



**Capital Assets Leasing
Corporation Limited**

**Condensed Interim
Financial Information
For the Quarter Ended
September 30, 2019
(Un-Audited)**



CORPORATE INFORMATION

Board of Directors:	Mr. Haider Ali Hilaly (Chairman) Mr. Saad Saeed Faruqui Mr. Shahruxh Saeed Faruqui Mr. Brig (R) Yasub Ali Dogar Mr. Azam Adnan Khan Ms. Sana Shahzad Mr. Tahir Sohail
Audit Committee:	Ms. Brig (R) Yasub Ali Dogar (Chairman) Mr. Shahruxh Saeed Faruqui (Member) Mr. Tahir Sohail (Member)
HR & Remuneration Committee:	Mr. Brig (R) Yasub Ali Dogar Mr. Irfan Ahmad Mr. Haider Ali Hilaly
Chief Executive Officer:	Mr. Irfan Ahmad
CFO & Company Secretary:	Ms. Shomaila Siddiqui
Head of Internal Audit:	Mr. Ajaz Muhammad
Registrar & Share Transfer Office:	F. D. Registrar Services (SMC-Pvt.) Limited 17th Floor, Saima Trade Tower-A, I. I. Chundrigar Road Karachi. Tel: +92 (21)32271905-6 Fax +92(21)-32621233
Auditors:	Baker Tilly Mehmood Idrees Qamar, Chartered Accountants
Legal Advisor:	Mohsin Tayebaly & Co.
Bankers:	JS Bank Limited
Registered Office:	D-131/A, Block 4, Clifton, Karachi Tele: +92 (21) 38771130 E-mail: calcorp@optimus.com.pk Web: www.calcorp.com.pk

DIRECTORS' REVIEW

On behalf of the Board of Directors, we are pleased to present the unaudited condensed interim financial information for the first quarter ended September 30, 2019.

FINANCIAL RESULTS

	September 30, 2019	September 30, 2018
 Rupees	
Revenue	13,964,907	17,303,962
Expenses		
Administrative and operating	4,578,450	3,734,060
Financial Charges	3,087,301	3,511,550
Total Expenses	<u>7,665,751</u>	<u>7,245,610</u>
Profit before tax	6,299,156	10,058,352
Less : Taxation	<u>(1,705,547)</u>	<u>(2,208,840)</u>
Net Profit for the period	<u>4,593,609</u>	<u>7,849,512</u>
Earning per share	<u>0.43</u>	<u>0.73</u>

COMPANY PERFORMANCE REVIEW

During the quarter, company has generated revenue of Rs. 13.96 million against Rs. 17.30 million in corresponding period of the year 2018. The profit for the period has decreased in the quarter amounting Rs. 3.25 million as compared to corresponding quarter of 2018. The net profit for the quarter is Rs. 4.59 million after accounting for taxation against Rs 7.84 million in corresponding period of the year 2018. Earnings per share (EPS) of 0.43 rupee for the quarter ended September 30, 2019 as compare to 0.73 rupee per share (EPS) in the corresponding period.

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 confidence support.

We take this opportunity to thank the Securities and Exchange Commission of Pakistan, Central Depository Company of Pakistan Limited (CDC), Pakistan Stock Exchange Limited and other regulatory bodies of the country for their support.

Chief Executive Officer

Director

Karachi: October 30, 2019

ڈائریکٹرز رپورٹ

ہمیں بورڈ آف ڈائریکٹرز کی جانب سے کیپٹل ایسٹس لیزنگ کارپوریشن لمیٹڈ کی ۳۰ ستمبر ۲۰۱۹ کو ختم ہونے والی سہ ماہی پر ڈائریکٹرز رپورٹ کے ساتھ مالیاتی گوشوارے پیش کرتے ہوئے خوشی محسوس ہوتی ہے۔

روپے		
ستمبر، ۲۰۱۸	ستمبر، ۲۰۱۹	
17,303,962	13,964,907	کل آمدنی
		اخراجات:
(3,734,060)	(4,578,450)	انتظامی اخراجات
(3,511,550)	(3,087,301)	مالیاتی اخراجات
(7,245,610)	(7,665,751)	کل اخراجات
10,058,352	6,299,156	منافع قبل از ٹیکس
(2,208,840)	(1,705,547)	ٹیکس
7,849,512	4,593,609	منافع بعد از ٹیکس
0.73	0.43	آمدنی فی شیئر

