



**Capital Assets Leasing
Corporation Limited**

25th Annual Report 2017

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CORPORATE INFORMATION

Board of Directors*:	Mr. Asad Nasir Mr. Saad Saeed Faruqui Mr. Shahrukh Saeed Faruqui Mr. Brig (R) Yasub Ali Dogar Mr. Faisal Ismail Mr. Faizan Haider khan Mr. Haider Ali Hilaly	(Chairman) (Chief Executive Officer)
Audit Committee:	Mr. Shahrukh Saeed Faruqui Mr. Asad Nasir Mr. Brig (R) Yasub Ali Dogar Ms. Shomaila Siddiqui	(Chairman) (Member) (Member) (Secretary)
HR & Remuneration Committee:	Mr. Asad Nasir Mr. Saad Saeed Faruqui Mr. Haider Ali Hilaly	
Chief Executive Officer:	Mr. Saad Saeed Faruqui	
CFO & Company Secretary:	Mr. Syed Sajid Nasim	
Head of Internal Audit:	Ms. Shomaila Siddiqui	
Registrar & Share Transfer Office:	Technology Trade (Pvt.) Ltd. Ballotter, Share Registrar & Transfer Agent Dagia House, 241-C, Block-2, P.E.C.H.S, Karachi. Tel: 92(21) 3439 1316-7 & 19, 3438 7960-1 Fax: 92(21) 3439 1318	
Auditors:	Baker Tilly Mehmood, Idrees, Qamar, Chartered Accountants	
Legal Advisor:	Mohsin Tayebaly & Co. Advocates Hosain & Rahim, Advocates & Corporate Counsel	
Bankers:	JS Bank Limited	
Registered Office:	14th Floor, Chapal Plaza, Hasrat Mohani Road, Karachi-74000 Tele: +92 (21) 3243 1181-8 Fax: +92 (21) 3246 5703 E-mail: calcorp@optimus.com.pk Web: www.calcorp.com.pk	

* The approval for appointment of Directors is pending from SECP under NBFC Regulations.

VISION / MISSION STATEMENTS OF CAPITAL ASSETS LEASING CORPORATION LIMITED

VISION STATEMENT

To become a leading Leasing Company by making a sizeable contribution to the development and growth of the Country's economy, by providing financial and technical assistance to our customers, combined with innovative ideas and services, thus enabling the customers and the Company to achieve their objectives.

MISSION STATEMENT

To achieve the role of a leading Leasing Company by delivering quality service at competitive rates to its customers whilst maintaining the highest levels of professionalism, ethical standards and corporate individuality, thereby also rewarding the Shareholders, Employees, and other stakeholders.

NOTICE OF 25th ANNUAL GENERAL MEETING

Notice is hereby given that 25th Annual General Meeting of Capital Assets Leasing Corporation Limited (the "Company") will be held on Saturday 27th October 2018 at 07:15 p.m. at the registered office of the Company, 14th Floor, Chapal Plaza, Hasrat Mohani Road, Karachi to transact the following business:

1. To confirm the minutes of the 9th Extra Ordinary General Meeting held on Saturday, 24th June 2017.
2. To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2017
3. To appoint Auditors for the financial year ending June 30, 2018 and fix their remuneration. The present Auditors, M/s Baker Tilly Mehmood, Idrees, Qamar, Chartered Accountants, retire and being eligible, offer themselves for re-appointment.
4. To transact any other business with the permission of the chair.

Karachi: October 05, 2018

By the Order of the Board
Shomaila Siddiqui
Company Secretary

Notes:

1. The share transfer book of the Company will remain closed from 20th October 2018 to 27th October 2018 (both days inclusive). Transfers received in order by our Shares Registrar, F.D Registrar Services (SMC-PVT) Limited, 17th Floor, Saima Trade Tower-A, I.I Chundrigar Road. Karachi at the close of business on October 19, 2018 will be considered in time to attend and vote at the meeting.
2. Any member of the Company entitled to attend and vote at the Annual General Meeting may appoint another member as his / her proxy to attend and vote instead of him / her. Proxies must be received at the Registered Office of the Company, 14th Floor, Chapal Plaza, Hasrat Mohani Road, Karachi not later than 48 hours before the time of holding the meeting.
3. Members who have deposited their shares into Central Depository Company of Pakistan Limited must bring their original Computerized National Identity Card (CNIC) or Original Passport at the time of attending the meeting. If proxies are granted by such shareholders the same must be accompanied with attested copies of the CNIC or the Passport of the beneficial owners. Additionally, (i) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form; (ii) Attested copies of CNIC or the passport of the proxy shall be furnished with the proxy form; and (iii) The proxy shall produce his/her original CNIC or original passport at the time of the Meeting.
4. In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting. If proxies are granted by such corporate shareholders the same must be accompanied with the Board of Directors' resolution/power of attorney with specimen signatures.
5. Members who have not yet submitted photocopy of their CNIC are requested to send the same to the share Registrar of the Company F.D Registrar Services (SMC-PVT) Limited, 17th Floor, Saima Trade Tower-A, I.I Chundrigar Road. Karachi at the earliest
6. Members are requested to immediately notify the Company of change in their addresses, if any.

DIRECTORS' REPORT

On behalf of the Board of Directors, I am pleased to present the 25th annual report along with the audited accounts of the Capital Assets Leasing Corporation Limited for the year ended June 30th, 2017.

FINANCIAL HIGHLIGHTS

An analysis of the key operating results for year ended June 30, 2017 and comparison with the results of the previous year is summarized below:

	Rupees	
	<u>2017</u>	<u>2016</u>
Total Income	52,507,286	52,640,774
Expenses		
Operating Expenses	(12,165,839)	(9,293,761)
Financial Charges	(8,521,964)	(10,378,620)
Other Charges	-	(659,368)
Total Expenses	<u>(20,687,803)</u>	<u>(20,331,749)</u>
Profit before tax	31,819,483	32,309,025
Taxation	(10,783,228)	(12,425,353)
Profit after taxation	21,036,255	19,883,672
Earnings Per Share	<u>1.96</u>	<u>1.85</u>

REVIEW OF OPERATIONS

The operational profit for the period is Rupees 31.81 Million. Net profit for the year 2017 is Rupees 21.03 million as against Rupees 19.88 million in previous year. In the current year, the company transacted business worth Rupees 52.50 million as compared to Rupees 52.64 million during the corresponding period.

FUTURE OUTLOOK

The Company has also reaffirmed its plan to expand and keen to revive its leasing license. Presently the company has been operating as a Non NBFC and as per new regulations promulgated by Securities and Exchanges Commission of Pakistan through SRO 1160 of 2015, minimum capital requirement has been reduced and the company is now entitled to operate as non-deposit taking leasing company. The management has applied for the leasing license for non-deposit taking leasing company under the new regulations.

DIVIDEND

No dividend has been announced for the current year as management intends to strengthen the equity base, therefore reserves are being accumulated.

BOARD OF DIRECTORS

The board of directors' term completed on June 30, 2017 and Mr. Saad Saeed Faruqui, Mr. Shahrukh Saeed Faruqui, Mr. Asad Nasir, Mr. Brig (R.) Yasub Ali Dogar, Mr. Faisal Ismail, Mr. Faizan Haider Khan and Mr. Haider Ali Hilaly had retired. The Election of directors took place in the Extra Ordinary General Meeting held on June 24th, 2017 where in Mr. Saad Saeed Faruqui, Mr. Shahrukh Saeed Faruqui, Mr. Asad Nasir, Mr. Brig (R.) Yasub Ali Dogar, Mr. Faisal Ismail, Mr. Faizan Haider Khan and Mr. Haider Ali Hilaly were re-elected as directors of the company for the period of 3 years effective from 1st July 2017.

CORPORATE GOVERNANCE

The Board of Directors is committed to uphold the highest standards of Corporate Governance. The company has also implemented the provisions of the Code of Corporate Governance and a review report on compliance with best practices of the Code of Corporate Governance by the statutory auditors is annexed with the annual report.

DIRECTORS DECLARATION

The Directors confirm compliance with the Corporate and Financial Reporting Framework of the Code of Corporate Governance for the following:

- i) The financial statements prepared by the management of the company present fairly its statement of affairs, the results of its operations, comprehensive income, cash flows and changes in equity;
- ii) Proper books of accounts of the company have been maintained;
- iii) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- iv) International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures there from has been adequately disclosed and explained;
- v) The system of internal control is sound in design and has been effectively implemented and monitored;
- vi) There are no significant doubts upon the company's ability to continue as going concern;
- vii) There has been no material departure from the best practice of Corporate Governance as detailed in the Listing Regulations;
- viii) Key operating and other financial data for the last six years in summarized form is included in the Annual Report;

ix) During the current fiscal year, trading in shares of company was made by the following directors:

- | | | |
|----|---------------------------|------------|
| a. | Mr. Junaid Imran | 500 Shares |
| b. | Mr. Muhammad Munzir Latif | 500 Shares |
| c. | Mr. Faizan Haider Khan | 500 Shares |
| d. | Mr. Haider Ali Hilaly | 500 Shares |

x) During the year Four meetings of the Board of Directors were held that were attended as follows:

S. No	Name of Director	Meetings Attended
1	Mr. Asad Nasir	4
2	Mr. Saad Saeed Faruqui	4
3	Mr. Shahrukh Saeed Faruqui	4
4	Mr. Junaid Imran	2
5	Mr. Faisal Ismail	4
6	Mr. MunzirLatif	2
7	Mr. Yasub Ali Dogar	4
8	Mr. Faizan Haider Khan	2
9	Mr. Haider Ali Hilaly	1

Leave of absence was granted to Directors who could not attend the Board meeting.

