

The logo for CALCORP, featuring the word "CALCORP" in a bold, blue, sans-serif font. The letters are contained within a thin blue rectangular border.

*Capital Assets Leasing  
Corporation Limited*

**Condensed Interim  
Financial Information  
For the 3<sup>rd</sup> Quarter Ended  
March 31, 2013  
(Un-Audited)**



## Capital Assets Leasing Corporation Limited

### CORPORATE INFORMATION

<b>Board of Directors:</b>	Mr. Muhammad Sajid (Chairman) Mr. Saad Saeed Faruqui (Chief Executive Officer) Syed Hasan Akbar Kazmi Syed Sajid Nasim Mr. Shahrukh Saeed Faruqui Mr. Mustafa Jafar Mr. Mirza Muhammad Aamir*
<b>Audit Committee:</b>	Mr. Muhammad Sajid (Chairman) Syed Sajid Nasim (Member) Mr. Mustafa Jafar (Member)
<b>HR &amp; Remuneration Committee:</b>	Mr. Muhammad Sajid Mr. Saad Saeed Faruqui Mr. Mustafa Jafar
<b>Chief Executive Officer:</b>	Mr. Saad Saeed Faruqui
<b>CFO &amp; Company Secretary:</b>	Mr. Abdul Wajid Soherwardy
<b>Head of Internal Audit:</b>	Mr. Moiz Saifuddin
<b>Registrar &amp; Share Transfer Office:</b>	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
<b>Auditors:</b>	Baker Tilly Mehmood, Idrees, Qamar, Chartered Accountants
<b>Legal Advisor:</b>	Mohsin Tayebaly & Co. Advocates Hosain & Rahim, Advocates & Corporate Counsel
<b>Bankers:</b>	JS Bank Limited
<b>Registered Office:</b>	14 <sup>th</sup> 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

### TO THE SHARE HOLDERS

Attached are the un-audited Condensed Interim financial statements for the Quarter ended March 31, 2013 together with the selected notes 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: April 26<sup>th</sup>, 2013

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

\*Mr. Aamir was appointed by the board on November 29<sup>th</sup> 2012 subject to approval from the regulatory authority. The approval is still in progress



## 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 Nine Months ended March 31, 2013. The financial results for the period under review are as follows:

	NINE MONTHS ENDED		QUARTER ENDED	
	March 2013	March 2012	March 2013	March 2012
<b>Income</b>	..... Rupees.....		..... Rupees.....	
Income from operations	26,885,113	13,297,086	8,421,099	4,469,717
Other operating income	4,873,232	316,412	4,520,292	59,687
	<u>31,758,345</u>	<u>13,613,498</u>	<u>12,941,391</u>	<u>4,529,404</u>
<b>Expenses</b>				
Administrative and operating expenses	(5,267,445)	(4,602,393)	(1,861,157)	(1,632,973)
Financial charges	(6,558,540)	(2,168)	(2,262,330)	(732)
Worker's Welfare Fund	(541,571)	(182,899)	(794,866)	(58,717)
Reversals / (Provision and) write offs	59,149	61,030	59,149	(34,852)
	<u>(12,308,407)</u>	<u>(4,726,430)</u>	<u>(4,859,204)</u>	<u>(1,727,274)</u>
<b>PROFIT BEFORE TAXATION</b>	<u>19,449,938</u>	<u>8,887,068</u>	<u>8,082,187</u>	<u>2,802,130</u>
Taxation	(7,610,074)	(3,171,754)	(3,308,166)	(1,169,890)
<b>PROFIT AFTER TAXATION</b>	<u>11,839,864</u>	<u>5,715,314</u>	<u>4,774,021</u>	<u>1,632,240</u>
<b>EARNINGS PER SHARE</b>	<u>1.10</u>	<u>0.53</u>	<u>0.44</u>	<u>0.15</u>

During the period, company has earned income from operations amounting PKR 26.8 million compared to PKR 13.3 million in corresponding period last year. Pre-tax profit for the period is PKR 19.44 million compared to PKR 8.88 million last year. Overall increase is mainly due to increase in Fleet Size of the company. The net profit for the period is PKR 11.8 compared to PKR 5.76 million in corresponding period last year after accounting for current and deferred taxation.

#### **FUTURE OUTLOOK**

The company intends to maintain its profitability and growth subject to the availability of funds from financial institutions. Having strong repayment and improved profitability, company has gained sufficient confidence of the lenders.

