



**Capital Assets Leasing
Corporation Limited**

24th Annual Report 2016

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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. Junaid Imran Mr. Faisal Ismail Mr. Muhammad Munzir latif	(Chairman) (Chief Executive Officer)
Audit Committee:	Mr. Shahrukh Saeed Faruqui Mr. Asad Nasir Mr. Brig (R) Yasub Ali Dogar Ms. Summia Shah	(Chairman) (Member) (Member) (Secretary)
HR & Remuneration Committee:	Mr. Asad Nasir Mr. Saad Saeed Faruqui Mr. Junaid Imran	
Chief Executive Officer:	Mr. Saad Saeed Faruqui	
CFO & Company Secretary:	Mr. Syed Sajid Nasim	
Head of Internal Audit:	Ms. Summia Shah	
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 24th ANNUAL GENERAL MEETING

Notice is hereby given that 24th Annual General Meeting of Capital Assets Leasing Corporation Limited (the "Company") will be held on Friday 28th October 2016 at 07:00 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 23rd Annual General Meeting of the shareholders held on Saturday 31st October 2015.
2. To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2016
3. To appoint Auditors and fix their remuneration. The present Auditors, Messrs. 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: 7th October, 2016

**By the Order of the Board
Syed Sajid Nasim
Company Secretary**

Notes:

1. The share transfer book of the Company will remain closed from 22nd October 2016 to 28th October 2016 (both days inclusive). Transfers received in order by our Shares Registrar, Technology Trade (Private) Limited, Dagia House, 241-C, Block 2, P.E.C.H.S., Off Shahrah-e-Quaideen, Karachi at the close of business on October 21st, 2016 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 Technology Trade (Private) Limited, Dagia House, 241-C, Block 2, P.E.C.H.S., Off Shahrah-e-Quaideen, 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 24th annual report along with the audited accounts of the Capital Assets Leasing Corporation Limited for the year ended June 30th, 2016.

FINANCIAL HIGHLIGHTS

An analysis of the key operating results for 2016 and their comparison with the results of the previous year is summarized below:

	Rupees	
	2016	2015
Total Income	52,640,774	35,389,869
Expenses		
Operating Expenses	9,293,761	8,904,476
Financial Charges	10,378,620	6,273,697
Other Charges	659,368	433,295
(Reversal) / Provisions and write offs	-	(1,453,040)
Total Expenses	20,331,749	14,158,428
Profit before tax	32,309,025	21,231,441
Taxation	(12,425,353)	(7,236,966)
Profit after taxation	19,883,672	13,994,475
Earnings Per Share	1.85	1.30

REVIEW OF OPERATIONS

The operational profit for the period is Rs. 32.3 Million. Net profit for the year 2016 is Rs. 19.8 million as against Rs. 13.9 million in prior year. In the current year, the company transacted business worth Rupees 52.6 million as compared to Rupees 35.4 million in the corresponding period..

FUTURE OUTLOOK

The company has been operating as a Non NBFC. Various options were explored in the past for revival of leasing license but market conditions remained unfavorable. The company has applied for obtaining leasing license as non deposit taking leasing company under NBFC Regulations.

DIVIDEND

No dividend has been announced for the current year as management intends to meet minimum equity requirement and therefore reserves are being accumulated.

BOARD OF DIRECTORS

During the year, Mr. Muhammad Sajid, Mr. Syed Hasan Akbar Kazmi and Mr. Sarfaraz Anis resignation were accepted by the Board of Directors and Mr. Junaid Imran, Mr Faisal Ismail and Mr. Muhammad Munzir latif were appointed with immediate effect to fill the casual vacancy caused by the three resignations.

The Board wishes to place on record its appreciation for the valuable contributions made by the outgoing Directors and welcomes the new Directors.

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 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 state of affairs, the result of its operations, 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. Muhammad Sajid	500 Shares
b.	Mr. Syed Hasan Akbar Kazmi	500 Shares
c.	Mr. Sarfaraz Anis	500 Shares
d.	Mr. Junaid Imran	500 Shares
e.	Mr Faisal Ismail	500 Shares
f.	Mr. Muhammad Munzir latif	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. Saad Saeed Faruqui	4
2	Mr. Syed Hasan Akbar Kazmi	2
3	Shahrukh Saeed Faruqui	4
4	Mr. Brig (R) Yasub Ali Dogar	1
5	Mr. Asad Nasir	4
6	Mr. Junaid Imran	2
7	Mr Faisal Ismail	1
8	Mr. Sarfaraz Anis	3

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

PARENT COMPANY

Optimus Limited holds 83.99% of the shareholding in the company.