PARENT COMPANY

Optimus Limited holds 83.95% of the shareholding in the company.

AUDITORS

The present auditors M/s Baker Tilly Mehmood Idrees Qamar Chartered Accountants, retire and being eligible, offer themselves for re-appointment for the year ending June 30, 2018. On the proposal of the Audit Committee, Board recommends the appointment of M/s Baker Tilly Mehmood Idrees Qamar, Chartered Accountants, as statutory auditors of the company for the financial year 2018.

PATTERN OF SHAREHOLDING

The pattern of shareholding of the company as on June 30, 2017 is annexed with this report.

ACKNOWLEDGEMENT

We take this opportunity to place on record our appreciation to the Securities and Exchange Commission of Pakistan, Pakistan Stock Exchange Limited and other regulatory authorities for their continued support and professional guidance, and the shareholders for the trust and confidence reposed in us.

We would also like to place on record, our thanks and appreciation to the staff for their commitment and dedication in running the operations.

For and on behalf of the Board of Directors

Karachi: 31st October, 2017

Saad Saeed Faruqi
Chief Executive Officer

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30TH, 2017

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No.5.19.24 of listing regulations of Pakistan Stock Exchange in Pakistan for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Executive Directors	Mr. Saad Saeed Faruqi
Non-Executive Directors	Mr. Asad Nasir
	Mr. Shahrukh Saeed Faruqi
	Mr. Faisal Ismail
	Mr. Haider Ali Hilaly
	Mr. Faizan Haider Khan
Independent Director	Mr. Brig (R) Yasub Ali Dogar

The Independent director meets the criteria of independence under clause 5.19.1.(b) of the CCG

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. Two casual vacancies occurred on the board on 31st January 2017 & 28th February 2017 were filled up by the directors within 14 days.
5. 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.
6. 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.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.
8. 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 and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The members of the Board are well conversant with the listing regulations, legal requirements and operational imperatives of the Company, and as such are fully aware of their duties and responsibilities. At present, Two Director has acquired the formal Director's Training Certificate from the Pakistan Institute of Corporate Governance (PICG).
10. The board has approved appointment of Head of Internal Audit, including their remuneration and terms and conditions of employment.
11. The directors' report for this year has been prepared in compliance with the requirements of the Code of Corporate Governance (CCG) and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the CCG.
15. The board has formed an Audit Committee. It comprises of three members, who are non-executive directors including the chairman of the committee.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed an HR and Remuneration Committee. It comprises of three members, of whom two are non-executive directors including the chairman of the committee.
18. The board has set up an effective internal audit function.
19. 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, 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.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. The company has complied with the requirements relating to maintenance of register of person having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the CCG have been complied with, except those which are not yet applicable.

Chief Executive Officer

Chairman

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance ("the Code") prepared by the Board of Directors of CAPITAL ASSET LEASING CORPORATION LIMITED ("the Company") for the year ended June 30, 2017 to comply with the requirements of Listing Regulations of Pakistan Stock Exchange where the Company is listed.

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

As part of our audit of 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 Code requires 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's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

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, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2017.

Engagement Partner: Muhammad Aqeel Ashraf Tabani

Karachi: 31st October, 2017

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **CAPITAL ASSET LEASING CORPORATION LIMITED** as at June 30, 2017 and the related profit and loss account, statement of other comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, (here-in-after referred to as the financial statements) for the year then ended 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 our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance;
- b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company.
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss accounts, statement of other comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standard as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2017, and of the profit, its cash flow and changes in equity for the year then ended; and
- d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Without qualifying our opinion we draw attention to note 1.2 of the accompanying financial statements. As more fully described in these notes, the leasing license of the company has expired and not renewed by the Securities and Exchange Commission of Pakistan under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, due to company's capital being below minimum capital required for a Non-Banking Financial Company (a leasing company licensed under the Non-Banking Companies and Notified Entities Regulation, 2008). The company has not advanced any lease facility since April 2008. However, as per new regulation promulgated via a SRO 1160 of 2015, the company is now entitled, based on reduced capital requirements, to operate as a non-deposit taking leasing company. Hence, it has applied for the license to operate as such.

Engagement Partner: Muhammad Aqeel Ashraf Tabani

Karachi: 31st October, 2017

BALANCE SHEET AS AT JUNE 30, 2017

	Note	June 2017 (Rupees)	June 2016 (Rupees)
ASSETS			
Current Assets			
Cash and bank balances	5	734,834	264,101
Investment in finance lease	6	9,291,481	9,291,481
Advances, deposits, prepayments and other receivables	7	124,192,149	9,130,613
Trade receivable		46,113,435	31,516,943
Morabaha and short term finances	8	-	-
Taxation - net		20,042,606	18,670,251
		200,374,505	68,873,389
Non - Current Asset			
Long term advances, deposits and prepayments	9	21,920,438	21,604,797
Property, plant and equipment	10	131,592,570	175,276,687
		153,513,008	196,881,484
TOTAL ASSETS		353,887,513	265,754,873
LIABILITIES AND EQUITY			
Current Liabilities			
Current portion of long term deposits	11	9,311,420	9,311,420
Current portion of liabilities against assets subject to finance lease	12	-	7,333,780
Current portion of diminishing musharakah financing	13	37,368,340	19,356,816
Trade and other payables	14	8,329,034	17,106,141
		55,008,794	53,108,157
Non - Current Liabilities			
Liabilities against assets subject to finance lease	12	-	-
Diminishing musharakah financing	13	102,846,239	43,024,407
Deferred tax liability	15	6,962,882	1,588,966
		109,809,121	44,613,373
Authorised Share Capital			
20,000,000 (2016: 20,000,000) Ordinary shares of Rs. 10/- each		200,000,000	200,000,000
Issued, subscribed and paid-up share capital	16	107,444,130	107,444,130
Reserves	17	81,625,468	60,589,213
		189,069,598	168,033,343
Contingencies and Commitments	18	-	-
TOTAL LIABILITIES AND EQUITY		353,887,513	265,754,873

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Executive Officer

Director

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2017**

	Note	June 2017 (Rupees)	June 2016 (Rupees)
Income			
Income from operations	19	41,339,213	51,260,023
Other operating income	20	11,168,073	1,380,751
		52,507,286	52,640,774
Expenses			
Administrative and operating expenses	21	12,165,839	9,293,761
Financial charges	22	8,521,964	10,378,620
Other charges	23	-	659,368
		20,687,803	20,331,749
Profit before taxation		31,819,483	32,309,025
Taxation	24	(10,783,228)	(12,425,353)
Profit after taxation		21,036,255	19,883,672
Earnings per share	25	1.96	1.85

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Executive Officer

Director

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2017**

	June 2017 (Rupees)	June 2016 (Rupees)
Net income for the year	21,036,255	19,883,672
Other comprehensive income	-	-
Total comprehensive income for the year	<u>21,036,255</u>	<u>19,883,672</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Executive Officer

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2017

	Note	June 2017 (Rupees)	June 2016 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		31,819,483	32,309,025
Adjustments for non cash items:			
Depreciation		11,614,251	13,114,812
Amortization		13,504	80,881
Financial charges		8,521,964	10,378,620
(Gain) on disposal of property, plant and equipment		<u>(11,154,170)</u>	<u>(1,059,615)</u>
		40,815,032	54,823,723
(Increase) / decrease in current assets			
Advances, deposits, prepayments and other receivables		<u>(115,061,536)</u>	<u>15,238,309</u>
Trade receivables		<u>(14,596,492)</u>	<u>21,512,722</u>
		(129,658,028)	36,751,031
(Decrease) / Increase in current liabilities			
Trade and other payables		(8,815,108)	8,611,964
		<u>(97,658,104)</u>	<u>100,186,718</u>
Cash (used in) / inflow from operations		(97,658,104)	100,186,718
Financial charges paid		(8,483,963)	(10,352,426)
Taxes paid		(6,781,667)	(11,841,226)
Net investment in lease and hire purchase finances		-	-
Current portion of long term deposits		-	-
Net cash (used in) / inflow from operating activities		(112,923,734)	77,993,066
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in property, plant and equipment		<u>(51,504,468)</u>	<u>(125,986,298)</u>
Long term advances, deposits and prepayments		<u>(315,641)</u>	<u>(173,019)</u>
Proceeds from sale of property, plant and equipment		<u>94,715,000</u>	<u>25,115,000</u>
Net cash inflow from / (used in) investing activities		42,894,891	(101,044,317)
CASH FLOWS FROM FINANCING ACTIVITIES			
Liability against assets subject to finance lease		<u>(7,333,780)</u>	<u>23,067,673</u>
Diminishing musharakah financing		<u>77,833,356</u>	<u>-</u>
Net cash inflow from financing activities		70,499,576	23,067,673
Net increase in cash and cash equivalents		470,733	16,422
Cash and cash equivalents at the beginning of the year		264,101	247,679
Cash and cash equivalents at the end of year	5	<u>734,834</u>	<u>264,101</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Executive Officer

Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2017**

	Issued, Subscribed and Paid-up Share Capital	Statutory Reserves	Unappropriated Profit	Total
----- Rupees -----				
Balance as at June 30, 2015	107,444,130	27,834,688	12,870,853	148,149,671
Net profit for the year	-	-	19,883,672	19,883,672
Transfer to reserve	-	3,976,734	(3,976,734)	-
Balance as at June 30, 2016	107,444,130	31,811,422	28,777,791	168,033,343
Net profit for the year	-	-	21,036,255	21,036,255
Transfer to reserve	-	4,207,251	(4,207,251)	-
Balance as at June 30, 2017	107,444,130	36,018,673	45,606,795	189,069,598

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Executive Officer

Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

1. LEGAL STATUS AND OPERATIONS

- 1.1** The company CAPITAL ASSETS LEASING CORPORATION LIMITED was incorporated on April 1, 1992 in Pakistan as a public limited company and its shares are quoted on Pakistan Stock Exchange. The principal activity of the Company is to carry on leasing business. In addition, the company is also engaged in plying for hire vehicle through its holding company.

