



**Capital Assets Leasing
Corporation Limited**

22nd Annual Report 2014

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CORPORATE INFORMATION

Board of Directors:*	Mr. Muhammad Sajid Mr. Saad Saeed Faruqui Syed Hasan Akbar Kazmi Mr. Shahrukh Saeed Faruqui Mr. Mustafa Jafar Mr. Mirza Muhammad Aamir Mr. Brig (R) Yasub Ali Dogar	(Chairman) (Chief Executive Officer)
Audit Committee:	Mr. Mustafa Jafar Mr. Muhammad Sajid Mr. Shahrukh Saeed Faruqui Ms. Summia Shah	(Chairman) (Member) (Member) (Secretary)
HR & Remuneration Committee:	Mr. Muhammad Sajid Mr. Saad Saeed Faruqui Mr. Mustafa Jafar	
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:	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	

* The Board of Directors was elected through EOGM on June 28, 2014 subject to approval from the regulatory authority. The approval is still awaited.

VISION / MISSION STATEMENTS OF CAPITAL ASSETS LEASING CORPORATION LIMITED

VISION STATEMENT

To become a leading Leasing Company by making a sizeable contribution to the development and growth of the Country's economy, by providing financial and technical assistance to our customers, combined with innovative ideas and services, thus enabling the customers and the Company to achieve their objectives.

MISSION STATEMENT

To achieve the role of a leading Leasing Company by delivering quality service at competitive rates to its customers whilst maintaining the highest levels of professionalism, ethical standards and corporate individuality, thereby also rewarding the Shareholders, Employees, and other stakeholders.

NOTICE OF 22nd ANNUAL GENERAL MEETING

Notice is hereby given that 22nd Annual General Meeting of Capital Assets Leasing Corporation Limited (the "Company") will be held on Saturday 25th October 2014 at 10:00 a.m. at the registered office of the Company, 14th Floor, Chapal Plaza, Hasrat Mohani Road, Karachi to transact the following business:

1. To confirm the minutes of the 8th Extra Ordinary General Meeting held on Saturday 28th June 2014.
2. To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2014
3. To appoint Auditors and fix their remuneration. The present Auditors, Messrs. Baker Tilly Mehmood, Idrees, Qamar, Chartered Accountants, retire and being eligible, offer themselves for re-appointment.
4. To transact any other business with the permission of the chair.

By the Order of the Board
Moiz Ali
Company Secretary

Karachi: October 03, 2014

Notes:

1. The share transfer book of the Company will remain closed from 18th October 2014 to 25th October 2014 (both days inclusive). Transfers received in order by our Shares Registrar, Technology Trade (Private) Limited, Dagia House, 241-C, Block 2, P.E.C.H.S., Off Shahrah-e-Quaideen, Karachi at the close of business on October 17th, 2014 will be considered in time to attend and vote at the meeting.
2. Any member of the Company entitled to attend and vote at the Annual General Meeting may appoint another member as his / her proxy to attend and vote instead of him / her. Proxies must be received at the Registered Office of the Company, 14th Floor, Chapal Plaza, Hasrat Mohani Road, Karachi not later than 48 hours before the time of holding the meeting.
3. Members who have deposited their shares into Central Depository Company of Pakistan Limited must bring their original Computerized National Identity Card (CNIC) or Original Passport at the time of attending the meeting. If proxies are granted by such shareholders the same must be accompanied with attested copies of the CNIC or the Passport of the beneficial owners. Additionally, (i) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form; (ii) Attested copies of CNIC or the passport of the proxy shall be furnished with the proxy form; and (iii) The proxy shall produce his/her original CNIC or original passport at the time of the Meeting.
4. In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting. If proxies are granted by such corporate shareholders the same must be accompanied with the Board of Directors' resolution/power of attorney with specimen signatures.
5. Members who have not yet submitted photocopy of their CNIC are requested to send the same to the share Registrar of the Company Technology Trade (Private) Limited, Dagia House, 241-C, Block 2, P.E.C.H.S., Off Shahrah-e-Quaideen, Karachi at the earliest
6. Members are requested to immediately notify the Company of change in their addresses, if any.

DIRECTORS' REPORT

On behalf of the Board of Directors, I am pleased to present the 22nd annual report along with the audited accounts of the Capital Assets Leasing Corporation Limited for the year ended June 30th, 2014.

FINANCIAL HIGHLIGHTS

An analysis of the key operating results for 2014 and their comparison with the results of the previous year is summarized below:

	Rupees	
	2014	2013
Total Revenue	35,478,567	41,520,119
Expenses		
Operating Expenses	8,461,929	7,470,228
Financial Charges	5,830,622	8,599,823
Other Charges	423,720	670,506
(Reversal) / Provisions and write offs	-	(59,149)
Total Expenses	14,716,271	16,681,408
Profit before tax	20,762,296	24,838,711
Taxation	(7,632,011)	(10,601,215)
Profit after taxation	13,130,285	14,237,496
Earnings Per Share	1.22	1.33

REVIEW OF OPERATIONS

The company has made profit of Rs. 20.8 million before tax in the current year which is 4 million lesser than prior year. The basic reason is the reduced no of vehicles owing to the heavy disposal of older fleet in current year. The revenue generated from rental business was Rs. 35.5 million compared to Rs. 41.5 million in the corresponding period a year back. The gross margin has remained almost constant however reduced fleet has affected the bottom line.

FUTURE OUTLOOK

The management of the company remains positive of its future as it intends to merge the company with the parent to meet minimum capital requirement. This will enable the company to write new leases, issue COIs and take deposits.

DIVIDEND

No dividend has been announced for the current year as management intends to meet minimum equity requirement and therefore reserves are being accumulated.

BOARD OF DIRECTORS

On June 30, 2014, Mr. Saad Saeed Faruqui, Mr. Muhammad Sajid, Syed Hasan Akbar Kazmi, Syed Sajid Nasim, Mr. Mustafa Jaffar, Mr. Muhammad Aamir and Mr. Shahrukh Saeed Faruqui have retired. The Election of directors took place in the Extra Ordinary Meeting held on June 28th, 2014 where by Mr. Saad Saeed Faruqui, Mr. Muhammad Sajid, Syed Hasan Akbar Kazmi, Mr. Shahrukh Saeed Faruqui, Mr. Mustafa Jafar, Mr. Muhammad Aamir and Brig. (R) Yasub Ali Dogar were elected as new directors of the company for the period of 3 years.

The Board wishes to place on record its appreciation for the valuable contributions made by the outgoing Director and welcomes the new Director.

CORPORATE GOVERNANCE

The Board of Directors is committed to uphold the highest standards of Corporate Governance. The company has also implemented the provisions of the Code of Corporate Governance and a review report on compliance with best practices of the Code of Corporate Governance by the statutory auditors is annexed with the report.

DIRECTORS DECLARATION

The Directors confirm compliance with the Corporate and Financial Reporting Framework of the Code of Corporate Governance for the following:

- i) The financial statements prepared by the management of the company present fairly its statement of affairs, the results of its operations, comprehensive income cash flows and changes in equity;
- ii) Proper books of accounts of the company have been maintained;
- iii) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- iv) International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departures there from has been adequately disclosed and explained;
- v) The system of internal control is sound in design and has been effectively implemented and monitored;
- vi) There are no significant doubts upon the company's ability to continue as going concern;

- vii) There has been no material departure from the best practice of Corporate Governance as detailed in the Listing Regulations;
- viii) Key operating and other financial data for the last six years in summarized form is included in the Annual Report;
- ix) During the current fiscal year, trading in shares of company was made by the following directors:
- a. Syed Sajid Nasim 500 Shares
 - b. Brig. (R) Yasub Ali Dogar 500 Shares
- x) During the year four meetings of the Board of Directors were held that were attended as follows:

S. No	Name of Director	Meetings Attended
1	Mr. Saad Saeed Faruqui	3
2	Mr. Muhammad Sajid	3
3	Syed Hasan Akbar Kazmi	3
4	Syed Sajid Nasim	3
5	Shahrukh Saeed Faruqui	4
6	Mustafa Jaffer	4
7	Mirza Muhammad Aamir	2

Leave of absence was granted to Directors who could not attend the Board meeting.

PARENT COMPANY

Optimus Limited holds 83.99% of the shareholding in the company.

AUDITORS

The present auditors M/s Baker Tilly Mehmood Idress Qamar & Company, Chartered Accountants, retire and being eligible, offer themselves for re-appointment for the year ending June 30, 2015. On the proposal of the Audit Committee, Board recommends the appointment of M/s Baker Tilly Mehmood Idress Qamar & Company, Chartered Accountants, as statutory auditors of the company for the financial year 2015.

PATTERN OF SHAREHOLDING

The pattern of shareholding of the company as on June 30, 2014 is annexed with this report.

ACKNOWLEDGEMENT

We take this opportunity to place on record our appreciation to the Securities and Exchange Commission of Pakistan, all three stock exchanges of the country and other regulatory authorities for their continued support and professional guidance, and the shareholders for the trust and confidence reposed in us.

We would also like to place on record, our thanks and appreciation to the staff for their commitment and dedication in running the operations.

