



**Capital Assets Leasing
Corporation Limited**

**Condensed Interim
Financial Information
For the Half Year Ended
December 31, 2015**



Capital Assets Leasing Corporation Limited

CORPORATE INFORMATION

Board of Directors: *	Mr. Asad Nasir Mr. Saad Saeed Faruqui Syed Hasan Akbar Kazmi Mr. Shahrukh Saeed Faruqui Mr. Brig (R) Yasub Ali Dogar Mr. Sarfaraz Anis Mr. Junaid Imran	(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. Sarfaraz Anis	
Chief Executive Officer:	Mr. Saad Saeed Faruqui	
CFO & Company Secretary:	Mr. Moiz Ali	
Head of Internal Audit:	Ms. Summia Shah	
Registrar & Share Transfer Office:	Technology Trade (Pvt.) Ltd. Ballotter, Share Registrar & Transfer Agent Dagla 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	

TO THE SHARE HOLDERS

Attached is the un-audited Condensed Interim Financial Information for the half year ended December 31, 2015 together with the selected notes to the condensed interim financial information and Directors' review report thereon for the shareholder of the company. These are submitted as required under section 245 of the Companies Ordinance, 1984.

Karachi: 29th February, 2016

By the Order of the Board
Moiz Ali
CFO & Company Secretary

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



**Auditors' Review Report to the Members on
Review of Condensed Interim Financial Information**

Introduction

We have reviewed the accompanying condensed interim balance sheet of Capital Assets Leasing Corporation Limited as at December 31, 2015 and the related condensed interim profit and loss account, condensed interim 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, 2015 and 2014 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2015.

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, 2015 is not prepared, in all material respects, in accordance with International Financial Reporting Standards.

Without qualifying our opinion we draw attention to note 1.3 and 1.4 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: Muhammad Aqeel Ashraf Tabani

Karachi: 29th February, 2016



Capital Assets Leasing Corporation Limited

DIRECTORS' REVIEW

On behalf of the Board of Directors, I am pleased to present the Condensed Interim financial Information of the company for the half year ended December 31, 2015. The financial results for the period under review are as follows:

	Half year ended	
	31 December 2015	31 December 2014
 Rupees	
Income		
Income From Operations	24,325,658	17,884,348
Other operating income	810,506	1,731,320
	<u>25,136,164</u>	<u>19,615,668</u>
Expenses		
Administrative and operating expenses	4,426,270	4,142,733
Financial charges	5,478,355	2,945,852
Worker's Welfare Fund	304,631	279,402
(reversals) / Provision and write offs	-	(1,453,040)
	<u>10,209,256</u>	<u>5,914,947</u>
PROFIT BEFORE TAXATION	<u>14,926,908</u>	<u>13,700,721</u>
Taxation	(6,298,454)	(4,782,315)
PROFIT AFTER TAXATION	<u>8,628,454</u>	<u>8,918,406</u>
EARNINGS PER SHARE	<u>0.80</u>	<u>0.83</u>

During the period, company's income is Rs. 25.13 million as compared to Rs. 19.61 million of corresponding period last year. The administrative & operating expenses and financial charges are Rupees 4.42 million and Rs 5.47 million respectively. Pre-tax profit for the period is Rs. 14.92 Million against corresponding period's Rs. 13.70 Million.

FUTURE OUTLOOK

Capital Assets leasing Corporation Limited has been profitable since the acquisition by Optimus Limited back in 2009. The management has been focused in reducing its carry forward losses and bringing the operations to a level where it becomes synergistic to merge the two entities. Reasonable steps have been taken in the current year to ensure advancement towards the same goal.

