

HALF YEARLY REPORT  

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DECEMBER 31, 2013



INVEST CAPITAL INVESTMENT BANK LIMITED

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# Company Information

## Board of Directors

Mr. Shaukat Ali	- Chairman
Mr. Muhammad Asif	- Chief Executive Officer
Mr. Basheer A. Chowdry	- Director
Mr. Ejaz Ahmed Khan	- Director
Mr. Muhammad Qasim	- Director
Ms. Ayesha Zahid	- Director
Ms. Fiza Zahid	- Executive Director

## Audit Committee

Mr. Ejaz Ahmed Khan	- Chairman
Mr. Shaukat Ali	- Member
Ms. Ayesha Zahid	- Member

## Human Resource Committee

Mr. Muhammad Asif	- Chairman
Ms. Fiza Zahid	- Member
Mr. A.H. Khawar Hassan	- Member
Mr. M. Naim Ashraf	- Member

## Chief Financial Officer &

### Company Secretary

Mr. M. Naim Ashraf

## Auditors

Avais Hyder Liaquat Nauman  
Chartered Accountants

## Legal Advisors

Ahmed & Gazi

## Share Registrar

CorpTec Associates (Private) Limited,  
503-E, Johar Town, Lahore  
Tel: 042-35170336-7  
Fax: 042-35170338  
E-mail: mimran.csbm@gmail.com

## Bankers

Askari Bank Limited  
Summit Bank Limited  
Habib Metropolitan Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
State Bank of Pakistan

## Registered Office

801-802, 8th Floor, Lakson Square Building  
No. 3, Sarwar Shaheed Road, Karachi.  
Tel : 021 - 35661968  
Fax : 021 - 35654022  
Website: www.icibl.com

## Head Office

701-A, City Tower, 6-K Main Boulevard,  
Gulberg II, Lahore.  
Tel : 042 - 35770383-84  
Fax : 042 - 35788711

## National Tax Number

0656427-5

# Directors' Report

The Board of Directors of Invest Capital Investment Bank Limited (the "Company") is pleased to present before the members, the un-audited financial statements for the Half Year ended December 31, 2013.

## The Review

The overall economic and business conditions have been moving at the same pace as in the previous year(s). However, during the period under review, the stock markets of the Country have touched further heights by constantly performing well. The recovery from NPL's in the Banking as well as NBFC Sector has improved as compared to last year which has eased the liquidity position of the NBFC's to some extent, though some of them are still unable to meet their funding requirements, particularly for expansion of their business. Shortage of electricity, natural gas, fuel and deteriorating law and order situation continued during these six months as well.

During the half year under review, the Company earned an after tax profit of Rupees 72.90 million as compared to the profit of Rupees 143.15 million of the previous comparative half year with earnings per share of Rupees 0.26 (December 2012 Rupees 0.50 per share. The said reduction in profit has not been caused by any operational inefficiency but mainly due to the natural reduction in gains and reversals booked previously on settlement of our liabilities. Consequently, the gross revenue including other income amounted to Rupees 119.39 million as compared to Rupees 276.21 million of the first half of the previous year. The financial charges (inclusive of reversals) stood at Rupees 16.81 million (December 2012 negative Rupees 22.45 million) and the administration and operating expenses amounted to Rupees 26.50 million as compared to Rupees 88.14 million of the previous half year showing a reduction of Rupees 61.64 million.

The total assets on the balance sheet showed a reduction of Rupees 45.60 million from Rupees 1,400.81 million as at 30th June 2013 and stood at Rupees 1,355.20 million. The equity increased by Rupees 80.49 million to Rupees 150.42 million whereas the liabilities came down to Rupees 1,204.78 million basically due to payment / settlement of liabilities.

