



**Capital Assets Leasing
Corporation Limited**

23rd Annual Report 2015

CONTENTS

| | |
|---|----|
| CORPORATE INFORMATION | 02 |
| VISION / MISSION STATEMENTS | 03 |
| NOTICE OF ANNUAL GENERAL MEETING | 04 |
| DIRECTORS' REPORT | 05 |
| STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE | 09 |
| REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE | 11 |
| AUDITORS' REPORT TO THE MEMBERS | 12 |
| BALANCE SHEET | 14 |
| PROFIT & LOSS ACCOUNT | 15 |
| STATEMENT OF COMPREHENSIVE INCOME | 16 |
| CASH FLOW STATEMENT | 17 |
| STATEMENT OF CHANGE IN EQUITY | 18 |
| NOTES TO THE FINANCIAL STATEMENTS | 19 |
| SIX YEARS AT A GLANCE | 42 |
| PATTERN OF SHAREHOLDING | 43 |
| PROXY FROM | 47 |

CORPORATE INFORMATION

| | | |
|---|---|---|
| Board of Directors*: | Mr. Muhammad Sajid Mr. Saad Saeed Faruqui Syed Hasan Akbar Kazmi Mr. Shahrukh Saeed Faruqui Mr. Brig (R) Yasub Ali Dogar Mr. Asad Nasir Mr. Sarfaraz Anis | (Chairman) (Chief Executive Officer) |
| Audit Committee: | Mr. Asad Nasir Mr. Muhammad Sajid Mr. Brig (R) Yasub Ali Dogar Ms. Summia Shah | (Chairman) (Member) (Member) (Secretary) |
| HR & Remuneration Committee: | Mr. Muhammad Sajid Mr. Saad Saeed Faruqui Mr. Asad Nasir | |
| Chief Executive Officer: | Mr. Saad Saeed Faruqui | |
| CFO & Company Secretary: | Mr. Moiz Ali | |
| Head of Internal Audit: | Ms. Summia Shah | |
| Registrar & Share Transfer Office: | Technology Trade (Pvt.) Ltd. Ballotter, Share Registrar & Transfer Agent Dagia House, 241-C, Block-2, P.E.C.H.S, Karachi. Tel: 92(21) 3439 1316-7 & 19, 3438 7960-1 Fax: 92(21) 3439 1318 | |
| Auditors: | Baker Tilly Mehmood, Idrees, Qamar, Chartered Accountants | |
| Legal Advisor: | Mohsin Tayebaly & Co. Advocates Hosain & Rahim, Advocates & Corporate Counsel | |
| Bankers: | JS Bank Limited | |
| Registered Office: | 14th Floor, Chapal Plaza, Hasrat Mohani Road, Karachi-74000 Tele: +92 (21) 3243 1181-8 Fax: +92 (21) 3246 5703 E-mail: calcorp@optimus.com.pk Web: www.calcorp.com.pk | |

* The approval for appointment of Directors is pending from SECP under NBFC Regulations.

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 23rd ANNUAL GENERAL MEETING

Notice is hereby given that 23rd Annual General Meeting of Capital Assets Leasing Corporation Limited (the "Company") will be held on Saturday 31st October 2015 at 06:30 p.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 22nd Annual General Meeting of the shareholders held on Saturday 25th October 2014.
2. To receive, consider and adopt the Audited Accounts of the Company for the year ended June 30, 2015
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 09, 2015

Notes:

1. The share transfer book of the Company will remain closed from 24th October 2015 to 31st October 2015 (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 23rd, 2015 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 23rd annual report along with the audited accounts of the Capital Assets Leasing Corporation Limited for the year ended June 30th, 2015.

FINANCIAL HIGHLIGHTS

An analysis of the key operating results for 2015 and their comparison with the results of the previous year is summarized below:

| | Rupees | |
|--|-------------------|-------------------|
| | 2015 | 2014 |
| Total Income | 35,389,869 | 35,478,567 |
| Expenses | | |
| Operating Expenses | 8,904,476 | 8,461,929 |
| Financial Charges | 6,273,697 | 5,830,622 |
| Other Charges | 433,295 | 423,720 |
| (Reversal) / Provisions and write offs | (1,453,040) | - |
| Total Expenses | 14,158,428 | 14,716,271 |
| Profit before tax | 21,231,441 | 20,762,296 |
| Taxation | (7,236,966) | (7,632,011) |
| Profit after taxation | 13,994,475 | 13,130,285 |
| Earnings Per Share | 1.30 | 1.22 |

REVIEW OF OPERATIONS

The operational profit for the period is Rs. 21.2 Million. Net profit for the year 2015 is Rs. 13.9 million as against Rs. 13.1 million in prior year. In the current year, the company transacted business worth Rupees 35.3 million as compared to Rupees 35.4 million in the corresponding period. The operations have mainly remained consistent with prior year and accordingly the results reflect similar trend.

FUTURE OUTLOOK

The company has been operating as a Non NBFC for more than 8 years now. The management is keen to revive its leasing license and meet the MCR. Various options were explored in the past as well but market conditions remained unfavorable. Recently management has resolved to merge the company with its Parent Company and steps are being taken to materialize the same.

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 May 20th, 2015, Mr. Mustafa Jaffar and Mr Muhammad Aamir resignation was accepted by the Board of Directors and Mr. Asad Nasir and Mr Sarfaraz Anis was appointed with immediate effect to fill the casual vacancy caused by the two resignations.

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

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. Mr. Mustafa Jaffar 500 Shares
- b. Mr. Muhammad Aamir 500 Shares
- c. Mr. Asad Nasir 500 Shares
- d. Mr. Sarfaraz Anis 500 Shares

x) During the year five 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 | 5 |
| 2 | Mr. Muhammad Sajid | 4 |
| 3 | Syed Hasan Akbar Kazmi | 3 |
| 4 | Shahrukh Saeed Faruqui | 5 |
| 5 | Mustafa Jaffer | 5 |
| 6 | Mirza Muhammad Aamir | 2 |
| 7 | Mr. Brig (R) Yasub Ali Dogar | 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, 2016. 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 2016.

PATTERN OF SHAREHOLDING

The pattern of shareholding of the company as on June 30, 2015 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: October 09, 2015

Saad Saeed Faruqui
Chief Executive Officer

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE FOR THE YEAR ENDED JUNE 30TH, 2015

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 |
| | Asad Nasir |
| | Sarfaraz Anis |
| 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. Two casual vacancy occurring on the board on 20-May-2015 was filled up by the directors on same day.
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.

Chief Executive Officer

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, 2015.