کمپنی کی کارکردگی کا تجزیہ

پہلی سہ ماہی ۲۰۱۹ میں آمدنی 13.96 ملین روپے رہی، گزشتہ سال ۲۰۱۹ میں اسی مدت میں آمدنی 17.30 ملین روپے تھی۔ اس سہ ماہی میں منافع 3.255 ملین روپے سے سال ۲۰۱۸ کی پہلی سہ ماہی کے مقابلے میں کم ہوا ہے، خالص منافع بعد از ٹیکس 593.4 ملین روپے ہوا جبکہ اس کے مقابلے میں ۲۰۱۸ کی پہلی سہ ماہی میں 7.849 ملین روپے تھا۔ اس سہ ماہی میں آمدنی فی شیئر 0.43 ہے جو کہ ۲۰۱۸ کی پہلی سہ ماہی میں 0.73 روپے تھی۔

اظہار تشکر

ہم اس موقع پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، سینٹرل ڈپازٹری کمیٹی، پاکستان اسٹاک ایکسچینج لمیٹڈ اور دیگر ریگولیٹری اتھارٹیز سے ان کے مسلسل تعاون اور پیشہ ورانہ رہنمائی اور شہرت ہولڈرز کے ہم پر بھروسے اور بھرپور اعتماد پر ان کا شکریہ ادا کرتے ہیں۔ ہم اپنے اسٹاف کے آپریشنز کے عمل میں عزم اور خلوص کے ساتھ کام کرنے پر ان کے شکرگزار اور ممنون ہیں۔

برائے اور منجانب بورڈ آف ڈائریکٹرز

کیپٹل ایسٹس لیزنگ کارپوریشن لمیٹڈ

ڈائریکٹر

چیف ایگزیکٹو آفیسر

کراچی۔ ۳۰ اکتوبر ۲۰۱۹



Capital Assets Leasing Corporation Limited

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2019

	(Un-Audited) 30-Sep-2019	(Audited) 30-Jun-2019
 Rupees	
ASSETS		
Current assets		
Cash and bank balances	135,371	799,907
Net investment in finance lease	4 9,291,481	9,291,481
Advances, deposits, prepayments and other receivables	64,515,360	52,951,376
Trade Receivable	74,718,059	65,825,018
Morabaha and Short Term Finances	-	-
Taxation-Net	17,531,950	17,495,064
	<u>166,192,221</u>	<u>146,362,846</u>
Non current assets		
Long term advance, deposits, prepayments and other receivables	7,377,076	17,355,600
Property, plant and equipment	6 207,961,828	217,715,388
Intangibles Assets	7 3	3
	<u>215,338,907</u>	<u>235,070,991</u>
TOTAL ASSETS	<u>381,531,128</u>	<u>381,433,837</u>
LIABILITIES		
Current Liabilities		
Deposits	9,311,420	9,311,420
Current portion of diminishing musharakah financing	8 42,220,659	42,337,507
Unclaimed dividend	625,215	625,215
Trade and other payables	9,417,156	8,288,896
	<u>61,574,450</u>	<u>60,563,038</u>
Non Current Liabilities		
Diminishing Musharaka Financing	8 56,414,667	63,627,944
Deferred Tax Liability	5 15,937,755	14,232,208
	<u>72,352,422</u>	<u>77,860,152</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		
Reserves	107,444,130	107,444,130
	<u>140,160,126</u>	<u>135,566,517</u>
	<u>247,604,256</u>	<u>243,010,647</u>
TOTAL LIABILITIES AND EQUITY	<u>381,531,128</u>	<u>381,433,837</u>

Chief Financial Officer

Chief Executive Officer

Director



Capital Assets Leasing Corporation Limited

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER ENDED SEPTEMBER 30, 2019
(UN-AUDITED)

		30-Sep-19	30-Sep-18
	 Rupees	
REVENUES			
Income from Operations - (Net)	9	9,239,736	14,375,845
Other Income		4,725,171	2,928,117
		13,964,907	17,303,962
EXPENSES			
Administrative and operating expenses		4,578,450	3,734,060
Financial charges		3,087,301	3,511,550
		7,665,751	7,245,610
Profit before taxation		6,299,156	10,058,352
Taxation		(1,705,547)	(2,208,840)
Profit after tax for the quarter		4,593,609	7,849,512
Other Comprehensive Income		-	-
Total Comprehensive Income		4,593,609	7,849,512
Earning per share		0.43	0.73

Chief Financial Officer

Chief Executive Officer

Director



Capital Assets Leasing Corporation Limited

CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE QUARTER ENDED SEPTEMBER 30, 2019
(UN-AUDITED)

