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**Capital Assets Leasing
Corporation Limited**

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CAPITAL ASSETS LEASING CORPORATION LIMITED

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Hasrat Mohani Road, Karachi-74000
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**Condensed Interim
Financial Information
For the Quarter Ended
September 30, 2011
(Un-Audited)**

CORPORATE INFORMATION

Board of Directors: Mr. Muhammad Sajid (Chairman)
 Mr. Saad Saeed Faruqui (Chief Executive Officer)
 Syed Hasan Akbar Kazmi
 Syed Sajid Nasim
 Mr. Shahrukh Saeed Faruqui
 Mr. Mustafa Jafar
 Ms. Ayesha Qadri

Audit Committee: Mr. Muhammad Sajid (Chairman)
 Syed Sajid Nasim (Member)
 Mr. Mustafa Jafar (Member)
 Mr. Moiz Saifuddin (Secretary)

Chief Executive Officer: Mr. Saad Saeed Faruqui

CFO & Company Secretary: Mr. Abdul Wajid Soherwardy

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, Advocated & Corporate Counsel

Bankers: JS Bank Limited
 NIB Bank Limited

Registered Office: 14th Floor, Chapal Plaza,
 Hasrat Mohani Road, Karachi-74000
 Tele: +92 (21) 3243 1181-8 Fax: +92 (21) 3246 5718
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 Off Sherpao Bridge, Gulberg-II, Lahore-54660.
 Tel: +92 (42) 3578 7471-73 Fax: +92 (42) 3575 8920

TO THE SHARE HOLDERS

Attached is the un-audited Condensed Interim Financial Information for the 1st Quarter ended September 30, 2011 together with the selected notes and Directors' review report thereon for the shareholders of the company. These are submitted as required under section 245 of the Companies Ordinance, 1984.

Karachi: October 29, 2011

By the Order of the Board
M. Abdul Wajid Soherwardy
 CFO & Company Secretary

DIRECTORS' REVIEW

On behalf of the Board of Directors, I am pleased to present the unaudited interim financial statements for the quarter ended September 30, 2011.

FINANCIAL RESULTS

	Rupees	
	Jul to Sep' 2011	Jul to Sep' 2010
Revenue	4,651,978	4,293,314
Expenses		
Administrative and operating	1,428,460	1,040,160
Financial Charges	732	375
Worker Welfare Fund	65,550	-
Provisions / (Reversals)	(54,714)	(298,214)
	<u>1,440,028</u>	<u>742,321</u>
Profit / (Loss) before tax	3,211,950	3,550,993
Less :Provision for taxation	1,158,131	71,909
Net Profit for the period	<u>2,053,819</u>	<u>3,479,084</u>
Earning per share	<u>0.19</u>	<u>0.32</u>

During the quarter, company has generated net revenue of Rs. 4.6 million against Rs. 4.3 million in corresponding period of year 2010. Pretax profit for the year is Rs. 3.2 million compared to Rs. 3.5 million last year mainly due to lower reversals of provisions. The net profit for the quarter is Rs. 2.05 million after accounting for current and deferred taxation. This works out to earning per share of 0.19 Rupees for this quarter.

ACKNOWLEDGEMENT

The directors wish to place on record their appreciation for the hard work put in and dedication displayed by the staff in performance of their duties.

We owe special gratitude to our shareholders and clients for their kindness and support.

We take this opportunity to thank the Securities and Exchange Commission of Pakistan, all three Stock Exchanges and other regulatory bodies of the country for their support and understanding.

Saad Saeed Faruqui
 Chief Executive Officer

October 29, 2011

CONDENSED INTERIM BALANCE SHEET
 AS AT SEPTEMBER 30, 2011

	(Un-Audited) 30-09-2011	(Audited) 30-6-2010
 Rupees	
ASSETS		
Current assets		
Cash and bank balances	3,188,574	535,558
Current portion of net investment in finance lease	4 9,991,954	10,115,203
Advances, deposits, prepayments and other receivables	14,106,819	10,903,196
Taxation-Net	4,613,892	4,652,846
	<u>31,901,239</u>	<u>26,206,803</u>
Non current assets		
Long term advance, deposits, prepayments and other receivables	212,721	252,063
Deferred Tax Assets	28,819,237	29,908,957
Property, plant and equipment	5 51,980,470	54,927,635
	<u>81,012,428</u>	<u>85,088,655</u>
TOTAL ASSETS	<u>112,913,667</u>	<u>111,295,458</u>
LIABILITIES		
Current Liabilities		
Trade, accrued and other liabilities	2,252,739	2,688,349
Current portion of long term liabilities	9,688,175	9,688,175
	<u>11,940,914</u>	<u>12,376,524</u>
SHARE CAPITAL & RESERVES		
Authorized Capital		
20,000,000 ordinary shares of Rs. 10/- each	<u>200,000,000</u>	<u>200,000,000</u>
Issued, Subscribed and Paid-up capital	107,444,130	107,444,130
Reserves	(6,471,377)	(8,525,196)
	<u>100,972,753</u>	<u>98,918,934</u>
	<u>112,913,667</u>	<u>111,295,458</u>

The annexed notes form an integral part of these Condensed Interim financial statements.