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: 29th February, 2016



Capital Assets Leasing Corporation Limited

CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2015

		(Un-audited) December 2015	(Audited) June 2015
	Note	Rupees	Rupees
	 Rupees	
ASSETS			
Current Assets			
Cash and bank balances		172,573	247,679
Investment in finance lease	4	9,291,481	9,291,481
Investment at fair value through profit or loss		5,142,466	-
Advances, deposits, prepayments and other receivables		20,101,220	24,368,922
Trade receivable		39,768,389	53,029,665
Taxation - net		15,309,314	12,321,559
		89,785,443	99,259,306
Non-Current Assets			
Long term advances, deposits and prepayments	5	24,547,066	21,431,778
Deferred tax asset	6	1,582,973	5,343,853
Property, plant and equipment	7	198,016,770	86,541,467
		224,146,809	113,317,098
		<u>313,932,252</u>	<u>212,576,404</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, 2015: 10,744,413) Ordinary shares of Rs.10/- each		107,444,130	107,444,130
Reserves		49,333,995	40,705,541
		156,778,125	148,149,671
Current Liabilities			
Current portion of liabilities against assets subject to finance lease	8	33,483,249	21,465,348
Current portion of long term deposits	9	9,311,420	9,311,420
Short term loan		42,000,000	-
Trade and other payables		19,568,243	8,467,983
		104,362,912	39,244,751
Non Current Liabilities			
Liabilities against assets subject to finance lease	8	52,791,215	25,181,982
Contingencies and Commitments			
	10	-	-
		<u>313,932,252</u>	<u>212,576,404</u>

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

Chief Executive Officer

Director



Capital Assets Leasing Corporation Limited

CONDENSED INTERIM PROFIT & LOSS ACCOUNT
FOR THE HALF YEAR ENDED DECEMBER 31, 2015
(UN-AUDITED)

	Note	HALF YEAR ENDED		QUARTER ENDED	
		December 2015	December 2014	December 2015	December 2014
		----- Rupees -----		----- Rupees -----	
Income					
Income from operations - (Net)	11	24,325,658	17,884,348	13,783,755	9,945,443
Other operating income		810,506	1,731,320	690,250	1,696,096
		<u>25,136,164</u>	<u>19,615,668</u>	<u>14,474,005</u>	<u>11,641,539</u>
Administrative and operating expenses		(4,426,270)	(4,142,733)	(2,277,863)	(2,114,038)
Financial charges		(5,478,355)	(2,945,852)	(2,805,346)	(1,987,027)
Other charges - workers' welfare fund		(304,631)	(279,402)	(167,156)	(118,150)
Reversals and write offs		-	1,453,040	-	224,690
		<u>(10,209,256)</u>	<u>(5,914,947)</u>	<u>(5,250,365)</u>	<u>(3,994,525)</u>
Profit before taxation		14,926,908	13,700,721	9,223,640	7,647,014
Taxation		(6,298,454)	(4,782,315)	(4,163,922)	(2,536,918)
Profit after taxation		8,628,454	8,918,406	5,059,718	5,110,096
Earnings per share		0.80	0.83	0.47	0.48

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

Chief Executive Officer

Director



Capital Assets Leasing Corporation Limited

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2015
(UN-AUDITED)

Note	PERIOD ENDED		QUARTER ENDED	
	December 2015 ----- Rupees -----	December 2014 ----- Rupees -----	December 2015 ----- Rupees -----	December 2014 ----- Rupees -----
Net income for the period	8,628,454	8,918,406	5,059,718	5,110,096
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	8,628,454	8,918,406	5,059,718	5,110,096

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

Chief Executive Officer

Director



Capital Assets Leasing Corporation Limited

CONDENSED INTERIM CASH FLOW STATEMENT
FOR THE HALF YEAR ENDED DECEMBER 31, 2015
(UN-AUDITED)

	December 2015	December 2014
 Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	14,926,908	13,700,721
Adjustments for non cash items:		
Depreciation	5,949,676	3,298,488
Amortization	40,441	40,440
Financial charges	5,478,355	2,945,852
Provision / (reversal)	-	(1,453,040)
Other income	(142,466)	-
(Gain) on disposal of operating property, plant and equipment	(565,079)	(428,861)
	<u>25,687,835</u>	<u>18,103,600</u>
Decrease / (increase) in current assets		
Advances, deposits, prepayments and other receivables	4,267,702	11,170,251
Trade receivable	13,261,276	(19,031,648)
Increase / (decrease) in current liabilities		
Trade and other payables	10,935,823	(672,280)
	<u>54,152,636</u>	<u>9,569,923</u>
Cash generated from operations		
Financial charges paid	(5,313,918)	(2,678,473)
Tax paid	(5,525,329)	(1,699,873)
Net investment in lease and hire purchase finances	-	1,447,090
Long term deposit	-	(239,050)
Net cash generated from operating activities	<u>43,313,389</u>	<u>6,399,617</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(86,683,341)	(82,019,636)
Advance to suppliers	(37,562,000)	-
Investment at fair value through profit or loss	(5,000,000)	-
Proceeds from sale of property, plant and equipment	7,345,000	64,515,000
Long term advances, deposits and prepayments	(3,115,288)	(9,418,443)
Net cash used in investing activities	<u>(125,015,629)</u>	<u>(26,923,079)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Liabilities against asset subject to finance lease	39,627,134	20,340,666
Short term loan	42,000,000	-
Net cash generated from financing activities	<u>81,627,134</u>	<u>20,340,666</u>
Net decrease in cash and cash equivalents	<u>(75,106)</u>	<u>(182,796)</u>
Cash and cash equivalents at the beginning of the period	247,679	543,556
Cash and cash equivalents at the end of the period	<u>172,573</u>	<u>360,760</u>