#### **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 also 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: 26<sup>th</sup> April, 2013



Capital Assets Leasing Corporation Limited

CONDENSED INTERIM BALANCE SHEET  
AS AT MARCH 31, 2013

	(Un-audited) March 31 2013	(Audited) June 30 2012
Note	..... Rupees .....	
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and bank balances	194,017	318,901
Current portion of net investment in finance lease	9,530,531	9,548,235
Receivables, Advances & Deposits	38,120,820	8,022,530
Taxation - net	8,422,088	5,566,818
	56,267,456	23,456,484
<b>Non-Current Assets</b>		
Long term Receivables, Advances & Deposits	14,379,411	5,864,474
Deferred tax asset	18,636,091	25,714,173
Property, plant and equipment	119,323,969	117,755,443
	152,339,471	149,334,090
	<u>208,606,927</u>	<u>172,790,574</u>
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
<b>Authorized share capital</b>		
20,000,000 Ordinary shares of Rs. 10/- each	<u>200,000,000</u>	<u>200,000,000</u>
<b>Issued, subscribed and paid-up share capital</b>		
10,744,413 (June 30, 2012: 10,744,413) Ordinary shares of Rs.10/- each	107,444,130	107,444,130
Reserves	11,183,149	(656,715)
	118,627,279	106,787,415
<b>Current Liabilities</b>		
Current portion of liabilities against assets subject to finance lease	26,014,127	17,018,017
Long term deposits	9,550,470	9,568,175
Trade and other payables	3,564,577	2,237,622
	39,129,174	28,823,814
<b>Non Current Liabilities</b>		
Liabilities against assets subject to finance lease	50,850,474	37,179,345
<b>Contingencies and Commitments</b>		
	-	-
	<u>208,606,927</u>	<u>172,790,574</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 PERIOD ENDED MARCH 31, 2013  
(UN-AUDITED)

	Note	PERIOD ENDED		QUARTER ENDED	
		March 2013	March 2012	March 2013	March 2012
<b>Income</b>		..... Rupees .....		..... Rupees .....	
Income from operations	11	26,885,113	13,297,086	8,421,099	4,469,717
Other operating income		4,873,232	316,412	4,520,292	59,687
		<u>31,758,345</u>	<u>13,613,498</u>	<u>12,941,391</u>	<u>4,529,404</u>
Administrative and operating expenses		(5,267,445)	(4,602,393)	(1,861,157)	(1,632,973)
Financial charges		(6,558,540)	(2,168)	(2,262,330)	(732)
Other charges - workers' welfare fund		(541,571)	(182,899)	(794,866)	(58,717)
Reversals / (Provision) and write offs		59,149	61,030	59,149	(34,852)
		<u>(12,308,407)</u>	<u>(4,726,430)</u>	<u>(4,859,204)</u>	<u>(1,727,274)</u>
<b>Profit before taxation</b>		<b><u>19,449,938</u></b>	<b><u>8,887,068</u></b>	<b><u>8,082,187</u></b>	<b><u>2,802,130</u></b>
Taxation		(7,610,074)	(3,171,754)	(3,308,166)	(1,169,890)
<b>Profit after taxation</b>		<b><u>11,839,864</u></b>	<b><u>5,715,314</u></b>	<b><u>4,774,021</u></b>	<b><u>1,632,240</u></b>
Earnings per share		<u>1.10</u>	<u>0.53</u>	<u>0.44</u>	<u>0.15</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 PERIOD ENDED MARCH 31, 2013  
(UN-AUDITED)

	PERIOD ENDED		QUARTER ENDED	
	March 2013	March 2012	March 2013	March 2012
	..... Rupees.....		..... Rupees.....	
Net income for the period	11,839,864	5,715,314	4,774,021	1,632,240
Other Comprehensive Income	-	-	-	-
<b>Total comprehensive income for the period</b>	<b>11,839,864</b>	<b>5,715,314</b>	<b>4,774,021</b>	<b>1,632,240</b>

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 PERIOD ENDED MARCH 31, 2013  
(UN-AUDITED)

	March 2013	March 2012
	..... Rupees .....	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	19,449,938	8,887,068
<b>Adjustments for non cash items:</b>		
Depreciation	10,131,179	2,830,965
Financial charges	6,558,540	2,168
(Reversal)/ provisions or write off	(59,149)	(61,030)
(Gain) on disposal of operating property, plant and equipment	(4,773,435)	(137,952)
	<u>31,307,073</u>	<u>11,521,219</u>
<b>(Increase) in current assets</b>		
Receivables, Advances & Deposits	(30,098,290)	(7,312,254)
<b>Increase / (Decrease) in current liabilities</b>		
Trade and other payables	1,326,955	(332,401)
<b>Cash generated from operations</b>	<u>2,535,738</u>	<u>3,876,564</u>
Financial charges paid	(6,558,540)	(2,168)
Tax paid	(3,387,262)	(750,459)
Net investment in lease and hire purchase finances	76,853	522,329
Lease Security Deposit Adjust	(17,705)	(120,000)
Morabaha and short term finances	-	50,000
<b>Net cash generated from operating activities</b>	<u>(7,350,916)</u>	<u>3,576,266</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions in property, plant and equipment	(43,651,270)	(7,721,420)
Proceeds from sale of property, plant and equipemnt	36,725,000	4,376,296
Long term advances, deposits and prepayments	(8,514,937)	-
<b>Net cash (used in) investing activities</b>	<u>(15,441,207)</u>	<u>(3,345,124)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Liabilities against subject to finance lease	22,667,239	-
Payment of interim dividend	-	(104,491)
<b>Net cash generated from /(used in) financing activities</b>	<u>22,667,239</u>	<u>(104,491)</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<u>(124,884)</u>	<u>126,651</u>
Cash and cash equivalents at the beginning of the period	318,901	535,558
<b>Cash and cash equivalents at the end of the period</b>	<u>194,017</u>	<u>662,209</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 PERIOD ENDED MARCH 31, 2013  
(UN-AUDITED)