Engagement Partner: Muhammad Aqeel Ashraf Tabani

Karachi: October 09, 2015

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **CAPITAL ASSET LEASING CORPORATION LIMITED** as at **June 30, 2015** 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, 2015, 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: Muhammad Aqeel Ashraf Tabani

Karachi: October 09, 2015

BALANCE SHEET AS AT JUNE 30, 2015

| | Note | June 2015 (Rupees) | June 2014 (Rupees) |
|--|------|--------------------------|--------------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and bank balances | 5 | 247,679 | 543,556 |
| Investment in finance lease | 6 | 9,291,481 | 9,530,531 |
| Advances, deposits, prepayments and other receivables | 7 | 24,368,922 | 24,036,560 |
| Trade receivable | | 53,029,665 | 32,146,404 |
| Morabaha and short term finances | 8 | - | - |
| Taxation - net | | 12,321,559 | 11,016,614 |
| | | 99,259,306 | 77,273,665 |
| Non-Current Asset | | | |
| Long term advances, deposits and prepayments | 9 | 21,431,778 | 12,799,486 |
| Deferred tax asset | 10 | 5,343,853 | 8,988,809 |
| Property, plant and equipment | 11 | 86,541,467 | 89,785,472 |
| | | 113,317,098 | 111,573,767 |
| TOTAL ASSETS | | 212,576,404 | 188,847,432 |
| LIABILITIES AND EQUITY | | | |
| Current Liabilities | | | |
| Current portion of long term deposits | 12 | 9,311,420 | 9,550,470 |
| Current portion of liabilities against assets subject to finance lease | 13 | 21,465,348 | 15,433,004 |
| Trade and other payables | 14 | 8,467,983 | 7,779,669 |
| | | 39,244,751 | 32,763,143 |
| Non-Current Liabilities | | | |
| Liabilities against assets subject to finance lease | 13 | 25,181,982 | 21,929,093 |
| Authorised Share Capital | | | |
| 20,000,000 (2014: 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 | 40,705,541 | 26,711,066 |
| | | 148,149,671 | 134,155,196 |
| Contingencies and Commitments | 17 | - | - |
| TOTAL LIABILITIES AND EQUITY | | 212,576,404 | 188,847,432 |

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

Chief Executive Officer

Director

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: Muhammad Aqeel Ashraf Tabani

Karachi: October 09, 2015

BALANCE SHEET AS AT JUNE 30, 2015

| | Note | June 2015 (Rupees) | June 2014 (Rupees) |
|--|------|--------------------------|--------------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and bank balances | 5 | 247,679 | 543,556 |
| Investment in finance lease | 6 | 9,291,481 | 9,530,531 |
| Advances, deposits, prepayments and other receivables | 7 | 24,368,922 | 24,036,560 |
| Trade receivable | | 53,029,665 | 32,146,404 |
| Morabaha and short term finances | 8 | - | - |
| Taxation - net | | 12,321,559 | 11,016,614 |
| | | 99,259,306 | 77,273,665 |
| Non-Current Asset | | | |
| Long term advances, deposits and prepayments | 9 | 21,431,778 | 12,799,486 |
| Deferred tax asset | 10 | 5,343,853 | 8,988,809 |
| Property, plant and equipment | 11 | 86,541,467 | 89,785,472 |
| | | 113,317,098 | 111,573,767 |
| TOTAL ASSETS | | 212,576,404 | 188,847,432 |
| LIABILITIES AND EQUITY | | | |
| Current Liabilities | | | |
| Current portion of long term deposits | 12 | 9,311,420 | 9,550,470 |
| Current portion of liabilities against assets subject to finance lease | 13 | 21,465,348 | 15,433,004 |
| Trade and other payables | 14 | 8,467,983 | 7,779,669 |
| | | 39,244,751 | 32,763,143 |
| Non-Current Liabilities | | | |
| Liabilities against assets subject to finance lease | 13 | 25,181,982 | 21,929,093 |
| Authorised Share Capital | | | |
| 20,000,000 (2014: 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 | 40,705,541 | 26,711,066 |
| | | 148,149,671 | 134,155,196 |
| Contingencies and Commitments | 17 | - | - |
| TOTAL LIABILITIES AND EQUITY | | 212,576,404 | 188,847,432 |

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, 2015**

| | Note | June 2015 (Rupees) | June 2014 (Rupees) |
|--|------|--------------------------|--------------------------|
| Income | | | |
| Income from operations | 18 | 34,037,508 | 34,828,355 |
| Other operating income | 19 | 1,352,361 | 650,212 |
| | | 35,389,869 | 35,478,567 |
| Expenses | | | |
| Administrative and operating expenses | 20 | 8,904,476 | 8,461,929 |
| Financial charges | 21 | 6,273,697 | 5,830,622 |
| Other charges | 22 | 433,295 | 423,720 |
| (Reversals) / Provision and write offs | 23 | (1,453,040) | - |
| | | 14,158,428 | 14,716,271 |
| Profit before taxation | | 21,231,441 | 20,762,296 |
| Taxation | 24 | (7,236,966) | (7,632,011) |
| Profit after taxation | | 13,994,475 | 13,130,285 |
| Earnings per share | 25 | 1.30 | 1.22 |

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, 2015**

| | June 2015 (Rupees) | June 2014 (Rupees) |
|--|--------------------------|--------------------------|
| Net income for the year | 13,994,475 | 13,130,285 |
| Other comprehensive income | - | - |
| Total comprehensive income for the year | <u>13,994,475</u> | <u>13,130,285</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, 2015

| | Note | June 2015 (Rupees) | June 2014 (Rupees) |
|---|------|--------------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before taxation | | 21,231,441 | 20,762,296 |
| Adjustments for non cash items: | | | |
| Depreciation | | 6,617,878 | 10,806,882 |
| Amortization | | 80,881 | 67,401 |
| Financial charges | | 6,273,697 | 5,830,622 |
| (Reversal) / provisions and write off | | (1,453,040) | - |
| (Gain) / loss on disposal of property, plant and equipment | | (40,378) | (629,185) |
| | | <u>32,710,479</u> | <u>36,838,016</u> |
| (Increase) / decrease in current assets | | | |
| Advances, deposits, prepayments and other receivables | | (87,362) | (15,115,026) |
| Trade Receivables | | (20,883,261) | (24,089,903) |
| | | (20,970,623) | (39,204,929) |
| Increase in current liabilities | | | |
| Trade and other payables | | 553,527 | 3,400,394 |
| | | <u>12,293,383</u> | <u>1,033,481</u> |
| Cash generated from operations | | | |
| Financial charges paid | | (6,138,910) | (6,175,273) |
| Tax paid | | (4,896,955) | (2,498,695) |
| Net investment in lease and hire purchase finances | | 1,447,090 | - |
| Current portion of long term deposits | | (239,050) | - |
| Net cash inflow from / (used in) operating activities | | <u>2,465,558</u> | <u>(7,640,487)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Additions in property, plant and equipment | | (95,899,376) | (329,800) |
| Additions in intangible assets | | - | (242,668) |
| Long term advances, deposits and prepayments | | (8,632,292) | 1,942,712 |
| Proceeds from sale of property, plant and equipment | | 92,485,000 | 39,908,330 |
| Net cash (used in) / inflow from investing activities | | <u>(12,046,668)</u> | <u>41,278,574</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Liability against assets subject to finance lease | | 9,285,233 | (33,303,173) |
| Net cash inflow from / (used in) financing activities | | <u>9,285,233</u> | <u>(33,303,173)</u> |
| Net (decrease) / increase in cash and cash equivalents | | <u>(295,877)</u> | <u>334,914</u> |
| Cash and cash equivalents at the beginning of the year | | 543,556 | 208,642 |
| Cash and cash equivalents at the end of year | 5 | <u>247,679</u> | <u>543,556</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, 2015**