For and on behalf of the Board of Directors

Karachi – September 30, 2014

Saad Saeed Faruqui
Chief Executive Officer

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30TH, 2014

This statement is being presented to comply with the Code of Corporate Governance, set out in the listing regulations of Stock Exchanges in Pakistan for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Executive Directors	Saad Saeed Faruqui
Non-Executive Directors	Muhammad Sajid
	Syed Hasan Akbar Kazmi
	Shahrukh Saeed Faruqui
	Mustafa Jafar
	Mirza Muhammad Aamir
Independent Director	Brig (R) Yasub Ali Dogar

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. No casual vacancy occurred in the Board during the current year.
5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.
8. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The members of the Board are well conversant with the listing regulations, legal requirements and operational imperatives of the Company, and as such are fully aware of their duties and responsibilities. At present, one Director has acquired the formal Director's Training Certificate from the Pakistan Institute of Corporate Governance (PICG)

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
11. The directors' report for this year has been prepared in compliance with the requirements of the Code of Corporate Governance (CCG) and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the CCG.
15. The board has formed an Audit Committee. It comprises of three members, who are non-executive directors including the chairman of the committee.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The board has formed an HR and Remuneration Committee. It comprises of three members, of whom two are non-executive directors including the chairman of the committee.
18. The board has set up an effective internal audit function.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s).
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
23. We confirm that all other material principles enshrined in the CCG have been complied with, except those which are not yet applicable.

Saad Saeed Faruqi
Chief Executive Officer

Muhammad Sajid
Chairman

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of CAPITAL ASSET LEASING CORPORATION LIMITED to comply with the Listing Regulation of the Karachi, Islamabad and Lahore Stock Exchanges, where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects that status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the code.

As part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's Statement on internal control covers all controls and the effectiveness of such internal controls.

Further, Listing Regulations of the Stock Exchanges where the company is listed require the Company to place before the Board of Directors for their consideration and approval of related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Director and placement of such transactions before the audit committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the status of Company's compliance, in all material respects, with the best practices contained in the Code of Corporate Governance as applicable to the Company of the year ended June 30, 2014.

Engagement Partner: Mehmood. A. Razzak

Karachi

Date: 30-September 2014

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **Capital Asset Leasing Corporation Limited** as at **June 30, 2014** and the related profit and loss account, statement of other comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, (here-in-after referred to as the financial statements) for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) in our opinion, proper books of accounts have been kept by the Company as required by the Companies Ordinance;
- b) in our opinion:
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the company's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company.
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss accounts, statement of other comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standard as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2014, and of the profit, its cash flow and changes in equity for the year then ended; and
- d) in our opinion no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Without qualifying our opinion we draw attention to note 1.3 and 1.4 of the accompanying financial statements. 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: Mehmood. A. Razzak

Karachi.

Date: September 30, 2014.

BALANCE SHEET AS AT JUNE 30, 2014

	Note	JUNE 2014 (Rupees)	JUNE 2013 (Rupees)
ASSETS			
Current Assets			
Cash and bank balances	5	543,556	208,642
Investment in finance lease	6	9,530,531	9,530,531
Advances, deposits, prepayments and other receivables	7	24,036,560	8,921,534
Trade receivable		32,146,404	8,056,501
Morabaha and short term finances	8	-	-
Taxation - net		11,016,614	9,291,607
		77,273,665	36,008,815
Non-Current Asset			
Long term advances, deposits and prepayments	9	12,799,486	14,742,198
Deferred tax asset	10	8,988,809	15,847,132
Property, plant and equipment	11	89,785,472	139,366,432
		111,573,767	169,955,762
TOTAL ASSETS		188,847,432	205,964,577
LIABILITIES AND EQUITY			
Current Liabilities			
Current portion of long term deposits	12	9,550,470	9,550,470
Current portion of liabilities against assets subject to finance lease	13	15,433,004	27,054,614
Trade and other payables	14	7,779,669	4,723,926
		32,763,143	41,329,010
Non-Current Liabilities			
Liabilities against assets subject to finance lease	13	21,929,093	43,610,656
Authorised Share Capital			
20,000,000 (2013: 20,000,000) Ordinary shares of Rs. 10/- each		200,000,000	200,000,000
Issued, subscribed and paid-up share capital	15	107,444,130	107,444,130
Reserves	16	26,711,066	13,580,781
		134,155,196	121,024,911
Contingencies and Commitments	17	-	-
TOTAL LIABILITIES AND EQUITY		188,847,432	205,964,577

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Executive Officer

Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2014

	Note	JUNE 2014 (Rupees)	JUNE 2013 (Rupees)
Income			
Income from operations	18	34,828,355	36,244,504
Other operating income	19	650,212	5,275,615
		35,478,567	41,520,119
Expenses			
Administrative and operating expenses	20	8,461,929	7,470,228
Financial charges	21	5,830,622	8,599,823
Other charges	22	423,720	670,506
(Reversals) / Provision and write offs	23	-	(59,149)
		14,716,271	16,681,408
Profit before taxation		20,762,296	24,838,711
Taxation	24	(7,632,011)	(10,601,215)
Profit after taxation		13,130,285	14,237,496
Earnings per share	25	1.22	1.33

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Executive Officer

Director

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2014**

	JUNE 2014 (Rupees)	JUNE 2013 (Rupees)
Net income for the year	13,130,285	14,237,496
Other comprehensive income	-	-
Total comprehensive income for the year	<u>13,130,285</u>	<u>14,237,496</u>

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Executive Officer

Director

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2014

	Note	JUNE 2014 (Rupees)	JUNE 2013 (Rupees)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		20,762,296	24,838,711
Adjustments for non cash items:			
Depreciation		10,806,882	13,655,799
Amortization		67,401	-
Financial charges		5,830,622	8,599,823
(Reversal) / provisions and write off		-	(59,149)
(Gain) on disposal of property, plant and equipment		(629,185)	(5,175,818)
		<u>36,838,016</u>	<u>41,859,366</u>
(Increase) in current assets			
Advances, deposits, prepayments and other receivables		(15,115,026)	163,724
Trade receivable		(24,089,903)	(9,111,649)
		(39,204,929)	(8,947,925)
Increase in current liabilities			
Trade and other payables		3,400,394	2,486,382
Cash generated from operations		<u>1,033,481</u>	<u>35,397,823</u>
Financial charges paid		(6,175,273)	(8,599,823)
Tax paid		(2,498,695)	(4,458,962)
Net investment in lease and hire purchase finances		-	69,272
Current portion of long term deposits		-	(17,705)
Net cash (used in) / inflow from operating activities		<u>(7,640,487)</u>	<u>22,390,605</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions in property, plant and equipment		(329,800)	(72,644,770)
Additions in intangible assets		(242,668)	-
Long term advances, deposits and prepayments		1,942,712	(8,877,724)
Proceeds from sale of property, plant and equipment		39,908,330	42,553,800
Net cash inflow from / (used in) investing activities		<u>41,278,574</u>	<u>(38,968,694)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividend paid		-	(78)
Liability against assets subject to finance lease		(33,303,173)	16,467,908
Net cash (used in) / inflow from financing activities		<u>(33,303,173)</u>	<u>16,467,830</u>
Net increase / (decrease) in cash and cash equivalents		<u>334,914</u>	<u>(110,259)</u>
Cash and cash equivalents at the beginning of the year		208,642	318,901
Cash and cash equivalents at the end of year	5	<u><u>543,556</u></u>	<u><u>208,642</u></u>

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Executive Officer

Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2014

	Issued, Subscribed and Paid-up Share Capital	Statutory Reserves	Accumulated (Loss) / Profit	Total
	----- Rupees -----			
Balance as at July 01, 2012	107,444,130	19,562,237	(20,218,952)	106,787,415
Net profit for the year	-	-	14,237,496	14,237,496
Transfer to reserve	-	2,847,499	(2,847,499)	-
Balance as at June 30, 2013	107,444,130	22,409,736	(8,828,955)	121,024,911
Net profit for the year	-	-	13,130,285	13,130,285
Transfer to reserve	-	2,626,057	(2,626,057)	-
Balance as at June 30, 2014	107,444,130	25,035,793	1,675,273	134,155,196

The annexed notes from 1 to 30 form an integral part of these financial statements.

Chief Executive Officer

Director

NOTES TO THE FINANCIAL STATEMENT FOR THE YEAR ENDED JUNE 30, 2014

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. At present the company's equity is below prescribed limits.

- 1.3 As detailed in note 1.2, the company has been operating with an equity which is less than the statutory requirement therefore it 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 has decided to enhance its equity atleast upto the minimum limit required to operate as a leasing company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan, the requirements of the Companies Ordinance, 1984 (the Ordinance), Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the Rules) and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulations). Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and Islamic Financial Accounting Standards (IFAS) issued by Institute of Chartered Accountants of Pakistan (ICAP) and as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 shall prevail.

2.2 Critical Accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Estimates and judgments are continually evaluated and are based on historical experience, including expectations of future events that are believed to be reasonable under the circumstances. The matters involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant which have been disclosed in the respective notes to the financial statements include:

- Useful life and residual value of property and equipment
- Provision for doubtful receivables (Note 4.10)
- Taxation (Note 4.9)

Estimates and judgments are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

New or Revised Standards, amendments and interpretations which became effective during the period:

There were certain new standards and amendments to the approved accounting standards and new interpretations which became effective during the year but are considered not to be relevant or have no material effect on the company's operations or did not have any material impact on the company's accounting policies and are, therefore, not disclosed in these financial statements.