AUDITORS

The present auditors M/s Baker Tilly Mehmood Idress Qamar & Company, Chartered Accountants, retire and being eligible, offer themselves for re-appointment for the year ending June 30, 2017. On the proposal of the Audit Committee, Board recommends the appointment of M/s Baker Tilly Mehmood Idress Qamar & Company, Chartered Accountants, as statutory auditors of the company for the financial year 2017.

PATTERN OF SHAREHOLDING

The pattern of shareholding of the company as on June 30, 2016 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: 7th October, 2016

Saad Saeed Faruqi
Chief Executive Officer

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30TH, 2016

This statement is being presented to comply with the Code of Corporate Governance, set out in the 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.

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	Saad Saeed Faruqui
Non-Executive Directors	Asad Nasir
	Shahrukh Saeed Faruqui
	Junaid Imran
	Faisal Ismail
	Munzir Latif
Independent Director	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 NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. Three casual vacancies occurring on the board on 09-Oct-2015, 29-Feb-2016 & 16-May-2016 were filled up by the directors on 30-Oct-2015, 25-March-2016 & 03-June-2016 respectively.
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, one Director has acquired the formal Director's Training Certificate from the Pakistan Institute of Corporate Governance (PICG)
10. The board has approved appointment of CFO, Company Secretary and 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. 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 ASSETS LEASING CORPORATION LIMITED** ("the Company") for the year ended June 30, 2016 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, 2016.

Engagement Partner: Muhammad Aqeel Ashraf Tabani

Karachi: 7th October, 2016

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **CAPITAL ASSETS LEASING CORPORATION LIMITED** as at June 30, 2016 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, 2016, 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 had 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 regulations recently promulgated, 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 after the year end.

Engagement Partner: Muhammad Aqeel Ashraf Tabani

Karachi: 7th October, 2016

BALANCE SHEET AS AT JUNE 30, 2016

	Note	June 2016 (Rupees)	June 2015 (Rupees)
ASSETS			
Current Assets			
Cash and bank balances	5	264,101	247,679
Investment in finance lease	6	9,291,481	9,291,481
Advances, deposits, prepayments and other receivables	7	9,130,613	24,368,922
Trade receivable		31,516,943	53,029,665
Morabaha and short term finances	8	-	-
Taxation - net		18,670,251	12,321,559
		68,873,389	99,259,306
Non-Current Asset			
Long term advances, deposits and prepayments	9	21,604,797	21,431,778
Deferred tax asset	10	-	5,343,853
Property, plant and equipment	11	175,276,687	86,541,467
		196,881,484	113,317,098
TOTAL ASSETS		265,754,873	212,576,404
LIABILITIES AND EQUITY			
Current Liabilities			
Current portion of long term deposits	12	9,311,420	9,311,420
Current portion of liabilities against assets subject to finance lease	13	26,690,596	21,465,348
Trade and other payables	14	17,106,141	8,467,983
		53,108,157	39,244,751
Non-Current Liabilities			
Liabilities against assets subject to finance lease	13	43,024,407	25,181,982
Deferred tax liability	10	1,588,966	-
		44,613,373	25,181,982
Authorised Share Capital			
20,000,000 (2015: 20,000,000) Ordinary shares of Rs. 10/- each		200,000,000	200,000,000
Issued, subscribed and paid-up share capital	15	107,444,130	107,444,130
Reserves	16	60,589,213	40,705,541
		168,033,343	148,149,671
Contingencies and Commitments	17	-	-
TOTAL LIABILITIES AND EQUITY		265,754,873	212,576,404

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, 2016**

	Note	June 2016 (Rupees)	June 2015 (Rupees)
Income			
Income from operations	18	51,260,023	34,037,508
Other operating income	19	1,380,751	1,352,361
		52,640,774	35,389,869
Expenses			
Administrative and operating expenses	20	9,293,761	8,904,476
Financial charges	21	10,378,620	6,273,697
Other charges	22	659,368	433,295
(Reversals) / Provision and write off	23	-	(1,453,040)
		20,331,749	14,158,428
Profit before taxation		32,309,025	21,231,441
Taxation	24	(12,425,353)	(7,236,966)
Profit after taxation		19,883,672	13,994,475
Earnings per share	25	1.85	1.30