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

Chief Executive Officer

Director



Capital Assets Leasing Corporation Limited

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED DECEMBER 31, 2015
(UN-AUDITED)

	Issued, Subscribed and Paid-up Share Capital	Statutory Reserves	Accumulated Profit	Total
 Rupees			
Balance as at July 01, 2014	107,444,130	25,035,793	1,675,273	134,155,196
Net profit for the period	-	-	8,918,406	8,918,406
Transfer to reserve	-	1,783,681	(1,783,681)	-
Balance as at December 31, 2014	107,444,130	26,819,474	8,809,998	143,073,602
Balance as at July 01, 2015	107,444,130	27,834,688	12,870,853	148,149,671
Net profit for the period	-	-	8,628,454	8,628,454
Transfer to reserve	-	1,725,691	(1,725,691)	-
Balance as at December 31, 2015	107,444,130	29,560,379	19,773,616	156,778,125

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

Chief Executive Officer

Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE HALF YEAR ENDED DECEMBER 31, 2015
(UN-AUDITED)**

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. 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. This creates 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) for a foreseeable period.

1.4 The management is considering to merge the company with its holding company Optimus Limited. The merger will help the company to progress towards meeting minimum capital requirement for a leasing company under NBFC Regulations.

2. BASIS OF PREPARATION

These condensed interim financial statements have 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 Pakistan Stock Exchange.

These condensed interim financial statements comprise the balance sheet as at December 31, 2015 and the profit and loss account, statement of changes in equity, statement of comprehensive income and the cash flow statement for the First Half of the Year ended December 31, 2015.

3. ACCOUNTING POLICIES AND COMPUTATION METHOD

The accounting policies and methods of computations adopted for the preparation of this condensed interim financial information are the same as applied in the preparation of the preceding annual published financial statements of the company for the year ended June 30, 2015.

4. INVESTMENT IN FINANCE LEASE

	(Un-Audited)			(Audited)		
	December 31, 2015			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 -----			----- 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	28,738,690	-	28,738,690	28,738,690	-	28,738,690
Less: Unearned finance income	(3,882,343)	-	(3,882,343)	(3,882,343)	-	(3,882,343)
	24,856,347	-	24,856,347	24,856,347	-	24,856,347
Less: Provision for lease losses	(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

	(Un-Audited) December 2015	(Audited) June 2015
	----- Rupees -----	
5. LONG TERM, ADVANCES, DEPOSITS AND PREPAYMENTS		
Security deposits	42,222,090	21,692,890
Less: Provision	(309,290)	(309,290)
	41,912,800	21,383,600
Less: Current portion	(18,342,250)	(972,200)
	23,570,550	20,411,400
Prepayments	2,685,505	2,189,159
Less: Current portion	(1,708,989)	(1,168,781)
	976,516	1,020,378
	24,547,066	21,431,778
6. DEFERRED TAX ASSETS		
Debit balances arising in respect of:		
Liabilities against assets subject to finance lease	28,470,573	15,393,619
Carry forward tax losses	15,354,078	16,131,827
	43,824,651	31,525,446
Credit balance arising in respect of:		
Accelerated depreciation	(42,241,678)	(26,181,593)
	1,582,973	5,343,853