| | Issued, Subscribed and Paid-up Share Capital | Statutory Reserves | Accumulated (Loss) / Profit | Total |
|------------------------------------|---|-----------------------|--------------------------------|--------------------|
| ----- Rupees ----- | | | | |
| Balance as at July 01, 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 |
| Net profit for the year | - | - | 13,994,475 | 13,994,475 |
| Transfer to reserve | - | 2,798,895 | (2,798,895) | - |
| Balance as at June 30, 2015 | 107,444,130 | 27,834,688 | 12,870,853 | 148,149,671 |

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

Chief Executive Officer

Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2015

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 and has stopped its leasing operations since April 2008. This creates significant doubt over company's ability to continue as a Non-Banking Financial Company (a leasing company licenced under the Non-Banking Companies and Notified Entities Regulation, 2008) for a foreseeable period.
- 1.4 The management is considering to merge the company with its holding company Optimus Limited. The merger will help the company to progress towards meeting minimum capital requirement for a leasing Company under NBFC Regulations.

2. BASIS OF PREPARATION

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 Standard Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the requirements of the Ordinance , the Rules, the Regulations or the directives issued by the Securities and Exchange Commission of Pakistan (SECP) 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:

The following are the new standards, amendments to existing approved accounting standards and new interpretations that will be effective for the periods beginning January 1, 2015 that may have an impact on the financial statements of the Company.

IFRS 12, 'Disclosures of interests in other entities' includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, structured entities and other off balance sheet vehicles. The standard will affect the disclosures in the financial statements of the Company.

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. The standard will affect the determination of fair value and its related disclosures in the financial statements of the Company.

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

4.7.1 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.

4.7.2 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.

4.7.3 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

4.8.1 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.

4.8.2 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 2015 (Rupees) | June 2014 (Rupees) |
|---------------------------------------|------|--------------------------|--------------------------|
| 5. CASH AND BANK BALANCES | | | |
| Cash in hand | | 7,870 | 14,942 |
| Cash at banks: | | | |
| - In PLS accounts | 5.1 | 142,658 | 429,392 |
| - In current accounts | | 92,038 | 92,325 |
| - Balance with State Bank of Pakistan | | 5,113 | 6,897 |
| | | <u>247,679</u> | <u>543,556</u> |

5.1 Profit on deposit accounts is ranging from 4 % to 5 % p.a (June 2014: from 5 % to 6 % p.a).

6. INVESTMENT IN FINANCE LEASE

| | June 30, 2015 | | | June 30, 2014 | | |
|---|-------------------------|---------------------------------------|--------------|-------------------------|---------------------------------------|--------------|
| | 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 | 19,427,270 | - | 19,427,270 | 20,906,960 | - | 20,906,960 |
| Add: Residual value of leased assets | 9,311,420 | - | 9,311,420 | 9,550,470 | - | 9,550,470 |
| Gross investment in lease and hire purchase finance (6.1) | 28,738,690 | - | 28,738,690 | 30,457,430 | - | 30,457,430 |
| Less: Unearned finance income (6.4) | (3,882,343) | - | (3,882,343) | (4,153,993) | - | (4,153,993) |
| Net investment in lease and hire purchase finance (6.2) | 24,856,347 | - | 24,856,347 | 26,303,437 | - | 26,303,437 |
| Less: Provision for lease losses (6.3) | (15,564,866) | - | (15,564,866) | (16,772,906) | - | (16,772,906) |
| Net investment in leases | 9,291,481 | - | 9,291,481 | 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, 2014 : 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. 19.43 million (June 2014: Rs. 20.91 million) which has been placed under over due status.
- 6.3 Particulars of provision against non-performing leases

| | June 30, 2015 | | | June 30, 2014 | | |
|--------------------------------|-------------------|----------|-------------------|-------------------|----------|-------------------|
| | Specific | General | Total | Specific | General | Total |
| ----- Rupees ----- | | | | | | |
| Opening balance | 16,772,906 | - | 16,772,906 | 16,772,906 | - | 16,772,906 |
| (Reversal)/Charge for the year | (1,208,040) | - | (1,208,040) | - | - | - |
| Closing balance | 15,564,866 | - | 15,564,866 | 16,772,906 | - | 16,772,906 |

- 6.4 The net unearned finance income includes suspended income of Rs. 3.864 million (June 30, 2014 : Rs.4.136 million).

| | Note | June 2015 (Rupees) | June 2014 (Rupees) |
|--|------|-----------------------|-----------------------|
| Particulars of suspended income | | | |
| Opening balance | | 4,135,823 | 4,135,823 |
| Reversed/realised during the year | | (271,650) | - |
| Closing balance | | 3,864,173 | 4,135,823 |

| | Note | June 2015 (Rupees) | June 2014 (Rupees) |
|---|------|--------------------------|--------------------------|
| 7. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES | | | |
| Unsecured advances - considered good | | | |
| Advances to employees | | 145,146 | 164,646 |
| Provision against advances to employees | | (132,006) | (132,006) |
| | | 13,140 | 32,640 |
| 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 | 972,200 | 969,750 |
| Prepayments | | | |
| Prepaid insurance, Road tax and registration | | 1,168,781 | 1,641,221 |
| Provision | | (150,804) | (150,804) |
| | | 1,017,977 | 1,490,417 |
| Other receivables | | | |
| Other receivables - considered good | 7.1 | 22,365,530 | 21,543,678 |
| Others | | | |
| Others - considered doubtful | | 3,685,270 | 3,930,270 |
| Accrued mark-up on short term finances | | 137,831 | 137,831 |
| Less: Provisions against receivables | | (3,823,026) | (4,068,026) |
| | | 75 | 75 |
| | | <u>24,368,922</u> | <u>24,036,560</u> |