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, 2016**

	June 2016 (Rupees)	June 2015 (Rupees)
Net income for the year	19,883,672	13,994,475
Other comprehensive income	-	-
Total comprehensive income for the year	<u>19,883,672</u>	<u>13,994,475</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, 2016

	Note	June 2016 (Rupees)	June 2015 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		32,309,025	21,231,441
Adjustments for non cash items:			
Depreciation		13,114,812	6,617,878
Amortization		80,881	80,881
Financial charges		10,378,620	6,273,697
(Reversal) / provisions and write off		-	(1,453,040)
(Gain) on disposal of property, plant and equipment		(1,059,615)	(40,378)
		54,823,723	32,710,479
(Increase) / decrease in current assets			
Advances, deposits, prepayments and other receivables		15,238,309	(87,362)
Trade Receivables		21,512,722	(20,883,261)
		36,751,031	(20,970,623)
Increase in current liabilities			
Trade and other payables		8,611,964	553,527
		100,186,718	12,293,383
Cash generated from operations			
Financial charges paid		(10,352,426)	(6,138,910)
Tax paid		(11,841,226)	(4,896,955)
Net investment in lease and hire purchase finances		-	1,447,090
Current portion of long term deposits		-	(239,050)
Net cash inflow from operating activities		77,993,066	2,465,558
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in property, plant and equipment		(125,986,298)	(95,899,376)
Long term advances, deposits and prepayments		(173,019)	(8,632,292)
Proceeds from sale of property, plant and equipment		25,115,000	92,485,000
Net cash (used in) investing activities		(101,044,317)	(12,046,668)
CASH FLOWS FROM FINANCING ACTIVITIES			
Liability against assets subject to finance lease		23,067,673	9,285,233
Net cash inflow from financing activities		23,067,673	9,285,233
Net increase / (decrease) in cash and cash equivalents		16,422	(295,877)
Cash and cash equivalents at the beginning of the year		247,679	543,556
Cash and cash equivalents at the end of year	5	264,101	247,679

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, 2016**

	Issued, Subscribed and Paid-up Share Capital	Statutory Reserves	Unappropriated Profit	Total
----- Rupees -----				
Balance as at June 30, 2014	107,444,130	25,035,793	1,675,273	134,155,196
Net profit for the year	-	-	13,994,475	13,994,475
Transfer to reserve	-	2,798,895	(2,798,895)	-
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

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, 2016

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 renting out of vehicles 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, for non depository leasing companies it has been fixed at Rs.50.00 million. Hence, the management has subsequently 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 4.10)
- Taxation (Note 4.9)

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.

New or revised standards, amendments and interpretations 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, 2015 and are considered to be relevant to the Company's operations:

IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. The standard will affect the disclosures in the financial statements of the Company.

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. The standard will affect the determination of fair value and its related disclosures in the financial statements of the Company.

New or revised standards, amendments and interpretations 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, 2015 are considered not to be relevant to Company's financial statements and hence have not been detailed here.

New or revised standards, amendments and interpretations to published approved accounting standards that are not yet effective

New standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2016 are not yet effective and hence have not been detailed here.

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 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.

4.5 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.

4.6 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.

4.7 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.

4.8 Revenue Recognition

4.8.1 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.

4.8.2 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.

4.8.3 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.

4.9 Taxation

4.9.1 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.

4.9.2 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.

4.10 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.

4.11 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.

4.12 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.

4.13 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.

4.14 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 2016 (Rupees)	June 2015 (Rupees)
5. CASH AND BANK BALANCES			
Cash in hand		16,470	7,870
Cash at banks:			
- In PLS accounts	5.1	152,313	142,658
- In current accounts		92,038	92,038
- Balance with State Bank of Pakistan		3,280	5,113
		<u>264,101</u>	<u>247,679</u>

5.1 Profit on deposit accounts is ranging from 3.75 % to 4 % p.a (June 2015: from 4 % to 5 % p.a).

6. INVESTMENT IN FINANCE LEASE

	June 30, 2016			June 30, 2015		
	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, 2015 : 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 2015: Rs. 19.43 million) which has been placed under over due status.
- 6.3** **Particulars of provision against non-performing leases**

	June 30, 2016			June 30, 2015		
	Specific	General	Total	Specific	General	Total
----- Rupees -----						
Opening balance	15,564,866	-	15,564,866	16,772,906	-	16,772,906
(Reversal)/Charge for the year	-	-	-	(1,208,040)	-	(1,208,040)
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, 2015 : Rs. 3.864 million).

