



**Capital Assets Leasing
Corporation Limited**

**Condensed Interim
Financial Information
For the 3rd Quarter Ended
March 31, 2017
(Un-Audited)**



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. Faizan Haider Khan Mr. Haider Ali Hilaly	(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. Haider Ali Hilaly	
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 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:	14 th 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 Month ended March 31, 2017 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 28, 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



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, 2017 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 2017</u>	<u>March 2016</u>	<u>March 2017</u>	<u>March 2016</u>
	<u>..... Rupees</u>	<u>..... Rupees</u>	<u>..... Rupees</u>	<u>..... Rupees</u>
Income				
Income From Operations	36,659,386	38,658,441	13,131,796	14,332,783
Other operating income	<u>2,786,380</u>	<u>832,091</u>	<u>1,448,334</u>	<u>21,585</u>
	<u>39,445,766</u>	<u>39,490,532</u>	<u>14,580,130</u>	<u>14,354,368</u>
Expenses				
Administrative and operating expenses	<u>(8,474,902)</u>	<u>(6,457,315)</u>	<u>(3,119,647)</u>	<u>(2,031,045)</u>
Financial charges	<u>(5,339,823)</u>	<u>(8,035,272)</u>	<u>(1,933,887)</u>	<u>(2,556,917)</u>
Other charges - workers' welfare fund	<u>(512,621)</u>	<u>(499,958)</u>	<u>(190,532)</u>	<u>(195,327)</u>
	<u>(14,327,346)</u>	<u>(14,992,545)</u>	<u>(5,244,066)</u>	<u>(4,783,289)</u>
PROFIT BEFORE TAXATION	<u>25,118,420</u>	<u>24,497,987</u>	<u>9,336,064</u>	<u>9,571,079</u>
Taxation	<u>(7,066,179)</u>	<u>(9,693,458)</u>	<u>(3,341,762)</u>	<u>(3,395,004)</u>
PROFIT AFTER TAXATION	<u>18,052,241</u>	<u>14,804,529</u>	<u>5,994,302</u>	<u>6,176,075</u>
EARNINGS PER SHARE	<u>1.68</u>	<u>1.38</u>	<u>0.56</u>	<u>0.57</u>

During the period, company has earned income from operations amounting PKR 39.44 million compared to PKR 39.49 million in corresponding period last year. Accordingly, Net profit has increased by PKR 3.25 million to return PKR 18.05 million compared to PKR 14.80 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 applied for the leasing license as non depositary 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 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 Faruqi
Chief Executive Officer

Dated: 28th April, 2017



Capital Assets Leasing Corporation Limited

CONDENSED INTERIM BALANCE SHEET
AS AT MARCH 31, 2017

		(Un-audited) March 31 2017	(Audited) June 30 2016
	Note Rupees	
ASSETS	Note	Rupees	Rupees
Current Assets			
Cash and bank balances		515,858	264,101
Investment in finance lease	4	9,291,481	9,291,481
Advances, deposits, prepayments and other receivables		15,487,407	9,130,613
Trade receivable		52,548,890	31,516,943
Taxation - net		19,999,076	18,670,251
		97,842,712	68,873,389
Non-Current Assets			
Long term advances, deposits and prepayments	5	19,188,906	21,604,797
Property, plant and equipment	6	241,306,438	175,276,687
		260,495,344	196,881,484
		<u>358,338,056</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		78,641,454	60,589,213
		186,085,584	168,033,343
Current Liabilities			
Current portion of liabilities against assets subject to finance lease	7	24,511,630	26,690,596
Current portion of Long Term Financing	8	10,602,000	-
Current portion of long term deposits	9	9,311,420	9,311,420
Trade and other payables		19,661,233	17,106,141
		64,086,283	53,108,157
Non Current Liabilities			
Liabilities against assets subject to finance lease	7	31,891,079	43,024,407
Long Term Long Term Financing	8	71,858,000	-
Deferred tax Liability	10	4,417,110	1,588,966
		108,166,189	44,613,373
Contingencies and Commitments	11	-	-
		<u>358,338,056</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 PERIOD ENDED MARCH 31, 2017
(UN-AUDITED)