7.1 This represents Rs. 21.715 million (June 2014 : 21.543 million) receivable from Optimus Limited (Parent company).

| | Note | June 2015 (Rupees) | June 2014 (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) |
| | | <u>-</u> | <u>-</u> |

| | Note | June 2015 (Rupees) | June 2014 (Rupees) |
|--|------|--------------------------|--------------------------|
| 9. LONG TERM ADVANCES, DEPOSITS AND PREPAYMENTS | | | |
| Security deposits | | 21,692,890 | 12,369,340 |
| Less: Provision | | (309,290) | (309,290) |
| | | 21,383,600 | 12,060,050 |
| Less: Current portion | 7 | (972,200) | (969,750) |
| | | <u>20,411,400</u> | <u>11,090,300</u> |
| Prepayments | | 2,189,159 | 3,350,407 |
| Less: Current portion | | (1,168,781) | (1,641,221) |
| | | 1,020,378 | 1,709,186 |
| | | <u>21,431,778</u> | <u>12,799,486</u> |
| 10. DEFERRED TAX ASSET | | | |
| Debit balances arising in respect of: | | | |
| Liabilities against assets subject to finance lease | | 15,393,619 | 12,703,113 |
| Carryforward tax losses | | 16,131,827 | 19,624,766 |
| | | 31,525,446 | 32,327,879 |
| Credit balance arising in respect of: | | | |
| Accelerated depreciation | | (26,181,593) | (23,339,070) |
| | | <u>5,343,853</u> | <u>8,988,809</u> |

| | Note | June 2015 (Rupees) | June 2014 (Rupees) |
|---|------|-----------------------|-----------------------|
| 11. PROPERTY, PLANT AND EQUIPMENT | | | |
| Property, plant and equipment - tangible assets | 11.2 | 86,447,079 | 89,610,203 |
| Intangible asset | 11.3 | 94,388 | 175,269 |
| | | 86,541,467 | 89,785,472 |
| 11.1 Allocation of depreciation: | | | |
| Income from vehicle plying for hire | | 6,600,671 | 10,766,343 |
| Administrative and operating expenses | | 17,207 | 40,539 |
| | | 6,617,878 | 10,806,882 |

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, 2015 Rupees |
|--------------------------------|---------------------|---|-------------|---------------------|-------|-------------------------|--|-------------|---------------------|--|
| | As at July 01, 2014 | Additions/ (Disposals) | Transfer | As at June 30, 2015 | | As at July 01, 2014 | Charged for the year | Transfer | As at June 30, 2015 | |
| | -----Rupees----- | | | | | % | -----Rupees----- | | | |
| 11.2 Tangible Assets | | | | | | | | | | |
| Motor vehicles | 108,200 | 48,593 (108,200) | - | 48,593 | 20 | 94,466 | 15,759 (108,200) | - | 2,025 | 46,568 |
| Office machines and equipment | 547,200 | - (323,000) | - | 224,200 | 15 | 547,195 | - (322,999) | - | 224,196 | 4 |
| Computers and allied equipment | 267,669 | 21,330 | - | 288,999 | 30 | 267,661 | 1,448 | - | 269,109 | 19,890 |
| Furniture and fixture | 31,500 | - | - | 31,500 | 10 | 31,496 | - | - | 31,496 | 4 |
| Motor vehicle plying for hire | 46,390,740 | 59,201,953 (90,100,003) | 7,672,500 | 23,165,190 | 20-25 | 9,190,518 | 402,359 (6,396,352) | 1,766,268 | 4,962,793 | 18,202,397 |
| Tracker system | 1,175,873 | 320,000 | - | 1,495,873 | 25 | 529,769 | 331,184 | - | 860,953 | 634,920 |
| Leased Motor vehicles -VPFH | 60,143,000 | 36,307,500 (10,948,000) | (7,672,500) | 77,830,000 | 25 | 8,392,874 | 5,867,128 (2,207,030) | (1,766,268) | 10,286,704 | 67,543,296 |
| June 30, 2015 | 108,664,182 | 95,899,376 (101,479,203) | - | 103,084,355 | | 19,053,979 | 6,617,878 (9,034,581) | - | 16,637,276 | 86,447,079 |

| | 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----- | | | |
| 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 | 57,489,740 | - (28,789,000) | 17,690,000 | 46,390,740 | 20-25 | 5,414,382 | 3,657,991 (4,304,355) | 4,422,500 | 9,190,518 | 37,200,222 |
| 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 vehicle -VPPH | 94,895,000 | - (17,062,000) | [17,690,000] | 60,143,000 | 25 | 8,275,334 | 6,825,195 (2,285,155) | (4,422,500) | 8,392,874 | 51,750,126 |
| June 30, 2014 | 154,439,382 | 163,800 (45,939,000) | - | 108,664,182 | | 14,906,952 | 10,806,882 (6,659,855) | - | 19,053,979 | 89,610,203 |

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, 2015 |
|----------------------|---------------------|------------------------|---------------------|------|-------------------------|----------------------|---------------------|--|
| | As at July 01, 2014 | Additions/ (Disposals) | As at June 30, 2015 | | As at July 01, 2014 | Charged for the year | As at June 30, 2015 | |
| | -----Rupees----- | | | | % | -----Rupees----- | | |
| Computer software | 523,948 | - | 523,948 | 33 | 348,679 | 80,881 | 429,560 | 94,388 |
| June 30, 2015 | 523,948 | - | 523,948 | | 348,679 | 80,881 | 429,560 | 94,388 |

| | 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----- | | |
| 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 |

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 | | | | | | | |
| Honda Co 100 | 64,000 | 63,999 | 1 | 11,000 | 20,999 | Negotiation | Muhammad Muneer |
| | 64,000 | 63,999 | 1 | 11,000 | 20,999 | | |
| Motor vehicle plying for hire | | | | | | | |
| Honda Civic | 1,190,000 | 210,945 | 1,139,055 | 1,140,000 | 945 | Negotiation | Optimus Limited |
| Suzuki Cultus | 550,000 | 10,155 | 639,845 | 375,000 | (264,845) | Negotiation | Optimus Limited |
| Mercedez | 3,500,000 | 991,661 | 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 Xl | 1,289,000 | 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 | 40,106 | 659,894 | 675,000 | 15,106 | Negotiation | Optimus Limited |
| Honda Civic Vti (Prosmatec Oriel) | 1,400,000 | 349,992 | 1,050,008 | 1,100,000 | 49,992 | Negotiation | Optimus Limited |
| Honda Civic Vti (Prosmatec Oriel) | 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 Oriel) | 1,400,000 | 350,000 | 1,050,000 | 1,050,000 | - | Negotiation | Optimus Limited |
| Honda Civic Vti (Prosmatec Oriel) | 1,350,000 | 337,500 | 1,012,500 | 1,050,000 | 37,500 | Negotiation | Optimus Limited |
| Honda Civic Vti (Prosmatec Oriel) | 1,350,000 | 337,500 | 1,012,500 | 1,012,500 | - | Negotiation | Optimus Limited |
| Honda Civic Vti (Prosmatec Oriel) | 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 Gii | 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 Gii | 8,000 | 1,620 | 6,380 | - | - | Insurance Claim | Pak Kuwait Takafull |
| | 24,000 | 6,346 | 17,654 | 22,330 | 4,676 | | |
| Leased motor vehicle -VPH | | | | | | | |
| Toyota Corolla (Gii) | 1,170,000 | 162,500 | 1,007,500 | 1,050,000 | 42,500 | Negotiation | Optimus Limited |
| Toyota Corolla (Xii) | 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 (Gii) | 1,672,500 | 121,954 | 1,550,546 | 1,600,000 | 49,454 | Negotiation | Optimus Limited |
| Toyota Corolla (Gii) | 1,305,000 | 135,940 | 1,169,060 | 1,200,000 | 30,940 | Negotiation | Optimus Limited |
| Toyota Corolla (Gii) | 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 Oriel)" | 1,552,500 | 355,784 | 1,196,716 | 1,200,000 | 3,284 | Negotiation | Optimus Limited |
| "Suzuki Mehran (Var)" | 405,000 | 61,886 | 343,114 | 400,000 | 56,886 | Negotiation | Optimus Limited |
| Toyota Corolla (Gii) | 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 | | |