	30-Sep-2019	30-Sep-2018
 Rupees	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before taxation	6,299,156	10,058,352
Adjustments for non cash items:		
Depreciation	4,607,730	5,414,161
Financial charges	3,087,301	3,511,550
(Gain) / Loss on disposal of property, plant and equipment	(4,714,682)	(2,853,419)
	<u>9,279,505</u>	<u>16,130,644</u>
(Increase) / Decrease in current assets		
Advances, deposits, prepayments and other receivable	(11,563,984)	2,524,935
Trade Receivables	(8,893,041)	(7,783,506)
Increase / (Decrease) in current liabilities		
Accrued and other liabilities	<u>1,042,223</u>	<u>1,265,796</u>
Cash generated / (used in) from operations	<u>(10,135,297)</u>	<u>12,137,869</u>
Financial charges paid	(3,001,264)	(3,597,587)
Tax paid	(36,886)	(101,484)
Net cash generated / (used in) from operating activities	<u>(13,173,447)</u>	<u>8,438,798</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Addition in Property, plant and equipment	(1,685,488)	(3,929,370)
Long term advances, deposits and prepayments	9,978,524	(181,959)
Proceeds from sale of property, plant and equipment	11,546,000	6,182,000
Net cash generated / (used in) from investing activities	19,839,036	2,070,671
CASH FLOW FROM FINANCING ACTIVITIES		
Diminishing Musharaka Financing	(7,330,125)	(11,041,402)
Net cash (used in) / generated from Financing Activity	<u>(7,330,125)</u>	<u>(11,041,402)</u>
Net (decreases) / increase in cash and cash equivalents	<u>(664,536)</u>	<u>(531,933)</u>
Cash and cash equivalents at the beginning of the period	799,907	725,989
Cash and cash equivalents at the end of the period	<u>135,371</u>	<u>194,056</u>

Chief Financial Officer

Chief Executive Officer

Director



Capital Assets Leasing Corporation Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTER ENDED SEPTEMBER 30, 2019
(UN-AUDITED)

Description	Issued Subscribed and paid-up capital	Statutory Reserves	Un-appropriated Profits	Total
Balance as at July 01, 2018	107,444,130	42,777,408	72,641,735	222,863,273
Net Profit for the period from July 2018 to Sep 2018	-	-	7,849,512	7,849,512
Transfer to statutory reserves	-	1,569,902	(1,569,902)	-
Balance as at September 30, 2018	107,444,130	44,347,310	78,921,345	230,712,785
Balance as at July 01, 2019	107,444,130	46,806,883	88,759,634	243,010,647
Net Profit for the period from July 2019 to Sep 2019	-	-	4,593,609	4,593,609
Transfer to statutory reserves	-	918,722	(918,722)	-
Balance as at September 30, 2019	107,444,130	47,725,605	92,434,521	247,604,256

Chief Financial Officer

Chief Executive Officer

Director

**SELECTED NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE QUARTER ENDED SEPTEMBER 30, 2019 (UN-AUDITED)**

1 THE COMPANY AND ITS OPERATIONS

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 Limited. The principal activity of the Company is to carry on leasing business. In addition, the company is also engaged in plying for hire vehicles through its holding company. The Company is subsidiary of Optimus Limited by virtue of 83.96% share holding.

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 licensed 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 were 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 million, Hence, the management has applied for the leasing license as non-depository leasing company under new NBFC Regulations. The Securities and Exchange Commission of Pakistan (SECP) has declined the application for leasing license dated November 06, 2018 due to non-compliance of Fit and Proper Criteria specified in the Non-Banking Finance Companies regulatory framework.

In response to the above letter, the Pakistan Stock Exchange Limited (PSX) has issued a notice dated November 14, 2018 for providing the Company with an opportunity of being heard before taking any action under clauses 5.11.1(j)/ 5.11.2(c) of PSX Regulation regarding suspension of business operations in principle line of business.

However, the Company has filed a petition against Securities and Exchange Commission of Pakistan in The Honourable High Court of Sindh at Karachi dated November 27, 2018. The Honourable High Court of Sindh in its Order dated November 27, 2018 has (i) directed the Securities and Exchange Commission of Pakistan to "maintain status-quo"; and (ii) restrained Pakistan Stock Exchange ""from acting any further pursuant to Letter dated 14 November 2018".

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements 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, Lahore and Islamabad 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 2019.

3 ACCOUNTING POLICIES AND COMPUTATION METHOD

The accounting policies and methods of computation adopted for the preparation of this interim condensed financial information are the same as applied in the preparation of the preceding annual audited financial statements of the company for the year ended June 30, 2019.