	Issued, Subscribed and Paid-up Share Capital	Statutory Reserves	Accumulated (Loss)	Total
	..... Rupees .....			
Balance as at July 01, 2011	107,444,130	17,988,541	(26,513,737)	98,918,934
Net profit for the period	-	-	5,715,314	5,715,314
Transfer to reserve	-	1,143,063	(1,143,063)	-
Balance as at March 31, 2012	<u>107,444,130</u>	<u>19,131,604</u>	<u>(21,941,486)</u>	<u>104,634,248</u>
Balance as at July 01, 2012	107,444,130	19,562,237	(20,218,952)	106,787,415
Net profit for the period	-	-	11,839,864	11,839,864
Transfer to reserve	-	2,367,973	(2,367,973)	-
Balance as at March 31, 2013	<u>107,444,130</u>	<u>21,930,210</u>	<u>(10,747,061)</u>	<u>118,627,279</u>

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

\_\_\_\_\_  
Chief Executive Officer

\_\_\_\_\_  
Director



**NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION  
FOR THE PERIOD ENDED MARCH 31, 2013**

**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 licenced under the Non-Banking Companies and Notified Entities Regulation, 2008) for a foreseeable period.

1.4 The management is exploring various options to increase the company's equity.

**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 Karachi Stock Exchange.

These condensed interim financial statements comprise the balance sheet as at March 31, 2013, the profit and loss account, statement of comprehensive income, Cash Flow statement and statement of changes in equity for the period ended March 31, 2013.

**3. ACCOUNTING POLICIES AND COMPUTATIONS 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, 2012.

**4. INVESTMENT IN FINANCE LEASE**

	<b>(Un-Audited)</b>			<b>(Audited)</b>		
	<b>March 31, 2013</b>			<b>June 30, 2012</b>		
	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	20,906,960	-	20,906,960	20,969,379	-	20,969,379
<b>Add:</b> Residual value of leased assets	9,550,470	-	9,550,470	9,568,175	-	9,568,175
<b>Gross investment in lease and hire purchase finance</b>	<b>30,457,430</b>	<b>-</b>	<b>30,457,430</b>	<b>30,537,554</b>	<b>-</b>	<b>30,537,554</b>
<b>Less:</b> unearned finance income	(4,153,993)	-	(4,153,993)	(4,164,844)	-	(4,164,844)
	26,303,437	-	26,303,437	26,372,710	-	26,372,710
<b>Less:</b> Provision for lease losses	(16,772,906)	-	(16,772,906)	(16,824,475)	-	(16,824,475)
<b>Net investment in leases</b>	<b>9,530,531</b>	<b>-</b>	<b>9,530,531</b>	<b>9,548,235</b>	<b>-</b>	<b>9,548,235</b>

**5. LONG TERM ADVANCES, DEPOSITS AND PREPAYMENTS**

	<b>(Un-Audited)</b> <b>March 31</b> <b>2013</b>	<b>(Audited)</b> <b>June 30</b> <b>2012</b>
	----- Rupees -----	
Security deposits	12,763,790	5,995,990
<b>Less:</b> Provision	(309,290)	(309,290)
	12,454,500	5,686,700
Prepayments	3,010,680	316,170
<b>Less:</b> Current portion	(1,085,769)	(138,396)
	1,924,911	177,774
	<b>14,379,411</b>	<b>5,864,474</b>

**6. DEFERRED TAX ASSET**

<b>Debit balances arising in respect of:</b>		
Liabilities against assets subject to finance lease	37,051,746	18,969,077
Carry forward tax losses	25,689,006	30,593,990
	62,740,752	49,563,067
<b>Credit balance arising in respect of:</b>		
Accelerated depreciation	(44,104,661)	(23,848,894)
	<b>18,636,091</b>	<b>25,714,173</b>