A comparison of the current and previous period profit and loss figures is summarized hereunder:

	Rs. in million	
	December 31, 2013	December 31, 2012
Gross Revenue	37.92	94.54
Other Income	81.47	181.67
Administration & Operating expenses	26.50	88.14
Profit for the period before taxation	73.27	144.79
Taxation - net	0.37	(1.64)
Profit for the period after taxation	72.90	143.15
Earnings per Share	0.26	0.50

During the half year the gross revenue has reduced due to maturity of leases. The other income, as stated before, (which consisted on gains from settlement of liabilities) has also reduced since majority of the liabilities have been settled in prior periods. The administrative and operating expenses have also gone down along with the financial charges.

## The Plan

The plan implemented by the management in 2011 for revival of the Company has worked and accordingly given below is the updated result of the achievements made up till December 31, 2013:

### (1) Settlement or rescheduling of loans with lending banks and financial institutions

As at December 31, 2013, liabilities amounting to Rupees 1,316.03 million (84.28%) have been settled or rescheduled, whereas, liabilities amounting to Rupees 38.92 million (2.49%) have been principally agreed for settlement or rescheduling by the respective lenders whereas advanced stage negotiations are in process for the remaining amounts. Best efforts are being made to conclude all the outstanding settlements (13.23%) as early as possible.

### (2) Disposal of non-core assets

Till December 31, 2013 properties having book value of Rupees 368.49 million have been disposed-off against settlement of liabilities. This has earned the bank a capital gain of Rupees 124.49 million. Also, properties having book value of Rupees 25.78 million have been agreed for disposal against settlement of liabilities and requirements in this regard shall be completed in due course. This status shall further improve with the conclusion of in process settlement of liabilities.

Disposal of non-core assets at profit will result in improvement in liquidity as well as equity position of the Company.

# Directors' Report

## (3) Disposal / transfer of brokerage related assets and liabilities

As a result of our constant follow-up, facilities worth Rupees 1,047 million have been settled and the total outstanding liabilities have been brought down to Rupees 113 million from the position of Rupees 1,160 million as of April 2011. The remaining amount of Rupees 113 million pertains to two banks is in advanced stage of settlement and shall hopefully be settled in the near future.

## (4) Recovery of non-performing leases and loans portfolio

Net recovery made during the period under review is Rupees 89.38 million (December 2012 Rupees 109.25 million). This amount is being ploughed back in our new leasing business as well as in meeting of our obligations towards depositors and other lenders.

## (5) Substantial reduction in administrative and other expenses

The management has substantially curtailed its administrative and other operating expenditures which is evident from the financial results of the last two years.

## (6) Commencement of new leasing business

The Company has recommenced leasing business after a considerable gap of well above two years. Leases disbursed so far since the start of fresh leasing in July 2011 amount to Rupees 316.72 million. The new business is mainly being done in car leasing segment only at attractive rates and reasonable deposit margins. Leasing business will result in profits in the coming years which will result in improvement of the profitability and equity position of the Company.

The above mentioned measures have helped to a great extent to overcome the financial and operational problems and will further result in improvement of financial position and financial position of the Company. Considering management's plans and the results of the mitigating measures as discussed above, the management is confident that the Company will continue as a going concern.

## Credit Rating

The Company was previously put on the entity rating "D" by JCR-VIS Credit Rating Company Ltd. The Company shall apply for revision in the rating after settlement / restructuring of remaining bank liabilities.

## Changes in Board of Directors

During the six months under review, Mr. Muhammad Asif assumed the responsibilities of Chief Executive Officer of the Company. Mr. Ahmed Kamran, Chairman of Board, resigned upon his migration to Australia and Mr. Shaukat Ali Director was elected as Chairman in his place. The vacancy created due to Mr. Ahmed Kamran's leaving abroad was filled by appointment of Mr. Ejaz Ahmed Khan who brings with him a long banking experience. He will also head the Audit Committee .

## Acknowledgments

The Board acknowledges with thanks the guidance and support provided by the Regulatory Authorities and also the cooperation of the shareholders and lenders. The Board is also thankful for the devotion and hard work of the staff members of the Company.