	Note	NINE MONTH ENDED		QUARTER ENDED	
		March 2017 ----- Rupees -----	March 2016 ----- Rupees -----	March 2017 ----- Rupees -----	March 2016 ----- Rupees -----
Income					
Income from operations - (Net)	12	36,659,386	38,658,441	13,131,796	14,332,783
Other operating income		2,786,380	832,091	1,448,334	21,585
		<u>39,445,766</u>	<u>39,490,532</u>	<u>14,580,130</u>	<u>14,354,368</u>
Administrative and operating expenses		(8,474,902)	(6,457,315)	(3,119,647)	(2,031,045)
Financial charges		(5,339,823)	(8,035,272)	(1,933,887)	(2,556,917)
Other charges - workers' welfare fund		(512,621)	(499,958)	(190,532)	(195,327)
		<u>(14,327,346)</u>	<u>(14,992,545)</u>	<u>(5,244,066)</u>	<u>(4,783,289)</u>
Profit before taxation		25,118,420	24,497,987	9,336,064	9,571,079
Taxation		(7,066,179)	(9,693,458)	(3,341,762)	(3,395,004)
		<u>18,052,241</u>	<u>14,804,529</u>	<u>5,994,302</u>	<u>6,176,075</u>
Profit after taxation		18,052,241	14,804,529	5,994,302	6,176,075
Earnings per share		<u>1.68</u>	<u>1.38</u>	<u>0.56</u>	<u>0.57</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, 2017
(UN-AUDITED)

	PERIOD ENDED		QUARTER ENDED	
	March 2017 ----- Rupees -----	March 2016 ----- Rupees -----	March 2017 ----- Rupees -----	March 2016 ----- Rupees -----
Net income for the period	18,052,241	14,804,529	5,994,302	6,176,075
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	18,052,241	14,804,529	5,994,302	6,176,075

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, 2017
(UN-AUDITED)

	March 2017	March 2016
 Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	25,118,420	24,497,987
Adjustments for non cash items:		
Depreciation	9,087,344	9,412,646
Amortization	13,504	60,661
Financial charges	5,339,823	8,035,272
(Gain) on disposal of property, plant and equipment	<u>(2,772,477)</u>	<u>(510,956)</u>
	36,786,614	41,495,610
Increase / (decrease) in current assets		
Advances, deposits, prepayments and other receivables	(6,356,794)	13,721,553
Trade receivable	(21,031,947)	35,804,941
(Increase) / decrease in current liabilities		
Trade and other payables	2,555,092	4,937,927
	<u>11,952,965</u>	<u>95,960,031</u>
Cash generated from operations		
	11,952,965	95,960,031
Financial charges paid	(5,339,823)	(7,870,835)
Tax paid	<u>(5,566,860)</u>	<u>(9,432,254)</u>
Net cash generated from operating activities	1,046,282	78,656,942
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in property, plant and equipment	(37,228,122)	(116,701,973)
Advance To Supplier	(82,460,000)	(7,490,000)
Proceeds from sale of property, plant and equipment	47,330,000	14,970,000
Long term advances, deposits and prepayments	2,415,891	(1,954,474)
Net cash (used in) / generated from investing activities	(69,942,231)	(111,176,447)
CASH FLOWS FROM FINANCING ACTIVITIES		
liabilities against asset subject to finance lease	(13,312,294)	32,411,347
Long Term Financing	82,460,000	-
Net cash generated from /(used in) financing activities	69,147,706	32,411,347
	<u>251,757</u>	<u>(108,158)</u>
Net increase / (decrease) in cash and cash equivalents		
	264,101	247,679
Cash and cash equivalents at the end of the period	515,858	139,521

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, 2017
(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	-	-	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
Balance as at July 01, 2016	107,444,130	31,811,422	28,777,791	168,033,343
Net profit for the period	-	-	18,052,241	18,052,241
Transfer to reserve	-	(3,610,448)	3,610,448	-
Balance as at March 31, 2017	107,444,130	28,200,974	50,440,480	186,085,584

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, 2017
(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 licensed under the Non-Banking Companies and Notified Entities Regulation, 2008).

1.3 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 March 31, 2017 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, 2017.

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)		
	March 31, 2017			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	-	19,427,270.00	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 2017	(Audited) June 30 2016
	Rupees	
5. LONG TERM, ADVANCES, DEPOSITS AND PREPAYMENTS		
Security deposits	32,230,702	28,511,502
Less: Provision	(309,290)	(309,290)
	31,921,412	28,202,212
Less: Current portion	(13,636,650)	(7,851,600)
	18,284,762	20,350,612
Prepayments	2,738,686	2,670,787
Less: Current portion	(1,834,542)	(1,416,602)
	904,144	1,254,185
	19,188,906	21,604,797

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipments - tangible assets	6.1	158,846,435	175,263,180
Advance to supplier		82,460,000	-
Intangible Assets	6.2	3	13,507
		241,306,438	175,276,687

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	37,228,122	125,986,298
	212,491,302	212,433,377
Less: Written down value of deletions during the period / year	(44,557,523)	(24,055,385)
	167,933,779	188,377,992
Less: Depreciation charged for the period / year	(9,087,344)	(13,114,812)
	158,846,435	175,263,180