	Note	June 2016 (Rupees)	June 2015 (Rupees)
Particulars of suspended income			
Opening balance		3,864,173	4,135,823
Reversed/realised during the year		-	(271,650)
Closing balance		3,864,173	3,864,173

	Note	June 2016 (Rupees)	June 2015 (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)
		-	-
Deposits			
Long term security deposits - current portion	9	7,851,600	972,200
Prepayments			
Prepaid insurance, Road tax and registration		1,416,602	1,168,781
Provision		(150,804)	(150,804)
		1,265,798	1,017,977
Other receivables			
Other receivables - considered good	7.1	-	22,365,530
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>9,130,613</u>	<u>24,368,922</u>

7.1 This represents Rs. nil (June 2015 : 21.715 million) receivable from Optimus Limited (Parent company).

	Note	June 2016 (Rupees)	June 2015 (Rupees)
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 2016 (Rupees)	June 2015 (Rupees)
9. LONG TERM ADVANCES, DEPOSITS AND PREPAYMENTS			
Security deposits		28,511,502	21,692,890
Less: Provision		(309,290)	(309,290)
		28,202,212	21,383,600
Less: Current portion	7	(7,851,600)	(972,200)
		<u>20,350,612</u>	<u>20,411,400</u>
Prepayments		2,670,787	2,189,159
Less: Current portion		(1,416,602)	(1,168,781)
		1,254,185	1,020,378
		<u>21,604,797</u>	<u>21,431,778</u>
10. DEFERRED TAX (LIABILITY) / ASSET			
Debit balances arising in respect of:			
Liabilities against assets subject to finance lease		22,308,801	15,393,619
Carryforward tax losses		16,124,076	16,131,827
		38,432,877	31,525,446
Credit balance arising in respect of:			
Accelerated depreciation		(40,021,843)	(26,181,593)
		<u>(1,588,966)</u>	<u>5,343,853</u>

	Note	June 2016 (Rupees)	June 2015 (Rupees)
11. PROPERTY, PLANT AND EQUIPMENT			
Property, plant and equipment - tangible assets	11.2	175,263,180	86,447,079
Intangible asset	11.3	13,507	94,388
		175,276,687	86,541,467
11.1 Allocation of depreciation:			
Income from vehicle plying for hire		13,098,694	6,600,671
Administrative and operating expenses		16,118	17,207
		13,114,812	6,617,878

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, 2016 Rupees
	As at July 01, 2015	Additions/ (Disposals)	Transfer	As at June 30, 2016		As at July 01, 2015	Charged for the year	Transfer	As at June 30, 2016	
	-----Rupees-----					%	-----Rupees-----			
11.2 Tangible Assets										
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	20-50	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 vehicles -VPFH	77,830,000	50,975,280 (1,987,000)	-	126,818,280	25-33	10,286,704	7,448,506 (476,853)	-	17,258,357	109,559,923
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

	C O S T				Rate	D E P R E C I A T I O N				Written Down Value as at June 30, 2015
	As at July 01, 2014	Additions/ (Disposals)	Transfer	As at June 30, 2015		As at July 01, 2014	Charged for the year	Transfer	As at June 30, 2015	
	-----Rupees-----					%	-----Rupees-----			
Motor vehicles	108,200	48,593 (108,200)	-	48,593	20	94,466	15,759 (108,200)	-	2,025	46,568
Office machines and equipment	547,200	- (323,000)	-	224,200	15	547,195	- (322,999)	-	224,196	4
Computers and allied equipment	267,669	21,330	-	288,999	30	267,661	1,448	-	269,109	19,890
Furniture and fixture	31,500	-	-	31,500	10	31,496	-	-	31,496	4
Motor vehicle plying for hire	46,390,740	59,201,953 (90,100,003)	7,672,500	23,165,190	20-25	9,190,518	402,359 (6,396,352)	1,766,268	4,962,793	18,202,397
Tracker system	1,175,873	320,000	-	1,495,873	25	529,769	331,184	-	860,953	634,920
Leased motor vehicle -VPFH	60,143,000	36,307,500 (10,948,000)	(7,672,500)	77,830,000	25	8,392,874	5,867,128 (2,207,030)	(1,766,268)	10,286,704	67,543,296
June 30, 2015	108,664,182	95,899,376 (101,479,203)	-	103,084,355		19,053,979	6,617,878 (9,034,581)	-	16,637,276	86,447,079