For and on behalf of the Board



**Muhammad Asif**  
Chief Executive Officer

Lahore  
February 24, 2014

# Auditors' Report on Review of Interim Financial Information to the Members

## Introduction

We have reviewed the accompanying condensed interim balance sheet of Invest Capital Investment Bank Limited ("the company") as at December 31, 2013 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six months period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with the approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2013 and 2012 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2013.

## Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at December 31, 2013 and for the six months period then ended is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

## Emphasis of matters

Without qualifying our conclusion, we draw attention to the following matters:

- We draw attention to Note 1.3 to the accounts which indicates that the company has suffered losses in the prior periods and as at balance sheet date the accumulated loss was Rs. 682.35 million (June 30, 2013: Rs. 755.25 million) and current liabilities of the company exceed its current assets by Rs. 171.73 million (June 30, 2013: Rs. 239.01 million). These conditions along with other matters as set forth in Note 1.3 indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern.
- We also draw attention to Note 1.4 to the accounts which indicate that the company has not complied with certain regulatory requirements of Non-Banking Finance companies (Establishment and Regulation) Rules, 2003 and Non-Banking Finance companies and Notified Entities Regulations, 2008 as detailed in the said note.

**Avais Hyder Liaquat Nauman**  
**Chartered Accountants**  
**Engagement partner: Hamid Masood**

**Dated:** February 24, 2014

**Place:** Faisalabad

## Condensed Interim Balance Sheet (Un-audited)

As at December 31, 2013

	Note	Un-audited December 31, 2013	Audited June 30, 2013
-- Rupees in thousands --			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	75,535	80,512
Intangible assets		3,439	3,711
Long term investments	6	82,010	74,719
Net investment in Ijarah finance / assets under Ijarah arrangements	7	191,503	198,328
Long term musharakah finances	8	5,811	16,658
Long term loans	9	81,661	10,654
Long term security deposits		2,864	2,948
Deferred tax asset		150,000	150,000
		<b>592,823</b>	<b>537,530</b>
<b>Current assets</b>			
Short term investments	10	21,286	34,903
Short term musharakah finances	11	70,506	73,186
Short term finances	12	6,806	8,954
Ijarah rentals receivables	7.3	1,918	2,427
Current portion of non-current assets	13	375,820	354,740
Advances, deposits, prepayments and other receivables	14	33,840	131,739
Cash and bank balances	15	5,919	11,451
Assets classified as held for sale	16	246,286	245,884
		<b>762,381</b>	<b>863,284</b>
<b>TOTAL ASSETS</b>		<b>1,355,204</b>	<b>1,400,814</b>

# Condensed Interim Balance Sheet (Un-audited)

As at December 31, 2013

	Note	Un-audited December 31, 2013	Audited June 30, 2013
-- Rupees in thousands --			
<b>EQUITY AND LIABILITIES</b>			
<b>Share Capital and Reserves</b>			
Authorized capital			
485,000,000 (June 30, 2013 : 485,000,000)			
ordinary shares of Rs. 10 each		<b>4,850,000</b>	4,850,000
Issued, subscribed and paid-up capital		<b>2,848,669</b>	2,848,669
Capital reserve on amalgamation		<b>(2,022,076)</b>	(2,022,076)
Gain / (loss) on remeasurement of available for sale investments		<b>6,174</b>	(1,418)
Accumulated loss		<b>(682,345)</b>	(755,249)
		<b>150,422</b>	69,926
<b>Non-current liabilities</b>			
Subordinated loan from directors		<b>126,000</b>	126,000
Security deposits from lessees		<b>91,990</b>	71,937
Long term certificates of musharakah		<b>12,408</b>	13,908
Long term certificates of investments		<b>4,552</b>	9,202
Long term musharakah and murabaha borrowings	17	<b>25,971</b>	7,544
Deferred liability		<b>9,747</b>	-
Deferred mark up on long term musharakah	17.1	<b>270,668</b>	228,591
<b>Current liabilities</b>			
Current portion of non-current liabilities	18	<b>295,805</b>	378,893
Short term certificates of musharakah		<b>31,250</b>	45,450
Short term certificates of investments		<b>22,900</b>	25,300
Loan from sponsor		<b>197,542</b>	197,542
Accrued and other liabilities	19	<b>83,317</b>	77,835
Profit / mark up payable	20	<b>190,103</b>	191,527
Liabilities directly associated with assets held for sale of discontinued operation	16	<b>113,197</b>	185,750
		<b>934,114</b>	1,102,297
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,355,204</b>	1,400,814
<b>COMMITMENTS</b>		21	-