New or Revised Standards, amendments and interpretations issued but not yet effective:

	<u>Effective For Periods Beginning</u>
IAS 32 Financial instruments - Presentation (amendments)	January 1, 2014
IAS 39 "Financial instruments - Recognition and measurement (amendments)"	January 1, 2014
IFRIC 21 Levies - an interpretation on the accounting for levies imposed by Government	January 1, 2014
IAS 36 Impairment of assets' recoverable amount disclosures for non-financial assets - amendment	January 1, 2014
IFRS 13 Fair value measurement	July 1, 2014
IFRS 2 Share base payments (amendments)	July 1, 2014
IFRS 3 Business combination (amendments)	July 1, 2014
IAS 24 Related party disclosure (amendments)	July 1, 2014
IFRS 8 Operating segments (amendments)	July 1, 2014
IAS 40 Investment properties (amendments)	July 1, 2014

IAS 19	Employee benefits' Employee contribution (amendments)	July 1, 2014
IFRS 11	Joint arrangements	January 1, 2016
IAS 38	Intangible assets (amendments)	January 1, 2016
IAS 16	Property, plant and equipment (amendments)	January 1, 2016
IFRS 14	Regulatory deferral accounts	January 1, 2016
IFRS 15	Revenue from contracts with customers	January 1, 2017
IFRS 9	Financial instruments	January 1, 2018

3. OVER ALL VALUATION POLICY

The financial statements are prepared under the historical cost convention except as disclosed in the accounting policies below.

4. SIGNIFICANT ACCOUNTING POLICIES

4.1 Net Investment in Finance Lease

Leases where the company transfers substantially all the risk and rewards incidental to ownership of the leased assets to the lessees, are classified as finance leases.

The lease asset is derecognized and the present value of the lease receivable is recognized on the balance sheet. The difference between the gross receivable and the present value of the lease receivable is recognized as unearned finance income.

Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and unearned finance income. The finance income is recognized in the income statement on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable.

4.2 Property, Plant and Equipment

4.2.1 Owned

Tangible

These are stated at cost less accumulated depreciation. Depreciation is charged to income applying the straight line method. The rates of depreciation are given in note 11. With respect to Vehicles plying for hire, a residual value has been estimated equal to expected recoverable value at the end of its useful life while for other assets residual value is considered zero.

On additions, depreciation is charged from the month in which assets are put to use and on disposals up to the month immediately preceding the disposal. Maintenance and normal repairs are charged to income as and when incurred. Major renewals and improvements are capitalized and the assets so replaced, if any, are retired. Gains or losses on disposal of assets are taken to the income statement.

Intangible

Intangibles are stated at cost less accumulated amortization and impairment, if any. These costs are amortized over their estimated useful life of three years using the straight-line method.

4.2.2 Leased

Finance leases, which transfer to the Company substantially all the risks and benefits incidental to the ownership of the leased item, are capitalized at inception of the lease at fair value of the leased property or, if lower, at present value of the minimum lease payments.

Assets acquired under finance lease are depreciated over the useful life of the assets on the same basis as that of owned assets.

A sale and leaseback transaction is one where the Company sells an asset and immediately reacquires the use of that asset by entering into a lease with the buyer. The accounting treatment of the sale and leaseback depends upon the substance of the transaction and whether or not the sale was made at the asset's fair value.

For sale and leasebacks, any profit from the sale is deferred and amortized over the lease term.

4.3 Obligation under finance lease

The Company accounts for assets acquired under financial leases by recording the assets and the related liabilities. The amounts are determined on the basis of discounted value of total minimum lease payments and residual value of the assets at the end of the lease period to be paid by the Company.

Financial charges are allocated to accounting periods in a manner so as to provide constant periodic rate of charge on the outstanding liability.

4.4 Ijarah

In Ijarah transaction significant portion of the risks and rewards of ownership are retained by the lesser. Islamic Financial Accounting Standard -2 (IFAS 2). 'Ijarah' requires the recognition of Ujrah Payments (Lease Rental) against Ijarah Financing as an expense in the profit and loss on a straight line basis over the Ijarah term.

4.5 Trade and other receivables

Trade and other receivables are recognized at fair value of consideration receivable. Debts considered irrecoverable are written off and provision is made against those considered doubtful of recovery.

4.6 Trade, accrued and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods and services.

4.7 Staff retirement benefits

Effective July 01, 1998, the company operates an approved defined contribution provident fund covering all its permanent employees. Equal monthly contribution to the fund are made both by the company and by the employee at rate of 8.33% of basic pay.

4.8 Revenue Recognition

4.8.1 Income from leasing operations

The Company recognizes all direct leases, sale and leaseback and hire purchase contracts of financing nature as finance leases. The total unearned income which consists of excess of aggregate lease rentals and residual value over the cost of the leased asset is deferred and amortized to income over the lease term using annuity method so as to produce a systematic return on net investment in lease finance. Front-end fees, lease document fees, commitment, other charges and other income is accounted for on accrual basis.

4.8.2 Income from Vehicle Plying for Hire

Income from hire of vehicles is recognised upon performance of service based on the terms of the rental contract.

4.8.3 Morabaha and Short-term finances

Profit on Morabaha and short-term finances is recognized on prorata basis taking into account relevant buy-back date. Gain on sale of investments is taken to income in the period in which it arises. Income on bank deposits is recognized on accrual basis. Dividend income is recorded at the time of closure of share transfer books of the company declaring the dividends.

4.9 Taxation**4.9.1 Current**

The charge for the current taxation is based on taxable income at the current rates of taxation after taking into account tax credits, rebates available, if any and adjustments for prior years.

4.9.2 Deferred

Deferred tax asset is provided using the balance sheet liability method for all temporary differences at the balance sheet date between tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax asset is recognized for all deductible temporary differences and carry forward of unused tax losses, if any, to the extent that it is probable that taxable profit will be available against which such temporary differences and tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

4.10 Provision for potential losses and provision for doubtful receivables

Provision for losses against lease, Morabaha finances, short term finances, long term advances is made according to the Non-Banking Finance Companies and Notified Entities Regulations, 2008. While the provision for other receivables is made on the best judgment of the management which in the opinion of the management represents the amount that is required to cover potential losses that can be reasonably anticipated. The allowance is increased by provision charged to income and decreased by charge-off and recoveries. The amounts are shown under respective heads as a deduction from gross amounts of receivables.

4.11 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash in hand, with banks on current and savings accounts, term deposits with maturities of three months or less and short term running finance.

4.12 Impairment

The carrying values of assets or cash-generating units are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount and the resulting impairment is charged to profit and loss account.

4.13 Financial Instruments

Financial Assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading and financial assets designated upon initial recognition as at fair value through profit or loss. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term. Assets in this category are classified as current assets.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, which are classified as non-current assets. Loans and receivables comprise trade debts, loans, advances, deposits, other receivable and cash and bank balances in the balance sheet.

c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of the investments within twelve months from the balance sheet date. These comprise investment in shares.

d) Held to maturity

Financial assets with fixed or determinable payments and fixed maturity, where management has intention and ability to hold till maturity are classified as held to maturity.

All financial assets are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value.

Financial Liabilities

All financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the profit and loss account.

Financial liabilities carried on the balance sheet include Medium term finances, short term finances under markup arrangements and trade and other payables.

4.14 Transactions with Related Parties

Transactions and contracts with the related parties are carried out at an arm's length price determined in accordance with permissible method of pricing.

	Note	JUNE 2014 (Rupees)	JUNE 2013 (Rupees)
5. CASH AND BANK BALANCES			
Cash in hand		14,942	8,116
Cash at banks:			
- In PLS accounts	5.1	429,392	100,127
- In current accounts		92,325	92,325
- Balance with State Bank of Pakistan		6,897	8,074
		<u>543,556</u>	<u>208,642</u>

5.1 Profit on deposit accounts is ranging from 6% to 7% p.a (June 2013: from 5% to 6% p.a).

6. INVESTMENT IN FINANCE LEASE

	JUNE 30, 2014			JUNE 30, 2013		
	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 and hire purchase rentals	20,906,960	-	20,906,960	20,906,960	-	20,906,960
Add: Residual value of leased assets	9,550,470	-	9,550,470	9,550,470	-	9,550,470
Gross investment in lease and hire purchase finance (6.1)	30,457,430	-	30,457,430	30,457,430	-	30,457,430
Less: Unearned finance income (6.4)	(4,153,993)	-	(4,153,993)	(4,153,993)	-	(4,153,993)
Net investment in lease and hire purchase finance (6.2)	26,303,437	-	26,303,437	26,303,437	-	26,303,437
Less: Provision for lease losses (6.3)	(16,772,906)	-	(16,772,906)	(16,772,906)	-	(16,772,906)
Net investment in leases	9,530,531	-	9,530,531	9,530,531	-	9,530,531

6.1 These represent investment in lease finance and hire purchase under various lease agreements with implicit rate of return ranging from 15.73 to 18 (June, 30 2013 : from 15.73 to 18) percent per annum. These agreements usually are for three years to five years period. In certain cases the company has security, in addition to lease assets, in the form of corporate/ personal guarantee of directors.

