

CALCORP**CAPITAL ASSETS LEASING
CORPORATION LIMITED**

Ref: CAL/FIN/2010/1965

June 24, 2010

Mr. Haroon Askari
 General Manager Operations
 Karachi Stock Exchange (Guarantee) Limited
 Stock Exchange Building
 Stock Exchange Road,
 Karachi.


Subject: Non Compliance of Listing Regulation # 32 (2)

Dear Sir,

With reference to your letter number KSE/Gen-4042 dated June 4, 2010 and subsequent meeting on June 14, 2010, we would like to inform you that Optimus Limited had acquired 83.96% shares of Capital Assets Leasing Corporation Limited with management control of the company on December 16, 2009. At the time of takeover almost 49% of shareholders equity of the company was eroded due to losses. As of December 31, 2009 the company's loss for the six month period was Rs. 40,213,090. This was mainly due to short provisioning made against lease portfolios, other receivables and taxation in prior years. However, after takeover, the new management concentrated on operational activities and was successful in reducing the unnecessary operating expenses and increasing in revenues. For the third quarter ended on March 31, 2010 the company posted a nominal profit of Rs. 667,179 and we are hopeful that this profitability will further improve in due course of time. Capital Assets Leasing Corporation Limited does not meet the minimum paid-up capital requirement for leasing as required by Non-Banking Finance Companies and Notified Entities Regulations, 2008. The management intends to merge Capital Assets Leasing Corporation Limited and Optimus Limited to comply with the minimum capital requirement. With the proposed merger the management is confident that it will not only be beneficial for the industry but it would be beneficial for minority shareholders of the company as well.

Although the company has made a nominal profit in the third quarter but keeping in view of the losses for the first two quarters there is no possibility of declaring any dividend during the year ending June 2010. Hence the company will not be able to comply with the listing regulation 32(2).

Considering the above discussion you are requested to kindly further extend the exemption period of listing regulation # 32(2) of Karachi Stock Exchange till December 2011, so that the new management should have enough time to show their performance and to declare dividend to their shareholders.


 Naveed A. Siddiqui
 Company Secretary



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