The registered office of the company is situated at 14th Floor, Chapal Plaza, Hasrat Mohani Road, Karachi. The company is a subsidiary of M/s. Optimus Limited which holds 83.96% ordinary share capital of the company.

- 1.2** The company has been operating with an equity which is less than the statutory requirement and has stopped its leasing operations since April 2008. This had created significant doubt over company's ability to continue as a Non-Banking Financial Company (a leasing company licenced under the Non-Banking Companies and Notified Entities Regulation, 2008).

However, according to the Non-Banking Finance Companies and Notified Entities Regulations, 2008 as notified by the SECP through its S.R.O.1203 (I) 2008, dated November 21, 2008, and further amended through its SRO 764 dated September 2, 2009 the minimum equity requirement for the leasing companies has been enhanced. The existing leasing companies are required to increase their minimum equity to Rs. 700 million which has later been reduced to Rs. 500 million for deposit taking leasing companies through SRO 1160 of 2015 and for non depository leasing companies, it has been fixed at Rs.50.00 million. Hence, the management has applied for the leasing license as non-depository leasing company under new NBFC Regulations.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan, the requirements of the Companies Ordinance, 1984 (the Ordinance), Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standard Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the requirements of the Ordinance, the Rules, the Regulations or the directives issued by the Securities and Exchange Commission of Pakistan (SECP) shall prevail.

2.2 Critical Accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The matters involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant which have been disclosed in the respective notes to the financial statements include:

- Useful life and residual value of property and equipment
- Provision for doubtful receivables (Note 4.11)
- Taxation (Note 4.10)

Estimates and judgments are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Standards, interpretations and amendments to published approved accounting standards that are effective and relevant

Following amendments to existing standards and interpretations have been published and are mandatory for accounting periods beginning on January 1, 2016 and are considered to be relevant to the Company's operations:

IAS 1, 'Presentation of financial statements' aims to improve presentation and disclosure in financial reports by emphasising the importance of understandability, comparability and clarity in presentation.

The amendments provide clarification on number of issues, including:

- Materiality - an entity should not aggregate or disaggregate information in a manner that obscures useful information. Where items are material, sufficient information must be provided to explain the impact on the financial position or performance.
- Disaggregation and subtotals – line items specified in IAS 1 may need to be disaggregated where this is relevant to an understanding of the entity's financial position or performance. There is also new guidance on the use of subtotals.
- Notes – confirmation that the notes do not need to be presented in a particular order.

The above do not have any significant impact on these financial statements.

Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant

The new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2016 are considered not to be relevant to Company's financial statements and hence have not been detailed here.

Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant

Following new amendment to published standard is effective for accounting periods beginning on or after January 1, 2017 and is considered to be relevant for Company's financial statements.

IAS 7, 'Cashflow statements' - This amendment requires disclosure to explain changes in liabilities for which cashflows have been, or will be classified as financing activities in the statement of cashflows. The amendment is part of the IASB's Disclosure Initiative. In the first year of adoption, comparative information need not be provided.

3. OVER ALL VALUATION POLICY

The financial statements are prepared under the historical cost convention except as disclosed in the accounting policies below.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Net Investment in Finance Lease

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

The lease asset is derecognized and the present value of the lease receivable is recognized on the balance sheet. The difference between the gross receivable and the present value of the lease receivable is recognized as unearned finance income.

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

4.2 Property, Plant and Equipment

4.2.1 Owned

Tangible

These are stated at cost less accumulated depreciation. Depreciation is charged to income applying the straight line method. The rates of depreciation are given in note 11. With respect to Vehicles plying for hire, a residual value has been estimated equal to expected recoverable value at the end of its useful life while for other assets residual value is considered zero.

On additions, depreciation is charged from the month in which assets are put to use and on disposals up to the month immediately preceding the disposal. Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired. Gains or losses on disposal of assets are taken to the income statement.

Intangible

Intangibles are stated at cost less accumulated amortization and impairment, if any. These costs are amortized over their estimated useful life of three years using the straight-line method.

4.2.2 Leased

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to the ownership of the leased item, are capitalized at inception of the lease at fair value of the leased property or, if lower, at present value of the minimum lease payments.

Assets acquired under finance lease are depreciated over the useful life of the assets on the same basis as that of owned assets.

A sale and leaseback transaction is one where the Company sells an asset and immediately reacquires the use of that asset by entering into a lease with the buyer. The accounting treatment of the sale and leaseback depends upon the substance of the transaction and whether or not the sale was made at the asset's fair value.

For sale and leasebacks, any profit from the sale is deferred and amortized over the lease term.

4.3 Obligation under finance lease

The Company accounts for assets acquired under financial leases by recording the assets and the related liabilities. The amounts are determined on the basis of discounted value of total minimum lease payments and residual value of the assets at the end of the lease period to be paid by the Company.

Financial charges are allocated to accounting periods in a manner so as to provide constant periodic rate of charge on the outstanding liability.

4.4 Diminishing Musharakah Financing

Diminishing Musharakah Financing is recognized initially at cost less attributable transaction cost. Subsequent to initial recognition, this is stated at original cost less principal repayments.

4.5 Ijarah

In Ijarah transaction significant portion of the risks and rewards of ownership are retained by the lesser. Islamic Financial Accounting Standard -2 (IFAS 2). 'Ijarah' requires the recognition of Ujrah Payments (Lease Rental) against Ijarah Financing as an expense in the profit and loss on a straight line basis over the Ijarah term.

4.6 Trade and other receivables

Trade and other receivables are recognized at fair value of consideration receivable. Debts considered irrecoverable are written off and provision is made against those considered doubtful of recovery.

4.7 Trade, accrued and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

4.8 Staff retirement benefits

Effective July 01, 1998, the company operates an approved defined contribution provident fund covering all its permanent employees. Equal monthly contribution to the fund are made both by the company and by the employee at rate of 8.33% of basic pay.

4.9 Revenue Recognition

4.9.1 Income from leasing operations

The Company recognizes all direct leases, sale and leaseback and hire purchase contracts of financing nature as finance leases. The total unearned income which consists of excess of aggregate lease rentals and residual value over the cost of the leased asset is deferred and amortized to income over the lease term using annuity method so as to produce a systematic return on net investment in lease finance. Front-end fees, lease document fees, commitment, other charges and other income is accounted for on accrual basis.

4.9.2 Income from Vehicle Plying for Hire

Income from hire of vehicles is recognised upon performance of service based on the terms of the rental contract.

4.9.3 Morabaha and Short-term finances

Profit on Morabaha and short-term finances is recognized on prorata basis taking into account relevant buy-back date. Gain on sale of investments is taken to income in the period in which it arises. Income on bank deposits is recognized on accrual basis. Dividend income is recorded at the time of closure of share transfer books of the company declaring the dividends.

4.10 Taxation

4.10.1 Current

The charge for the current taxation is based on taxable income at the current rates of taxation after taking into account tax credits, rebates available, if any and adjustments for prior years.

4.10.2 Deferred

Deferred tax asset is provided using the balance sheet liability method for all temporary differences at the balance sheet date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

4.11 Provision for potential losses and provision for doubtful receivables

Provision for losses against lease, Morabaha finances, short term finances, long term advances is made according to the Non-Banking Finance Companies and Notified Entities Regulations, 2008. While the provision for other receivables is made on the best judgment of the management which in the opinion of the management represents the amount that is required to cover potential losses that can be reasonably anticipated. The allowance is increased by provision charged to income and decreased by charge-off and recoveries. The amounts are shown under respective heads as a deduction from gross amounts of receivables.

4.12 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, with banks on current and savings accounts, term deposits with maturities of three months or less and short term running finance.

4.13 Impairment

The carrying values of assets or cash-generating units are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount and the resulting impairment is charged to profit and loss account.

4.14 Financial Instruments

Financial Assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise trade debts, loans, advances, deposits, other receivable and cash and bank balances in the balance sheet.

c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investments within twelve months from the balance sheet date. These comprise investment in shares.

d) Held to maturity

Financial assets with fixed or determinable payments and fixed maturity, where management has intention and ability to hold till maturity are classified as held to maturity.

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

Financial Liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit and loss account.

Financial liabilities carried on the balance sheet include Medium term finances, short term finances under markup arrangements and trade and other payables.

4.15 Transactions with Related Parties

Transactions and contracts with the related parties are carried out at an arm's length price determined in accordance with permissible method of pricing.

