



**Capital Assets Leasing
Corporation Limited**

**Condensed Interim
Financial Information
For the 3rd Quarter Ended
March 31, 2016
(Un-Audited)**



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. Junaid Imran Mr. Faisal Ismail	(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. Junaid Imran	
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 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 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 Nine months ended March 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: April 29, 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.



Capital Assets Leasing Corporation Limited

DIRECTORS' REVIEW

On behalf of the Board of Directors, I am pleased to present the Condensed Interim financial Information for the Nine months ended March 31, 2016 of your company. The financial results for the period under review are summarized below:

	<u>NINE MONTHS ENDED</u>		<u>QUARTER ENDED</u>	
	<u>March 2016</u>	<u>March 2015</u>	<u>March 2016</u>	<u>March 2015</u>
	<u>Rupees</u>		<u>Rupees</u>	
Income				
Income From Operations	38,658,441	26,777,008	14,332,783	8,892,660
Other operating income	<u>832,091</u>	<u>1,786,593</u>	<u>21,585</u>	<u>55,273</u>
	<u>39,490,532</u>	<u>28,563,601</u>	<u>14,354,368</u>	<u>8,947,933</u>
Expenses				
Administrative and operating expenses	(6,457,315)	(6,255,495)	(2,031,045)	(2,112,762)
Financial charges	(8,035,272)	(4,607,229)	(2,556,917)	(1,661,377)
Other charges - workers' welfare fund	(499,958)	(383,078)	(195,327)	(103,676)
Reversal of Provision	-	1,453,040	-	-
	<u>(14,992,545)</u>	<u>(9,792,762)</u>	<u>(4,783,289)</u>	<u>(3,877,815)</u>
PROFIT BEFORE TAXATION	<u>24,497,987</u>	<u>18,770,839</u>	<u>9,571,079</u>	<u>5,070,118</u>
Taxation	<u>(9,693,458)</u>	<u>(6,475,651)</u>	<u>(3,395,004)</u>	<u>(1,693,336)</u>
PROFIT AFTER TAXATION	<u>14,804,529</u>	<u>12,295,188</u>	<u>6,176,075</u>	<u>3,376,782</u>
EARNINGS PER SHARE	<u>1.38</u>	<u>1.14</u>	<u>0.57</u>	<u>0.31</u>

During the period, company has earned income from operations amounting PKR 39.49 million compared to PKR 28.56 million in corresponding period last year. Accordingly, Net profit has increased by PKR 2.5 million to return PKR 14.80 million compared to PKR 12.29 million in corresponding period last year.

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 also 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 Faruqui
Chief Executive Officer

Dated: 29th April, 2016



Capital Assets Leasing Corporation Limited

CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2016

		(Un-audited) March 31 2016	(Audited) June 30 2015
	Note		
	 Rupees	
ASSETS			
Current Assets			
Cash and bank balances		139,521	247,679
Investment in finance lease	4	9,291,481	9,291,481
Advances, deposits, prepayments and other receivables		10,647,369	24,368,922
Trade receivable		17,224,724	53,029,665
Taxation - net		17,639,782	12,321,559
		54,942,877	99,259,306
Non-Current Assets			
Long term advances, deposits and prepayments	5	23,386,252	21,431,778
Deferred tax asset	6	-	5,343,853
Property, plant and equipment	7	186,801,089	86,541,467
		210,187,341	113,317,098
		<u>265,130,218</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		<u>200,000,000</u>	<u>200,000,000</u>
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		55,510,070	40,705,541
		162,954,200	148,149,671
Current Liabilities			
Current portion of liabilities against assets subject to finance lease	8	31,128,242	21,465,348
Current portion of long term deposits	9	9,311,420	9,311,420
Trade and other payables		13,570,347	8,467,983
		54,010,009	39,244,751
Non Current Liabilities			
Liabilities against assets subject to finance lease	8	47,930,435	25,181,982
Deferred tax liability	6	235,574	-
		48,166,009	25,181,982
Contingencies and Commitments			
	10	-	-
		<u>265,130,218</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 PERIOD ENDED MARCH 31, 2016
(UN-AUDITED)