	Note	(Un-Audited) December 2015	(Audited) June 2015
	 Rupees	
7. PROPERTY, PLANT AND EQUIPMENT			
Property, plant and equipments - tangible assets	7.1	160,400,823	86,447,079
Advance to suppliers		37,562,000	
Intangible assets	7.2	53,947	94,388
		<u>198,016,770</u>	<u>86,541,467</u>
7.1 Property, Plant and Equipments- Tangible Assets			
Opening written down value		86,447,079	89,610,203
Add: Cost of acquisition during the period / year		<u>86,683,341</u>	<u>95,899,376</u>
		173,130,420	185,509,579
Less: Written down value of deletions during the period / year		(6,779,921)	(92,444,622)
		166,350,499	93,064,957
Less: Depreciation charged for the period / year		(5,949,676)	(6,617,878)
		<u>160,400,823</u>	<u>86,447,079</u>
7.2 Property, Plant and Equipments- Intangible Assets			
Opening written down value		94,388	175,269
Add: Cost of acquisition during the period / year		-	-
		<u>94,388</u>	<u>175,269</u>
Less: Written down value of deletions during the period / year		-	-
		94,388	175,269
Less: Amortization charged for the period / year		(40,441)	(80,881)
		<u>53,947</u>	<u>94,388</u>

8. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	(Un-Audited)			(Audited)		
	December 31, 2015			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 -----			----- Rupees -----		
Minimum lease payments	40,275,192	58,816,609	99,091,801	25,281,421	25,947,031	51,228,452
Less: Financial charges allocated to future periods	(6,791,943)	(6,025,394)	(12,817,337)	(3,816,073)	(765,049)	(4,581,122)
Present value of minimum lease payments	<u>33,483,249</u>	<u>52,791,215</u>	<u>86,274,464</u>	<u>21,465,348</u>	<u>25,181,982</u>	<u>46,647,330</u>

	(Un-Audited) December 2015	(Audited) June 2015
 Rupees	
9. CURRENT PORTION OF LONG TERM DEPOSITS		
Lease security deposit	9,311,420	9,311,420
	<u>9,311,420</u>	<u>9,311,420</u>
10. CONTINGENCIES AND COMMITMENTS		
10.1 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 December 31, 2015 (June 30, 2015 : Rs. 5,567,498).		
	(Un-Audited) December 2015	(Audited) June 2015
 Rupees	
10.2 Commitments		
ljarah lease rentals payable	58,307,224	71,587,676
	<u>58,307,224</u>	<u>71,587,676</u>
	(Un-Audited) December 2015	(Un-Audited) December 2014
 Rupees	
11. INCOME FROM OPERATIONS		
Income on lease contracts	11.1 -	271,650
Income from vehicle plying for hire	11.2 24,325,658	17,612,698
	<u>24,325,658</u>	<u>17,884,348</u>
11.1 Income on lease contracts		
The amount was suspended in previous year when loan was classified as non performing loan, subsequently a settlement was reached and recovery of principal and suspended income was made		
11.2 Income from vehicle plying for hire		
Rentals	55,328,424	39,597,772
Less: Cost of services		
Road tax/registration and other charges	1,605,991	758,018
Vehicle service and maintenance-VPFH	5,305,611	3,940,692
ljarah lease rental	11.3 12,435,089	9,860,399
Tracker monitoring cost	754,202	669,312
Insurance	2,154,290	1,694,786
Depreciation VPFH	5,940,083	3,294,367
Service charges to holding company	2,807,500	1,767,500
	31,002,766	21,985,074
	<u>24,325,658</u>	<u>17,612,698</u>

11.3 This includes rentals paid to BRR Guardian Modarba and First Islamic Modarba against vehicles acquired under Ijarah facilities. Future rental payables on these facilities are as under:

	(Un-Audited)			(Un-Audited)		
	December 31, 2015			December 31, 2014		
	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		
Total future rentals payable	26,335,632	31,971,592	58,307,224	21,639,504	43,116,291	64,755,795
	26,335,632	31,971,592	58,307,224	21,639,504	43,116,291	64,755,795

12. 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	(Un-Audited)	(Un-Audited)
			December 2015	December 2014
			Rupees	
Optimus Limited	Holding Company	Rental services rendered	55,328,424	39,597,772
		Management services received	2,807,500	1,767,500
		Vehicle maintenance services received	5,305,611	3,940,692
		Sale of motor vehicles	7,345,000	13,365,000
		Purchase of Motor Vehicles	70,855,000	50,000,000
		Purchase of tracker	220,000	320,000
		Salary and allowances	1,601,987	1,308,858
Mustang Eye (Private) Limited	Common Directorship	Tracker services	249,318	242,028
Staff provident fund		Contribution to staff provident fund	30,888	34,554

13. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 29th February, 2016 by the Board of Directors of the Company.

14. GENERAL

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

Chief Executive Officer

Director

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