6.2 The investment in lease portfolio includes Rs. 20.91 million (June 2013: Rs. 20.91 million) which has been placed under over due status.

6.3 Particulars of provision against non-performing leases

	JUNE 30, 2014			JUNE 30, 2013		
	Specific	General	Total	Specific	General	Total
----- Rupees -----						
Opening balance	16,772,906	-	16,772,906	16,824,475	-	16,824,475
(Reversal)/Charge for the year	-	-	-	(51,569)	-	(51,569)
Closing balance	16,772,906	-	16,772,906	16,772,906	-	16,772,906

6.4 The net unearned finance income includes suspended income of Rs. 4.136 million (June: 2013 : Rs.Rs. 4.136 million).

	Note	JUNE 2014 (Rupees)	JUNE 2013 (Rupees)
Particulars of suspended income			
Opening balance		4,135,823	4,146,674
Provided during the year		-	-
Reversed/realised during the year		-	(10,851)
Closing balance		4,135,823	4,135,823

7. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Unsecured advances - considered good

Advances to employees		164,646	213,546
Provision against advances to employees		(132,006)	(132,006)
		32,640	81,540

Advances for supplies and services		399,238	399,238
Provision against advances for supplies and services		(399,238)	(399,238)
		-	-

Deposits

Long term security deposits - current portion	9	969,750	1,924,250
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Prepayments

Insurance road tax and registration		1,641,221	1,514,639
Provision		(150,804)	(150,804)
		1,490,417	1,363,835

Other receivables

Other receivables - considered good	7.1	21,543,678	5,550,584
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Others

Others - considered doubtful		3,930,270	3,931,520
Accrued mark-up on short term finances		137,831	137,831
Less: Provisions against receivables		(4,068,026)	(4,068,026)
		75	1,325
		24,036,560	8,921,534

7.1 This represents Rs. 21.543 million (June 2013 : 4.916 million) receivable from Optimus Limited (Parent company).

	Note	JUNE 2014 (Rupees)	JUNE 2013 (Rupees)
8. MORABAHA AND SHORT TERM FINANCES			
Secured			
Morabaha finances		282,745	282,745
Short term finances		17,500	17,500
		300,245	300,245
Less: Provision for doubtful receivables		(300,245)	(300,245)
		-	-
9. LONG TERM ADVANCES, DEPOSITS AND PREPAYMENTS			
Security deposits		12,369,340	14,763,790
Less: Provision		(309,290)	(309,290)
		12,060,050	14,454,500
Less: Current portion	7	(969,750)	(1,924,250)
		11,090,300	12,530,250
Prepayments		3,350,407	3,613,687
Less: Current portion		(1,641,221)	(1,401,739)
		1,709,186	2,211,948
		12,799,486	14,742,198
10. DEFERRED TAX ASSET			
Debit balances arising in respect of:			
Liabilities against assets subject to finance lease		12,703,113	24,732,845
Carryforward tax losses		19,624,766	24,899,277
		32,327,879	49,632,122
Credit balance arising in respect of:			
Accelerated depreciation		(23,339,070)	(33,784,990)
		8,988,809	15,847,132

	Note	JUNE 2014 (Rupees)	JUNE 2013 (Rupees)
11. PROPERTY, PLANT AND EQUIPMENT			
Property, plant and equipment - tangible assets	11.2	89,234,433	139,156,660
Advances to suppliers		375,770	209,770
Intangible asset	11.3	175,269	2
		89,785,472	139,366,432
11.1 Allocation of depreciation:			
Income from vehicle plying for hire		10,766,343	13,599,109
Administrative and operating expenses		40,539	56,690
		10,806,882	13,655,799

Property, Plant and Equipment

	C O S T				Rate	D E P R E C I A T I O N				Written Down Value as at June 30, 2014
	As at July 01, 2013	Additions/ (Disposals)	Transfer	As at June 30, 2014		As at July 01, 2013	Charged for the year	Transfer	As at June 30, 2014	
	Rupees					Rupees				Rupees
11.2 Tangible Assets										
Motor vehicles	172,200	- (64,000)	-	108,200	20	150,225	8,240 (63,999)	-	94,466	13,734
Office machines and equipment	547,200	-	-	547,200	15	514,896	32,299	-	547,195	5
Computers and allied equipment	267,669	-	-	267,669	30	267,661	-	-	267,661	8
Furniture and fixture	31,500	-	-	31,500	10	31,496	-	-	31,496	4
Motor vehicle plying for hire	57,113,970	- (28,789,000)	17,690,000	46,014,970	20-25	5,414,382	3,657,991 (4,304,355)	4,422,500	9,190,518	36,824,452
Tracker system	1,036,073	163,800 (24,000)	-	1,175,873	25	252,958	283,157 (6,346)	-	529,769	646,104
Leased Motor vehicles (VPPH)	94,895,000	- (17,062,000)	(17,690,000)	60,143,000	20-25	8,275,334	6,825,195 (2,285,155)	(4,422,500)	8,392,874	51,750,126
June 30, 2014	154,063,612	163,800 (45,939,000)	-	108,288,412		14,906,952	10,806,882 (6,659,855)	-	19,053,979	89,234,433

	C O S T			Rate	D E P R E C I A T I O N			Written Down Value as at June 30, 2013
	As at July 01, 2012	Additions/ (Disposals)	As at June 30, 2013		As at July 01, 2012	Charged for the year	As at June 30, 2013	
	-----Rupees-----				-----Rupees-----			
				%				Rupees
Motor vehicles	172,200	-	172,200	20	141,985	8,240	150,225	21,975
Office machines and equipment	547,200	-	547,200	15	466,446	48,450	514,896	32,304
Computers and allied equipment	267,669	-	267,669	30	267,661	-	267,661	8
Furniture and fixture	31,500	-	31,500	10	31,496	-	31,496	4
Motor vehicle plying for hire	64,547,470	28,500,000 (35,933,500)	57,113,970	20-25	3,365,463	6,073,950 (4,025,031)	5,414,382	51,699,588
Tracker system	613,722	632,000 (209,649)	1,036,073	25	173,906	187,624 (108,572)	252,958	783,115
Leased Motor Vehicle -VPFH	50,000,000 (5,625,000)	50,520,000	94,895,000	25	1,194,363 (256,564)	7,337,535	8,275,334	86,619,666
June 30, 2013	116,179,761	79,652,000 (41,558,500)	154,063,612		5,641,320	13,655,799 (4,390,167)	14,906,952	139,156,660

11.3 Intangible Asset

	C O S T			Rate	A M O R T I Z A T I O N			Written Down Value as at June 30, 2014
	As at July 01, 2013	Additions/ (Disposals)	As at June 30, 2014		As at July 01, 2013	Charged for the year	As at June 30, 2014	
	-----Rupees-----				-----Rupees-----			
				%				Rupees
Computer software	281,280	242,668	523,948	33	281,278	67,401	348,679	175,269
June 30, 2014	281,280	242,668	523,948		281,278	67,401	348,679	175,269

	C O S T			Rate	A M O R T I Z A T I O N			Written Down Value as at June 30, 2013
	As at July 01, 2012	Additions/ (Disposals)	As at June 30, 2013		As at July 01, 2012	Charged for the year	As at June 30, 2013	
	-----Rupees-----				-----Rupees-----			
				%				Rupees
Computer software	281,280	-	281,280	33	281,278	-	281,278	2
June 30, 2013	281,280	-	281,280		281,278	-	281,278	2