	Note	NINE MONTH ENDED		QUARTER ENDED	
		March 2016 ----- Rupees -----	March 2015 ----- Rupees -----	March 2016 ----- Rupees -----	March 2015 ----- Rupees -----
Income					
Income from operations - (Net)	11	38,658,441	26,777,008	14,332,783	8,892,660
Other operating income		832,091	1,786,593	21,585	55,273
		<u>39,490,532</u>	<u>28,563,601</u>	<u>14,354,368</u>	<u>8,947,933</u>
Administrative and operating expenses		(6,457,315)	(6,255,495)	(2,031,045)	(2,112,762)
Financial charges		(8,035,272)	(4,607,229)	(2,556,917)	(1,661,377)
Other charges - workers' welfare fund		(499,958)	(383,078)	(195,327)	(103,676)
Reversals and write offs		-	1,453,040	-	-
		<u>(14,992,545)</u>	<u>(9,792,762)</u>	<u>(4,783,289)</u>	<u>(3,877,815)</u>
Profit before taxation		<u>24,497,987</u>	<u>18,770,839</u>	<u>9,571,079</u>	<u>5,070,118</u>
Taxation		(9,693,458)	(6,475,651)	(3,395,004)	(1,693,336)
Profit after taxation		<u><u>14,804,529</u></u>	<u><u>12,295,188</u></u>	<u><u>6,176,075</u></u>	<u><u>3,376,782</u></u>
Earnings per share		<u>1.38</u>	<u>1.14</u>	<u>0.57</u>	<u>0.31</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, 2016
(UN-AUDITED)

	PERIOD ENDED		QUARTER ENDED	
	March 2016 ----- Rupees -----	March 2015 ----- Rupees -----	March 2016 ----- Rupees -----	March 2015 ----- Rupees -----
Net income for the period	14,804,529	12,295,188	6,176,075	3,376,782
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	14,804,529	12,295,188	6,176,075	3,376,782

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, 2016
(UN-AUDITED)

	March 2016	March 2015
 Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	24,497,987	18,770,839
Adjustments for non cash items:		
Depreciation	9,412,646	5,039,794
Amortization	60,661	60,660
Financial charges	8,035,272	4,607,229
Provision / (reversal)	-	(1,453,040)
(Gain) on disposal of operating property, plant and equipment	(510,956)	(477,894)
	<u>41,495,610</u>	<u>26,547,588</u>
Decrease / (increase) in current assets		
Advances, deposits, prepayments and other receivables	13,721,553	5,250,691
Trade receivable	35,804,941	(22,015,535)
Increase / (decrease) in current liabilities		
Trade and other payables	4,937,927	(905,088)
	<u>95,960,031</u>	<u>8,877,656</u>
Cash generated from operations		
Financial charges paid	(7,870,835)	(4,163,993)
Tax paid	(9,432,254)	(3,128,410)
Net investment in lease and hire purchase finances	-	1,447,090
Long term deposit	-	(239,050)
Net cash generated from operating activities	<u>78,656,942</u>	<u>2,793,293</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(116,701,973)	(84,359,636)
Advance to supplier	(7,490,000)	(6,307,500)
Proceeds from sale of property, plant and equipemnt	14,970,000	77,867,224
Long term advances, deposits and prepayments	(1,954,474)	(11,351,876)
Net cash (used in) investing activities	<u>(111,176,447)</u>	<u>(24,151,788)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Liabilities against asset subject to finance lease	32,411,347	21,005,609
Net cash generated from financing activities	<u>32,411,347</u>	<u>21,005,609</u>
Net (decrease) in cash and cash equivalents	<u>(108,158)</u>	<u>(352,886)</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>139,521</u>	<u>190,670</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, 2016
(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	-	-	12,295,188	12,295,188
Transfer to reserve	-	2,459,038	(2,459,038)	-
Balance as at March 31, 2015	107,444,130	27,494,831	11,511,423	146,450,384
Balance as at July 01, 2015	107,444,130	27,834,688	12,870,853	148,149,671
Net profit for the period	-	-	14,804,529	14,804,529
Transfer to reserve	-	2,960,906	(2,960,906)	-
Balance as at March 31, 2016	107,444,130	30,795,594	24,714,476	162,954,200

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 PERIOD ENDED MARCH 31, 2016
(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 March 31, 2016 and the profit and loss account, statement of changes in equity, statement of comprehensive income and the cash flow statement for the period ended March 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, 2015.

