



**Capital Assets Leasing
Corporation Limited**

**Condensed Interim
Financial Information
For the Half Year Ended
December 31, 2016**



Capital Assets Leasing Corporation Limited

CORPORATE INFORMATION

Board of Directors:	Mr. Asad Nasir Mr. Saad Saeed Faruqui Mr. Shahrukh Saeed Faruqui Mr. Brig (R) Yasub Ali Dogar Mr. Faisal Ismail Mr. Muhammad Munzir Iatiff Mr. Faizan Ahmad Khan	(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	
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 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, 2016 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: 28th February, 2017

By the Order of the Board
Syed Sajid Nasim
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, 2016 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, 2016 and 2015 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2016.

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, 2016 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 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.

Engagement Partner: Muhammad Aqeel Ashraf Tabani

Karachi: 28th February, 2017



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, 2016. The financial results for the period under review are as follows:

	Half year ended	
	31 December 2016	31 December 2015
 Rupees	
Income		
Income From Operations	23,527,590	24,325,658
Other operating income	1,338,046	810,506
	<u>24,865,636</u>	<u>25,136,164</u>
Expenses		
Administrative and operating expenses	5,355,254	4,426,270
Financial charges	3,405,936	5,478,355
Worker's Welfare Fund	322,089	304,631
	<u>9,083,279</u>	<u>10,209,256</u>
PROFIT BEFORE TAXATION	<u>15,782,357</u>	<u>14,926,908</u>
Taxation	<u>(3,724,417)</u>	<u>(6,298,454)</u>
PROFIT AFTER TAXATION	<u>12,057,940</u>	<u>8,628,454</u>
EARNINGS PER SHARE	<u>1.12</u>	<u>0.80</u>

During the period, company's income is Rs. 24.86 million as compared to Rs. 25.13 million of corresponding period last year. The administrative & operating expenses and financial charges are Rupees 5.35 million and Rs 3.40 million respectively. Pre-tax profit for the period is Rs. 15.78 Million against corresponding period's Rs. 14.92 Million.

FUTURE OUTLOOK

Capital Assets leasing Corporation Limited has been profitable since the acquisition by Optimus Limited back in 2009. The management has applied for the leasing license as non depository leasing company and the process is in progress.

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, Pakistan Stock Exchange and other regulatory bodies of the country for their support and understanding.

Saad Saeed Faruqi
Chief Executive Officer

Dated: 28th February, 2017



Capital Assets Leasing Corporation Limited

CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2016

		(Un-audited) December 2016	(Audited) June 2016
	Note	Rupees	Rupees
	 Rupees	
ASSETS			
Current Assets			
Cash and bank balances		127,665	264,101
Investment in finance lease	4	9,291,481	9,291,481
Advances, deposits, prepayments and other receivables		15,163,996	9,130,613
Trade receivable		53,116,166	31,516,943
Taxation - net		19,071,166	18,670,251
		96,770,474	68,873,389
Non - Current Assets			
Long term advances, deposits and prepayments	5	11,659,468	21,604,797
Property, plant and equipment	6	173,450,598	175,276,687
		185,110,066	196,881,484
		<u>281,880,540</u>	<u>265,754,873</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized share 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 share capital 10,744,413 (June 30, 2016: 10,744,413) Ordinary shares of Rs.10/- each		107,444,130	107,444,130
Reserves		72,647,153	60,589,213
		180,091,283	168,033,343
Current Liabilities			
Current portion of liabilities against assets subject to finance lease	7	23,291,791	26,690,596
Current portion of long term deposits	8	9,311,420	9,311,420
Deferred tax liability	9	2,630,382	1,588,966
Trade and other payables		36,761,323	17,106,141
		71,994,916	54,697,123
Non - Current Liabilities			
Liabilities against assets subject to finance lease	7	29,794,341	43,024,407
Contingencies and Commitments	10	-	-
		<u>281,880,540</u>	<u>265,754,873</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, 2016
(UN-AUDITED)