Saad Saeed Faruqi
Chief Executive Officer

Muhammad Sajid
Director

 CONDENSED INTERIM PROFIT & LOSS ACCOUNT
 FOR THE QUARTER ENDED SEPTEMBER 30, 2011
 (UN-AUDITED)

	30-Sep-11	30-Sep-10
 Rupees	
REVENUES		
Income from Operations - (Net)	6 4,430,744	4,250,341
Other Income	221,234	42,973
	<u>4,651,978</u>	<u>4,293,314</u>
EXPENSES		
Administrative and operating expenses	1,428,460	1,040,160
Financial charges	732	375
Worker Welfare Fund	65,550	-
Provision and Write offs / (Reversal)	(54,714)	(298,214)
	<u>1,440,028</u>	<u>742,321</u>
Profit before taxation	3,211,950	3,550,993
Provision for taxation	(1,158,131)	(71,909)
Net profit after tax for the quarter	<u>2,053,819</u>	<u>3,479,084</u>
Earning per share	<u>0.19</u>	<u>0.32</u>

The annexed notes form an integral part of these Condensed Interim financial statements.

Saad Saeed Faruqi
Chief Executive Officer

Muhammad Sajid
Director

 CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
 FOR THE QUARTER ENDED SEPTEMBER 30, 2011
 (UN-AUDITED)

	30-Sep-11	30-Sep-10
 Rupees	
Profit for the period	2,053,819	3,479,084
Other Comprehensive Income	-	-
	<u>2,053,819</u>	<u>3,479,084</u>

The annexed notes form an integral part of these Condensed Interim financial statements.

Saad Saeed Faruqi
Chief Executive Officer

Muhammad Sajid
Director

CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2011
(UN-AUDITED)

	30-Sep-11	30-Sep-10
 Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before taxation	3,211,950	3,550,993
Adjustments for non cash items:		
Depreciation	920,596	853,718
Financial charges	732	375
Reversal of provision against losses	(54,914)	(298,214)
Gain on disposal of property, plant & equipments	(103,431)	(35,390)
	<u>3,974,933</u>	<u>4,071,482</u>
(Increase) / Decrease in current assets		
Advances, deposits, prepayments and other receivable	(3,111,567)	256,345
(Decrease) / increase in current liabilities		
Accrued and other liabilities	(435,610)	(5,548,747)
Cash generated from / (used in) operations	<u>427,756</u>	<u>(1,220,920)</u>
Financial charges paid	(732)	(375)
Tax paid	(29,457)	(134,019)
Net investment in lease	125,449	1,372,882
Morabaha finance	-	175,000
Net cash generated from operating activities	<u>523,016</u>	<u>192,568</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of property, plant & equipments	<u>2,130,000</u>	<u>1,359,000</u>
Net increase in cash and cash equivalents	<u>2,653,016</u>	<u>1,551,568</u>
Cash and cash equivalents at the beginning of the period	<u>535,558</u>	<u>945,598</u>
Cash and cash equivalents at the end of the period	<u><u>3,188,574</u></u>	<u><u>2,497,166</u></u>

The annexed notes form an integral part of these Condensed Interim financial statements.

Saad Saeed Faruqui
Chief Executive Officer

Muhammad Sajid
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2011
(UN-AUDITED)

Description	Issued Subscribed and paid-up capital	Statutory Reserves	Un-appropriated Profits/ (Loss)	Total
Balance as at July 01, 2010	107,444,130	9,638,752	(59,052,672)	58,030,210
Net Profit for the period from July 2010 to September 2010	-	-	3,479,084	3,479,084
Transfer to statutory reserves	-	695,817	(695,817)	-
Balance as at September 30, 2010	107,444,130	10,334,569	(56,269,405)	61,509,294
Balance as at July 01, 2011	107,444,130	17,988,541	(26,513,737)	98,918,934
Net Profit for the period from July 2011 to September 2011	-	-	2,053,819	2,053,819
Transfer to statutory reserves	-	410,764	(410,764)	-
Balance as at September 30, 2011	107,444,130	18,399,305	(24,870,682)	100,972,753

The annexed notes form an integral part of these Condensed Interim financial statements.

Saad Saeed Faruqui
Chief Executive Officer

Muhammad Sajid
Director

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER ENDED SEPTEMBER 30, 2011 (UN-AUDITED)**
1 THE COMPANY AND ITS OPERATIONS

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 all Stock Exchanges in Pakistan. The principal activity of the Company is to carry on leasing business. The registered office of the company is situated at 14th Floor, Chapal Plaza, Hasrat Mohani Road, Karachi. The Company is subsidiary of M/s Optimus Limited by virtue of its 83.96% Share holding. The existing leasing companies are required to increase their minimum equity to Rs. 350 million latest by June 30, 2011, Rs. 500 million by June 30, 2012, and Rs. 700 million by June 30, 2013, under the Non-Banking Finance Companies and Notified Entities Regulations, 2008. At present the company's equity is below prescribed limits.