	Note	June 2017 (Rupees)	June 2016 (Rupees)
5. CASH AND BANK BALANCES			
Cash in hand		14,708	16,470
Cash at banks:			
- In PLS accounts	5.1	617,886	152,313
- In current accounts		91,755	92,038
- Balance with State Bank of Pakistan		10,485	3,280
		734,834	264,101

5.1 Profit on deposit accounts is ranging from 3.75 % to 4 % p.a (June 2016: from 3.75 % to 4 % p.a).

6. INVESTMENT IN FINANCE LEASE

	June 30, 2017			June 30, 2016		
	Not later than one year	More than one year and upto five year	Total	Not later than one year	More than one year and upto five year	Total
----- Rupees -----						
Minimum lease and hire purchase rentals	19,427,270	-	19,427,270	19,427,270	-	19,427,270
Add: Residual value of leased assets	9,311,420	-	9,311,420	9,311,420	-	9,311,420
Gross investment in lease and hire purchase finance (6.1)	28,738,690	-	28,738,690	28,738,690	-	28,738,690
Less: Unearned finance income (6.4)	(3,882,343)	-	(3,882,343)	(3,882,343)	-	(3,882,343)
Net investment in lease and hire purchase finance (6.2)	24,856,347	-	24,856,347	24,856,347	-	24,856,347
Less: Provision for lease losses (6.3)	(15,564,866)	-	(15,564,866)	(15,564,866)	-	(15,564,866)
Net investment in leases	9,291,481	-	9,291,481	9,291,481	-	9,291,481

6.1 These represent investment in lease finance and hire purchase under various lease agreements with implicit rate of return ranging from 15.73 to 18 (June 30, 2016 : from 15.73 to 18) percent per annum. These agreements usually are for three years to five years period. In certain cases the company has security, in addition to lease assets, in the form of corporate/ personal guarantee of directors.

6.2 The investment in lease portfolio includes Rs. 19.43 million (June 2016: Rs. 19.43 million) which has been placed under over due status.

6.3 Particulars of provision against non-performing leases

	June 30, 2017			June 30, 2016		
	Specific	General	Total	Specific	General	Total
----- Rupees -----						
Opening balance	15,564,866	-	15,564,866	15,564,866	-	15,564,866
(Reversal)/Charge for the year	-	-	-	-	-	-
Closing balance	15,564,866	-	15,564,866	15,564,866	-	15,564,866

6.4 The net unearned finance income includes suspended income of Rs. 3.864 million (June 30, 2016 : Rs. 3.864 million).

Particulars of suspended income	Note	June 2017	June 2016
		(Rupees)	(Rupees)
Opening balance		3,864,173	3,864,173
Reversed/realised during the year		-	-
Closing balance		3,864,173	3,864,173

	Note	June 2017 (Rupees)	June 2016 (Rupees)
7. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Unsecured advances - considered good			
Advances to employees		145,146	145,146
Provision against advances to employees		(132,006)	(132,006)
		13,140	13,140
Advances for supplies and services		399,238	399,238
Provision against advances for supplies and services		(399,238)	(399,238)
		-	-
Advances to supplier for purchase of vehicle		84,818,500	-
Deposits			
Long term security deposits - current portion	9	6,019,100	7,851,600
Prepayments			
Prepaid insurance, road tax and registration		2,130,364	1,416,602
Provision		(150,804)	(150,804)
		1,979,560	1,265,798
Other receivables			
Other receivables - considered good	7.1	31,361,774	-
Others			
Others - considered doubtful		3,685,270	3,685,270
Accrued mark-up on short term finances		137,831	137,831
Less: Provisions against receivables		(3,823,026)	(3,823,026)
		75	75
		<u>124,192,149</u>	<u>9,130,613</u>

7.1 This represents Rs. 29,870,653 (June 2016: Nil) receivable from Optimus Limited (Parent company).

8. MORABAHA AND SHORT TERM FINANCES

Secured

Morabaha finances		282,745	282,745
Short term finances		17,500	17,500
		300,245	300,245
Less: Provision for doubtful receivables		(300,245)	(300,245)
		-	-
		<u>-</u>	<u>-</u>

	Note	June 2017 (Rupees)	June 2016 (Rupees)
9. LONG TERM ADVANCES, DEPOSITS AND PREPAYMENTS			
Security deposits		26,365,552	28,511,502
Less: Provision		(309,290)	(309,290)
		26,056,262	28,202,212
Less: Current portion	7	(6,019,100)	(7,851,600)
		20,037,162	20,350,612
Prepayments		3,862,836	2,670,787
Less: Current portion		(1,979,560)	(1,416,602)
		1,883,276	1,254,185
		21,920,438	21,604,797
10. PROPERTY, PLANT AND EQUIPMENT			
Property, plant and equipment - tangible assets	10.2	131,592,567	175,263,180
Intangible asset	10.3	3	13,507
		131,592,570	175,276,687
10.1 Allocation of depreciation:			
Income from vehicle plying for hire		11,519,818	13,098,694
Administrative and operating expenses		94,433	16,118
		11,614,251	13,114,812

Property, Plant and Equipment

	C O S T				Rate	D E P R E C I A T I O N				Written Down Value as at June 30, 2017
	As at July 01, 2016	Additions/ (Disposals)	Transfer	As at June 30, 2017		As at July 01, 2016	Charged for the year	Transfer	As at June 30, 2017	
	-----Rupees-----					%	-----Rupees-----			
10.2 Tangible Assets										
Motor vehicles	48,593	-	-	48,593	20	11,744	9,719	-	21,463	27,130
Office machines and equipment	224,200	246,940	-	471,140	15	224,196	14,515	-	238,711	232,429
Computers and allied equipment	288,999	397,606	-	686,605	30	275,508	70,199	-	345,707	340,898
Furniture and fixture	31,500	-	-	31,500	10	31,496	-	-	31,496	4
Motor vehicle plying for hire	71,684,690	30,499,422 (76,790,978)	42,035,500	67,428,634	20-25	6,795,493	4,527,984 (11,010,590)	11,755,940	12,068,827	55,359,807
Tracker system	2,061,371	150,000	-	2,211,371	25	1,297,659	379,650	-	1,677,309	534,062
Leased Motor vehicles -VPFH	42,035,500	-	(42,035,500)	-	25-33	11,162,064	593,876	(11,755,940)	-	-
Motor vehicles held under musharakah	84,782,780	20,210,500 (21,231,000)	-	83,762,280	25-33	6,096,293	6,018,308 (3,450,558)	-	8,664,043	75,098,237
June 30, 2017	201,157,633	51,504,468 (98,021,978)	-	154,640,123		25,894,453	11,614,251 (14,461,148)	-	23,047,556	131,592,567

	C O S T				Rate	D E P R E C I A T I O N				Written Down Value as at June 30, 2017
	As at July 01, 2016	Additions/ (Disposals)	Transfer	As at June 30, 2017		As at July 01, 2016	Charged for the year	Transfer	As at June 30, 2017	
	-----Rupees-----					%	-----Rupees-----			
Motor vehicles	48,593	-	-	48,593	20	2,025	9,719	-	11,744	36,849
Office machines and equipment	224,200	-	-	224,200	15	224,196	-	-	224,196	4
Computers and allied equipment	288,999	-	-	288,999	30	269,109	6,399	-	275,508	13,491
Furniture and fixture	31,500	-	-	31,500	10	31,496	-	-	31,496	4
Motor vehicle plying for hire	23,165,190	74,445,520 (25,926,020)	-	71,684,690	20-25	4,962,793	5,213,482 (3,380,782)	-	6,795,493	64,889,197
Tracker system	1,495,873	565,498	-	2,061,371	25	860,953	436,706	-	1,297,659	763,712
Leased motor vehicle -VPFH	44,022,500	- (1,987,000)	-	42,035,500	25-33	8,627,615	3,011,302 (476,853)	-	11,162,064	30,873,436
Motor vehicles held under musharakah	33,807,500	50,975,280	-	84,782,780	25-33	1,659,089	4,437,204	-	6,096,293	78,686,487
June 30, 2016	103,084,355	125,986,298 (27,913,020)	-	201,157,633		16,637,276	13,114,812 (3,857,635)	-	25,894,453	175,263,180

10.3 Intangible Asset

	C O S T				Rate	A M O R T I Z A T I O N				Written Down Value as at June 30, 2017
	As at July 01, 2016	Additions/ (Disposals)	Transfer	As at June 30, 2017		As at July 01, 2016	Charged for the year	Transfer	As at June 30, 2017	
	-----Rupees-----					%	-----Rupees-----			
Computer software	523,948	-	-	523,948	33	510,441	13,504	-	523,945	3
June 30, 2017	523,948	-	-	523,948		510,441	13,504	-	523,945	3

	C O S T				Rate	A M O R T I Z A T I O N				Written Down Value as at June 30, 2017
	As at July 01, 2016	Additions/ (Disposals)	Transfer	As at June 30, 2017		As at July 01, 2016	Charged for the year	Transfer	As at June 30, 2017	
	-----Rupees-----					%	-----Rupees-----			
Computer software	523,948	-	-	523,948	33	429,560	80,881	-	510,441	13,507
June 30, 2016	523,948	-	-	523,948		429,560	80,881	-	510,441	13,507