4. INVESTMENT IN FINANCE LEASE

	(Un-Audited)			(Audited)		
	March 31, 2016			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) March 31 2016	(Audited) June 30 2015
	----- Rupees -----	
5. LONG TERM, ADVANCES, DEPOSITS AND PREPAYMENTS		
Security deposits	29,378,302	21,692,890
Less: Provision	(309,290)	(309,290)
	29,069,012	21,383,600
Less: Current portion	(6,926,300)	(972,200)
	22,142,712	20,411,400
Prepayments	2,834,580	2,189,159
Less: Current portion	(1,591,040)	(1,168,781)
	1,243,540	1,020,378
	23,386,252	21,431,778
6. DEFERRED TAX ASSETS		
Debit balances arising in respect of:		
Liabilities against assets subject to finance lease	26,089,363	15,393,619
Carry forward tax losses	15,476,009	16,131,827
	41,565,372	31,525,446
Credit balance arising in respect of:		
Accelerated depreciation	(41,800,946)	(26,181,593)
	(235,574)	5,343,853

		(Un-Audited) March 31 2016	(Audited) June 30 2015
	 Rupees	
7. PROPERTY, PLANT AND EQUIPMENT			
Property, plant and equipments - tangible assets	7.1	179,277,362	86,447,079
Advance to supplier		7,490,000	
Intangible assets	7.2	33,727	94,388
		<u>186,801,089</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		116,701,973	95,899,376
		203,149,052	185,509,579
Less: Written down value of deletions during the period / year		(14,459,044)	(92,444,622)
		188,690,008	93,064,957
Less: Depreciation charged for the period / year		(9,412,646)	(6,617,878)
		<u>179,277,362</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		-	-
		94,388	175,269
Less: Written down value of deletions during the period / year		-	-
		94,388	175,269
Less: Amortization charged for the period / year		(60,661)	(80,881)
		<u>33,727</u>	<u>94,388</u>

8. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	(Un-Audited)			(Audited)		
	March 31, 2016			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	37,271,634	52,747,931	90,019,565	25,281,421	25,947,031	51,228,452
Less: Financial charges allocated to future periods	(6,143,392)	(4,817,496)	(10,960,888)	(3,816,073)	(765,049)	(4,581,122)
Present value of minimum lease payments	<u>31,128,242</u>	<u>47,930,435</u>	<u>79,058,677</u>	<u>21,465,348</u>	<u>25,181,982</u>	<u>46,647,330</u>

	(Un-Audited) March 2016	(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 March 31, 2016 (June 30, 2015 : Rs. 5,567,498).		
	(Un-Audited) March 2016	(Audited) June 2015
 Rupees	
10.2 Commitments		
Ijarah lease rentals payable	75,576,051	73,374,633
	<u>75,576,051</u>	<u>73,374,633</u>
	(Un-Audited) March 2016	(Un-Audited) March 2015
 Rupees	
11. INCOME FROM OPERATIONS		
Income on lease contracts	11.1 -	271,650
Income from vehicle plying for hire	11.2 38,658,441	26,505,358
	<u>38,658,441</u>	<u>26,777,008</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	87,049,560	60,161,659
Less: Cost of services		
Road tax/registration and other charges	2,390,101	1,214,854
Vehicle service and maintenance-VPFH	7,901,213	5,729,620
Ijarah lease rental	11.3 19,742,429	15,420,707
Tracker monitoring cost	1,136,576	1,033,758
Insurance	3,382,546	2,541,249
Depreciation VPFH	9,398,254	5,033,613
Service charges to holding company	4,440,000	2,682,500
	48,391,119	33,656,301
	<u>38,658,441</u>	<u>26,505,358</u>



Capital Assets Leasing Corporation Limited

11.3 This includes rentals paid to BRR Guardian Modarba , Crescent Standard Modaraba and First Islamic Modarba against

(Un-Audited)			(Un-Audited)			
March 31, 2016			March 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	34,047,670	41,528,381	75,576,051	24,924,468	48,450,165	73,374,633
	34,047,670	41,528,381	75,576,051	24,924,468	48,450,165	73,374,633

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)
			March 31 2016	March 31 2015
			----- Rupees -----	
Optimus Limited	Holding Company	Rental services rendered	87,049,560	60,161,659
		Management services received	4,440,000	2,682,500
		Vehicle maintenance services received	7,901,213	5,729,620
		Sale of motor vehicles	14,970,000	23,145,000
		Purchase of Motor Vehicles	70,855,000	50,000,000
		Purchase of tracker	220,000	320,000
		Salary and allowances	2,395,485	1,947,661
		Tracker services		
Mustang Eye (Private) Limited	Common Directorship		373,977	366,687
Staff provident fund		Contribution to staff provident fund	46,332	49,998

13. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 29th April 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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If undelivered please return to:



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