| | June 2015 (Rupees) | June 2014 (Rupees) |
|--|--------------------------|--------------------------|
| 12. CURRENT PORTION OF LONG TERM DEPOSITS | | |
| Long term deposits | 9,311,420 | 9,550,470 |
| | <u>9,311,420</u> | <u>9,550,470</u> |

13. LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

| | June 30, 2015 | | | June 30, 2014 | | |
|--|-------------------------------|---|-------------------|-------------------------------|---|-------------------|
| | 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 | 25,281,421 | 25,947,031 | 51,228,452 | 18,888,263 | 23,333,655 | 42,221,918 |
| Less: Financial charges allocated to future periods | (3,816,073) | (765,049) | (4,581,122) | (3,455,259) | (1,404,562) | (4,859,821) |
| Present Value of Minimum lease Payments | <u>21,465,348</u> | <u>25,181,982</u> | <u>46,647,330</u> | <u>15,433,004</u> | <u>21,929,093</u> | <u>37,362,097</u> |

The above liability represents assets acquired under lease arrangements with JS Bank Limited and KASB Modaraba. The lease rentals are payable on monthly basis and the financing rates ranges from 11.00% to 16.18% Per annum (2014: 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 2015 (Rupees) | June 2014 (Rupees) |
|-------------------------------------|--------------------------|--------------------------|
| 14. TRADE AND OTHER PAYABLES | | |
| Accrued expenses | 3,615,662 | 2,599,723 |
| Workers' welfare fund | 857,015 | 423,720 |
| Insurance Payable | 1,192,186 | 3,964,286 |
| Unclaimed dividend | 625,215 | 625,215 |
| Tax deducted at source | 2,000,000 | 432 |
| Others | 177,905 | 166,293 |
| | <u>8,467,983</u> | <u>7,779,669</u> |

15. ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

| Number of Shares | | Note | June 2015 | June 2014 |
|-------------------|-------------------|--|--------------------|--------------------|
| 2015 | 2014 | | (Rupees) | (Rupees) |
| <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 | 25,035,793 | 22,409,736 |
| Transfer from profit and loss account | | | 2,798,895 | 2,626,057 |
| | | | 27,834,688 | 25,035,793 |
| Revenue Reserve | | | | |
| Accumulated profit | | | 12,870,853 | 1,675,273 |
| | | | <u>40,705,541</u> | <u>26,711,066</u> |

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. 2,798,895 (June 2014: Rs. 2,626,057) 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. 5,567,498 as at June 30 2015 (June 30, 2014 : Rs. 7,211,463).

| | Note | June 2015 | June 2014 |
|------------------------------|------|-------------------|-------------------|
| | | (Rupees) | (Rupees) |
| 17.2 Commitments | | | |
| Ijarah lease rentals payable | 18.3 | <u>71,587,676</u> | <u>62,857,506</u> |

| | Note | June 2015 (Rupees) | June 2014 (Rupees) |
|---|------|--------------------------|--------------------------|
| 18. INCOME FROM OPERATIONS | | | |
| Income on lease contracts | 18.1 | 271,650 | - |
| Income from vehicle plying for hire | 18.2 | 33,765,858 | 34,828,355 |
| | | <u>34,037,508</u> | <u>34,828,355</u> |
| 18.1 Income on Lease Contracts | | | |
| Lease finance income reversed / (suspended) | | 271,650 | - |
| | | <u>271,650</u> | <u>-</u> |
| 18.2 Income from Vehicle Plying for Hire | | | |
| Rentals | | 80,142,430 | 76,718,553 |
| Cost of Services | | | |
| Road tax/Registration and other charges | | 1,918,294 | 1,432,768 |
| Vehicle service and maintenance-VPFH | | 8,206,796 | 8,522,741 |
| Ijarah lease rental | 18.3 | 21,290,791 | 12,784,537 |
| Tracker monitoring cost | | 1,398,204 | 1,111,992 |
| Tracker transfer cost | | - | 74,693 |
| Insurance | | 3,361,816 | 3,459,624 |
| Depreciation | 11.1 | 6,600,671 | 10,766,343 |
| Service charges to holding company | 18.4 | 3,600,000 | 3,737,500 |
| | | 46,376,572 | 41,890,198 |
| | | <u>33,765,858</u> | <u>34,828,355</u> |
| 18.3 Ijarah Lease Rental | | | |

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

| | June 30, 2015 | | | June 30, 2014 | | |
|------------------------------|---------------------|--|-------------------|---------------------|--|-------------------|
| | 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 | 23,051,568 | 48,536,108 | 71,587,676 | 15,045,897 | 47,811,609 | 62,857,506 |
| | <u>23,051,568</u> | <u>48,536,108</u> | <u>71,587,676</u> | <u>15,045,897</u> | <u>47,811,609</u> | <u>62,857,506</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 2015 (Rupees) | June 2014 (Rupees) |
|--|------|--------------------------|--------------------------|
| 19. OTHER OPERATING INCOME | | | |
| Gain on sale of property, plant and equipment | | 40,378 | 629,185 |
| Return on bank deposit | | 23,389 | 6,027 |
| Late payment charges | | 1,278,594 | - |
| Other income | | 10,000 | 15,000 |
| | | <u>1,352,361</u> | <u>650,212</u> |
| 20. ADMINISTRATIVE AND OPERATING EXPENSES | | | |
| Salaries, allowances and benefits | | 4,672,181 | 4,195,822 |
| Travelling and conveyance charges | | 3,880 | 4,755 |
| Depreciation | 11.1 | 17,207 | 40,539 |
| Amortization | | 80,881 | 67,401 |
| Printing and stationery | | 352,322 | 357,797 |
| Rent | | 150,000 | 150,000 |
| Utilities | | 97,977 | 98,588 |
| Telephone and postage expenses | | 149,372 | 77,268 |
| Legal and professional charges | | 1,970,646 | 2,050,359 |
| Vehicle running expenses | | 89,030 | 111,775 |
| Insurance expenses | | 4,410 | 12,874 |
| Entertainment expenses | | 70,000 | 66,176 |
| Auditors' remuneration | 20.1 | 985,400 | 947,950 |
| Director training program | | 255,000 | 271,000 |
| Sundry expenses | | 6,170 | 9,625 |
| | | <u>8,904,476</u> | <u>8,461,929</u> |
| 20.1 Auditors' Remuneration | | | |
| Audit fee | | 294,000 | 268,400 |
| Half yearly audit / review | | 204,750 | 187,200 |
| Internal audit fees | | 415,000 | 417,000 |
| Code of corporate governance | | 30,000 | 30,000 |
| Out of pocket expenses | | 41,650 | 45,350 |
| | | <u>985,400</u> | <u>947,950</u> |
| 21. FINANCIAL CHARGES | | | |
| Mark up on finance lease | | 6,264,722 | 5,828,445 |
| Bank charges | | 8,975 | 2,177 |
| | | <u>6,273,697</u> | <u>5,830,622</u> |
| 22. OTHERS CHARGES | | | |
| Workers' welfare fund | | 433,295 | 423,720 |
| | | <u>433,295</u> | <u>423,720</u> |