10.4 Particulars of Disposal of Property, Plant and Equipment

	Original Cost	Accumulated Depreciation	Written Down Value	Sales Proceeds	Profit / (Loss) on Disposal	Mode of Disposal	Particulars of Buyer
----- Rupees -----							
TOYOTA COROLLA (XLI)	1,080,000	216,000	864,000	1,000,000	136,000	Negotiation	Optimus Limited
SUZUKI CULTUS VXR	900,000	56,256	843,744	850,000	6,256	Negotiation	Optimus Limited
TOYOTA COROLLA (ALTIM)	1,395,000	348,768	1,046,232	1,050,000	3,768	Negotiation	Optimus Limited
SUZUKI MEHRAN (VXR) EFI EURO II	612,000	153,024	458,976	425,000	(33,976)	Negotiation	Optimus Limited
SUZUKI MEHRAN (VXR) EFI EURO II	612,000	153,024	458,976	425,000	(33,976)	Negotiation	Optimus Limited
HONDA CIVIC	1,620,000	405,000	1,215,000	1,215,000	-	Negotiation	Optimus Limited
SUZUKI MEHRAN (VXR) EFI EURO II	612,000	153,024	458,976	450,000	(8,976)	Negotiation	Optimus Limited
SUZUKI MEHRAN (VXR) EFI EURO II	612,000	153,024	458,976	450,000	(8,976)	Negotiation	Optimus Limited
HONDA CIVIC VTI	1,375,920	382,500	993,420	1,150,000	156,580	Negotiation	Optimus Limited
Suzuki Cultus	785,000	65,424	719,576	725,000	5,424	Negotiation	Optimus Limited
Suzuki Cultus VXR	825,000	64,455	760,545	765,000	4,455	Negotiation	Optimus Limited
TOYOTA COROLLA (GLI)	1,672,500	418,128	1,254,372	1,260,000	5,628	Negotiation	Optimus Limited
HONDA CITY (AUTOMATIC)	1,638,000	409,500	1,228,500	1,235,000	6,500	Negotiation	Optimus Limited
SUZUKI MEHRAN (VXR) EFI EURO II	612,000	153,024	458,976	450,000	(8,976)	Negotiation	Optimus Limited
SUZUKI MEHRAN (VXR) EFI EURO II	607,000	151,728	455,272	450,000	(5,272)	Negotiation	Optimus Limited
TOYOTA COROLLA (GLI)	1,009,000	252,250	756,750	800,000	43,250	Negotiation	Optimus Limited
TOYOTA COROLLA (GLI)	1,672,500	418,128	1,254,372	1,260,000	5,628	Negotiation	Optimus Limited
HONDA CITY (AUTOMATIC)	1,648,000	411,984	1,236,016	1,260,000	23,984	Negotiation	Optimus Limited
TOYOTA COROLLA (GLI)	1,672,500	418,128	1,254,372	1,260,000	5,628	Negotiation	Optimus Limited
TOYOTA HILUX 4X2 (SINGLE CABIN (UP-SPEC)	1,803,000	901,488	901,512	950,000	48,488	Negotiation	Optimus Limited
Cultus VXR	825,000	73,049	751,951	760,000	8,049	Negotiation	Optimus Limited
Alto VXR	675,000	59,772	615,228	640,000	24,772	Negotiation	Optimus Limited
Cultus	825,000	73,049	751,951	760,000	8,049	Negotiation	Optimus Limited
HONDA CIVIC VTI (PROSMATIC ORIEL)	1,755,000	438,776	1,316,224	1,320,000	3,776	Negotiation	Optimus Limited
HONDA CIVIC VTI (PROSMATEC ORIEL)	2,392,000	597,984	1,794,016	1,800,000	5,984	Negotiation	Optimus Limited
Cultus VXR	825,000	81,643	743,357	750,000	6,643	Negotiation	Optimus Limited
Cultus VXR	825,000	81,643	743,357	750,000	6,643	Negotiation	Optimus Limited
Suzuki Cultus VXR	825,000	77,346	747,654	750,000	2,346	Negotiation	Optimus Limited
Suzuki Cultus	750,000	7,812	742,188	750,000	7,812	Negotiation	Optimus Limited
Suzuki Cultus	750,000	7,830	742,170	750,000	7,830	Negotiation	Optimus Limited
Suzuki Cultus	750,000	7,830	742,170	750,000	7,830	Negotiation	Optimus Limited
Honda Civic	1,750,000	18,248	1,731,752	1,750,000	18,248	Sale & Lease Back	BRR Guardian Modaraba
Honda Civic	1,750,000	18,248	1,731,752	1,750,000	18,248	Sale & Lease Back	BRR Guardian Modaraba
Audi	7,000,000	145,834	6,854,166	7,000,000	145,834	Sale & Lease Back	BRR Guardian Modaraba
TOYOTA COROLLA (GLI)	1,099,000	274,750	824,250	850,000	25,750	Negotiation	Optimus Limited
CULTUS VXR	825,000	85,940	739,060	750,000	10,940	Negotiation	Optimus Limited
TOYOTA COROLLA	800,000	12,501	787,499	850,000	62,501	Negotiation	Optimus Limited
TOYOTA COROLLA (GLI)	1,672,500	418,128	1,254,372	1,260,000	5,628	Negotiation	Optimus Limited
SUZUKI LIANA RXI MT PETROL	1,382,000	691,008	690,992	700,000	9,008	Negotiation	Optimus Limited
CULTUS VXR	825,000	90,502	734,498	750,000	15,502	Negotiation	Optimus Limited
CULTUS VXR	825,000	90,237	734,763	750,000	15,237	Negotiation	Optimus Limited
ALTO VXR	675,000	73,836	601,164	625,000	23,836	Negotiation	Optimus Limited
SUZUKI CULTUS VXR	785,000	81,780	703,220	750,000	46,780	Negotiation	Optimus Limited
SUZUKI CULTUS VXR	825,000	85,940	739,060	750,000	10,940	Negotiation	Optimus Limited
SUZUKI CULTUS VXR	825,000	85,940	739,060	750,000	10,940	Negotiation	Optimus Limited
SUZUKI CULTUS VXR	825,000	85,940	739,060	750,000	10,940	Negotiation	Optimus Limited
SUZUKI CULTUS VXR	825,000	85,940	739,060	750,000	10,940	Negotiation	Optimus Limited
TOYOTA COROLLA	1,360,000	28,332	1,331,668	1,350,000	18,332	Negotiation	Optimus Limited
Cultus VXR	785,000	89,958	695,042	700,000	4,958	Negotiation	Optimus Limited
Cultus	825,000	94,534	730,466	750,000	19,534	Negotiation	Optimus Limited
Cultus	785,000	89,958	695,042	700,000	4,958	Negotiation	Optimus Limited
Cultus VXR	825,000	94,534	730,466	730,000	(466)	Negotiation	Optimus Limited
Suzuki Cultus VXR	900,000	98,448	801,552	810,000	8,448	Negotiation	Optimus Limited
Toyota Corolla GLI	1,350,000	147,651	1,202,349	1,210,000	7,651	Negotiation	Optimus Limited
Honda City I-VTEC AT	1,250,000	138,917	1,111,083	1,125,000	13,917	Negotiation	Optimus Limited
Honda Civic	1,150,000	29,950	1,120,050	1,125,000	4,950	Negotiation	Optimus Limited
Suzuki Cultus	750,000	19,530	730,470	750,000	19,530	Negotiation	Optimus Limited
Cultus VXR	825,000	98,831	726,169	735,000	8,831	Negotiation	Optimus Limited
Cultus VXR	825,000	98,831	726,169	735,000	8,831	Negotiation	Optimus Limited
Cultus VXR	825,000	98,831	726,169	735,000	8,831	Negotiation	Optimus Limited
Cultus VXR	900,000	107,824	792,176	800,000	7,824	Negotiation	Optimus Limited
Cultus	785,000	94,047	690,953	735,000	44,047	Negotiation	Optimus Limited
Cultus	785,000	94,047	690,953	735,000	44,047	Negotiation	Optimus Limited
Honda Civic	1,150,000	35,940	1,114,060	1,125,000	10,940	Negotiation	Optimus Limited
Suzuki Mehran	450,000	14,064	435,936	450,000	14,064	Negotiation	Optimus Limited
HONDA CIVIC ORIEL PT	876,345	-	876,345	1,810,000	933,655	Negotiation	Optimus Limited
TOYOTA COROLLA (GLI)	705,546	-	705,546	1,310,000	604,454	Negotiation	Optimus Limited
Toyota Corolla Xli	383,219	-	383,219	1,050,000	666,781	Negotiation	Optimus Limited
Toyota Corolla Xli	415,552	-	415,552	1,100,000	684,448	Negotiation	Optimus Limited
Toyota Corolla Xli	317,396	-	317,396	1,100,000	782,604	Negotiation	Optimus Limited
SUZUKI SWIFT (DX-STD)	126,800	-	126,800	900,000	773,200	Negotiation	Optimus Limited
HONDA CITY (AUTOMATIC)	164,800	-	164,800	1,250,000	1,085,200	Negotiation	Optimus Limited
SUZUKI SWIFT (DX-STD)	117,100	-	117,100	900,000	782,900	Negotiation	Optimus Limited
HONDA CIVIC ORIEL PT	244,500	-	244,500	1,900,000	1,655,500	Negotiation	Optimus Limited
SUZUKI CULTUS (VXL)	101,000	-	101,000	800,000	699,000	Negotiation	Optimus Limited
HONDA CITY (AUTOMATIC)	164,800	-	164,800	1,250,000	1,085,200	Negotiation	Optimus Limited
	76,790,978	11,010,590	65,780,388	76,665,000	10,884,612		

	Original Cost	Accumulated Depreciation	Written Down Value	Sales Proceeds	Profit / (Loss) on Disposal	Mode of Disposal	Particulars of Buyer
----- Rupees -----							
Motor vehicles under musharakah financing							
Toyota Corolla Xli	1,250,000	201,376	1,048,624	1,050,000	1,376	Negotiation	Optimus Limited
Toyota Corolla Xli	1,250,000	201,376	1,048,624	1,050,000	1,376	Negotiation	Optimus Limited
TOYOTA COROLLA XLI	1,250,000	208,320	1,041,680	1,050,000	8,320	Negotiation	Optimus Limited
TOYOTA COROLLA XLI	1,250,000	215,264	1,034,736	1,050,000	15,264	Negotiation	Optimus Limited
TOYOTA COROLLA XLI	1,250,000	215,264	1,034,736	1,050,000	15,264	Negotiation	Optimus Limited
TOYOTA COROLLA XLI	1,250,000	215,264	1,034,736	1,050,000	15,264	Negotiation	Optimus Limited
TOYOTA COROLLA XLI	1,250,000	215,264	1,034,736	1,050,000	15,264	Negotiation	Optimus Limited
TOYOTA COROLLA XLI	1,250,000	215,264	1,034,736	1,050,000	15,264	Negotiation	Optimus Limited
Toyota Corolla Xli	1,250,000	222,208	1,027,792	1,050,000	22,208	Negotiation	Optimus Limited
Toyota Corolla Xli	1,250,000	222,208	1,027,792	1,050,000	22,208	Negotiation	Optimus Limited
Toyota Corolla Xli	1,250,000	222,208	1,027,792	1,050,000	22,208	Negotiation	Optimus Limited
Toyota Corolla Xli	1,250,000	222,208	1,027,792	1,050,000	22,208	Negotiation	Optimus Limited
Honda Civic PT Oriel	2,481,000	193,830	2,287,170	2,200,000	(87,170)	Insurance claim	Jubilee Insurance
Toyota Corolla Xli	1,250,000	222,208	1,027,792	1,050,000	22,208	Insurance claim	Jubilee Insurance
Toyota Corolla Xli	1,250,000	229,144	1,020,856	1,100,000	79,144	Negotiation	Optimus Limited
Toyota Corolla Xli	1,250,000	229,152	1,020,848	1,100,000	79,152	Negotiation	Optimus Limited
	21,231,000	3,450,558	17,780,442	18,050,000	269,558		
June 30, 2017	98,021,978	14,461,148	83,560,830	94,715,000	11,154,170		