The annexed notes form an integral part of this condensed interim financial report.



**Muhammad Asif**  
Chief Executive Officer



**Ejaz Ahmed Khan**  
Director



# Condensed Interim Profit and Loss Account (Un-audited)

For the half year ended December 31, 2013

	Half year ended December 31		Quarter ended December 31	
	2013	2012	2013	2012
— Rupees in thousand —				
<b>Income</b>				
Income from leasing operations	19,230	37,170	10,891	26,872
Operating lease rentals	8,048	42,736	4,635	36,029
Profit / (loss) on musharakah investments	839	5,320	(3,193)	3,066
Income from investment and placement	160	203	80	102
Income / (loss) from finances	508	3,741	(1,786)	691
Income on deposits with banks	242	2,764	157	2,121
Income / (loss) from joint ventures	5,237	(944)	2,388	(2,367)
Dividend income	765	535	352	108
Net gain on sale of marketable securities	3,421	2,871	2,353	2,262
Unrealized (loss) / gain on investment in marketable securities - net	(524)	142	(339)	439
	<u>37,926</u>	<u>94,538</u>	<u>15,538</u>	<u>69,323</u>
<b>Expenses</b>				
Administrative and operating expenses	(26,502)	(88,135)	(12,235)	(56,586)
Financial charges	(31,902)	(59,559)	(13,613)	(27,350)
Waiver of financial charges	15,089	82,011	15,089	56,247
	<u>(43,315)</u>	<u>(65,683)</u>	<u>(10,759)</u>	<u>(27,689)</u>
Other income	(5,389)	28,855	4,779	41,634
	<u>81,473</u>	<u>181,666</u>	<u>80,568</u>	<u>57,929</u>
	<u>76,084</u>	<u>210,521</u>	<u>85,347</u>	<u>99,563</u>
Provision (charged) / reversed on non-performing loans and write-offs				
Provision against:				
Finance lease receivable and rentals - net	(1,298)	(59,347)	1,022	10,870
Long term / short term musharakah finances	835	4,178	(263)	23,174
Long term / short term loans	7,498	(10,563)	7,629	3,101
Other receivables	(1,749)	-	(1,749)	-
Balances written off:				
Lease receivables	(7,835)	-	(7,835)	-
Loans	(264)	-	(264)	-
	<u>(2,813)</u>	<u>(65,732)</u>	<u>(1,460)</u>	<u>37,145</u>
<b>Profit before taxation</b>	<u>73,271</u>	<u>144,789</u>	<u>83,887</u>	<u>136,708</u>
<b>Provision for taxation</b>				
- For the period	(367)	(1,211)	(276)	(1,523)
- Prior period's	-	(424)	-	-
<b>Profit for the period</b>	<u>72,904</u>	<u>143,154</u>	<u>83,611</u>	<u>135,185</u>
<b>Earnings per share - Basic and Diluted</b>				
Rupees per share	<u>0.26</u>	<u>0.50</u>	<u>0.29</u>	<u>0.47</u>

The annexed notes form an integral part of this condensed interim financial report.