11.3 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, 2016
	As at July 01, 2015	Additions/ (Disposals)	As at June 30, 2016		As at July 01, 2015	Charged for the year	As at June 30, 2016	
	-----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

	C O S T			Rate	A M O R T I Z A T I O N			Written Down Value as at June 30, 2015
	As at July 01, 2014	Additions/ (Disposals)	As at June 30, 2015		As at July 01, 2014	Charged for the year	As at June 30, 2015	
	-----Rupees-----				%	-----Rupees-----		
Computer software	523,948	-	523,948	33	348,679	80,881	429,560	94,388
June 30, 2015	523,948	-	523,948		348,679	80,881	429,560	94,388

11.4 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 -----							
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	Pak Kuwait Takaful Company Limited
	25,926,020	3,380,782	22,545,238	23,655,000	1,109,762		
Leased Motor vehicles -VPFH							
Suzuki Mehran (Vxr) Efi Euro li	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	<u>27,913,020</u>	<u>3,857,635</u>	<u>24,055,385</u>	<u>25,115,000</u>	<u>1,059,615</u>		

	June 2016 (Rupees)	June 2015 (Rupees)
12. 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>

13. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	June 30, 2016			June 30, 2015		
	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	31,893,074	46,799,680	78,692,754	25,281,421	25,947,031	51,228,452
Less: Financial charges allocated to future periods	(5,202,478)	(3,775,273)	(8,977,751)	(3,816,073)	(765,049)	(4,581,122)
Present Value of Minimum lease Payments	<u>26,690,596</u>	<u>43,024,407</u>	<u>69,715,003</u>	<u>21,465,348</u>	<u>25,181,982</u>	<u>46,647,330</u>

The above liability represents assets acquired under lease arrangements with JS Bank Limited, KASB Modaraba and First Punjab Modaraba. The lease rentals are payable on monthly basis and the financing rates ranges from 9.35% to 16.50% Per annum (2015: 11.00% to 16.18%). 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.

	June 2016 (Rupees)	June 2015 (Rupees)
14. TRADE AND OTHER PAYABLES		
Accrued expenses	4,125,211	3,615,662
Workers' welfare fund	1,516,383	857,015
Insurance Payable	2,599,710	1,192,186
Unclaimed dividend	625,215	625,215
Tax deducted at source	4,887,799	2,000,000
Others	14.1 3,351,823	177,905
	<u>17,106,141</u>	<u>8,467,983</u>

14.1 This represents Rs. 3,159,740 (June 2015 : nil) payable to Optimus Limited (Parent company).

15. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

Number of Shares		Note	June 2016 (Rupees)	June 2015 (Rupees)
2016	2015			
<u>10,744,413</u>	<u>10,744,413</u>	Ordinary shares of Rs. 10/- each fully paid in cash.	<u>107,444,130</u>	<u>107,444,130</u>

16. RESERVES
Statutory Reserve

Statutory reserve

Transfer from profit and loss account

16.1	27,834,688	25,035,793
	3,976,734	2,798,895
	<u>31,811,422</u>	<u>27,834,688</u>

Revenue Reserve

Accumulated profit

28,777,791	12,870,853
<u>60,589,213</u>	<u>40,705,541</u>

16.1 In accordance with the Prudential Regulations for Non - Banking Finance Companies, the company is required to transfer 20% of its after tax profits to statutory reserve until the reserve equals its paid up capital. Thereafter 5% of after tax profit is required to be transferred to reserve. An amount of Rs. 3,976,734 (June 2015: Rs. 2,798,895) has been transferred during the year.

17. CONTINGENCIES AND COMMITMENTS
17.1 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, 2016 (June 30, 2015 : Rs. 5,567,498).

17.2 Commitments

Ijarah lease rentals payable

Note	June 2016 (Rupees)	June 2015 (Rupees)
18.3	<u>69,124,561</u>	<u>71,587,676</u>

	Note	June 2016 (Rupees)	June 2015 (Rupees)
18. INCOME FROM OPERATIONS			
Income on lease contracts	18.1	-	271,650
Income from vehicle plying for hire	18.2	51,260,023	33,765,858
		51,260,023	34,037,508
18.1 Income on Lease Contracts			
Lease finance income reversed / (suspended)		-	271,650
		-	271,650
18.2 Income from Vehicle Plying for Hire			
Rentals		118,869,383	80,142,430
Cost of Services			
Road tax/Registration and other charges		2,634,433	1,918,294
Vehicle service and maintenance-VPFH		12,746,352	8,206,796
Ijarah lease rental	18.3	26,822,695	21,290,791
Tracker monitoring cost		1,525,761	1,398,204
Tracker transfer cost		70,826	-
Insurance		4,668,099	3,361,816
Depreciation	11.1	13,098,694	6,600,671
Service charges to holding company	18.4	6,042,500	3,600,000
		67,609,360	46,376,572
		51,260,023	33,765,858
18.3 Ijarah Lease Rental			