10.5 Particulars of Disposal of Property, Plant and Equipment

	Original Cost	Accumulated Depreciation	Written Down Value	Sales Proceeds	Profit / (Loss) on Disposal	Mode of Disposal	Particulars of Buyer
----- Rupees -----							
Motor vehicle plying for hire							
Toyota Corolla Gli	1,054,000	263,500	790,500	1,000,000	209,500	Negotiation	Optimus Limited
Daihatsu Cuore	550,000	91,678	458,322	400,000	(58,322)	Negotiation	Optimus Limited
Daihatsu Cuore	550,000	91,678	458,322	450,000	(8,322)	Negotiation	Optimus Limited
Toyota Premio	2,850,000	712,511	2,137,489	2,150,000	12,511	Negotiation	Optimus Limited
Honda Civic Vti (Prosmatec Oriel)	1,440,000	360,000	1,080,000	1,145,000	65,000	Negotiation	Optimus Limited
Toyota Corolla (Gli)	1,000,000	145,842	854,158	725,000	(129,158)	Negotiation	Optimus Limited
Mercedes Benz E-200	7,300,000	486,667	6,813,333	6,900,000	86,667	Negotiation	Optimus Limited
Suzuki Cultus	825,000	34,375	790,625	500,000	(290,625)	Negotiation	Optimus Limited
Honda Civic Vti (Prosmatec Oriel)	1,530,000	382,500	1,147,500	1,185,000	37,500	Negotiation	Optimus Limited
Suzuki Alto Vxr	675,000	35,156	639,844	645,000	5,156	Negotiation	Optimus Limited
Suzuki Alto Vxr	675,000	35,156	639,844	645,000	5,156	Negotiation	Optimus Limited
Suzuki Alto	650,000	30,469	619,531	625,000	5,469	Negotiation	Optimus Limited
Toyota Corolla (Altis)	1,279,000	319,750	959,250	1,025,000	65,750	Negotiation	Optimus Limited
Toyota Corolla (Xli)	1,012,500	202,500	810,000	1,025,000	215,000	Negotiation	Optimus Limited
Toyota Corolla (Xli)	945,000	189,000	756,000	1,025,000	269,000	Negotiation	Optimus Limited
Honda Civic Vti Pt Oriel Nav	1,796,195	-	1,796,195	2,200,000	403,805	Negotiation	Optimus Limited
Honda Civic Vti Pt Oriel Nav	1,794,325	-	1,794,325	2,010,000	215,675	Insurance Claim	PKTCL
	25,926,020	3,380,782	22,545,238	23,655,000	1,109,762		
Leased motor vehicle -VPFH							
Suzuki Mehran (Vxr) Efi Euro Ii	637,000	139,353	497,647	410,000	(87,647)	Negotiation	Optimus Limited
Toyota Corolla (Gli)	1,350,000	337,500	1,012,500	1,050,000	37,500	Negotiation	Optimus Limited
	1,987,000	476,853	1,510,147	1,460,000	(50,147)		
June 30, 2016	27,913,020	3,857,635	24,055,385	25,115,000	1,059,615		

	June 2017 (Rupees)	June 2016 (Rupees)
11. CURRENT PORTION OF LONG TERM DEPOSITS		
Long term deposits	9,311,420	9,311,420
	<u>9,311,420</u>	<u>9,311,420</u>

12. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	June 30, 2017			June 30, 2016		
	Not later than one year	More than one year and upto five year	Total	Not later than one year	More than one year and upto five year	Total
	----- Rupees -----					
Minimum lease payments	-	-	-	7,377,434	-	7,377,434
Less: Financial charges allocated to future periods	-	-	-	(43,654)	-	(43,654)
Present Value of Minimum lease Payments	-	-	-	7,333,780	-	7,333,780

The above liability represents assets acquired under lease arrangements with JS Bank Limited. The lease rentals are payable on monthly basis and the financing rates ranges to nil in current year (2016: 9.35% to 9.6% per annum). The cost of operating and maintaining the leased assets is borne by the company. The company has an option to purchase the assets on the completion of lease period by adjusting the security deposit and has intention to exercise the option.

13. DIMINISHING MUSHARAKAH FINANCING

	June 30, 2017			June 30, 2016		
	Not later than one year	More than one year and upto five year	Total	Not later than one year	More than one year and upto five year	Total
	----- Rupees -----					
Diminishing musharakah financing payables	37,368,340	102,846,239	140,214,579	19,356,816	43,024,407	62,381,223
	<u>37,368,340</u>	<u>102,846,239</u>	<u>140,214,579</u>	<u>19,356,816</u>	<u>43,024,407</u>	<u>62,381,223</u>

The above liability represents assets acquired under diminishing musharakah financing arrangements with KASB Modaraba, Orix Modaraba, BRR Guardian Modaraba and First Punjab Modaraba. The rentals are payable on monthly basis and the financing rates ranges from 9.05% to 16.00% Per annum (2016: 9.05% to 16.00%). The cost of operating and maintaining the financed assets is borne by the company.

18. CONTINGENCIES AND COMMITMENTS
18.1 Contingent Assets

The company has obtained court decrees in respect of recovery of overdue lease rentals receivable from various clients aggregating to Rs. 5,567,498 as at June 30, 2017 (June 30, 2016 : Rs. 5,567,498).

	Note	June 2017 (Rupees)	June 2016 (Rupees)
18.2 Commitments			
Ijarah lease rentals payable	19.2	<u>38,162,992</u>	<u>69,124,561</u>

19. INCOME FROM OPERATIONS

Income from vehicle plying for hire	19.1	41,339,213	51,260,023
		<u>41,339,213</u>	<u>51,260,023</u>

19.1 Income from Vehicle Plying for Hire

Rentals		113,876,321	118,869,383
Cost of Services			
Road tax/Registration and other charges		2,599,721	2,634,433
Vehicle service and maintenance-VPFH		15,299,000	12,746,352
Ijarah lease rental	19.2	30,670,455	26,822,695
Tracker monitoring cost		1,777,729	1,596,587
Insurance		5,225,385	4,668,099
Depreciation	10.1	11,519,818	13,098,694
Service charges	19.3	5,445,000	6,042,500
		72,537,108	67,609,360
		<u>41,339,213</u>	<u>51,260,023</u>

19.2 Ijarah Lease Rental

This includes rentals paid to BRR Guardian Modaraba, Popular Islamic Modaraba and Crescent Standard Modaraba against vehicles acquired under Ijarah facilities. Future rental payable on these facilities are as under:

	June 30, 2017			June 30, 2016		
	Due within one year	Due after one year but within five years	Total	Due within one year	Due after one year but within five years	Total
----- Rupees -----						
Total future rentals payable	21,913,299	16,249,693	38,162,992	41,145,161	27,979,400	69,124,561
	<u>21,913,299</u>	<u>16,249,693</u>	<u>38,162,992</u>	<u>41,145,161</u>	<u>27,979,400</u>	<u>69,124,561</u>

19.3 The company has entered into an understanding with the holding company whereby company's vehicles have been deployed on hire through the holding company. A sum of Rs. 2,500 per month per vehicle has been fixed as service charges payable to the holding company.

	Note	June 2017 (Rupees)	June 2016 (Rupees)
20. OTHER OPERATING INCOME			
Gain on sale of property, plant and equipment		11,154,170	1,059,615
Return on bank deposit		13,903	30,484
Other income		-	290,652
		11,168,073	1,380,751
21. ADMINISTRATIVE AND OPERATING EXPENSES			
Salaries, allowances and benefits		7,005,690	5,405,282
Travelling and conveyance charges		157,645	4,900
Depreciation	10.1	94,433	16,118
Amortization		13,504	80,881
Printing and stationery		407,140	384,855
Rent		150,000	150,000
Utilities		105,711	99,293
Telephone and postage expenses		103,292	94,941
Legal and professional charges		2,729,340	2,006,585
Vehicle running expenses		92,245	87,850
Insurance expenses		4,456	4,456
Entertainment expenses		204,450	108,230
Auditors' remuneration	21.1	548,350	520,850
Director training program		542,088	325,004
Sundry expenses		7,495	4,516
		12,165,839	9,293,761
21.1 Auditors' Remuneration			
Audit fee		226,800	227,250
Half yearly audit / review		256,200	211,150
Code of corporate governance		30,000	30,000
Out of pocket expenses		35,350	52,450
		548,350	520,850
22. FINANCIAL CHARGES			
Mark up on finance lease		1,073,391	992,670
Mark up on diminishing musharakah financing		7,421,915	5,822,145
Mark up on short term loan		-	3,552,484
Bank charges		26,658	11,321
		8,521,964	10,378,620
23. OTHERS CHARGES			
Workers' welfare fund		-	659,368
		-	659,368

	Note	June 2017 (Rupees)	June 2016 (Rupees)
24. TAXATION			
Current	24.1	(5,409,312)	(5,492,534)
Deferred		(5,373,916)	(6,932,819)
		<u>(10,783,228)</u>	<u>(12,425,353)</u>

24.1 The provision for current income tax is based on alternate taxation under section 113C of the Income Tax Ordinance, 2001.