| | Note | June 2015 (Rupees) | June 2014 (Rupees) |
|---|------|--------------------------|--------------------------|
| 18. INCOME FROM OPERATIONS | | | |
| Income on lease contracts | 18.1 | 271,650 | - |
| Income from vehicle plying for hire | 18.2 | 33,765,858 | 34,828,355 |
| | | <u>34,037,508</u> | <u>34,828,355</u> |
| 18.1 Income on Lease Contracts | | | |
| Lease finance income reversed / (suspended) | | 271,650 | - |
| | | <u>271,650</u> | <u>-</u> |
| 18.2 Income from Vehicle Plying for Hire | | | |
| Rentals | | 80,142,430 | 76,718,553 |
| Cost of Services | | | |
| Road tax/Registration and other charges | | 1,918,294 | 1,432,768 |
| Vehicle service and maintenance-VPFH | | 8,206,796 | 8,522,741 |
| Ijarah lease rental | 18.3 | 21,290,791 | 12,784,537 |
| Tracker monitoring cost | | 1,398,204 | 1,111,992 |
| Tracker transfer cost | | - | 74,693 |
| Insurance | | 3,361,816 | 3,459,624 |
| Depreciation | 11.1 | 6,600,671 | 10,766,343 |
| Service charges to holding company | 18.4 | 3,600,000 | 3,737,500 |
| | | 46,376,572 | 41,890,198 |
| | | <u>33,765,858</u> | <u>34,828,355</u> |

18.3 Ijarah Lease Rental

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

| | June 30, 2015 | | | June 30, 2014 | | |
|------------------------------|---------------------|--|-------------------|---------------------|--|-------------------|
| | 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 | 23,051,568 | 48,536,108 | 71,587,676 | 15,045,897 | 47,811,609 | 62,857,506 |
| | <u>23,051,568</u> | <u>48,536,108</u> | <u>71,587,676</u> | <u>15,045,897</u> | <u>47,811,609</u> | <u>62,857,506</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 2015 (Rupees) | June 2014 (Rupees) |
|--|------|--------------------------|--------------------------|
| 19. OTHER OPERATING INCOME | | | |
| Gain on sale of property, plant and equipment | | 40,378 | 629,185 |
| Return on bank deposit | | 23,389 | 6,027 |
| Late payment charges | | 1,278,594 | - |
| Other income | | 10,000 | 15,000 |
| | | <u>1,352,361</u> | <u>650,212</u> |
| 20. ADMINISTRATIVE AND OPERATING EXPENSES | | | |
| Salaries, allowances and benefits | | 4,672,181 | 4,195,822 |
| Travelling and conveyance charges | | 3,880 | 4,755 |
| Depreciation | 11.1 | 17,207 | 40,539 |
| Amortization | | 80,881 | 67,401 |
| Printing and stationery | | 352,322 | 357,797 |
| Rent | | 150,000 | 150,000 |
| Utilities | | 97,977 | 98,588 |
| Telephone and postage expenses | | 149,372 | 77,268 |
| Legal and professional charges | | 1,970,646 | 2,050,359 |
| Vehicle running expenses | | 89,030 | 111,775 |
| Insurance expenses | | 4,410 | 12,874 |
| Entertainment expenses | | 70,000 | 66,176 |
| Auditors' remuneration | 20.1 | 985,400 | 947,950 |
| Director training program | | 255,000 | 271,000 |
| Sundry expenses | | 6,170 | 9,625 |
| | | <u>8,904,476</u> | <u>8,461,929</u> |
| 20.1 Auditors' Remuneration | | | |
| Audit fee | | 294,000 | 268,400 |
| Half yearly audit / review | | 204,750 | 187,200 |
| Internal audit fees | | 415,000 | 417,000 |
| Code of corporate governance | | 30,000 | 30,000 |
| Out of pocket expenses | | 41,650 | 45,350 |
| | | <u>985,400</u> | <u>947,950</u> |
| 21. FINANCIAL CHARGES | | | |
| Mark up on finance lease | | 6,264,722 | 5,828,445 |
| Bank charges | | 8,975 | 2,177 |
| | | <u>6,273,697</u> | <u>5,830,622</u> |
| 22. OTHERS CHARGES | | | |
| Workers' welfare fund | | 433,295 | 423,720 |
| | | <u>433,295</u> | <u>423,720</u> |

| | Note | June 2015 (Rupees) | June 2014 (Rupees) |
|--|------|--------------------------|--------------------------|
| 23. (REVERSALS)/PROVISIONS AND WRITE OFFS | | | |
| Provisions/(Reversals): | | | |
| - against leases | | (1,208,040) | - |
| - against advances, deposits and prepayments | | (245,000) | - |
| | | (1,453,040) | - |
| 24. TAXATION | | | |
| Current | 24.1 | (3,592,010) | (773,688) |
| Deferred | | (3,644,956) | (6,858,323) |
| | | (7,236,966) | (7,632,011) |

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

| | | June 2015 | June 2014 |
|---|---------|--------------|--------------|
| 25. EARNINGS PER SHARE | | | |
| Profit after taxation | Rupees | 13,994,475 | 13,130,285 |
| Weighted average number of ordinary shares | Numbers | 10,744,413 | 10,744,413 |
| Earnings per share - basic and diluted | Rupees | 1.30 | 1.22 |