11.4 Particulars of Disposal of Property, Plant and Equipment

	Original Cost	Accumulated Depreciation	Written Down Value	Sales Proceeds	Profit / (Loss) on Disposal	Mode of Disposal	Particulars of Buyer
----- Rupees -----							
Motor Vehicle Own							
Honda CD 100	64,000	63,999	1	11,000	10,999	Negotiation	Muhammad Muneeb
	64,000	63,999	1	11,000	10,999		
Motor Vehicle Plying For Hire							
Honda Civic	1,350,000	210,945	1,139,055	1,140,000	945	Negotiation	Optimus Limited
Suzuki Cultus	650,000	10,155	639,845	375,000	(264,845)	Negotiation	Optimus Limited
Mercedes	3,500,000	991,561	2,508,339	2,700,000	191,661	Negotiation	Optimus Limited
Suzuki Cultus	650,000	20,310	629,690	635,000	5,310	Negotiation	Optimus Limited
Toyota Corolla Xli	1,285,000	257,800	1,031,200	1,050,000	18,800	Negotiation	Optimus Limited
Suzuki Cultus	650,000	27,080	622,920	650,000	27,080	Negotiation	Optimus Limited
Suzuki Cultus	650,000	27,080	622,920	650,000	27,080	Negotiation	Optimus Limited
Suzuki Cultus	650,000	33,850	616,150	625,000	8,850	Negotiation	Optimus Limited
Suzuki Cultus	700,000	36,460	663,540	675,000	11,460	Negotiation	Optimus Limited
Suzuki Cultus	650,000	33,850	616,150	625,000	8,850	Negotiation	Optimus Limited
Suzuki Cultus	650,000	33,850	616,150	625,000	8,850	Negotiation	Optimus Limited
Suzuki Cultus	650,000	33,850	616,150	625,000	8,850	Negotiation	Optimus Limited
Suzuki Cultus	650,000	33,850	616,150	625,000	8,850	Negotiation	Optimus Limited
Suzuki Cultus	650,000	37,235	612,765	625,000	12,235	Negotiation	Optimus Limited
Suzuki Cultus	650,000	37,235	612,765	625,000	12,235	Negotiation	Optimus Limited
Suzuki Cultus	700,000	40,105	659,895	675,000	15,105	Negotiation	Optimus Limited
Honda Civic Vti (Prosmatec Oriol)	1,400,000	349,992	1,050,008	1,100,000	49,992	Negotiation	Optimus Limited
Honda Civic Vti (Prosmatec Oriol)	1,350,000	337,500	1,012,500	1,050,000	37,500	Negotiation	Optimus Limited
Honda Civic Vti	1,650,000	103,128	1,546,872	1,550,000	3,128	Negotiation	Optimus Limited
Suzuki Cultus	650,000	40,620	609,380	625,000	15,620	Negotiation	Optimus Limited
Suzuki Cultus	700,000	43,752	656,248	675,000	18,752	Negotiation	Optimus Limited
Suzuki Cultus	650,000	40,620	609,380	625,000	15,620	Negotiation	Optimus Limited
Honda Civic Vti	1,600,000	99,996	1,500,004	1,525,000	24,996	Negotiation	Optimus Limited
Honda Civic Vti (Prosmatec Oriol)	1,400,000	350,000	1,050,000	1,050,000	-	Negotiation	Optimus Limited
Honda Civic Vti (Prosmatec Oriol)	1,350,000	337,500	1,012,500	1,050,000	37,500	Negotiation	Optimus Limited
Honda Civic Vti (Prosmatec Oriol)	1,350,000	337,500	1,012,500	1,012,500	-	Negotiation	Optimus Limited
Honda Civic Vti (Prosmatec Oriol)	1,350,000	337,500	1,012,500	1,012,500	-	Negotiation	Optimus Limited
Suzuki Cultus	650,000	47,390	602,610	605,000	2,390	Negotiation	Optimus Limited
Suzuki Cultus	650,000	47,390	602,610	605,000	2,390	Negotiation	Optimus Limited
	28,789,000	4,304,355	24,484,645	24,785,000	300,355		
Tracker System							
Toyota Corolla Gli	8,000	2,338	5,662	8,000	2,338	Negotiation	Optimus Limited
Honda City Manual	8,000	2,338	5,662	8,000	2,338	Negotiation	Optimus Limited
Toyota Corolla Gli	8,000	1,670	6,330	6,330	-	Insurance Claim	Pak Kuwait Takafull
	24,000	6,346	17,654	22,330	4,676		
Leased Motor Vehicle -VPFH							
Toyota Corolla (Gli)	1,170,000	162,500	1,007,500	1,050,000	42,500	Negotiation	Optimus Limited
Toyota Corolla (Xli)	1,170,000	130,000	1,040,000	1,050,000	10,000	Negotiation	Optimus Limited
Honda City (Manual)	1,080,000	150,000	930,000	1,000,000	70,000	Negotiation	Optimus Limited
Toyota Corolla (Gli)	1,672,500	121,954	1,550,546	1,600,000	49,454	Negotiation	Optimus Limited
Toyota Corolla (Gli)	1,305,000	135,940	1,169,060	1,200,000	30,940	Negotiation	Optimus Limited
Toyota Corolla (Gli)	1,395,000	145,320	1,249,680	1,250,000	320	Negotiation	Optimus Limited
Honda City (Manual)	1,507,000	109,886	1,397,114	1,400,000	2,886	Negotiation	Optimus Limited
Honda City (Automatic)	1,125,000	156,260	968,740	975,000	6,260	Negotiation	Optimus Limited
Honda City (Automatic)	1,170,000	178,750	991,250	1,000,000	8,750	Negotiation	Optimus Limited
Honda City (Automatic)	1,170,000	178,750	991,250	1,000,000	8,750	Negotiation	Optimus Limited
Honda Civic Vti (Prosmatec Oriol)	1,552,500	355,784	1,196,716	1,200,000	3,284	Negotiation	Optimus Limited
Suzuki Mehran (Vxr)	405,000	61,886	343,114	400,000	56,886	Negotiation	Optimus Limited
Toyota Corolla (Gli)	1,170,000	186,875	983,125	1,000,000	16,875	Negotiation	Optimus Limited
Honda City(Automatic)	1,170,000	211,250	958,750	965,000	6,250	Negotiation	Optimus Limited
	17,062,000	2,285,155	14,776,845	15,090,000	313,155		
June 30 2014	45,939,000	6,659,855	39,279,145	39,908,330	629,185		

11.5 Particulars of Disposal of Property, Plant and Equipment

	Original Cost	Accumulated Depreciation	Written Down Value	Sales Proceeds	Profit / (Loss) on Disposal	Mode of Disposal	Particulars of Buyer
----- Rupees -----							
Motor Vehicle Plying For Hire							
Toyota Hilux Tiger	1,000,000	83,332	916,668	950,000	33,332	Negotiation	Optimus Limited
Toyota Cygnus	5,000,000	208,335	4,791,665	5,000,000	208,335	Negotiation	Optimus Limited
Suzuki Mehran(Vxr)	470,000	88,128	381,872	500,000	118,128	Negotiation	Optimus Limited
Suzuki Mehran(Vxr)	470,000	88,128	381,872	500,000	118,128	Negotiation	Optimus Limited
Suzuki Mehran(Vxr)	470,000	88,128	381,872	500,000	118,128	Negotiation	Optimus Limited
Suzuki Cultus(Vxr)	790,000	148,140	641,860	850,000	208,140	Negotiation	Optimus Limited
Honda Civic Vti(Prosmatec Oriol)	1,650,000	171,880	1,478,120	1,575,000	96,880	Negotiation	Optimus Limited
Toyota Corolla (Gli)	1,624,500	76,149	1,548,351	1,550,000	1,649	Negotiation	Optimus Limited
Toyota Camry	2,000,000	208,330	1,791,670	3,500,000	1,708,330	Negotiation	Optimus Limited
Toyota Corolla (Xli)	1,269,000	190,368	1,078,632	1,250,000	171,368	Negotiation	Optimus Limited
Suzuki Cultus(Vxr)	790,000	148,140	641,860	850,000	208,140	Negotiation	Optimus Limited
Mercedes	4,500,000	750,000	3,750,000	4,100,000	350,000	Negotiation	Optimus Limited
Honda City(Automatic)	1,250,000	130,200	1,119,800	1,225,000	105,200	Negotiation	Optimus Limited
Suzuki Cultus(Vxr)	790,000	148,140	641,860	850,000	208,140	Negotiation	Optimus Limited
Honda City(Automatic)	1,250,000	130,200	1,119,800	1,200,000	80,200	Negotiation	Optimus Limited
Suzuki Cultus(Vxr)	730,000	76,040	653,960	850,000	196,040	Negotiation	Optimus Limited
Toyota Corolla (Gli)	1,275,000	132,820	1,142,180	1,300,000	157,820	Negotiation	Optimus Limited
Honda City(Automatic)	1,250,000	130,200	1,119,800	1,200,000	80,200	Negotiation	Optimus Limited
Toyota Corolla (Gli)	1,275,000	132,820	1,142,180	1,300,000	157,820	Negotiation	Optimus Limited
Suzuki Cultus(Vxr)	730,000	76,040	653,960	850,000	196,040	Negotiation	Optimus Limited
Honda City(Automatic)	1,250,000	130,200	1,119,800	1,210,000	90,200	Negotiation	Optimus Limited
Honda Civic Vti(Prosmatec Oriol)	1,550,000	185,679	1,364,321	1,325,000	(39,321)	Negotiation	Optimus Limited
Honda City(Automatic)	1,250,000	149,730	1,100,270	1,275,000	174,730	Negotiation	Optimus Limited
Honda City(Automatic)	1,250,000	149,730	1,100,270	1,275,000	174,730	Negotiation	Optimus Limited
Honda Civic Vti(Prosmatec Oriol)	1,350,000	196,882	1,153,118	1,221,800	68,682	Insurance Claim	Sg Insurance
Suzuki Cultus	700,000	7,292	692,708	700,000	7,292	Negotiation	Optimus Limited
	35,933,500	4,025,031	31,908,469	36,906,800	4,998,331		
Tracker System							
Toyota Corolla Gli	13,959	8,145	5,814	8,000	2,186	Negotiation	Optimus Limited
Toyota Cygnus	8,000	835	7,165	8,000	835	Negotiation	Optimus Limited
Suzuki Mehran(Vxr)	7,705	5,627	2,078	8,000	5,922	Negotiation	Optimus Limited
Suzuki Mehran(Vxr)	13,959	10,182	3,777	8,000	4,223	Negotiation	Optimus Limited
Suzuki Mehran(Vxr)	11,329	8,260	3,069	8,000	4,931	Negotiation	Optimus Limited
Suzuki Cultus(Vxr)	10,296	7,517	2,779	8,000	5,221	Negotiation	Optimus Limited
Honda Civic Vti(Prosmatec Oriol)	8,000	1,670	6,330	8,000	1,670	Negotiation	Optimus Limited
Toyota Corolla (Gli)	8,000	1,670	6,330	8,000	1,670	Negotiation	Optimus Limited
Toyota Camry	8,000	1,670	6,330	8,000	1,670	Negotiation	Optimus Limited
Toyota Corolla (Xli)	13,959	10,182	3,777	8,000	4,223	Negotiation	Optimus Limited
Suzuki Cultus(Vxr)	14,499	10,571	3,928	8,000	4,072	Negotiation	Optimus Limited
Mercedes	8,000	1,670	6,330	8,000	1,670	Negotiation	Optimus Limited
Honda City(Automatic)	5,172	2,160	3,012	8,000	4,988	Negotiation	Optimus Limited
Suzuki Cultus(Vxr)	12,369	9,025	3,344	8,000	4,656	Negotiation	Optimus Limited
Honda City(Automatic)	5,172	2,160	3,012	8,000	4,988	Negotiation	Optimus Limited
Suzuki Cultus(Vxr)	11,847	8,642	3,205	8,000	4,795	Negotiation	Optimus Limited
Toyota Corolla (Gli)	5,172	2,160	3,012	8,000	4,988	Negotiation	Optimus Limited
Honda City(Automatic)	5,172	2,160	3,012	8,000	4,988	Negotiation	Optimus Limited
Toyota Corolla (Gli)	5,172	2,160	3,012	8,000	4,988	Negotiation	Optimus Limited
Suzuki Cultus(Vxr)	5,179	2,160	3,019	8,000	4,981	Negotiation	Optimus Limited
Honda City(Automatic)	5,172	2,160	3,012	8,000	4,988	Negotiation	Optimus Limited
Honda Civic Vti(Prosmatec Oriol)	5,172	2,484	2,688	8,000	5,312	Negotiation	Optimus Limited
Honda City(Automatic)	5,172	2,484	2,688	8,000	5,312	Negotiation	Optimus Limited
Honda City(Automatic)	5,172	2,484	2,688	8,000	5,312	Negotiation	Optimus Limited
Suzuki Cultus	8,000	334	7,666	8,000	334	Negotiation	Optimus Limited
	209,649	108,572	101,077	200,000	98,923		
Leased Motor Vehicle -VPPH							
Toyota Corolla Gli	1,215,000	25,314	1,189,686	1,222,000	32,314	Negotiation	Optimus Limited
Honda Civic Vti	1,530,000	42,500	1,487,500	1,500,000	12,500	Negotiation	Optimus Limited
Honda Civic Vti	1,620,000	101,250	1,518,750	1,525,000	6,250	Negotiation	Optimus Limited
Toyota Corolla Gli	1,260,000	87,500	1,172,500	1,200,000	27,500	Negotiation	Optimus Limited
	5,625,000	256,564	5,368,436	5,447,000	78,564		
June 30, 2013.	41,768,149	4,390,167	37,377,982	42,553,800	5,175,818		