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

	June 30, 2016			June 30, 2015		
	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	41,145,161	27,979,400	69,124,561	23,051,568	48,536,108	71,587,676
	41,145,161	27,979,400	69,124,561	23,051,568	48,536,108	71,587,676

18.4 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 2016 (Rupees)	June 2015 (Rupees)
19. OTHER OPERATING INCOME			
Gain on sale of property, plant and equipment		1,059,615	40,378
Return on bank deposit		30,484	23,389
Late payment charges		-	1,278,594
Other income		290,652	10,000
		<u>1,380,751</u>	<u>1,352,361</u>
20. ADMINISTRATIVE AND OPERATING EXPENSES			
Salaries, allowances and benefits		5,405,282	4,672,181
Travelling and conveyance charges		4,900	3,880
Depreciation	11.1	16,118	17,207
Amortization		80,881	80,881
Printing and stationery		384,855	352,322
Rent		150,000	150,000
Utilities		99,293	97,977
Telephone and postage expenses		94,941	149,372
Legal and professional charges		2,006,585	2,385,646
Vehicle running expenses		87,850	89,030
Insurance expenses		4,456	4,410
Entertainment expenses		108,230	70,000
Auditors' remuneration	20.1	520,850	570,400
Director training program		325,004	255,000
Sundry expenses		4,516	6,170
		<u>9,293,761</u>	<u>8,904,476</u>
20.1 Auditors' Remuneration			
Audit fee		227,250	294,000
Half yearly audit / review		211,150	204,750
Code of corporate governance		30,000	30,000
Out of pocket expenses		52,450	41,650
		<u>520,850</u>	<u>570,400</u>
21. FINANCIAL CHARGES			
Mark up on finance lease		6,814,815	6,264,722
Mark up on short term loan		3,552,484	-
Bank charges		11,321	8,975
		<u>10,378,620</u>	<u>6,273,697</u>
22. OTHERS CHARGES			
Workers' welfare fund		659,368	433,295
		<u>659,368</u>	<u>433,295</u>

	Note	June 2016 (Rupees)	June 2015 (Rupees)
23. (REVERSALS)/PROVISIONS AND WRITE OFFS			
Provisions/(Reversals):			
- against leases		-	(1,208,040)
- against advances, deposits and prepayments		-	(245,000)
		<u>-</u>	<u>(1,453,040)</u>
24. TAXATION			
Current	24.1	(5,492,534)	(3,592,010)
Deferred		(6,932,819)	(3,644,956)
		<u>(12,425,353)</u>	<u>(7,236,966)</u>

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

		June 2016	June 2015
25. EARNINGS PER SHARE			
Profit after taxation	Rupees	19,883,672	13,994,475
Weighted average number of ordinary shares	Numbers	10,744,413	10,744,413
Earnings per share - basic and diluted	Rupees	<u>1.85</u>	<u>1.30</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 2016	June 2015
Optimus Limited	Holding Company	Rental services rendered	118,869,383	80,142,430
		Management services received	6,042,500	3,600,000
		Vehicle maintenance service received	12,594,472	8,206,796
		Purchase of tracker	220,000	320,000
		Purchase of motor vehicle	70,855,000	50,000,000
		Sale of motor vehicle	23,105,000	33,235,000
		Salary and allowances	3,631,176	2,909,751
Mustang Eye (Pvt) Ltd	Common Directorship	Tracker service	457,083	491,346
Staff provident fund		Contribution to staff provident fund	65,275	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 - 2016	June - 2015
Managerial remuneration	3,631,176	2,909,751
Total	3,631,176	2,909,751
Number of person	1	1

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, 2016				
	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	21,604,797	-	-	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				

