



**Capital Assets Leasing
Corporation Limited**

**Condensed Interim
Financial Information
For the Half Year Ended
December 31, 2011
(Un-Audited)**



Capital Assets Leasing Corporation Limited

CORPORATE INFORMATION

Board of Directors:	Mr. Muhammad Sajid (Chairman) Mr. Saad Saeed Faruqi (Chief Executive Officer) Syed Hasan Akbar Kazmi Syed Sajid Nasim Mr. Shahrukh Saeed Faruqi Mr. Mustafa Jafar Ms. Ayesha Qadri
Audit Committee:	Mr. Muhammad Sajid (Chairman) Syed Sajid Nasim (Member) Mr. Mustafa Jafar (Member) Mr. Moiz Saifuddin (Secretary)
Chief Executive Officer:	Mr. Saad Saeed Faruqi
CFO & Company Secretary:	Mr. Abdul Wajid Soherwardy
Registrar & Share Transfer Office:	Technology Trade (Pvt.) Ltd. Ballotter, Share Registrar & Transfer Agent Dagia House, 241-C, Block-2, P.E.C.H.S, Karachi. Tel: 92(21) 3439 1316-7 & 19, 3438 7960-1 Fax: 92(21) 3439 1318
Auditors:	Baker Tilly Mehmood, Idrees, Qamar, Chartered Accountants
Legal Advisor:	Mohsin Tayebaly & Co. Advocates Hosain & Rahim, 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 5718 E-mail: calcorp@optimus.com.pk Web: www.calcorp.com.pk
Branch Office:	Suite # 2, 2nd Floor, Gulberg Heights Off Sherpao Bridge, Gulberg-II, Lahore-54660. Tel: +92 (42) 3578 7471-73 Fax: +92 (42) 3575 8920

TO THE SHARE HOLDERS

Attached is the Reviewed Condensed Interim financial information for the Half year ended December 31, 2011 together with the selected notes to the condensed interim financial information and Directors' review report thereon for the shareholders of the company. These are submitted as required under section 245 of the Companies Ordinance, 1984.

Karachi: February 24, 2012

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



**AUDITORS' REPORT TO THE MEMBERS
ON REVIEW OF INTERIM FINANCIAL INFORMATION**

INTRODUCTION

We have reviewed the accompanying condensed interim balance sheet of Capital Assets Leasing Corporation Limited as at December 31, 2011 and the related condensed interim profit and loss account, condensed statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity for the six months period then ended together with the notes forming part thereof (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with the International Financial Reporting Standards. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2011 and 2010 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2011.

SCOPE OF REVIEW

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

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the six months period ended December 31, 2011 is not prepared, in all material respects, in accordance with International Financial Reporting Standards.

Without qualifying our opinion we draw attention to note 1.2 and 1.3 of the accompanying interim financial information. As more fully described in these notes, the leasing license of the company has expired and not renewed by the Securities and Exchange Commission of Pakistan under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003, due to company's capital being below minimum capital required for a Non-Banking Financial Company (a leasing company licensed under the Non-Banking Companies and Notified Entities Regulation, 2008). The company has not advanced any lease facility since April 2008. These conditions indicate the existence of a material uncertainty which may cast significant doubt about company's ability to continue as a Non-Banking Financial Company for a foreseeable future period.

**Engagement Partner: Mehmood A. Razzak
BAKER TILLY MEHMOOD IDREES QAMAR.
CHARTERED ACCOUNTANTS
KARACHI**

Dated: February 24, 2012



Capital Assets Leasing Corporation Limited

DIRECTORS' REVIEW REPORT

On behalf of the Board of Directors, I am pleased to present the Condensed Interim financial information of your company for the half year ended December 31, 2011. The financial results for the period under review are summarized below:

	Half year ended	
	31-Dec-11	31-Dec-10
 Rupees	
Income		
Income From Operations	8,827,369	7,639,711
Other operating income	<u>256,725</u>	<u>33,017</u>
	9,084,094	7,672,728
Expenses		
Administrative and operating expenses	2,969,420	2,868,606
Financial charges	1,436	1,657
Worker's Welfare Fund	124,182	-
(Reversals) / Provision and write offs	<u>(95,882)</u>	<u>(1,025,544)</u>
	2,999,156	1,844,719
PROFIT BEFORE TAXATION	6,084,938	5,828,009
Taxation	<u>(2,001,864)</u>	<u>(133,251)</u>
PROFIT AFTER TAXATION	<u>4,083,074</u>	<u>5,694,758</u>
EARNINGS PER SHARE	<u>0.38</u>	<u>0.53</u>

During the period, company's income is Rs. 9.084 million as compared to Rs. 7.672 million of corresponding period in 2010. The administrative and operating expenses are Rupees 2.969 million as compared to Rupees 2.868 million of corresponding period in 2010. Pre-tax profit for the period is Rs. 6.084 Million against prior corresponding period's Rs. 5.828 Million. However, profit after tax has declined to Rs. 4.083 million from Rs. 5.694 Million in corresponding period mainly due to provision of tax.