	Note	HALF YEAR ENDED		QUARTER ENDED	
		December 2016	December 2015	December 2016	December 2015
		----- Rupees -----		----- Rupees -----	
Income					
Income from operations - (Net)	11	23,527,590	24,325,658	10,387,363	13,783,755
Other operating income		1,338,046	810,506	1,268,539	690,250
		<u>24,865,636</u>	<u>25,136,164</u>	<u>11,655,902</u>	<u>14,474,005</u>
Administrative and operating expenses		(5,355,254)	(4,426,270)	(2,834,853)	(2,277,863)
Financial charges		(3,405,936)	(5,478,355)	(1,820,927)	(2,805,346)
Other charges - workers' welfare fund		(322,089)	(304,631)	(204,464)	(167,156)
		<u>(9,083,279)</u>	<u>(10,209,256)</u>	<u>(4,860,244)</u>	<u>(5,250,365)</u>
Profit before taxation		15,782,357	14,926,908	6,795,658	9,223,640
Taxation		(3,724,417)	(6,298,454)	(538,969)	(4,163,922)
Profit after taxation		12,057,940	8,628,454	6,256,689	5,059,718
Earnings per share		<u>1.12</u>	<u>0.80</u>	<u>0.58</u>	<u>0.47</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 COMPREHENSIVE INCOME
FOR THE HALF YEAR ENDED DECEMBER 31, 2016
(UN-AUDITED)

	HALF YEAR ENDED		QUARTER ENDED	
	December 2016	December 2015	December 2016	December 2015
	----- Rupees -----		----- Rupees -----	
Net income for the period	12,057,940	8,628,454	6,256,689	5,059,718
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	12,057,940	8,628,454	6,256,689	5,059,718

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, 2016
(UN-AUDITED)

	December 2016	December 2015
 Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	15,782,357	14,926,908
Adjustments for non cash items:		
Depreciation	6,072,939	5,949,676
Amortization	13,504	40,441
Financial charges	3,405,936	5,478,355
Other Income	-	(142,466)
(Gain) on disposal of operating property, plant and equipment	(1,328,659)	(565,079)
	<u>23,946,077</u>	<u>25,687,835</u>
(Increase) / decrease in current assets		
Advances, deposits, prepayments and other receivables	(6,033,383)	4,267,702
Trade receivable	(21,599,223)	13,261,276
Increase in current liabilities		
Trade and other payables	<u>19,521,452</u>	<u>10,935,823</u>
Cash generated from operations	15,834,923	54,152,636
Financial charges paid	(3,272,206)	(5,313,918)
Tax paid	(3,083,915)	(5,525,329)
Net cash generated from operating activities	9,478,802	43,313,389
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(24,331,695)	(86,683,341)
Advance to supplier	-	(37,562,000)
Investment at fair value through profit and loss	-	(5,000,000)
Proceeds from sale of property, plant and equipemnt	21,400,000	7,345,000
Long term advances, deposits and prepayments	9,945,330	(3,115,288)
Net cash generated from / (used in) investing activities	7,013,635	(125,015,629)
CASH FLOWS FROM FINANCING ACTIVITIES		
liabilities against asset subject to finance lease	(16,628,871)	39,627,134
Short Term Loan	-	42,000,000
Net cash (used in) / generated from financing activities	(16,628,871)	81,627,134
Net (decrease) in cash and cash equivalents	(136,436)	(75,106)
Cash and cash equivalents at the beginning of the period	264,101	247,679
Cash and cash equivalents at the end of the period	127,665	172,573

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, 2016
(UN-AUDITED)

	Issued, Subscribed and Paid-up Share Capital	Statutory Reserves	Accumulated Profit	Total
 Rupees			
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
Balance as at July 01, 2016	107,444,130	31,811,422	28,777,791	168,033,343
Net profit for the period	-	-	12,057,940	12,057,940
Transfer to reserve	-	2,411,588	(2,411,588)	-
Balance as at December 31, 2016	107,444,130	34,223,010	38,424,143	180,091,283

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, 2016
(UN-AUDITED)**

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 applied for the leasing license as non depository leasing company under new 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, 2016 and the profit and loss account, statement of changes in equity, statement of comprehensive income and the cash flow statement for the Half Year ended December 31, 2016.

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, 2016.

4. INVESTMENT IN FINANCE LEASE

	(Un-Audited)			(Audited)		
	December 31, 2016			June 30, 2016		
	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

	Note	(Un-Audited) December 2016	(Audited) June 2016
		----- Rupees -----	----- Rupees -----
5. LONG TERM, ADVANCES, DEPOSITS AND PREPAYMENTS			
Security deposits		24,311,152	28,511,502
Less: Provision		(309,290)	(309,290)
		24,001,862	28,202,212
Less: Current portion		(13,176,250)	(7,851,600)
		10,825,612	20,350,612
Prepayments		2,953,371	2,670,787
Less: Current portion		(2,119,515)	(1,416,602)
		833,856	1,254,185
		11,659,468	21,604,797
6. PROPERTY, PLANT AND EQUIPMENT			
Property, plant and equipments - tangible assets	6.1	173,450,595	175,263,180
Intangible Assets	6.2	3	13,507
		173,450,598	175,276,687