**Muhammad Asif**  
Chief Executive Officer



**Ejaz Ahmed Khan**  
Director

## Condensed Interim Statement of Comprehensive Income (Un-audited)

For the half year ended December 31, 2013

	Half year ended December 31		Quarter ended December 31	
	2013	2012	2013	2012
	– Rupees in thousand –			
<b>Profit for the period</b>	<b>72,904</b>	143,154	<b>83,611</b>	135,185
<b>Other comprehensive income</b>				
Items that will be reclassified subsequently to profit or loss				
Unrealized gain on remeasurement of available for sale investments	7,279	1,869	7,279	2,313
<b>Other Items</b>				
Revaluation surplus realized on disposal of revalued assets	-	9,258	-	9,258
Un-realized loss / (gain) on available for Sale investment reclassified to profit and loss account on disposal	313	358	313	254
	<b>7,592</b>	11,485	<b>7,592</b>	11,825
<b>Total comprehensive Income</b>	<b>80,496</b>	154,639	<b>91,203</b>	147,010

The annexed notes form an integral part of this condensed interim financial report.



**Muhammad Asif**  
Chief Executive Officer



**Ejaz Ahmed Khan**  
Director

## Condensed Interim Cash Flow Statement (Un-audited)

For the half year ended December 31, 2013

	Half year ended Dec 31, 2013                      2012	
	– Rupees in thousand –	
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
<b>Profit before taxation</b>	<b>73,271</b>	<b>144,789</b>
<b>Adjustments for non cash charges and other items:</b>		
Depreciation of property, plant and equipment	4,123	5,509
Amortization of intangible assets	579	591
Depreciation on assets leased out	2,664	21,279
Provision charged / (reversed) on non-performing loans and write offs		
Provision against :		
Finance lease receivable and rentals - net	1,298	59,347
Long term / short term musharakah finances	(835)	(4,178)
Long term / short term loans	(7,498)	10,563
Other receivables	1,749	-
Balances written off :		
Lease receivables	7,835	-
Loans	264	-
Amortization of Musharakah TFC's	-	1,256
Financial charges - net	16,813	(23,708)
Gain on settlement of liabilities	(2,216)	(183,707)
(Gain) on disposal of operating assets - net	(130)	(218)
Unrealised loss / (gain) on investments in marketable securities - net	524	(142)
	<b>25,170</b>	<b>(113,408)</b>
<b>Cash flow from operating activities before working capital changes</b>	<b>98,441</b>	<b>31,381</b>
Changes in working capital		
<b>Decrease / (increase) in current assets</b>		
Short term investments	13,093	(15,250)
Short term musharaka finances	2,683	(586)
Short term finances	6,448	4,167
Ijarah rentals receivables	509	(421)
Advances, deposits, prepayments and other receivables	96,150	7,550
Stock in trade	-	209
Assets classified as held for sale - net	(1,000)	-
	<b>117,883</b>	<b>(4,331)</b>
<b>(Decrease) / increase in current liabilities</b>		
Short term certificates of musharakah	(14,200)	(27,950)
Short term certificates of investments	(2,400)	3,500
Accrued and other liabilities	5,482	(4,601)
Liabilities directly associated with assets held for sale of discontinued operation	(71,955)	-
	<b>(83,073)</b>	<b>(29,051)</b>
<b>Cash generated from / (used in) operations</b>	<b>133,251</b>	<b>(2,001)</b>
Financial charges paid	(8,490)	(4,183)
Income tax paid	(374)	(2,100)
	<b>(8,864)</b>	<b>(6,283)</b>
<b>Net cash generated from / (used in) operations</b>	<b>124,387</b>	<b>(8,284)</b>