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 2015 | June 2014 |
|-----------------------|------------------------|--------------------------------------|--------------|--------------|
| Optimus Limited | Holding Company | Rental services rendered | 80,142,430 | 76,718,553 |
| | | Management services received | 3,600,000 | 3,737,500 |
| | | Vehicle maintenance service received | 8,206,796 | 8,522,741 |
| | | Purchase of tracker | 320,000 | - |
| | | Purchase of motor vehicle | 50,000,000 | - |
| | | Sale of tracker | - | 16,000 |
| | | Sale of motor vehicle | 33,235,000 | 39,875,000 |
| | | Salary and allowances | 2,909,751 | 2,620,411 |
| Mustang Eye (Pvt) Ltd | Common Directorship | Tracker service | 491,346 | 468,078 |
| Staff provident fund | | Contribution to staff provident fund | 65,442 | 66,887 |

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 - 2015 | June - 2014 |
| Managerial remuneration | 2,909,751 | 2,620,411 |
| Total | 2,909,751 | 2,620,411 |
| Number of person | 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, 2015 | | | | |
|---|--------------------|-------------------|-------------------------|------------------------|------------------|
| | 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 | 9,291,481 | 9,291,481 | - | - | - |
| Long term advances, deposits and prepayments | 21,431,778 | - | - | 21,431,778 | - |
| Deferred tax asset | 5,343,853 | - | - | - | 5,343,853 |
| Property, plant and equipment | 86,541,467 | - | - | 86,541,467 | - |
| Cash and bank balances | 247,679 | 247,679 | - | - | - |
| Advances, deposits, prepayments and other receivables | 24,368,922 | 23,396,722 | 972,200 | - | - |
| Taxation - net | 12,321,559 | - | 12,321,559 | - | - |
| Total Assets | 159,546,739 | 32,935,882 | 13,293,759 | 107,973,245 | 5,343,853 |
| LIABILITIES | | | | | |
| Current portion of long term deposits | 9,311,420 | 9,311,420 | - | - | - |
| Trade and other payables | 8,467,983 | 8,467,983 | - | - | - |
| Liabilities against assets subject to finance lease | 46,647,330 | 6,134,482 | 12,747,764 | 27,765,084 | - |
| Total Liabilities | 64,426,733 | 23,913,885 | 12,747,764 | 27,765,084 | - |
| Net Assets | 95,120,006 | 9,021,997 | 545,995 | 80,208,161 | 5,343,853 |
| Share capital | 107,444,130 | | | | |
| Reserve | 40,705,541 | | | | |
| | 148,149,671 | | | | |

| June 30, 2014 | | | | | |
|---|--------------------|-------------------|-------------------------|------------------------|------------------|
| Descriptions | Total | Up to 3 Months | Over 3 Months to 1 Year | Over 1 Year to 5 years | Over 5 years |
| | | | | | |
| 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 and other payables | 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/Liabilities | 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 | | | | |

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 :

Interest Rate Risk

| June 30, 2015 | | | | | | | |
|---|----------------------------|-------------------------|---------------------|-------------------------|-------------------------|-------------------|--------------------|
| Interest rates | Interest / Mark-up bearing | | | Non Interest bearing | | | Total |
| | 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% | 9,291,481 | - | 9,291,481 | - | - | 9,291,481 |
| Trade receivable | - | - | - | 53,029,665 | - | 53,029,665 | 53,029,665 |
| Advances, deposits, prepayments and other receivables | - | - | - | 23,337,730 | - | 23,337,730 | 23,337,730 |
| Long term advances, deposits and prepayments | - | - | - | - | 20,411,400 | 20,411,400 | 20,411,400 |
| Cash and bank balances | 4% - 5% | 142,658 | 142,658 | 105,021 | - | 105,021 | 247,679 |
| | | 9,434,139 | - | 9,434,139 | 76,472,416 | 20,411,400 | 96,883,816 |
| | | | | | | | 106,317,955 |
| FINANCIAL LIABILITIES | | | | | | | |
| Trade and other payables | - | - | - | 8,467,983 | - | 8,467,983 | 8,467,983 |
| Liabilities against assets subject to finance lease | 11.00% to 16.18% | 21,465,348 | 25,181,982 | 46,647,330 | - | - | 46,647,330 |
| | | 21,465,348 | 25,181,982 | 46,647,330 | 8,467,983 | - | 55,115,313 |
| Net financial assets / (liabilities) June 30, 2015 | | (12,031,209) | (25,181,982) | (37,213,191) | 68,004,433 | 20,411,400 | 88,415,833 |
| | | | | | | | 51,202,642 |

Interest Rate Risk

| 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 |
| Advances, deposits, prepayments and other receivables | - | - | - | - | 22,513,428 | - | 22,513,428 |
| Long term advances, deposits and prepayments | - | - | - | - | - | 11,090,300 | 11,090,300 |
| Cash and bank balances | 6% - 7% | 429,392 | - | 429,392 | 114,164 | - | 543,556 |
| | | 9,959,923 | - | 9,959,923 | 54,773,996 | 11,090,300 | 65,864,296 |
| | | | | | | | 75,824,219 |
| FINANCIAL LIABILITIES | | | | | | | |
| Trade and other payables | - | - | - | - | 7,779,669 | - | 7,779,669 |
| Liabilities against assets subject to finance lease | 12.52% - 13.39% | 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 |

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, 2015 | | June 30, 2014 | |
|-------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| | 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 | 28.14 | - | 32.06 | - |
| Foods and beverages | 3.35 | - | 3.17 | - |
| Trading | 4.88 | - | 4.61 | - |
| Packaging | 25.88 | - | 24.47 | - |
| Miscellaneous | 37.75 | 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 October 09, 2015 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 A GLANCE

| PARTICULARS | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 |
|---|-------------|-------------|--------------|-------------|--------------|--------------|
| FINANCIAL POSITION | | | | | | |
| Balance Sheet Size | 212,576,404 | 188,847,432 | 205,964,577 | 172,790,574 | 112,295,458 | 80,419,085 |
| Paid-up Capital | 107,444,130 | 107,444,130 | 107,444,130 | 107,444,130 | 107,444,130 | 107,444,130 |
| Statutory Reserves | 27,834,688 | 25,035,793 | 22,409,736 | 19,562,237 | 17,988,541 | 9,638,752 |
| Un-appropriated Profits | 12,870,853 | 1,675,273 | 8,828,955 | 20,218,952 | 26,513,737 | 59,052,672 |
| Fixed Assets (Net) | 86,541,467 | 89,785,472 | 139,366,432 | 117,755,443 | 54,927,635 | 55,448,587 |
| Net Investment in Lease & Hire Purchase Finance. | 9,291,481 | 9,530,531 | 9,530,531 | 9,548,235 | (10,115,203) | (18,613,145) |
| Lease Obligations | 46,647,330 | 37,362,097 | 70,665,270 | 54,197,362 | - | - |
| Long Term Deposits | 9,311,420 | 9,550,470 | 9,550,470 | 9,568,175 | 9,688,175 | 15,640,387 |
| Current Assets | 99,259,306 | 77,273,665 | 36,008,815 | 23,456,484 | 26,206,803 | 23,925,473 |
| Current Liabilities | 39,244,751 | 32,763,143 | 41,329,010 | 28,823,814 | 12,376,524 | 22,247,815 |
| INCOMES AND EXPENSES | | | | | | |
| Income from Operations | 34,037,508 | 34,828,355 | 36,244,504 | 21,899,640 | 15,681,310 | 3,899,215 |
| Other Income | 1,352,361 | 650,212 | 5,275,615 | 122,154 | 1,281,925 | 1,485,600 |
| Administrative & Operating Expenses | 8,904,476 | 8,461,929 | 7,470,228 | 6,428,240 | 5,910,539 | 8,306,181 |
| Financial Charges | 6,273,697 | 5,830,622 | 8,599,823 | 1,109,430 | 2,012 | 330,169 |
| Other Charges | 433,295 | 423,720 | 670,506 | 2,129,720 | 248,470 | - |
| Provision / (reversal) for losses | (1,453,040) | - | (59,149) | (55,530) | (1,372,807) | 14,565,207 |
| Profit/(Loss) before Tax | 21,231,441 | 20,762,296 | 24,838,711 | 12,409,936 | 12,175,021 | (17,817,441) |
| Taxation / (Reversal) | (7,236,966) | (7,632,011) | (10,601,215) | (4,541,455) | 29,573,923 | (19,122,140) |
| Profit (Loss) after Tax | 13,994,475 | 13,130,285 | 14,237,496 | 7,868,481 | 41,748,944 | (36,939,581) |