		June 2017	June 2016
25. EARNINGS PER SHARE			
Profit after taxation	Rupees	21,036,255	19,883,672
Weighted average number of ordinary shares	Numbers	10,744,413	10,744,413
Earnings per share - basic and diluted	Rupees	<u>1.96</u>	<u>1.85</u>

26. TRANSACTIONS WITH RELATED PARTIES

The related parties comprise of entities over which the directors are able to exercise significant influence, entities with common directors, major shareholders, directors, key management and employees provident fund. The company has a policy whereby all transactions with related parties are entered into at arm's length prices using the permissible method of pricing. The transaction with related parties, other than remuneration under the terms of employment, are as follows:

Related Party	Nature of relationship	Nature of transaction / balance	June 2017	June 2016
Optimus Limited	Holding Company	Rental services rendered	113,876,321	118,869,383
		Management services received	5,445,000	6,042,500
		Vehicle maintenance service received	15,299,000	12,595,272
		Purchase of tracker	-	220,000
		Purchase of motor vehicle	23,160,000	70,855,000
		Sale of tracker	-	23,105,000
		Sale of motor vehicle	80,965,000	23,105,000
		Salary and allowances	4,982,510	3,631,176
		Reversal of withholding tax	4,384,200	-
		Mustang Eye (Pvt) Ltd	Common Directorship	Tracker service
Staff provident fund		Contribution to staff Provident fund	75,769	65,442

27. REMUNERATION OF EXECUTIVE

27.1 The aggregate amount charged in the financial statements for the period in respect of remuneration and benefits to the Executives are as follows:

	Executive	
	June - 2017	June - 2016
Managerial remuneration	4,982,510	3,631,176
Total	<u>4,982,510</u>	<u>3,631,176</u>
Number of person	<u>1</u>	<u>1</u>

27.2 The Chairman & Chief Executive has not charged any remuneration nor any other benefits from the company.

28. FINANCIAL INSTRUMENTS RELATED DISCLOSURES
28.1 Financial Risk Management Objectives

The company's activities expose to a variety of financial risks, including the effects of changes in foreign exchange rates, credit and liquidity risk associated with various financial assets and liabilities. The company finances its operations through equity and management of working capital with a view to maintain reasonable mix between various sources of finance to minimize risk. Taken as a whole, risk arising from the company's financial instruments is limited as there is no significant exposure to market risk in respect of such instruments.

28.2 Liquidity risk

Liquidity risk is the risk that the company will encounter difficulties in raising funds to meet commitments associated with Financial Instruments. The company is not exposed to any significant risk.

MATURITIES OF ASSETS AND LIABILITIES

Descriptions	June 30, 2017				
	Total	Up to 3 Months	Over 3 Months to 1 Year	Over 1 Year to 5 years	Over 5 years
	----- Rupees -----				
ASSETS					
Investment in finance lease	9,291,481	9,291,481	-	-	-
Long term advances, deposits and prepayments	21,920,438	-	-	21,920,438	-
Property, plant and equipment	131,592,570	-	-	131,592,570	-
Cash and bank balances	734,834	734,834	-	-	-
Advances, deposits, prepayments and other receivables	124,192,149	118,173,049	6,019,100	-	-
Trade receivables	46,113,435	-	46,113,435	-	-
Taxation - net	20,042,606	-	20,042,606	-	-
Total Assets	353,887,513	128,199,364	72,175,141	153,513,008	-
LIABILITIES					
Current portion of long term deposits	9,311,420	9,311,420	-	-	-
Trade and other payables	8,329,034	8,329,034	-	-	-
Diminishing musharakah financing	140,214,579	8,446,864	28,921,476	102,846,239	-
Deferred tax liability	6,962,882	-	-	6,962,882	-
Total Liabilities	164,817,915	26,087,318	28,921,476	109,809,121	-
Net Assets	189,069,598	102,112,046	43,253,665	43,703,887	-
Share capital	107,444,130				
Reserve	81,625,468				
	189,069,598				

June 30, 2016					
Descriptions	Total	Up to 3 Months	Over 3 Months to 1 Year	Over 1 Year to 5 years	Over 5 years
ASSETS					
Investment in finance lease	9,291,481	9,291,481	-	-	-
Long term advances, deposits and prepayments	21,604,797	-	-	21,604,797	-
Property, plant and equipment	175,276,687	-	-	175,276,687	-
Cash and bank balances	264,101	264,101	-	-	-
Advances, deposits, prepayments and other receivables	9,130,613	1,279,013	7,851,600	-	-
Trade receivables	31,516,943	-	31,516,943	-	-
Taxation - net	18,670,251	-	18,670,251	-	-
Total Assets	265,754,873	10,834,595	58,038,794	196,881,484	-
LIABILITIES					
Current portion of long term deposits	9,311,420	9,311,420	-	-	-
Trade and other payables	17,106,141	17,106,141	-	-	-
Liabilities against assets subject to finance lease	69,715,003	13,654,148	13,036,448	43,024,407	-
Deferred tax liability	1,588,966	-	-	1,588,966	-
Total Liabilities	97,721,530	40,071,709	13,036,448	44,613,373	-
Net Assets	168,033,343	(29,237,114)	45,002,346	152,268,111	-
Share capital	107,444,130				
Reserve	60,589,213				
	168,033,343				

28.3 Interest Rate Risk Management

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market mark-up/interest rates. Sensitivity to interest/mark up rate risk arises from mismatches of financial assets and financial liabilities that mature or repriced in a given period. The company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The company is exposed to mark -up / interest rate risk in respect of the following :

June 30, 2017							
Interest / Mark-up bearing				Non Interest bearing			Total
Interest rates	Maturity up to one year	Maturity after one year	Subtotal	Maturity up to one year	Maturity after one year	Subtotal	
----- Rupees -----							
FINANCIAL ASSETS							
Net investment in lease	15.73 % - 18%	9,291,481	-	9,291,481	-	-	9,291,481
Trade receivable		-	-	-	46,113,435	-	46,113,435
Deposits and other receivables		-	-	-	37,380,874	-	37,380,874
Deposits		-	-	-	-	20,037,162	20,037,162
Cash and bank balances	3.75% - 4%	617,886	-	617,886	116,948	-	116,948
		9,909,367	-	9,909,367	83,611,257	20,037,162	103,648,419
							113,557,786
FINANCIAL LIABILITIES							
Trade and other payables		-	-	-	8,329,034	-	8,329,034
Diminishing musharakah financing	9.05% to 16%	37,368,340	102,846,239	140,214,579	-	-	140,214,579
Liabilities against assets subject to finance lease		-	-	-	-	-	-
		37,368,340	102,846,239	140,214,579	8,329,034	-	8,329,034
							8,329,034
Net financial assets / (liabilities) June 30, 2017		(27,458,973)	(102,846,239)	(130,305,212)	75,282,223	20,037,162	95,319,385
							105,228,752

Interest Rate Risk

	June 30, 2016							Total
	Interest / Mark-up bearing			Non Interest bearing				
	Interest rates	Maturity up to one year	Maturity after one year	Subtotal	Maturity up to one year	Maturity after one year		
----- Rupees -----								
FINANCIAL ASSETS								
Net investment in lease	15.73 % - 18%	9,291,481	-	9,291,481	-	-	-	9,291,481
Trade receivable					31,516,943	-	31,516,943	31,516,943
Deposits and other receivables	-	-	-	-	7,851,600	-	7,851,600	7,851,600
Deposits	-	-	-	-	-	20,350,612	20,350,612	20,350,612
Cash and bank balances	3.75% - 4%	152,313	-	152,313	111,788	-	111,788	264,101
		9,443,794	-	9,443,794	39,480,331	20,350,612	59,830,943	69,274,737
FINANCIAL LIABILITIES								
Trade and other payables		-	-	-	17,106,141	-	17,106,141	17,106,141
Diminishing musharakah financing	9.05% to 16%	19,356,816	43,024,407	62,381,223	-	-	-	62,381,223
Liabilities against assets subject to finance lease	9.35% to 9.6%	7,333,780	-	7,333,780	-	-	-	7,333,780
		26,690,596	43,024,407	69,715,003	17,106,141	-	17,106,141	86,821,144
Net financial (liabilities) / assets June 30, 2016		(17,246,802)	(43,024,407)	(60,271,209)	22,374,190	20,350,612	42,724,802	(17,546,407)

28.4 Financial assets and liabilities are approximate to their fair values.

28.5 Credit Risk

The Company's credit risk exposure is not significantly different from that reflected in the financial statements. The management monitors and limits company's exposure to credit risk through monitoring of clients' credit exposure, review and conservative estimates of provisions for potential lease losses and doubtful receivables and by obtaining securities/collateral for large amounts of credits. The management is of the view that it is not exposed to significant concentration of credit risk as its financial assets are adequately diversified in different avenues.