## Condensed Interim Cash Flow Statement (Un-audited)

For the half year ended December 31, 2013

Half year ended Dec 31,  
2013 2012

– Rupees in thousand –

### b) CASH FLOWS FROM INVESTING ACTIVITIES

<b>Additions in:</b>		
Operating assets	(120)	(242)
Intangible assets	(300)	
<b>Proceeds from disposal of:</b>		
Operating assets	1,104	2,844
Non-current assets held for sale	-	30,601
<b>Proceeds from:</b>		
Long term investments	301	14,008
Long term musharaka finances	1,750	7,910
Net investment in Ijarah finance / assets under Ijarah arrangements	(15,188)	60,083
Long term loans	(69,009)	(1,909)
Long term security deposits	84	2,130
<b>Net cash (used in) / generated from investing activities</b>	<b>(81,378)</b>	<b>115,425</b>

### c) CASH FLOWS FROM FINANCING ACTIVITIES

Security deposits from lessees	958	(46,463)
Repayment of :		
Redeemable capital	(18,914)	-
Long term certificates of musharaka	(18,450)	(16,430)
Long term certificates of investments	(2,700)	(6,800)
Long term musharakah and murabaha borrowings	(8,385)	(4,790)
Musharakah Term Finance Certificates	-	(52,547)
Long term loan	(1,050)	(2,477)
Short term musharakah borrowings	-	(550)
<b>Net cash (used in) financing activities</b>	<b>(48,541)</b>	<b>(130,057)</b>
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(5,532)</b>	<b>(22,916)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>11,451</b>	<b>62,199</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>5,919</b>	<b>39,283</b>

The annexed notes form an integral part of this condensed interim financial report.



**Muhammad Asif**  
Chief Executive Officer



**Ejaz Ahmed Khan**  
Director

# Condensed Interim Statement of Changes in Equity (Un-audited)

For the half year ended December 31, 2013

	Issued, subscribed and paid-up capital	Capital reserve on amalgamation	Gain / (loss) on remeasurement of available for sale investments	Accumulated loss	Total
– Rupees in thousand –					
<b>Balance as at July 01, 2012</b>	2,848,669	(2,022,076)	(582)	(1,116,316)	(290,305)
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	143,154	143,154
Items that will be reclassified subsequently to profit or loss					
Unrealized gain on remeasurement of available for sale investments	-	-	358	-	358
<b>Other items</b>					
Revaluation surplus realized on disposal of revalued assets	-	-	-	9,258	9,258
Un-realized gain on available for sale investment reclassified to profit and loss account on disposal	-	-	1,869	-	1,869
	-	-	2,227	152,412	154,639
<b>Balance as at December 31, 2012</b>	<u>2,848,669</u>	<u>(2,022,076)</u>	<u>1,645</u>	<u>(963,904)</u>	<u>(135,666)</u>
<b>Balance as at July 01, 2013</b>	2,848,669	(2,022,076)	(1,418)	(755,249)	69,926
<b>Total comprehensive income for the period</b>					
Profit for the period	-	-	-	72,904	72,904
Items that will be reclassified subsequently to profit or loss					
Unrealized gain on remeasurement of available for sale investments	-	-	7,279	-	7,279
<b>Other items</b>					
Un-realized gain on available for sale investment reclassified to profit and loss account on disposal	-	-	313	-	313
	-	-	7,592	72,904	80,496
<b>Balance as at December 31, 2013</b>	<u>2,848,669</u>	<u>(2,022,076)</u>	<u>6,174</u>	<u>(682,345)</u>	<u>150,422</u>

The annexed notes form an integral part of this condensed interim financial report.