The management has decided to raise further capital and enhance its equity atleast upto the minimum limit required to operate as a leasing company.

2 STATEMENT OF COMPLIANCE

This Condensed Interim Financial Information have been prepared in accordance with approved accounting standard (IAS) 34 "Interim Financial Reporting", as applicable in Pakistan and notified by the by the Securities and Exchange Commission of Pakistan (SECP), and the listing regulations of Karachi, Islamabad and Lahore Stock Exchanges. This interim financial information should be read in conjunction with the preceding annual published financial statements of the company for the year ended June 30, 2011.

3 ACCOUNTING POLICIES AND COMPUTATION METHOD

The accounting policies and methods of computation adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding annual published financial statements of the company for the year ended June 30, 2011.

	(UN-AUDITED) 30-Sep-11	(AUDITED) 30-Jun-11
 Rupees	
4 NET INVESTMENT IN LEASE FINANCE		
Minimum lease and hire purchase rentals	21,250,368	21,387,135
Add: Residual value	<u>9,688,175</u>	<u>9,688,175</u>
Gross investment in lease	30,938,543	31,075,310
Less: Unearned finance income	<u>(4,167,298)</u>	<u>(4,178,816)</u>
Net investment in lease	26,771,245	26,896,494
Less: Provision for lease losses	<u>(16,779,291)</u>	<u>(16,781,291)</u>
	9,991,954	10,115,203
Current portion of non current assets	<u>9,991,954</u>	<u>10,115,203</u>
	-	-
	-	-
5 PROPERTY, PLANT AND EQUIPMENTS		
Opening written down value	54,927,635	55,448,587
Add: Cost of acquisition during the quarter / year	<u>-</u>	<u>25,926,878</u>
	54,927,635	81,375,465
Less: written down value of deletion during the quarter / year	<u>(2,026,569)</u>	<u>(22,803,048)</u>
	52,901,066	58,572,417
Less: Depreciation charged for the quarter / year	<u>920,596</u>	<u>3,644,782</u>
	<u>51,980,470</u>	<u>54,927,635</u>
6 INCOME FROM OPERATIONS - (NET)		
Income on lease contracts	6.1 11,518	124,694
Income from vehicle plying for hire	6.2 4,419,226	4,044,868
Late payment and other charges	<u>-</u>	<u>80,779</u>
	<u>4,430,744</u>	<u>4,250,341</u>

	(UN-AUDITED) 30-Sep-11	(AUDITED) 30-Jun-11
 Rupees	
6.1 Income on Lease Contract		
Lease finance income for the Period	11,824	94,240
Suspended Lease income (provided) /reversed for the period	<u>(306)</u>	<u>30,454</u>
	<u>11,518</u>	<u>124,694</u>
6.2 Income from Vehicle Plying for Hire		
Rentals	6,470,477	5,669,608
Cost of Services		
Road Tax / Registration & Other Charges	67,335	75,777
Vehicle Service & Maintenance-VPFH	346,818	-
Tracker Monitoring Cost	77,583	67,230
Insurance	294,637	307,592
Depreciation	899,878	826,641
Service Charges to Holding Company	365,000	347,500
	<u>2,051,251</u>	<u>1,624,740</u>
	<u>4,419,226</u>	<u>4,044,868</u>
7 TRANSACTIONS WITH RELATED PARTY		

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 personnel and employees fund. The company has a policy whereby all transactions with related parties, are entered into an arm's length prices using the permissible method of pricing. The transactions with related parties, other then remuneration under the terms of employment, are as follows:

Related Party	Nature of transaction	(UN-AUDITED) 30-Sep-11	(UN-AUDITED) 30-Sep-10
	 Rupees	
"Optimus Limited (Holding company)"	Rental services rendered	6,470,477	5,669,608
	Management Service	365,000	347,500
	Sale of Motor Vehicle	2,130,000	-
	Vehicle Service & Maintenance	346,818	-
	Salary & Allowance	581,597	-
"Mustang Eye (Private) limited (Common Directorship)"	Tracker Service	3,630	-
Key Management Personnel (Ex-Chief Financial Officer)	Lease Facility	-	155,243
Staff Provident Fund	Contribution to staff provident fund	19,107	22,048

8 AUTHORIZATION FOR ISSUE

The Board of Directors of the Company has authorized these financial statements for issue on October 29, 2011

9 GENERAL

Figures have been rounded off to the nearest rupee.

Figures have been reclassified and re-arranged where necessary.

Saad Saeed Faruqi
Chief Executive Officer

Muhammad Sajid
Director