June 30, 2015					
Descriptions	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	21,431,778	-	-	21,431,778	-
Deferred tax asset	5,343,853	-	-	5,343,853	-
Property, plant and equipment	86,541,467	-	-	86,541,467	-
Cash and bank balances	247,679	247,679	-	-	-
Advances, deposits, prepayments and other receivables	24,368,922	23,396,722	972,200	-	-
Trade receivables	53,029,665	-	53,029,665	-	-
Taxation - net	12,321,559	-	12,321,559	-	-
Total Assets	212,576,404	32,935,882	66,323,424	113,317,098	-
LIABILITIES					
Current portion of long term deposits	9,311,420	9,311,420	-	-	-
Trade and other payables	8,467,983	8,467,983	-	-	-
Liabilities against assets subject to finance lease	46,647,330	6,134,482	12,747,764	27,765,084	-
Total Liabilities	64,426,733	23,913,885	12,747,764	27,765,084	-
Net Assets/Liabilities	148,149,671	9,021,997	53,575,660	85,552,014	-
Share capital	107,444,130				
Reserve	40,705,541				
	148,149,671				

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 :

Interest Rate Risk	June 30, 2016							
	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		-	-	-	31,516,943	-	31,516,943	
Advances, deposits, prepayments and other receivables	-	-	-	-	7,851,600	-	7,851,600	
Long term advances, deposits and prepayments	-	-	-	-	-	20,350,612	20,350,612	
Cash and bank balances	3.75% - 4%	152,313	-	152,313	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	
Liabilities against assets subject to finance lease	9.35% to 16.50%	26,690,596	43,024,407	69,715,003	-	-	69,715,003	
		26,690,596	43,024,407	69,715,003	17,106,141	-	17,106,141	
Net financial assets / (liabilities) June 30, 2016		(17,246,802)	(43,024,407)	(60,271,209)	22,374,190	20,350,612	(17,546,407)	

Interest Rate Risk

June 30, 2015							
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					53,029,665	-	53,029,665
Advances, deposits, prepayments and other receivables					23,337,730	-	23,337,730
Long term advances, deposits and prepayments						20,411,400	20,411,400
Cash and bank balances	4% - 5%	142,658	-	142,658	105,021	-	247,679
		9,434,139	-	9,434,139	76,472,416	20,411,400	96,883,816
							106,317,955
FINANCIAL LIABILITIES							
Trade and other payables		-	-	-	8,467,983	-	8,467,983
Liabilities against assets subject to finance lease	11.00% to 16.18%	21,465,348	25,181,982	46,647,330	-	-	46,647,330
		21,465,348	25,181,982	46,647,330	8,467,983	-	55,115,313
Net financial assets / (liabilities) June 30, 2015		(12,031,209)	(25,181,982)	(37,213,191)	68,004,433	20,411,400	88,415,833
							51,202,642

Financial assets and liabilities are approximate to their fair values.

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, 2016		June 30, 2015	
	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 7th October, 2016 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	2016	2015	2014	2013	2012	2011
FINANCIAL POSITION						
Balance Sheet Size	265,754,873	212,576,404	188,847,432	205,964,577	172,790,574	112,295,458
Paid-up Capital	107,444,130	107,444,130	107,444,130	107,444,130	107,444,130	107,444,130
Statutory Reserves	31,811,422	27,834,688	25,035,793	22,409,736	19,562,237	17,988,541
Un-appropriated Profits	28,777,791	12,870,853	1,675,273	8,828,955	20,218,952	26,513,737
Fixed Assets (Net)	175,276,687	86,541,467	89,785,472	139,366,432	117,755,443	54,927,635
Net Investment in Lease & Hire Purchase Finance.	9,291,481	9,291,481	9,530,531	9,530,531	9,548,235	(10,115,203)
Lease Obligations	69,715,003	46,647,330	37,362,097	70,665,270	54,197,362	0
Long Term Deposits	9,311,420	9,311,420	9,550,470	9,550,470	9,568,175	9,688,175
Current Assets	68,873,389	99,259,306	77,273,665	36,008,815	23,456,484	26,206,803
Current Liabilities	53,108,157	39,244,751	32,763,143	41,329,010	28,823,814	12,376,524
INCOMES AND EXPENSES						
Income from Operations	51,260,023	34,037,508	34,828,355	36,244,504	21,899,640	15,681,310
Other Income	1,380,751	1,352,361	650,212	5,275,615	122,154	1,281,925
Administrative & Operating Expenses	9,293,761	8,904,476	8,461,929	7,470,228	6,428,240	5,910,539
Financial Charges	10,378,620	6,273,697	5,830,622	8,599,823	1,109,430	2,012
Other Charges	659,368	433,295	423,720	670,506	2,129,720	248,470
Provision / (reversal) for losses	-	(1,453,040)	-	(59,149)	(55,530)	(1,372,807)
Profit/(Loss) before Tax	32,309,025	21,231,441	20,762,296	24,838,711	12,409,936	12,175,021
Taxation / (Reversal)	(12,425,353)	(7,236,966)	(7,632,011)	(10,601,215)	(4,541,455)	29,573,923
Profit (Loss) after Tax	19,883,672	13,994,475	13,130,285	14,237,496	7,868,481	41,748,944