	JUNE 2014 (Rupees)	JUNE 2013 (Rupees)
12. CURRENT PORTION OF LONG TERM DEPOSITS		
Long term deposits	9,550,470	9,550,470
	<u>9,550,470</u>	<u>9,550,470</u>

13. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

	JUNE 30, 2014			JUNE 30, 2013		
	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	18,888,263	23,333,655	42,221,918	33,227,272	48,501,994	81,729,266
Less: Financial charges allocated to future periods	(3,455,259)	(1,404,562)	(4,859,821)	(6,172,658)	(4,891,338)	(11,063,996)
Present Value of Minimum lease Payments	15,433,004	21,929,093	37,362,097	27,054,614	43,610,656	70,665,270

The above liability represents assets acquired under lease finance arrangements with JS Bank Limited. The lease rentals are payable on monthly basis and the financing rates ranges from 12.03% to 13.17% Per annum (2013: 12.52% to 13.43%). The cost of operating and maintaining the leased assets is borne by the company. The company has an option to purchase the assets on the completion of lease period by adjusting the security deposit and has intention to exercise the option.

	JUNE 2014 (Rupees)	JUNE 2013 (Rupees)
14. TRADE AND OTHER PAYABLES		
Accrued expenses	2,599,723	1,621,045
Workers' welfare fund	423,720	923,801
Insurance Payable	3,964,286	1,055,148
Unclaimed dividend	625,215	625,215
Tax deducted at source	432	77,312
Others	166,293	421,405
	<u>7,779,669</u>	<u>4,723,926</u>

15. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

Number of Shares		Note	JUNE 2014 (Rupees)	JUNE 2013 (Rupees)
2014	2013			
<u>10,744,413</u>	<u>10,744,413</u>	Ordinary shares of Rs. 10/- each fully paid in cash.	<u>107,444,130</u>	<u>107,444,130</u>

16. RESERVES

Statutory Reserve			
Statutory reserve	16.1	22,409,736	19,562,237
Transfer from profit and loss account		2,626,057	2,847,499
		25,035,793	22,409,736
Revenue Reserve			
Accumulated profit / (loss)		1,675,273	(8,828,955)
		26,711,066	13,580,781

16.1 In accordance with the Prudential Regulations for Non - Banking Finance Companies, the company is required to transfer 20% of its after tax profits to statutory reserve until the reserve equals its paid up capital. Thereafter 5% of after tax profit is required to be transferred to reserve. An amount of Rs. 2,626,057 (June 2013: Rs. 2,847,499) has been transferred during the year.

17. CONTINGENCIES AND COMMITMENTS
17.1 Contingent Assets

The company has obtained court decrees in respect of recovery of overdue lease rentals receivable from various clients aggregating to Rs. 7,211,463 as at June 30 2014 (June 30, 2013 : Rs. 7,211,463).

17.2 Commitments

	Note	JUNE 2014 (Rupees)	JUNE 2013 (Rupees)
Ijarah lease rentals payable	18.3	<u>62,857,506</u>	<u>61,310,680</u>

	Note	JUNE 2014 (Rupees)	JUNE 2013 (Rupees)
18. INCOME FROM OPERATIONS			
Income on lease contracts	18.1	-	10,851
Income from vehicle plying for hire	18.2	34,828,355	36,233,653
		<u>34,828,355</u>	<u>36,244,504</u>
18.1 Income on Lease Contracts			
Lease finance income reversed / (suspended)		-	10,851
		<u>-</u>	<u>10,851</u>
18.2 Income from Vehicle Plying for Hire			
Rentals		76,718,553	68,104,510
Cost of Services			
Road tax/Registration and other charges		1,432,768	831,057
Vehicle service and maintenance-VPFH		8,522,741	6,894,844
Ijarah lease rental	18.3	12,784,537	3,335,150
Tracker monitoring cost		1,111,992	771,409
Tracker transfer cost		74,693	83,904
Insurance		3,459,624	3,237,884
Depreciation	11.1	10,766,343	13,599,109
Service charges to holding company	18.4	3,737,500	3,117,500
		41,890,198	31,870,857
		<u>34,828,355</u>	<u>36,233,653</u>

18.3 Ijarah Lease Rental

This includes rentals paid to BRR Guardian Modaraba against vehicles acquired under Ijarah facilities. Future rental payable on these facilities are as under:

	JUNE 30, 2014			JUNE 30, 2013		
	Due within one year	Due after one year but within five years	Total	Due within one year	Due after one year but within five years	Total
	----- Rupees -----					
Total future rentals payable	15,045,897	47,811,609	62,857,506	11,792,520	49,518,160	61,310,680
	<u>15,045,897</u>	<u>47,811,609</u>	<u>62,857,506</u>	<u>11,792,520</u>	<u>49,518,160</u>	<u>61,310,680</u>

18.4 The company has entered into an understanding with the holding company whereby company's vehicles have been deployed on hire through the holding company. A sum of Rs. 2,500 per month per vehicle has been fixed as service charges payable to the holding company.

	Note	JUNE 2014 (Rupees)	JUNE 2013 (Rupees)
19. OTHER OPERATING INCOME			
Gain on sale of property, plant and equipment		629,185	5,175,818
Return on bank deposit		6,027	2,797
Other income		15,000	97,000
		<u>650,212</u>	<u>5,275,615</u>
20. ADMINISTRATIVE AND OPERATING EXPENSES			
Salaries, allowances and benefits		4,195,822	4,874,038
Travelling and conveyance charges		4,755	4,580
Depreciation	11.1	40,539	56,690
Amortization		67,401	-
Printing and stationery		357,797	307,779
Rent		150,000	75,000
Utilities		98,588	49,692
Telephone and postage expenses		77,268	100,790
Legal and professional charges		2,050,359	1,122,574
Vehicle running expenses		111,775	122,086
Insurance expenses		12,874	17,289
Entertainment expenses		66,176	32,620
Auditors' remuneration	20.1	947,950	425,350
Director training program		271,000	255,000
Sundry expenses		9,625	26,740
		<u>8,461,929</u>	<u>7,470,228</u>
20.1 Auditors' Remuneration			
Audit fee		268,400	180,000
Half yearly audit / review		187,200	180,000
Internal audit fees		417,000	-
Code of corporate governance		30,000	30,000
Out of pocket expenses		45,350	35,350
		<u>947,950</u>	<u>425,350</u>
21. FINANCIAL CHARGES			
Mark up on finance lease		5,828,445	8,589,789
Bank charges		2,177	10,034
		<u>5,830,622</u>	<u>8,599,823</u>
22. OTHERS CHARGES			
Workers' welfare fund		423,720	670,506
		<u>423,720</u>	<u>670,506</u>

	Note	JUNE 2014 (Rupees)	JUNE 2013 (Rupees)
23. (REVERSALS)/PROVISIONS AND WRITE OFFS			
Provisions/(Reversals):			
- against leases		-	(51,569)
- against advances, deposits and prepayments		-	(7,580)
		<u>-</u>	<u>(59,149)</u>
24. TAXATION			
Current	24.1	(773,688)	(734,174)
Deferred		(6,858,323)	(9,867,041)
		<u>(7,632,011)</u>	<u>(10,601,215)</u>

24.1 The provision for current income tax is based on minimum taxation under section 113 of the Income Tax Ordinance, 2001.