Breakdown of credit risk exposure by class of business is follows:

Class of Business	June 30, 2017		June 30, 2016	
	Lease and Hire Purchase Finance	Morabaha and Short Term Finance	Lease and Hire Purchase Finance	Morabaha and Short Term Finance
	%	%	%	%
Electrical and electric goods	-	94.17	-	94.17
Transport and communication	28.14	-	28.14	-
Foods and beverages	3.35	-	3.35	-
Trading	4.88	-	4.88	-
Packaging	25.88	-	25.88	-
Miscellaneous	37.75	5.83	37.75	5.83
	100.00	100.00	100.00	100.00

29. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 31st October, 2017 by the Board of Directors of the Company.

30. GENERAL

30.1 Figures have been rounded off to the nearest rupee.

30.2 Figures have been reclassified and re-arranged where necessary.

Chief Executive Officer

Director

SIX YEARS AT A GLANCE

PARTICULARS	2017	2016	2015	2014	2013	2012
FINANCIAL POSITION						
Balance Sheet Size	353,887,513	265,754,873	212,576,404	188,847,432	205,964,577	172,790,574
Paid-up Capital	107,444,130	107,444,130	107,444,130	107,444,130	107,444,130	107,444,130
Statutory Reserves	36,018,673	31,811,422	27,834,688	25,035,793	22,409,736	19,562,237
Un-appropriated Profits	45,606,795	28,777,791	12,870,853	1,675,273	8,828,955	20,218,952
Fixed Assets (Net)	131,592,570	175,276,687	86,541,467	89,785,472	139,366,432	117,755,443
Net Investment in Lease & Hire Purchase Finance	9,291,481	9,291,481	9,291,481	9,530,531	9,530,531	9,548,235
Lease Obligations	-	7,333,780	46,647,330	37,362,097	70,665,270	54,197,362
Diminishing Musharaka Financing	140,214,579	62,381,223	-	-	-	-
Long Term Deposits	9,311,420	9,311,420	9,311,420	9,550,470	9,550,470	9,568,175
Current Assets	200,374,505	68,873,389	99,259,306	77,273,665	36,008,815	23,456,484
Current Liabilities	55,008,794	53,108,157	39,244,751	32,763,143	41,329,010	28,823,814
INCOMES AND EXPENSES						
Income from Operations	41,339,213	51,260,024	34,037,508	34,828,355	36,244,504	21,899,640
Other Income	11,168,073	1,380,751	1,352,361	650,212	5,275,615	122,154
Administrative & Operating Expenses	12,165,839	9,293,761	8,904,476	8,461,929	7,470,228	6,428,240
Financial Charges	8,521,964	10,378,620	6,273,697	5,830,622	8,599,823	1,109,430
Other Charges	-	659,368	433,295	423,720	670,506	2,129,720
Provision / (reversal) for losses	-	-	(1,453,040)	-	(59,149)	(55,530)
Profit/(Loss) before Tax	31,819,483	32,309,025	21,231,441	20,762,296	24,838,711	12,409,936
Taxation	(10,783,228)	(12,425,353)	(7,236,966)	(7,632,011)	(10,601,215)	(4,541,455)
Profit (Loss) after Tax	21,036,255	19,883,672	13,994,475	13,130,285	14,237,496	7,868,481

**PATTERN OF SHAREHOLDING
HELD BY THE SHAREHOLDERS AS AT JUNE 30, 2017**

No. of Shareholders	-----Shareholding-----		Total Shares Held
	From	To	
324	1	100	12925
128	101	500	40211
179	501	1000	118291
98	1001	5000	207909
12	5001	10000	81864
4	10001	15000	52441
3	15001	20000	52379
4	25001	30000	111346
1	30001	35000	35000
2	45001	50000	98500
1	55001	60000	56000
1	205001	210000	207465
1	660001	665000	663500
1	9005001	9010000	9006582
759			10,744,413

**CATEGORIES OF SHAREHOLDERS REQUIRED UNDER C.C.G.
AS ON 30TH JUNE 2017**

S. No.	NAME	% AGE	HOLDING
<u>DIRECTORS, CEO THEIR SPOUSE AND MINOR CHILDREN</u>			
1	MR. SAAD SAEED FARUQI	0.00	500
2	MR. ASAD NASIR	0.00	500
3	MR. SHAHRUKH SAEED FARUQUI	0.00	500
4	MR. YASUB ALI DOGAR	0.00	500
5	MR. FAISAL ISMAIL	0.00	500
6	MR. FAIZAN HAIDER KHAN	0.00	500
7	MR. HAIDER ALI HILALY	0.00	500
		<u>0.03</u>	<u>3,500</u>
<u>ASSOCIATED COMPANIES</u>			
1	OPTIMUS LIMITED	<u>83.96</u>	<u>9,020,473</u>
<u>BANKS, DEVELOPMENTS, FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS</u>			
1	ESCORTS INVESTMENT BANK LIMITED	<u>0.110</u>	<u>11,800</u>
		0.110	11,800
<u>INSURANCE COMPANIES</u>			
1	STATE LIFE INSURANCE CORP. OF PAKISTAN	1.931	207,465
2	GULF INSURANCE COMPANY LIMITED	<u>0.011</u>	<u>1,175</u>
		<u>1.942</u>	<u>208,640</u>

S. No.	NAME	% AGE	HOLDING
<u>JOINT STOCK COMPANIES</u>			
1	MRA SECURITIES LIMITED - MF	0.042	4,500
2	FIKREE'S (SMC-PVT) LTD	0.005	500
3	LSE FINANCIAL SERVICES LIMITED	0.005	587
4	BEAMING INVEST & SECURITIES(PVT.) LTD.	0.167	17,900
5	ISMAIL ABDUL SHAKOOR SECURITIES (PRIVATE) LTD	0.005	557
6	AL-HAQ SECURITIES (PVT) LTD.	0.022	2,350
7	DR. ARSLAN RAZAQUE SECURITIES (SMC-PVT)	0.154	16,567
8	MAMSECURITIES(PVT)LIMITED	0.001	87
9	AZEE SECURITIES (PRIVATE) LIMITED	0.001	55
10	MAPLE LEAF CAPITAL LIMITED	0.000	1
11	NH SECURITIES (PVT) LIMITED.	0.029	3,150
12	PYRAMID INVESTMENTS (PVT) LTD.	0.167	17,912
13	SARFRAZ MAHMOOD (PRIVATE) LTD	0.006	617
14	S.H. BUKHARI SECURITIES (PVT) LIMITED	0.005	587
15	PRUDENTIAL SECURITIES LIMITED	0.007	750
		<u>0.615</u>	<u>66,120</u>
	<u>SHARES HELD BY THE GENERAL PUBLIC</u>	<u>13.3454</u>	<u>1,433,880</u>
	TOTAL:	<u>100.000</u>	<u>10,744,413</u>

During the financial year the trading in shares of the company by the Directors, CEO, CFO, Company Secretary, their spouse and minor children is as follows:

Sr. No.	Name	SALE	PURCHASE
1	MR. JUNAID IMRAN	500	
2	MR. MUHAMMAD MUNZIR LATIF	500	
2	Mr. Faizan Haider Khan		500
2	Mr. Haider Ali Hilaly		500
		SHARE	% AGE
	<u>SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL:</u>		
1	OPTIMUS LIMITED	<u>9,020,473</u>	<u>83.9550</u>

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PROXY FORM

I/We _____ of _____ being a Shareholder of CAPITAL ASSETS LEASING CORPORATION LIMITED and holding _____ Ordinary Shares as per Register Folio No. _____ or "CDC" Participant's I.D. No. _____ A/c No. _____ hereby appoint Mr. / Mrs. _____ of _____ or failing him/her Mr. / Mrs. _____ of _____ as my/our Proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 25th Annual General Meeting of the Company to be held on Saturday, October 27th, 2018 and at any adjournment thereof.

Affix Revenue Stamp(s) of Rupees five
 Executant's Signature on Revenue Stamp(s)
 (Signature should agree with the Specimen Signature registered with the Company).

Executant's Computerized National Identity Card Number (CNIC) or Passport Number

_____ First Witness Signature	_____ Second Witness Signature
_____ Name in Block letters and Address	_____ Name in Block letters and Address
_____ Computerized National Identity Card Number or Passport Number of Witness	_____ Computerized National Identity Card Number or Passport Number of Witness

 Proxy's Signature

 Proxy's Signature

Notes:

1. A Member entitled to attend and vote at the Meeting may appoint any other member as his/her proxy to attend and vote on his/her behalf. A proxy must be a member of the Company, however corporation may appoint a person who is not a member.
2. This form should be signed by the member or by his/her attorney duly authorized in writing. If the member is a Corporation, its common seal should be affixed to the instrument. The proxy form must be witnessed by two persons.
3. The form of the proxy together with the power of attorney, if any, under which it is signed or a notarially certified copy thereof, must be deposited duly completed in all respects at the Company's Registered office at least 48 hours before the time of holding the Meetings.
4. Signature should agree with the specimen registered with the Company.
5. The following requirements have to be met by CDC Account holders/Corporate entities:
 - i. The proxy form must be witnessed by two persons whose names, addresses and C.N.I.C. number should be mentioned on the form.
 - ii. Attested copies of C.N.I.C or Passport of the beneficial owners shall be furnished with the proxy form.
 - iii. The proxy shall produce his/her original C.N.I.C or passport at the time of meeting.

The Company Secretary
Capital Assets Leasing Cooperation Limited
14th Floor, Chapal Plaza
Hasrat Mohani Road, Karachi-74000.

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Capital Assets Leasing Corporation Limited

14th Floor, Chapal Plaza, Hasrat Mohani Road, Karachi-74000.

Tel: +92 (21) 32431181-8 Fax: +92 (21) 32465703 E-mail: calcorp@optimus.com.pk