FUTURE OUTLOOK

The management intends to raise finance in the company by both debt and equity financing. Various avenues are being explored for the same. After having raised minimum capital as required by SECP to operate as a leasing company, CALCORP shall be able to write new leases.

ACKNOWLEDGEMENT

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

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

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

Saad Saeed Faruqi
Chief Executive Officer

Dated: February 24, 2012



Capital Assets Leasing Corporation Limited

CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2011

		(Un-audited) December 31 2011 Rupees	(Audited) June 30 2011 Rupees
	Note	Rupees	Rupees
ASSETS			
Current Assets			
Cash and bank balances		725,274	535,558
Current portion of net investment in finance lease	4	9,851,641	10,115,203
Advances, deposits, prepayments and other receivables		16,823,216	10,903,196
Taxation - net		5,143,925	4,652,846
		32,544,056	26,206,803
Non-Current Assets			
Long term advances, deposits and prepayments	5	224,854	252,063
Deferred tax asset	6	28,040,552	29,908,957
Property, plant and equipment	7	53,690,785	54,927,635
		81,956,191	85,088,655
		<u>114,500,247</u>	<u>111,295,458</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share capital			
20,000,000 Ordinary shares of Rs. 10/- each		200,000,000	200,000,000
Issued, subscribed and paid-up share capital			
10,744,413 (June 30, 2011: 10,744,413) Ordinary shares of Rs.10/- each		107,444,130	107,444,130
Reserves		(4,442,122)	(8,525,196)
		103,002,008	98,918,934
Current Liabilities			
Current portion of long term deposits	8	9,688,175	9,688,175
Trade and other payables		1,810,064	2,688,349
		11,498,239	12,376,524
Contingencies and Commitments	9	-	-
		<u>114,500,247</u>	<u>111,295,458</u>

The annexed notes form an integral part of this condensed interim financial information.

Saad Saeed Faruqi
Chief Executive Officer

Muhammad Sajid
Chairman



Capital Assets Leasing Corporation Limited

CONDENSED INTERIM PROFIT & LOSS ACCOUNT
FOR THE HALF YEAR ENDED DECEMBER 31, 2011
(UN-AUDITED)

	Note	HALF YEAR ENDED		QUARTER ENDED	
		December 2011 Rupees	December 2010 Rupees	December 2011 Rupees	December 2010 Rupees
Income					
Income from operations	10	8,827,369	7,639,711	4,396,625	3,389,370
Other operating income		256,725	33,017	35,491	(9,956)
		<u>9,084,094</u>	<u>7,672,728</u>	<u>4,432,116</u>	<u>3,379,414</u>
Administrative and operating expenses		<u>2,969,420</u>	<u>2,868,606</u>	<u>1,522,210</u>	<u>1,828,446</u>
Financial charges		1,436	1,657	704	1,282
Other charges - workers' welfare fund		124,182	-	59,007	-
(Reversals) / Provision and write offs		<u>(95,882)</u>	<u>(1,025,544)</u>	<u>(41,168)</u>	<u>(727,330)</u>
		<u>2,999,156</u>	<u>1,844,719</u>	<u>1,540,753</u>	<u>1,102,398</u>
Profit before taxation		<u>6,084,938</u>	<u>5,828,009</u>	<u>2,891,363</u>	<u>2,277,016</u>
Taxation		<u>(2,001,864)</u>	<u>(133,251)</u>	<u>(843,733)</u>	<u>(61,342)</u>
Profit after taxation		<u>4,083,074</u>	<u>5,694,758</u>	<u>2,047,630</u>	<u>2,215,674</u>
Earnings per share		<u>0.38</u>	<u>0.53</u>	<u>0.19</u>	<u>0.21</u>

The annexed notes form an integral part of this condensed interim financial information.

Saad Saeed Faruqi
Chief Executive Officer

Muhammad Sajid
Chairman



Capital Assets Leasing Corporation Limited

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2011
(UN-AUDITED)

	Note	HALF YEAR ENDED		QUARTER ENDED	
		December 2011 Rupees	December 2010 Rupees	December 2011 Rupees	December 2010 Rupees
Net income for the period		4,083,074	5,694,758	2,047,630	2,215,674
Other Comprehensive Income		-	-	-	-
Total comprehensive income for the period		4,083,074	5,694,758	2,047,630	2,215,674

The annexed notes form an integral part of this condensed interim financial information.