Capital Assets Leasing Corporation Limited

	(Un-Audited) March 31 2017	(Audited) June 30 2016
 Rupees	
6.2 Property, Plant and Equipments- Intangible Assets		
Opening written down value	13,507	94,388
Add: Cost of acquisition during the period / year	-	-
	<u>13,507</u>	<u>94,388</u>
Less: Amortization charged for the period / year	(13,504)	(80,881)
	<u><u>3</u></u>	<u><u>13,507</u></u>

7. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	(Un-Audited)			(Audited)		
	March 31, 2017			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 Payments	28,709,918	34,184,043	62,893,961	31,893,074	46,799,680	78,692,754
Less: Financial charges allocated to future periods	(4,198,288)	(2,292,964)	(6,491,252)	(5,202,478)	(3,775,273)	(8,977,751)
Present Value of Minimum lease Payments	<u><u>24,511,630</u></u>	<u><u>31,891,079</u></u>	<u><u>56,402,709</u></u>	<u><u>26,690,596</u></u>	<u><u>43,024,407</u></u>	<u><u>69,715,003</u></u>

	(Un-Audited) March 31 2017	(Audited) June 30 2016
 Rupees	
8. LONG TERM FINANCING		
Secured		
From Modaraba Company	82,460,000	-
Paid during the Period	-	-
	<u>82,460,000</u>	<u>-</u>
Less : Current Portion of Long Term Financing	10,602,000	-
	<u><u>71,858,000</u></u>	<u><u>-</u></u>
9. CURRENT PORTION OF LONG TERM DEPOSITS		
Lease security deposit	9,311,420	9,311,420
	<u><u>9,311,420</u></u>	<u><u>9,311,420</u></u>
10. DEFERRED TAX LIABILITY		
Debit balances arising in respect of:		
Liabilities against assets subject to finance lease	17,484,840	22,308,801
Carry forward tax losses	12,722,760	16,124,076
	<u>30,207,600</u>	<u>38,432,877</u>
Credit balance arising in respect of:		
Accelerated depreciation	(34,624,710)	(40,021,843)
	<u><u>(4,417,110)</u></u>	<u><u>(1,588,966)</u></u>

11. CONTINGENCIES AND COMMITMENTS
11.1 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, 2017 (June 30, 2016 : Rs. 5,567,498).

	(Un-Audited) March 2017	(Un-Audited) March 2016
 Rupees	

11.2 Commitments

Ijarah lease rentals payable	43,882,903	75,576,051
	43,882,903	75,576,051

	(Un-Audited) March 2017	(Un-Audited) March 2016
 Rupees	

12. INCOME FROM OPERATIONS

Income from vehicle plying for hire	12.1	36,659,386		38,658,441
		36,659,386		38,658,441

12.1 Income from vehicle plying for hire

Rentals		89,494,533		87,049,560
Less: Cost of services				
Road tax/registration and other charges		1,854,997		2,390,101
Vehicle service and maintenance-VPFH		12,573,177		7,901,213
Ijarah Lease Rental	12.2	19,778,039		19,742,429
Tracker monitoring cost		1,392,585		1,136,576
Insurance		3,860,954		3,382,546
Depreciation VPFH		9,035,395		9,398,254
Service charges to holding company		4,340,000		4,440,000
		52,835,147		48,391,119
		36,659,386		38,658,441

12.2 This includes rentals paid to BRR Guardian Modaraba, Crescent Standard Modaraba and Popular Islamic Modaraba against vehicles acquired under Ijarah facilities. Future rental payables on these facilities are as under:

	(Un-Audited)			(Un-Audited)		
	March 31, 2017			March 31, 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 -----		
Total future rentals payable	31,747,453	12,135,450	43,882,903	34,047,670	41,528,381	75,576,051
	31,747,453	12,135,450	43,882,903	34,047,670	41,528,381	75,576,051

13. 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)
			March 31 2017	March 31 2016
		 Rupees	
Optimus Limited	Holding Company	Rental services rendered	89,494,533	60,161,659
		Management services received	4,340,000	2,682,500
		Vehicle maintenance services received	12,573,177	5,729,620
		Sale of motor vehicles	36,830,000	23,145,000
		Purchase of Motor Vehicles	23,160,000	50,000,000
		Purchase of tracker	150,000	320,000
		Salary and allowances	3,729,923	1,947,661
Mustang Eye (Private) Limited	Common Directorship	Tracker services	276,007	366,687
Staff provident fund		Contribution to staff provident fund	51,579	49,998

14. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 28th April, 2017 by the Board of Directors of the Company.

15. GENERAL

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

Chief Executive Officer

Director

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Stamp
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If undelivered please return to:



CAPITAL ASSETS LEASING CORPORATION LIMITED

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