**PATTERN OF SHAREHOLDING
HELD BY THE SHAREHOLDERS AS AT JUNE 30, 2015**

| No. of Shareholders | -----Shareholding----- | | Total Shares Held |
|---------------------|------------------------|---------|-------------------|
| | From | To | |
| 267 | 1 | 100 | 12,391 |
| 133 | 101 | 500 | 41,561 |
| 179 | 501 | 1000 | 117,846 |
| 105 | 1001 | 5000 | 222,538 |
| 17 | 5001 | 10000 | 129,364 |
| 3 | 10001 | 15000 | 37,441 |
| 4 | 15001 | 20000 | 72,379 |
| 2 | 25001 | 30000 | 55,346 |
| 1 | 40001 | 45000 | 45,000 |
| 1 | 45001 | 50000 | 50,000 |
| 1 | 140001 | 145000 | 145,000 |
| 1 | 185001 | 190000 | 186,500 |
| 1 | 235001 | 240000 | 239,465 |
| 1 | 380001 | 385000 | 383,000 |
| 1 | 9005001 | 9010000 | 9,006,582 |
| 717 | | | 10,744,413 |

**CATEGORIES OF SHAREHOLDERS REQUIRED UNDER C.C.G.
AS ON 30TH JUNE 2015**

| 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 FARUQUI | 0.0047 | 500 |
| 5 | BRIG (R) YASUB ALI DOGAR | 0.0047 | 500 |
| 6 | MR. ASAD NASIR | 0.0047 | 500 |
| 7 | MR SARFARAZ ANIS | 0.0047 | 500 |
| | | 0.0326 | 3,500 |
| <u>ASSOCIATED COMPANIES</u> | | | |
| 1 | OPTIMUS LIMITED | 83.9550 | 9,020,473 |
| <u>BANKS, DEVELOPMENTS, FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS</u> | | | |
| 1 | ESCORTS INVESTMENT BANK LIMITED | 0.1098 | 11,800 |
| | | 0.1098 | 11,800 |
| <u>INSURANCE COMPANIES</u> | | | |
| 1 | STATE LIFE INSURANCE CORP. OF PAKISTAN | 2.2287 | 239,465 |
| 2 | GULF INSURANCE COMPNY LIMITED | 0.0109 | 1,175 |
| | | 2.2397 | 240,640 |

| S. No. | NAME | % AGE | HOLDING |
|---|---|-----------------|-------------------|
| <u>JOINT STOCK COMPANIES</u> | | | |
| 1 | FIKREE'S (SMC-PVT) LTD | 0.0047 | 500 |
| 2 | LAHORE STOCK EXCHANGE LIMITED | 0.0055 | 587 |
| 3 | BEAMING INVEST & SECURITIES(PVT.) LTD. | 0.1666 | 17,900 |
| 4 | ISMAIL ABDUL SHAKOOR SECURITIES (PRIVATE) LTD | 0.0052 | 557 |
| 5 | AL-HAQ SECURITIES (PVT) LTD. | 0.0219 | 2,350 |
| 6 | DR. ARSLAN RAZAQUE SECURITIES (SMC-PVT) | 0.1542 | 16,567 |
| 7 | M.R. SECURITIES (SMC-PVT) LTD. | 0.0016 | 175 |
| 8 | MAM SECURITIES (PVT) LIMITED | 0.0008 | 87 |
| 9 | SAAO CAPITAL (PVT) LIMITED | 0.0652 | 7,000 |
| 10 | MAPLE LEAF CAPITAL LIMITED | 0.0000 | 1 |
| 11 | NH SECURITIES (PVT) LIMITED. | 0.0293 | 3,150 |
| 12 | PYRAMID INVESTMENTS (PVT) LTD. | 0.1667 | 17,912 |
| 13 | SARFRAZ MAHMOOD (PRIVATE) LTD | 0.0057 | 617 |
| 14 | S.H. BUKHARI SECURITIES (PVT) LIMITED | 0.0055 | 587 |
| 15 | PRUDENTIAL SECURITIES LIMITED | 0.0070 | 750 |
| | | <u>0.6398</u> | <u>68,740</u> |
| <u>SHARES HELD BY THE GENERAL PUBLIC</u> | | 13.0231 | 1,399,260 |
| TOTAL: | | <u>100.0000</u> | <u>10,744,413</u> |

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 | MR. MUSTAFA JAFAR | 500 | |
| 2 | MIRZA MUHAMMAD AAMIR | 500 | |
| 2 | MR. ASAD NASIR | | 500 |
| 2 | MR SARFARAZ ANIS | | 500 |
| <u>SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL:</u> | | | |
| 1 | OPTIMUS LIMITED | <u>9,020,473</u> | <u>83.9550</u> |

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 23rd Annual General Meeting of the Company to be held on Saturday, October 31st, 2015 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.

| | | |
|---|--|--------------------------------------|
| <p>The Company Secretary Capital Assets Leasing Corporation Limited 14th Floor, Chapal Plaza Hasrat Mohani Road, Karachi-74000.</p> | | <p>AFFIX CORRECT POSTAGE</p> |
| <p>FOLD HERE</p> | | <p>FOLD HERE</p> |
| <p>← FOLD HERE</p> | | <p>FOLD HERE</p> |

If undelivered please return to



Capital Assets Leasing Corporation Limited

14th Floor, Chapal Plaza, Hasrat Mohani Road, Karachi-74000.

Tel: +92 (21) 32431181-8 Fax: +92 (21) 32465703 E-mail: calcorp@optimus.com.pk