	2018	2017	2018	2017
	----- (Rupees) -----		----- (Rupees) -----	
Loss for the year	(12,878,798)	(46,858,646)	(5,811,641)	(13,684,065)
Other comprehensive income				
Surplus on revaluation of property	464,585	1,802,664	232,292	901,333
Other comprehensive income for the year	464,585	1,802,664	232,292	901,333
Total Comprehensive loss for the year	<u>(12,414,213)</u>	<u>(45,055,982)</u>	<u>(5,579,349)</u>	<u>(12,782,732)</u>

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



CHIEF EXECUTIVE OFFICER



CHIEF FINANCIAL OFFICER



CHAIRMAN

SECURITY LEASING CORPORATION LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD ENDED DECEMBER 31, 2018 (UN-AUDITED)

	----- Reserves -----			
	Capital		Revenue	
	Share Capital	Statutory reserve	Unappropriated profit	Total
Balance as at June 30, 2017	438,027,750	181,867,005	(527,202,471)	92,692,282
Change in equity for the year ended December 31, 2017				
Transferred from surplus on revaluation of fixed assets - incremental depreciation (net of tax)	-	-	1,657,081	1,657,081
Net income recognised directly in equity	-	-	1,657,081	1,657,081
Loss for the year	-	-	(46,858,646)	(46,858,646)
Total recognised expense for the period	-	-	(45,201,565)	(45,201,565)
Balance as at December 31, 2017	<u>438,027,750</u>	<u>181,867,005</u>	<u>(572,404,040)</u>	<u>47,490,717</u>

Change in equity for the year ended June 30, 2018

Transferred from surplus on revaluation of fixed assets - incremental depreciation (net of tax)	-	-	3,748,189	3,748,189
Net income recognised directly in equity	-	-	3,748,189	3,748,189
Profit for the year	-	-	25,999,828	25,999,828
Total recognised expense for the period	-	-	29,748,017	29,748,017
Balance as at June 30, 2018	<u>438,027,750</u>	<u>181,867,005</u>	<u>(497,454,456)</u>	<u>122,440,299</u>

Change in equity for the year ended December 31, 2018

Transferred from surplus on revaluation of fixed assets - incremental depreciation (net of tax)	-	-	464,585	464,585
Net income recognised directly in equity	-	-	464,585	464,585
Loss for the year	-	-	(12,878,798)	(12,878,798)
Total recognised expense for the period	-	-	(12,414,213)	(12,414,213)
Balance as at December 31, 2018	<u>438,027,750</u>	<u>181,867,005</u>	<u>(509,868,669)</u>	<u>110,026,086</u>


 CHIEF EXECUTIVE OFFICER


 CHIEF FINANCIAL OFFICER


 CHAIRMAN

SECURITY LEASING CORPORATION LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED DECEMBER 31, 2018 (UN-AUDITED)


	Un-audited December 31, 2018	Audited December 30, 2017
	----- (Rupees') -----	
	Note	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before income tax including discontinued operation	(12,861,798)	(46,792,646)
Depreciation	1,332,684	4,037,879
Finance costs	661,861	197,973
Unwinding of financial liability /issue cost of sukuk	9,776,867	15,323,590
Provision for potential lease and other losses	-	15,273,063
	11,771,412	34,832,505
Operating (loss) before working capital changes	(1,090,386)	(11,960,141)
Working capital changes		
Decrease in net investment in finance leases	20,974,344	26,390,133
(Increase)/decrease in advances, prepayments and other receivables	(79,109)	286,189
Decrease in deposits from leases	(19,430,000)	(4,375,600)
Decrease in accrued and other liabilities	(1,366,398)	(6,634,971)
	98,837	15,665,751
Cash (used in)/generated from operations after working capital changes	(991,549)	3,705,610
Financial charges paid	(661,861)	(197,973)
Taxes paid	(759,204)	(729,723)
	(1,421,065)	(927,696)
Net cash (used in)/ generated from operating activities	(2,412,614)	2,777,914
CASH FLOWS FROM INVESTING ACTIVITIES	-	-
CASH FLOWS FROM FINANCING ACTIVITIES	-	-
Net (decrease)/increase in cash and cash equivalents	(2,412,614)	2,777,914
Cash and cash equivalents at beginning of the year	3,340,121	4,144,334
Cash and cash equivalents at end of the year	927,507	6,922,248

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


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


CHAIRMAN

SECURITY LEASING CORPORATION LIMITED
NOTES TO AND FORMING PART OF THE
CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2018 (UN-AUDITED)

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

Net shareholder's equity of the Company as at December 31, 2018 is Rs.131.9 million (June 2018: Rs. 144.79 million as compared to the minimum equity level of Rs. 50 million).

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

Mitigating Factors

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

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

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

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

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 are the same as those applied in the preparation of the preceding annual published accounts of the company for the year ended June 30, 2018.