		JUNE 2014	JUNE 2013
25. EARNINGS PER SHARE			
Profit after taxation	Rupees	13,130,285	14,237,496
Weighted average number of ordinary shares	Numbers	10,744,413	10,744,413
Earnings per share - basic and diluted	Rupees	<u>1.22</u>	<u>1.33</u>

26. 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 and employees provident 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	JUNE 2014	JUNE 2013
Optimus Limited	Holding Company	Rental services rendered	76,718,553	68,104,510
		Management services received	3,737,500	3,117,500
		Vehicle maintenance service received	8,522,741	6,894,844
		Purchase of tracker	-	632,000
		Purchase of motor vehicle	-	28,500,000
		Sale of tracker	16,000	200,000
		Sale of motor vehicle	39,875,000	41,132,000
		Salary and allowances	2,620,411	2,866,350
Mustang Eye (Pvt) Ltd	Common Directorship	Tracker service	468,078	277,277
Staff provident fund		Contribution to staff provident fund	66,887	89,768

27. REMUNERATION OF EXECUTIVE

27.1 The aggregate amount charged in the financial statements for the period in respect of remuneration and benefits to the Executives are as follows:

	Executive	
	June - 2014	June - 2013
Managerial remuneration	2,620,411	2,866,350
Total	2,620,411	2,866,350
Number of persons	1	1

28. FINANCIAL INSTRUMENTS RELATED DISCLOSURES
28.1 Financial Risk Management Objectives

The company's activities expose to a variety of financial risks, including the effects of changes in foreign exchange rates, credit and liquidity risk associated with various financial assets and liabilities. The company finances its operations through equity and management of working capital with a view to maintain reasonable mix between various sources of finance to minimize risk. Taken as a whole, risk arising from the company's financial instruments is limited as there is no significant exposure to market risk in respect of such instruments.

28.2 Liquidity risk

Liquidity risk is the risk that the company will encounter difficulties in raising funds to meet commitments associated with Financial Instruments. The company is not exposed to any significant risk.

MATURITIES OF ASSETS AND LIABILITIES

Descriptions	JUNE 30, 2014				
	Total	Up to 3 Months	Over 3 Months to 1 Year	Over 1 Year to 5 years	Over 5 years
	Rupees				
ASSETS					
Investment in finance lease	9,530,531	9,530,531	-	-	-
Long term advances, deposits and prepayments	12,799,486	-	-	12,799,486	-
Deferred tax asset	8,988,809	-	-	-	8,988,809
Property, plant and equipment	89,785,472	-	-	89,785,472	-
Cash and bank balances	543,556	543,556	-	-	-
Advances, deposits, prepayments and other receivables	24,036,560	23,066,810	969,750	-	-
Trade receivable	32,146,404	-	32,146,404	-	-
Taxation - net	11,016,614	-	11,016,614	-	-
Total Assets	188,847,432	33,140,897	44,132,768	102,584,958	8,988,809
LIABILITIES					
Current portion of long term deposits	9,550,470	9,550,470	-	-	-
Trade and other payables	7,779,669	7,779,669	-	-	-
Liabilities against assets subject to finance lease	37,362,097	4,691,134	10,741,870	21,929,093	-
Total Liabilities	54,692,236	22,021,273	10,741,870	21,929,093	-
Net Assets	134,155,196	11,119,624	33,390,898	80,655,865	8,988,809
Share capital	107,444,130				
Reserve	26,711,066				
	134,155,196				

JUNE 30, 2013					
Descriptions	Total	Up to 3 Months	Over 3 Months to 1 Year	Over 1 Year to 5 years	Over 5 years
----- Rupees -----					
ASSETS					
Investment in finance lease	9,530,531	9,530,531	-	-	-
Long term advances, deposits and prepayments	14,742,198	-	-	14,742,198	-
Deferred tax asset	15,847,132	-	-	-	15,847,132
Property, plant and equipment	139,366,432	-	-	139,366,432	-
Cash and bank balances	208,642	208,642	-	-	-
Advances, deposits, prepayments and other receivables	16,978,035	15,053,785	1,924,250	-	-
Taxation - net	9,291,607	-	9,291,607	-	-
Total Assets	205,964,577	24,792,958	11,215,857	154,108,630	15,847,132
LIABILITIES					
Current portion of long term deposits	9,550,470	9,550,470	-	-	-
Trade and other payables	4,723,926	4,723,926	-	-	-
Liabilities against assets subject to finance lease	70,665,270	6,387,624	20,666,990	43,610,656	-
Total Liabilities	84,939,666	20,662,020	20,666,990	43,610,656	-
Net Assets/Liabilities	121,024,911	4,130,938	(9,451,133)	110,497,974	15,847,132
Share capital	107,444,130				
Reserve	13,580,781				
	121,024,911				

28.3 Interest Rate Risk Management

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in the market mark-up/interest rates. Sensitivity to interest/mark up rate risk arises from mismatches of financial assets and financial liabilities that mature or repriced in a given period. The company manages these mismatches through risk management strategies where significant changes in gap position can be adjusted. The company is exposed to mark -up / interest rate risk in respect of the following :

JUNE 30, 2014							
Interest / Mark-up bearing				Non Interest bearing			Total
Interest rates	Maturity up to one year	Maturity after one year	Subtotal	Maturity up to one year	Maturity after one year	Subtotal	
----- Rupees -----							
FINANCIAL ASSETS							
Net investment in lease	15.73 % - 18%	9,530,531	-	9,530,531	-	-	9,530,531
Trade receivable	-	-	-	32,146,404	-	32,146,404	32,146,404
Advances, deposits, prepayments and other receivables	-	-	-	22,513,428	-	22,513,428	22,513,428
Long term advances, deposits and prepayments	-	-	-	-	11,090,300	11,090,300	11,090,300
Cash and bank balances	6% - 7%	429,392	-	429,392	114,164	114,164	543,556
		9,959,923	-	9,959,923	54,773,996	11,090,300	65,864,296
FINANCIAL LIABILITIES							
Trade and other payables	-	-	-	7,779,669	-	7,779,669	7,779,669
Liabilities against assets subject to finance lease	12.03% to 13.17%	15,433,004	21,929,093	37,362,097	-	-	37,362,097
		15,433,004	21,929,093	37,362,097	7,779,669	-	45,141,766
Net financial assets / (liabilities) June 30, 2014							
		(5,473,081)	(21,929,093)	(27,402,174)	46,994,327	11,090,300	58,084,627
							30,682,453

Interest Rate Risk

JUNE 30, 2013							
Interest / Mark-up bearing				Non interest bearing			Total
Interest rates	Maturity up to one year	Maturity after one year	Subtotal	Maturity up to one year	Maturity after one year	Subtotal	
----- Rupees -----							
FINANCIAL ASSETS							
Net investment in lease	15.73 % - 18%	9,530,531	-	9,530,531	-	-	9,530,531
Trade receivable	-	-	-	8,056,501	-	8,056,501	8,056,501
Advances, deposits, prepayments and other receivables	-	-	-	7,474,834	-	7,474,834	7,474,834
Long term advances, deposits and prepayments	-	-	-	-	12,530,250	12,530,250	12,530,250
Cash and bank balances	5% - 6%	100,127	-	100,127	108,515	108,515	208,642
		9,630,658	-	9,630,658	15,639,850	28,170,100	37,800,758
FINANCIAL LIABILITIES							
Trade and other payables	-	-	-	3,668,778	-	3,668,778	3,668,778
Liabilities against assets subject to finance lease	12.52% - 13.39%	27,054,614	43,610,656	70,665,270	-	-	70,665,270
		27,054,614	43,610,656	70,665,270	3,668,778	3,668,778	74,334,048
Net financial assets / (liabilities) June 30, 2013							
		(17,423,956)	(43,610,656)	(61,034,612)	11,971,072	24,501,322	(36,533,290)

28.4 Financial assets and liabilities are approximate to their fair values.

28.5 Credit Risk

The Company's credit risk exposure is not significantly different from that reflected in the financial statements. The management monitors and limits company's exposure to credit risk through monitoring of clients' credit exposure, review and conservative estimates of provisions for potential lease losses and doubtful receivables and by obtaining securities/collateral for large amounts of credits. The management is of the view that it is not exposed to significant concentration of credit risk as its financial assets are adequately diversified in different avenues.