Capital Assets Leasing Corporation Limited

	Note	(Un-Audited) March 31 2013	(Audited) June 30 2012
<b>Rupees</b>			
<b>7. PROPERTY, PLANT AND EQUIPMENT</b>			
Property, plant and equipments - tangible assets	7.1	119,323,967	110,538,441
Advance to suppliers	7.2	-	7,217,000
Intangible assets		2	2
		<u>119,323,969</u>	<u>117,755,443</u>
<b>7.1 Property, Plant and Equipments- Tangible Assets</b>			
Opening written down value		110,538,441	54,927,633
<b>Add:</b> Cost of acquisition during the period / year		50,868,270	119,246,420
		161,406,711	174,174,053
<b>Less:</b> Written down value of deletions during the period / year		(31,951,565)	(57,709,024)
		129,455,146	116,465,029
<b>Less:</b> Depreciation Charged for the period / year		(10,131,179)	(5,926,588)
		<u>119,323,967</u>	<u>110,538,441</u>
<b>7.2 Advance To Suppliers</b>			
Opening value		7,217,000	-
<b>Add:</b> Addition During The Year		-	17,573,000
		7,217,000	17,573,000
<b>Less:</b> Capitalized During The Year		(7,217,000)	(10,356,000)
		<u>-</u>	<u>7,217,000</u>

8. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	(Un-Audited)			(Audited)		
	March 31, 2013			June 30, 2012		
	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	32,863,273	56,847,330	89,710,603	23,130,685	42,060,038	65,190,723
<b>Less:</b> Financial charges allocated to future periods	(6,849,146)	(5,996,856)	(12,846,002)	(6,112,668)	(4,880,693)	(10,993,361)
<b>Present Value of Minimum lease Payments</b>	<u>26,014,127</u>	<u>50,850,474</u>	<u>76,864,601</u>	<u>17,018,017</u>	<u>37,179,345</u>	<u>54,197,362</u>



Capital Assets Leasing Corporation Limited

	(Un-Audited) March 31 2013	(Audited) June 30 2012
<b>9. LONG TERM DEPOSITS</b>		..... Rupees .....
Lease security deposit	9,550,470	9,568,175
	<u>9,550,470</u>	<u>9,568,175</u>

**10. CONTINGENCIES AND COMMITMENTS**

**Contingent Assets**

The company has obtained court decrees in respect of recovery of overdue lease rentals receivable from various clients aggregating Rs. 7,211,463 as at March 31, 2012 (June 30, 2012 : Rs. 7,211,463).

	(Un-Audited) March 31 2013	(Un-Audited) March 31 2012
<b>11. INCOME FROM OPERATIONS</b>		..... Rupees .....
Income on lease contracts	10,851	13,972
Income from vehicles plying for hire	26,874,262	13,283,114
	<u>26,885,113</u>	<u>13,297,086</u>

**11.1 Income on lease contracts**

Lease finance income for the current period	-	20,446
Lease finance income reversal	10,851	(6,474)
	<u>10,851</u>	<u>13,972</u>

**11.2 Income from Vehicle Plying for Hire**

Rentals	48,288,760	19,467,688
<b>Less: Cost of services</b>		
Road tax/registration and other charges	603,604	183,459
Operating Lease Rental	1,180,572	-
Vehicles service and maintenance	4,477,875	1,098,429
Tracker monitoring cost	611,414	236,305
Insurance	2,349,872	816,463
Depreciation	10,088,661	2,769,918
Service charges to holding company	2,102,500	1,080,000
	21,414,498	6,184,574
	<u>26,874,262</u>	<u>13,283,114</u>

**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/balance	(Un-Audited)	(Un-Audited)
			March 31 2013	March 31 2012
			..... Rupees .....	
Optimus Limited	Holding Company	Rental services rendered	48,288,760	19,467,688
		Management services received	2,102,500	1,080,000
		Vehicle maintenance services received	4,477,875	1,098,429
		Purchase of tracker	312,000	45,000
		Sale of motor vehicles	36,559,000	3,955,000
		Sale of tracker	166,000	-
		Salary and allowances	2,206,981	1,888,483
Mustang Eye (Pvt) Ltd		Tracker services	119,790	8,470
Staff provident fund		Contribution to staff provident fund	63,828	59,489

**13. DATE OF AUTHORISATION FOR ISSUE**

These financial statements were authorized for issue on 26<sup>th</sup> April 2013 by the Board of Directors of the Company.

**14. GENERAL**

14.1 Figures have been rounded off to the nearest rupee.

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Chief Executive Officer

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Director

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Stamp  
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*If undelivered please return to:*



**CAPITAL ASSETS LEASING CORPORATION LIMITED**

14th Floor, Chapal Plaza,  
Hasrat Mohani Road, Karachi-74000  
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E-mail: [calcorp@optimus.com.pk](mailto:calcorp@optimus.com.pk)  
Web: [www.calcorp.com.pk](http://www.calcorp.com.pk)