	Un-audited December 31, 2018	Audited June 30, 2018
	------(Rupees')-----	
	Note	
5. CASH AND BANK BALANCES		
Cash in hand	9,403	9,608
Balance with State Bank of Pakistan in current account	31,457	31,457
Balances with other banks in:		
- Current accounts	870,163	3,282,572
- Saving accounts	16,484	16,484
	<u>927,507</u>	<u>3,340,121</u>

6. CURRENT MATURITY OF NON - CURRENT ASSETS

Net investments in leases	7	<u>183,591,447</u>	<u>203,532,424</u>
		<u>183,591,447</u>	<u>203,532,424</u>

				Note	Un-audited December 2018	Audited June 2018
					----- (Rupees') -----	
7. NET INVESTMENT IN FINANCE LEASE						
Net investment in finance leases					198,099,339	219,073,683
Less: current portion of net investment in finance leases					(183,591,447)	(203,532,424)
					<u>14,507,892</u>	<u>15,541,259</u>
	December 2018			June 2018		
	Not Later than one year	Later than one year	Total	Not Later than one year	Later than one year	Total
	----- (Rupees') -----					
Lease rentals receivable	279,742,032	14,509,690	294,251,722	280,385,742	15,462,990	295,848,732
Add: Residual value of leased assets	98,964,659	-	98,964,659	118,314,650	80,009	118,394,659
Gross investment in finance leases	<u>378,706,691</u>	<u>14,509,690</u>	<u>393,216,381</u>	<u>398,700,392</u>	<u>15,542,999</u>	<u>414,243,391</u>
Less:						
Unearned lease income	2,036	-	2,036	52,962	1,740	54,702
Income suspended	52,247,630	1,798	52,249,428	52,249,428	-	52,249,428
	<u>326,457,025</u>	<u>14,507,892</u>	<u>340,964,917</u>	<u>346,398,002</u>	<u>15,541,259</u>	<u>361,939,261</u>
Provision for potential lease losses	142,865,578	-	142,865,578	142,865,578	-	142,865,578
Net investment in leases	<u>183,591,447</u>	<u>14,507,892</u>	<u>198,099,339</u>	<u>203,532,424</u>	<u>15,541,259</u>	<u>219,073,683</u>
	<u>183,591,447</u>	<u>14,507,892</u>	<u>198,099,339</u>	<u>203,532,424</u>	<u>15,541,259</u>	<u>219,073,683</u>

Un-audited December 31, 2018	Audited June 30, 2018
----- (Rupees) -----	

Note

8. PROPERTY AND EQUIPMENT

Property and equipment
-owned

65,619,618	73,636,021
<u>65,619,618</u>	<u>73,636,021</u>

Opening WDV of property and equipment
Additions to property and equipment

66,952,302	73,636,021
-	-
<u>66,952,302</u>	<u>73,636,021</u>

Depreciation charge
Disposals/ transfers made at WDV
Closing WDV of property and equipment

1,332,684	3,542,164
-	3,141,555
<u>65,619,618</u>	<u>66,952,302</u>

8.1 Detail of additions and disposals in operating fixed assets during the period.

	Un-audited 31 December 2018 ----- (Rupees) -----		Audited 30 June 2018 ----- (Rupees) -----	
	Additions	Deletions	Additions	Deletions
Furniture and fixtures	-	-	-	842,714
Computer equipment	-	-	-	852,023
Office equipment	-	-	-	788,342
Generator and A.C	-	-	-	658,476
	-	-	-	3,141,555

Un-audited December 31, 2018	Audited June 30, 2018
----- (Rupees) -----	

9. DEFERRED TAX ASSET

<u>334,321,869</u>	<u>334,321,869</u>
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Amount shown in deferred taxation represents balances as at June 30, 2018. 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
Long term deposits

11	290,010,203	254,190,829
	<u>98,921,028</u>	<u>118,271,020</u>
	<u>388,931,231</u>	<u>372,461,849</u>

	Un-audited December 31, 2018	Audited June 30, 2018
	----- (Rupees') -----	
Note		
11. LONG-TERM FINANCES – secured		
Other than related party		
Privately Placed SUKUKs	211,841,353	205,771,934
Long-term loans	140,509,750	136,802,302
	352,351,103	342,574,236
Less: Current maturity due but not paid		
Privately Placed SUKUKs	137,109,375	121,875,000
Long-term loans	101,847,079	81,262,080
	238,956,454	203,137,080
Less: Current maturity shown under current liabilities		
Privately Placed SUKUKs	30,468,750	30,468,750
Long-term loans	20,584,999	20,584,999
	51,053,749	51,053,749
	290,010,203	254,190,829
	<u>62,340,900</u>	<u>88,383,407</u>
12. SHARE CAPITAL		
Authorised capital		
75,000,000 (30 June 2018: 75,000,000) ordinary shares of Rs.10 each	750,000,000	750,000,000
50,000,000 (30 June 2018: 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 2018: 22,100,000) ordinary shares of Rs.10 each fully paid in cash	221,000,000	221,000,000
14,200,000 (30 June 2018: 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 2018: 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	(509,868,669)	(497,454,456)
	<u>(328,001,664)</u>	<u>(315,587,451)</u>

Un-audited December 31, 2018	Audited June 30, 2018
----- (Rupees') -----	

Note

14. CONTINGENCIES AND COMMITMENTS

Commitments for lease disbursements

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

Loss attributable to ordinary
Shareholders

Half Year Ended		Quarter Ended	
December 31 2018	December 31 2017	December 31 2018	December 31 2017
----- (Rupees') -----		----- (Rupees') -----	

(12,878,798)	(46,858,646)	(5,811,641)	(13,684,065)
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Number of ordinary shares
Issued and subscribed

36,300,000	36,300,000	36,300,000	36,300,000
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Loss per share-Rupees

(0.35)	(1.29)	(0.16)	(0.38)
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(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.

Un-audited December 31, 2018	Audited June 30, 2018
----- (Rupees') -----	

Note

16. CASH AND CASH EQUIVALENTS

Balances with banks

5	927,507	6,922,248
	927,507	6,922,248

17. DATE OF AUTHORIZATION

These financial statements were authorized for issue on February 20, 2019 by the Board of Directors of the Company.


CHIEF EXECUTIVE OFFICER


CHIEF FINANCIAL OFFICER


CHAIRMAN