**PATTERN OF SHAREHOLDING
HELD BY THE SHAREHOLDERS AS AT JUNE 30, 2016**

No. of Shareholders	-----Shareholding-----		Total Shares Held
	From	To	
303	1	100	12,471
135	101	500	42,204
177	501	1000	116,259
95	1001	5000	200,402
9	5001	10000	57,864
5	10001	15000	64,441
3	15001	20000	52,379
3	25001	30000	84,346
1	45001	50000	49,000
1	160001	165000	162,500
1	230001	235000	232,465
1	660001	665000	663,500
1	9005001	9010000	9,006,582
735			10,744,413

**CATEGORIES OF SHAREHOLDERS REQUIRED UNDER C.C.G.
AS ON 30TH JUNE 2016**

S. No.	NAME	% AGE	HOLDING
<u>DIRECTORS, CEO THEIR SPOUSE AND MINOR CHILDREN</u>			
1	MR. SAAD SAEED FARUQI	0.0047	500
2	MR. ASAD NASIR	0.0047	500
3	MR. SHAHRUKH SAEED FARUQUI	0.0047	500
4	BRIG (R) YASUB ALI DOGAR	0.0047	500
5	MR. JUNAID IMRAN	0.0047	500
6	MR. FAISAL ISMAIL	0.0047	500
7	MR. MUHAMMAD MUNZIR LATIF	0.0047	500
		0.0326	3,500
<u>ASSOCIATED COMPANIES</u>			
1	OPTIMUS LIMITED	83.9550	9,020,473
<u>BANKS, DEVELOPMENTS, FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS</u>			
1	ESCORTS INVESTMENT BANK LIMITED	0.1098	11,800
<u>INSURANCE COMPANIES</u>			
1	STATE LIFE INSURANCE CORP. OF PAKISTAN	2.1636	232,465
2	GULF INSURANCE COMPANY LIMITED	0.0109	1,175
		2.1745	233,640

S. No.	NAME	% AGE	HOLDING
<u>JOINT STOCK COMPANIES</u>			
1	FIKREE'S (SMC-PVT) LTD	0.0047	500
2	LSE FINANCIAL SERVICES LIMITED	0.0055	587
3	BEAMING INVEST & SECURITIES(PVT.) LTD.	0.1666	17,900
4	ISMAIL ABDUL SHAKOOR SECURITIES (PRIVATE) LTD	0.0052	557
5	AL-HAQ SECURITIES (PVT) LTD.	0.0219	2,350
6	DR. ARSLAN RAZAQUE SECURITIES (SMC-PVT)	0.1542	16,567
7	M.R. SECURITIES (SMC-PVT) LTD.	0.0016	175
9	AZEE SECURITIES (PRIVATE) LIMITED	0.0005	55
10	MAPLE LEAF CAPITAL LIMITED	0.0000	1
11	NH SECURITIES (PVT) LIMITED.	0.0293	3,150
12	PYRAMID INVESTMENTS (PVT) LTD.	0.1667	17,912
13	SARFRAZ MAHMOOD (PRIVATE) LTD	0.0057	617
14	S.H. BUKHARI SECURITIES (PVT) LIMITED	0.0055	587
15	PRUDENTIAL SECURITIES LIMITED	0.0070	750
		<u>0.5744</u>	<u>61,708</u>
	<u>SHARES HELD BY THE GENERAL PUBLIC</u>	13.1537	1,413,292
	TOTAL:	<u>100.0000</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. MUHAMMAD SAJID	500	
2	SYED HASSAN AKBAR KAZMI	500	
3	MR SARFARAZ ANIS	500	
4	MR. JUNAID IMRAN		500
5	MR. FAISAL ISMAIL		500
6	MR. MUHAMMAD MUNZIR LATIF		500
	<u>SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL:</u>		
1	OPTIMUS LIMITED	<u>9,020,473</u>	<u>83.9550</u>

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 24th Annual General Meeting of the Company to be held on Friday, October 28th, 2016 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.

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