Saad Saeed Faruqi
Chief Executive Officer

Muhammad Sajid
Chairman



Capital Assets Leasing Corporation Limited

CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED DECEMBER 31, 2011
(UN-AUDITED)

	December 2011 Rupees	December 2010 Rupees
 Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	6,084,938	5,828,009
Adjustments for non cash items:		
Depreciation	1,841,528	1,776,416
Financial charges	1,436	1,657
(Reversal)/ provisions or write off	(95,882)	(1,025,544)
(Gain) on disposal of operating property, plant and equipment	(136,277)	(23,983)
	<u>7,695,743</u>	<u>6,556,555</u>
(Increase) in current assets		
Advances, deposits, prepayments and other receivables	(5,840,097)	(334,873)
(Decrease) in current liabilities		
Trade and other payables	(773,794)	(5,409,411)
	<u>1,081,852</u>	<u>812,271</u>
Cash generated from operations		
Financial charges paid	(1,436)	(1,657)
Tax paid	(624,538)	(944,334)
Net investment in lease and hire purchase finances	281,729	6,471,106
Morabaha and short term finances	25,000	400,000
Lease security deposits	-	(3,862,151)
Net cash generated from operating activities	<u>762,607</u>	<u>2,875,235</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(4,429,000)	(5,143,091)
Proceeds from sale of property, plant and equipemnt	3,960,600	1,365,000
Long term advances, deposits and prepayments	-	819,600
Net cash (used in) investing activities	<u>(468,400)</u>	<u>(2,958,491)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Payment of interim dividend	(104,491)	-
Net cash (used in) financing activities	<u>(104,491)</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents	<u>189,716</u>	<u>(83,256)</u>
Cash and cash equivalents at the beginning of the period	535,558	945,598
Cash and cash equivalents at the end of the period	<u>725,274</u>	<u>862,342</u>

The annexed notes form an integral part of this condensed interim financial information.

Saad Saeed Faruqui
Chief Executive Officer

Muhammad Sajid
Chairman

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2011
(UN-AUDITED)**

	Issued, Subscribed and Paid-up Share Capital	Statutory Reserves	Accumulated (Loss)	Total
 Rupees			
Balance as at July 01, 2010	107,444,130	9,638,752	(59,052,672)	58,030,210
Net profit for the period	-	-	5,694,758	5,694,758
Transfer to reserve	-	1,138,952	(1,138,952)	-
Balance as at December 31, 2010	<u>107,444,130</u>	<u>10,777,704</u>	<u>(54,496,866)</u>	<u>63,724,968</u>
Balance as at July 01, 2011	107,444,130	17,988,541	(26,513,737)	98,918,934
Net profit for the period	-	-	4,083,074	4,083,074
Transfer to reserve	-	816,615	(816,615)	-
Balance as at December 31, 2011	<u>107,444,130</u>	<u>18,805,156</u>	<u>(23,247,278)</u>	<u>103,002,008</u>

The annexed notes form an integral part of this condensed interim financial information.

Saad Saeed Faruqi
Chief Executive Officer

Muhammad Sajid
Chairman

**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE HALF YEAR ENDED DECEMBER 31, 2011****1. LEGAL STATUS AND OPERATIONS**

- 1.1 The company and its business CAPITAL ASSETS LEASING CORPORATION LIMITED was incorporated on April 1, 1992 in Pakistan as a public limited company and its shares are quoted on all Stock Exchanges in Pakistan. The principal activity of the Company is to carry on leasing business. 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 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. 500 million latest by June 30, 2012, and Rs. 700 million by June 30, 2013. At present the company's equity is below prescribed limits.

- 1.3 As disclosed in detail in note 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. Furthermore, company does not meet licensing requirement to operate as leasing company, under the Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003. This creates 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) for a foreseeable period.

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

2. BASIS OF PREPARATION

This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard No. 34 'Interim Financial Reporting' and are being submitted to the shareholders as required under Section 245 of the Companies Ordinance, 1984 and the listing regulations of the Karachi Stock Exchange.

This condensed interim financial information comprises of the balance sheet as at December 31, 2011 and the profit and loss account, statement of changes in equity, statement of comprehensive income and the cash flow statement for the half ended December 31, 2011.

3. ACCOUNTING POLICIES AND COMPUTATION METHOD

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

There are no IFRSs or IFRIC interpretations becoming effective during the period that would be expected to have a material impact on the company's financial information.