Breakdown of credit risk exposure by class of business is follows:

Class of Business	June 30, 2014		June 30, 2013	
	Lease and Hire Purchase Finance	Morabaha and Short Term Finance	Lease and Hire Purchase Finance	Morabaha and Short Term Finance
Electrical and electric goods	-	94.17	-	94.17
Transport and communication	32.06	-	32.06	-
Foods and beverages	3.17	-	3.17	-
Trading	4.61	-	4.61	-
Packaging	24.47	-	24.47	-
Miscellaneous	35.69	5.83	35.69	5.83
	100.00	100.00	100.00	100.00

29. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 30th September, 2014 by the Board of Directors of the Company.

30. GENERAL

30.1 Figures have been rounded off to the nearest rupee.

30.2 Figures have been reclassified and re-arranged where necessary.

Chief Executive Officer

Director

SIX YEARS AT GLANCE

PARTICULARS	2014	2013	2012	2011	2010	2009
FINANCIAL POSITION						
Balance Sheet Size	188,847,432	205,964,577	172,790,574	112,295,458	80,419,085	143,637,993
Paid-up Capital	107,444,130	107,444,130	107,444,130	107,444,130	107,444,130	107,444,130
Statutory Reserves	25,035,793	22,409,736	19,562,237	17,988,541	9,638,752	9,638,752
Un-appropriated Profits	1,675,273	8,828,955	20,218,952	26,513,737	59,052,672	22,010,718
Fixed Assets (Net)	89,785,472	139,366,432	117,755,443	54,927,635	55,448,587	1,189,763
Net Investment in Lease & Hire Purchase Finance.	9,530,531	9,530,531	9,548,235	10,115,203	18,613,145	77,614,777
Long Term Loans	-	-	-	-	-	4,053,960
Lease Obligations	37,362,097	70,665,270	54,197,362	-	-	-
Long Term Deposits	9,550,470	9,550,470	9,568,175	9,688,175	15,640,387	38,800,236
Current Assets	77,273,665	36,008,815	23,456,484	26,206,803	23,925,473	108,453,720
Current Liabilities	32,763,143	41,329,010	28,823,814	12,376,524	22,247,815	44,452,000
INCOMES AND EXPENSES						
Income from Operations	34,828,355	36,244,504	21,899,640	15,681,310	3,899,215	6,999,173
Other Income	650,212	5,275,615	122,154	1,281,925	1,485,600	2,139,289
Administrative & Operating Expenses	8,461,929	7,470,228	6,428,240	5,910,539	8,306,181	12,541,832
Financial Charges	5,830,622	8,599,823	1,109,430	2,012	330,169	2,382,683
Other Charges	423,720	670,506	2,129,720	248,470	-	-
Provision / (reversal) for losses	-	(59,149)	(55,530)	(1,372,807)	14,565,207	(3,054,461)
Profit/(Loss) before Tax	20,762,296	24,838,711	12,409,936	12,175,021	(17,817,441)	(2,731,592)
Taxation / (Reversal)	(7,632,011)	(10,601,215)	(4,541,455)	29,573,923	(19,122,140)	-
Profit (Loss) after Tax	13,130,285	14,237,496	7,868,481	41,748,944	(36,939,581)	(2,731,592)

PATTERN OF SHAREHOLDING
HELD BY THE SHAREHOLDERS AS AT JUNE 30 2014

No. of Shareholders	-----Shareholding-----		Total Shares Held
	From	To	
238	1	100	12,246
141	101	500	43,372
185	501	1000	122,285
136	1001	5000	316,563
21	5001	10000	155,364
8	10001	15000	97,691
5	15001	20000	88,379
2	20001	25000	44,500
2	25001	30000	55,346
1	30001	35000	35,000
1	50001	55000	53,500
1	160001	165000	161,000
1	235001	240000	239,465
1	310001	315000	313,120
1	9005001	9010000	9,006,582
744			10,744,413

CATEGORIES OF SHAREHOLDERS REQUIRED UNDER C.C.G. AS ON 30TH JUNE 2014

S. No.	NAME	% AGE	HOLDING
<u>DIRECTORS, CEO THEIR SPOUSE AND MINOR CHILDREN</u>			
1	MR. SAAD SAEED FARUQI	0.0047	500
2	MR. MUHAMMAD SAJID	0.0047	500
3	SYED HASAN AKBAR KAZMI	0.0047	500
4	MR. SHAHRUKH SAEED FARUQI	0.0047	500
5	MR. MUSTAFA JAFAR	0.0047	500
6	MR. MIRZA MUHAMMAD AAMIR	0.0047	500
7	BRIG (R) YASUB ALI DOGAR	0.0047	500
		<u>0.0326</u>	<u>3,500</u>
<u>ASSOCIATED COMPANIES</u>			
1	OPTIMUS LIMITED	<u>83.9550</u>	<u>9,020,473</u>
<u>BANKS, DEVELOPMENTS, FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS</u>			
1	INDUSTRIAL DEVELOPMENT BANK OF PAKISTAN	2.9143	313,120
2	ESCORTS INVESTMENT BANK LIMITED	0.1098	11,800
		<u>3.0241</u>	<u>324,920</u>
<u>INSURANCE COMPANIES</u>			
1	STATE LIFE INSURANCE CORP. OF PAKISTAN	2.2287	239,465
2	GULF INSURANCE COMPANY LIMITED	0.0109	1,175
		<u>2.2397</u>	<u>240,640</u>

JOINT STOCK COMPANIES

1	INVEST CAPITAL MARKETS LIMITED	0.0186	2,000
2	BEAMING INVEST & SECURITIES(PVT.) LTD.	0.1666	17,900
3	FIKREE'S (SMC-PVT) LTD	0.0047	500
4	LAHORE STOCK EXCHANGE LIMITED	0.0055	587
5	PRUDENTIAL SECURITIES LIMITED	0.0070	750
6	SARFRAZ MAHMOOD (PRIVATE) LTD	0.0057	617
7	AL-HAQ SECURITIES (PVT) LTD.	0.0219	2,350
8	ISMAIL ABDUL SHAKOOR SECURITIES (PRIVATE) LTD	0.0052	557
9	DR. ARSLAN RAZAQUE SECURITIES (SMC-PVT)	0.1542	16,567
10	M.R. SECURITIES (SMC-PVT) LTD.	0.0016	175
11	MAM SECURITIES (PVT) LIMITED	0.0008	87
12	SAAO CAPITAL (PVT) LIMITED	0.1117	12,000
13	S.H. BUKHARI SECURITIES (PVT) LIMITED	0.0055	587
14	CAPITAL VISION SECURITIES (PVT) LTD.	0.0016	175
15	NH SECURITIES (PVT) LIMITED.	0.0293	3,150
16	PYRAMID INVESTMENTS (PVT) LTD.	0.1667	17,912
		0.7065	75,914

SHARES HELD BY THE GENERAL PUBLIC

10.0421 1,078,966

TOTAL:

100.0000 10,744,413

During the financial year the trading in shares of the company by the Directors, CEO, CFO, Company Secretary and their spouses and minor children is as follows

Sr. No.	Name	Sale	Purchase
1	SYED SAJID NASIM	500	
2	BRIG (R) YASUB ALI DOGAR		500
SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL:			
1	OPTIMUS LIMITED	9,020,473	83.9550

PROXY FORM

I/We _____ of _____ being a Shareholder of CAPITAL ASSETS LEASING CORPORATION LIMITED and holding _____ Ordinary Shares as per Register Folio No. _____ or "CDC" Participant's I.D. No. _____ A/c No. _____ hereby appoint Mr. / Mrs. _____ of _____ or failing him/her Mr. / Mrs. _____ of _____ as my/our Proxy in my/our absence to attend and vote for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company to be held on Saturday, October 25th, 2014 and at any adjournment thereof.

Affix Revenue Stamp(s) of Rupees five
Executant's Signature on Revenue Stamp(s)
(Signature should agree with the Specimen Signature registered with the Company).

Executant's Computerized National Identity Card Number (CNIC) or Passport Number

_____ First Witness Signature	_____ Second Witness Signature
_____ Name in Block letters and Address	_____ Name in Block letters and Address
_____ Computerized National Identity Card Number or Passport Number of Witness	_____ Computerized National Identity Card Number or Passport Number of Witness

Proxy's Signature

Proxy's Signature

Notes:

1. A Member entitled to attend and vote at the Meeting may appoint any other member as his/her proxy to attend and vote on his/her behalf. A proxy must be a member of the Company, however corporation may appoint a person who is not a member.
2. This form should be signed by the member or by his/her attorney duly authorized in writing. If the member is a Corporation, its common seal should be affixed to the instrument. The proxy form must be witnessed by two persons.
3. The form of the proxy together with the power of attorney, if any, under which it is signed or a notarially certified copy thereof, must be deposited duly completed in all respects at the Company's Registered office at least 48 hours before the time of holding the Meetings.
4. Signature should agree with the specimen registered with the Company.
5. The following requirements have to be met by CDC Account holders/Corporate entities:
 - i. The proxy form must be witnessed by two persons whose names, addresses and C.N.I.C. number should be mentioned on the form.
 - ii. Attested copies of C.N.I.C or Passport of the beneficial owners shall be furnished with the proxy form.
 - iii. The proxy shall produce his/her original C.N.I.C or passport at the time of meeting.

The Company Secretary
Capital Assets Leasing Corporation Limited
14th Floor, Chapal Plaza
Hasrat Mohani Road, Karachi-74000.

AFFIX
CORRECT
POSTAGE

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FOLD HERE

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