	Note	(Un-Audited) December 2016	(Audited) June 2016
..... Rupees			
6.1 Property, Plant and Equipments- Tangible Assets			
Opening written down value		175,263,180	86,447,079
Add: Cost of acquisition during the period / year		24,331,695	125,986,298
		199,594,875	212,433,377
Less: Written down value of deletions during the period / year		(20,071,341)	(24,055,385)
		179,523,534	188,377,992
Less: Depreciation charged for the period / year		(6,072,939)	(13,114,812)
		<u>173,450,595</u>	<u>175,263,180</u>
6.2 Property, Plant and Equipments- Intangible Assets			
Opening written down value		13,507	94,388
Add: Cost of acquisition during the period / year		-	-
		13,507	94,388
Less: Amortization charged for the period / year		(13,504)	(80,881)
		<u>3</u>	<u>13,507</u>

7. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	(Un-Audited)			(Audited)		
	December 31, 2016			June 30, 2016		
	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	27,164,658	31,946,883	59,111,541	31,893,074	46,799,680	78,692,754
Less: Financial charges allocated to future periods	(3,872,867)	(2,152,542)	(6,025,409)	(5,202,478)	(3,775,273)	(8,977,751)
Present Value of Minimum lease Payments	<u>23,291,791</u>	<u>29,794,341</u>	<u>53,086,132</u>	<u>26,690,596</u>	<u>43,024,407</u>	<u>69,715,003</u>

	Note	(Un-Audited) December 2016	(Audited) June 2016
..... Rupees			
8. 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>

	(Un-Audited) December 2016	(Audited) June 2016
 Rupees	
9. DEFERRED TAX LIABILITY		
Debit balances arising in respect of:		
Liabilities against assets subject to finance lease	16,987,562	22,308,801
Carry forward tax losses	16,484,875	16,124,076
	33,472,437	38,432,877
Credit balance arising in respect of:		
Accelerated depreciation	(36,102,819)	(40,021,843)
	<u>(2,630,382)</u>	<u>(1,588,966)</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, 2016 (June 30, 2016 : Rs. 5,567,498).		
	(Un-Audited) December 2016	(Audited) June 2016
 Rupees	
10.2 Commitments		
Ijarah lease rentals payable	58,307,224	71,587,676
	<u>58,307,224</u>	<u>71,587,676</u>
	(Un-Audited) December 2016	(Un-Audited) December 2015
 Rupees	
11. INCOME FROM OPERATIONS		
Income from vehicle plying for hire	23,527,590	24,325,658
	<u>23,527,590</u>	<u>24,325,658</u>
11.1 Income from vehicle plying for hire		
Rentals	59,772,076	55,328,424
Less: Cost of services		
Road tax/registration and other charges	1,246,553	1,605,991
Vehicle service and maintenance-VPFH	8,866,720	5,305,611
Ijarah lease rental	13,669,534	12,435,089
Tracker monitoring cost	944,790	754,202
Insurance	2,508,668	2,154,290
Depreciation VPFH	6,060,721	5,940,083
Service charges to holding company	2,947,500	2,807,500
	36,244,486	31,002,766
	<u>23,527,590</u>	<u>24,325,658</u>

11.2 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, 2016			December 31, 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		
Total future rentals payable	36,987,812	16,617,464	53,605,276	26,335,632	31,971,592	58,307,224
	36,987,812	16,617,464	53,605,276	26,335,632	31,971,592	58,307,224

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:

<u>Related Party</u>	<u>Nature of relationship</u>	<u>Nature of transaction</u>	(Un-Audited) (Un-Audited)	
			December 2016	December 2015
			Rupees	
Optimus Limited	Holding Company	Rental services rendered	59,772,076	55,328,424
		Management services received	2,947,500	2,807,500
		Vehicle maintenance services received	8,866,720	5,305,611
		Sale of motor vehicles	21,400,000	7,345,000
		Purchase of Motor Vehicles	23,160,000	70,855,000
		Purchase of tracker	150,000	220,000
		Salary and allowances	2,487,853	1,601,987
Mustang Eye (Private) Limited	Common Directorship	Tracker services	191,940	249,318
Staff provident fund		Contribution to staff provident fund	34,386	30,888

13. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 28 February 2017 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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