4. INVESTMENT IN FINANCE LEASE

	(Un-Audited)			(Audited)		
	December 31, 2011			June 30, 2011		
	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 -----			----- Rupees -----		
Minimum lease and hire purchase rentals	21,093,601	-	21,093,601	21,387,135	-	21,387,135
Add: Residual value of leased assets	9,688,175	-	9,688,175	9,688,175	-	9,688,175
Gross investment in lease and hire purchase finance	30,781,776	-	30,781,776	31,075,310	-	31,075,310
Less: unearned finance income	(4,167,012)	-	(4,167,012)	(4,178,816)	-	(4,178,816)
	26,614,764	-	26,614,764	26,896,494	-	26,896,494
Less: Provision for lease losses	(16,763,123)	-	(16,763,123)	(16,781,291)	-	(16,781,291)
Net investment in leases	9,851,641	-	9,851,641	10,115,203	-	10,115,203

	(Un-Audited) December 31 2011 Rupees	(Audited) June 30 2011 Rupees
5. LONG TERM, ADVANCES, DEPOSITS AND PREPAYMENTS		
Security deposits	334,290	334,290
Less: Provision	(280,290)	(280,290)
	54,000	54,000
Less: Current Portion	(29,000)	(29,000)
	25,000	25,000
Prepayments	335,358	354,551
Less: Current portion	(135,504)	(127,488)
	199,854	227,063
	224,854	252,063
6. DEFERRED TAX ASSET		
Debit balances arising in respect of:		
Net investment in finance lease	-	8,052
Carry forward tax losses	31,860,897	33,231,775
	31,860,897	33,239,827
Credit balance arising in respect of:		
Accelerated depreciation	(3,820,345)	(3,330,870)
	28,040,552	29,908,957

	(Un-Audited) December 31 2011 Rupees	(Audited) June 30 2011 Rupees
7. PROPERTY, PLANT AND EQUIPMENT		
Opening written down value	54,927,635	55,448,587
Add: Cost of acquisition during the period / year	4,429,000	25,926,878
	59,356,635	81,375,465
Less: Written down value of deletions during the period / year	(3,824,322)	(22,803,048)
	55,532,313	58,572,417
Less: Depreciation Charged for the period / year	(1,841,528)	(3,644,782)
	<u>53,690,785</u>	<u>54,927,635</u>
8. CURRENT PORTION OF LONG TERM DEPOSITS		
Lease security deposit	9,688,175	9,688,175
	<u>9,688,175</u>	<u>9,688,175</u>

9. CONTINGENCIES AND COMMITMENTS
Contingent Assets

The company has obtained court decrees in respect of recovery of overdue lease rentals receivable from various clients aggregating to Rs. 7,211,463 as at December 31, 2011 (June 30, 2011 : Rs. 7,211,463).

	Note	(Un-Audited) December 31 2011 Rupees	(Un-Audited) December 31 2010 Rupees
10. INCOME FROM OPERATIONS			
Income on lease contracts	10.1	11,804	274,642
Income from vehicle plying for hire	10.2	8,815,565	7,147,568
Late payment and other charges		-	217,501
		<u>8,827,369</u>	<u>7,639,711</u>
10.1 Income on lease contracts			
Lease finance income for the current period		18,278	143,994
Lease finance income reversal		(6,474)	130,648
		<u>11,804</u>	<u>274,642</u>
10.2 Income from Vehicle Plying for Hire			
Rentals		12,818,678	11,624,662
Less: Cost of services			
Road tax/registration and other charges		124,993	152,853
Vehicle service and maintenance-VPFH		655,967	1,131,960
Tracker monitoring cost		156,055	140,436
Tracker transfer cost		-	8,964
Insurance		548,506	608,350
Depreciation		1,800,092	1,724,531
Service charges to holding company		717,500	710,000
		4,003,113	4,477,094
		<u>8,815,565</u>	<u>7,147,568</u>

11. 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 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 relationship	Nature of transaction/balance	(Un-Audited)	(Un-Audited)
			December 31 2011 Rupees	December 31 2010 Rupees
Optimus Limited	Holding Company	Rental services rendered	12,818,678	11,624,662
		Management services received	717,500	710,000
		Vehicle maintenance services received	655,967	1,131,960
		Purchase of tracker	25,000	23,091
		Sale of motor vehicles	3,952,851	-
		Salary and allowances	1,170,676	789,035
		Vehicle hiring	-	9,199
Mustang Eye (Pvt) Ltd		Tracker services	6,655	-
Staff provident fund		Contribution to staff provident fund	38,214	39,352

12. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 24th February, 2012 by the Board of Directors of the Company.

13. GENERAL

- 13.1 Figures have been rounded off to the nearest rupee.
13.2 Figures have been reclassified and re-arranged where necessary.

Saad Saeed Faruqi
Chief Executive Officer

Muhammad Sajid
Chairman

Affix
Stamp
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If undelivered please return to:



CAPITAL ASSETS LEASING CORPORATION LIMITED

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