4 NET INVESTMENT IN LEASE FINANCE

	(UN-AUDITED) 30-Sep-19	(AUDITED) 30-Jun-19
 Rupees	
Minimum lease and hire purchase rentals	19,427,270	19,427,270
Add: Residual value	<u>9,311,420</u>	<u>9,311,420</u>
Gross investment in lease	28,738,690	28,738,690
Less: Unearned finance income	<u>(3,882,343)</u>	<u>(3,882,343)</u>
Net investment in lease	24,856,347	24,856,347
Less: Provision for lease losses	<u>(15,564,866)</u>	<u>(15,564,866)</u>
	9,291,481	9,291,481
Current portion of non current assets	<u>9,291,481</u>	<u>9,291,481</u>
	-	-

	(UN-AUDITED) 30-Sep-19	(AUDITED) 30-Jun-19
 Rupees	
5 DEFERRED TAX LIABILITY		
Debit balances arising in respect of:		
Provision against advance deposits and prepayments	1,306,471	1,306,471
Provision against finance lease	4,513,811	4,513,811
Minimum tax / ACT	2,116,243	4,184,246
	7,936,525	10,004,528
Credit balance arising in respect of:		
Accelerated depreciation	<u>(23,874,280)</u>	<u>(24,236,736)</u>
	<u>(15,937,755)</u>	<u>(14,232,208)</u>
6 PROPERTY, PLANT AND EQUIPMENT		
Opening written down value	217,715,388	268,819,086
Add: Cost of acquisition during the quarter / year	1,685,488	61,056,527
	<u>219,400,876</u>	<u>329,875,613</u>
Less: written down value of disposals during the quarter / year	<u>(6,831,318)</u>	<u>(91,383,956)</u>
	212,569,558	238,491,657
Less: Depreciation charged for the quarter / year	<u>(4,607,730)</u>	<u>(20,776,269)</u>
	<u>207,961,828</u>	<u>217,715,388</u>
7 INTANGIBLE ASSETS		
Opening written down value	3	3
Add: Cost of acquisition during the quarter / year	-	-
	<u>3</u>	<u>3</u>
Less: written down value of disposals during the quarter / year	-	-
	<u>3</u>	<u>3</u>
Less: Amortization charged for the quarter / year	-	-
	<u>3</u>	<u>3</u>

8 DIMINISHING MUSHARAKAH FINANCING

	(UN-AUDITED)			(AUDITED)		
	30-Sep-2019			30-Jun-2019		
	Not later than one year	More than one year and upto five years	Total	Not later than one year	More than one year and upto five years	Total
Diminishing Musharakah Financing Payable	42,220,659	56,414,667	98,635,326	42,337,507	63,627,944	105,965,451
	42,220,659	56,414,667	98,635,326	42,337,507	63,627,944	105,965,451

		(UN-AUDITED) 30-Sep-19	(UN-AUDITED) 30-Sep-18
	 Rupees	
9 INCOME FROM OPERATIONS - (NET)			
Income from vehicles plying for hire	9.1	9,239,736	14,375,845
		<u>9,239,736</u>	<u>14,375,845</u>

	(UN-AUDITED) 30-Sep-19	(UN-AUDITED) 30-Sep-18
 Rupees	
9.1 Income from vehicles plying for hire		
Rentals from vehicle plying for hire	20,893,041	27,583,506
COST OF SERVICES		
Road tax / registration & other charges	342,502	458,992
Vehicles repair & maintenance-VPFH	3,035,466	2,271,821
Ijarah lease rental	1,086,408	2,147,080
Tracker monitoring cost	427,197	448,272
Insurance	1,351,056	1,431,267
Depreciation	4,563,176	5,370,229
Service charges	847,500	1,080,000
	<u>11,653,305</u>	<u>13,207,661</u>
	<u>9,239,736</u>	<u>14,375,845</u>

10 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 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 transaction	(UN-AUDITED) 30-Sep-19	(UN-AUDITED) 30-Sep-18
	 Rupees	
Optimus Limited (Holding company)	Rental services rendered	20,893,041	27,583,506
	Management service received	847,500	1,080,000
	Sale of motor vehicles	9,646,000	6,182,000
	Vehicles repair & maintenance-VPFH	3,035,466	2,271,821
	Salary & allowances	2,341,526	2,270,554
Mustang Eye (Private) limited (Common Directorship)	Tracker services	196,000	321,000
Staff Provident Fund	Contribution to staff provident fund	18,945	20,221

11 AUTHORIZATION FOR ISSUE

These financial statements have been authorised for issue on 30th October 2019 by the Board of Directors of the Company.

12 GENERAL

Figures have been rounded off to the nearest rupee.

Figures have been reclassified and re-arranged where necessary.

Chief Financial Officer

Chief Executive Officer

Director

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If undelivered please return to:



CAPITAL ASSETS LEASING CORPORATION LIMITED

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E-mail: calcorp@optimus.com.pk

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