**Muhammad Asif**  
Chief Executive Officer



**Ejaz Ahmed Khan**  
Director

# Notes to the Condensed Interim Financial Report (Un-audited)

For the half year ended December 31, 2013

## 1. LEGAL STATUS AND OPERATIONS

- 1.1 Invest Capital Investment Bank Limited ('the Company') is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984. The Company is engaged in the business of leasing and investment finance activities as a Non-Banking Finance Company (NBFC) and is regulated by the Securities and Exchange Commission of Pakistan (SECP). The Company is listed on all the stock exchanges of Pakistan. The registered office of the Company is situated at Karachi in the province of Sindh.
- 1.2 In 2009, the Company entered in a scheme of arrangement for the amalgamation by way of merger of Al-Zamin Leasing Corporation Limited (AZLCL) and Al-Zamin Leasing Modaraba (AZLM) with and into Invest Capital Investment Bank Limited. All the assets, liabilities and reserves of AZLCL and AZLM were vested with and assumed by the Company. The Honorable High Court of Sindh approved the amalgamation by way of merger through order dated December 08, 2009 effective from June 30, 2009 (close of business).
- 1.3 The Company is facing financial and operational difficulties. These financial and operational difficulties resulted as under:
- the Company has suffered huge operating losses till 2011 and, as at the balance sheet date, the accumulated loss is Rs. 682.35 million (June 30, 2013: Rs. 755.25 million) and the current liabilities of the Company exceeded its current assets by Rs. 171.73 million (June 30, 2013: by Rs. 239.01 million).
  - net shareholders equity of the Company as at December 31, 2013 is Rs. 276.42 million (June 30, 2013: Rs. 195.93 million) (inclusive of sub-ordinated loan of Rs. 126 million) as compared to the minimum equity level of Rs. 1,700 million (June 30, 2013: Rs. 1,700 million) required under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations, 2008). The Company has been unable to comply with certain prudential regulations as stipulated under Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (NBFC Rules, 2003) and NBFC Regulations, 2008 (Refer Note 1.4).
  - the Company has been unable to comply with the terms of certain loan agreements as explained in detail in the relevant notes to the condensed interim financial report.
  - the Company has been facing difficulty in recovery of its leases and loans portfolio.
  - the leasing and investment finance services licenses of the Company expired on December 08, 2010 and February 29, 2011 respectively and renewal is pending.
  - The Company is defending a suit for windingup of the Company filed by a creditor of the Company having a stake of 1.32% (June 30, 2013 : 1.24%) of the total liabilities as at December 31, 2013 amounting to Rs. 18.35 million (June 30, 2013 : Rs. 17.41 million).

There is material uncertainty related to events and conditions which may cast significant doubt about the Company's ability to continue as a going concern and, therefore the Company may not be able to realize its assets and discharge its liabilities in the normal course of business.

However, the management implemented its multi-facet plan which resulted in improvement in the financial and operational condition of the Company. The plan and efforts and their impact on the financial and operational conditions of the Company are discussed below:

### (a) Substantial reduction in administrative and other expenses

The management of the Company has curtailed its administrative and other operating expenses as reflected in the profit and loss account to minimum possible level.

### (b) Commencement of new leasing business

The Company is mainly carrying out car leasing business at a very attractive rates and reasonable deposit margin. During the period lease finances amounting to Rs. 81.45 million (2012 : Rs. 36.98 million) have been disbursed. Leasing business will result in improvement in the operational results.

# Notes to the Condensed Interim Financial Report (Un-audited)

For the half year ended December 31, 2013

## (c) Settlement / rescheduling of loans / finances with lenders

Management has continued its efforts in settlement / rescheduling of outstanding loans and waiver of mark up with various banks / financial institutions through transfer of Company's lease / loan portfolio and immovable properties / shares / other assets. During the period liabilities amounting to Rs. 54.46 million (2012: Rs. 327.52 million) have been settled / rescheduled, the percentage of liabilities settled to date is 80.79% whereas, liabilities amounting to Rs. 38.92 (2.49%) million (June 30, 2013: Rs. 38.92 million) are under consideration for settlement / rescheduling by the lender, and negotiations are also in process for the remaining amounts. Best efforts are being made to settle the remaining outstanding liabilities.

## (d) Disposal of non-core assets

The management is focusing on disposal of its non-core assets and is in the process of negotiations with lenders / prospective buyers for disposal of properties having book value of Rs. 80.46 million (June 30, 2013: Rs. 80.46 million). This will result in reduction of its liabilities and improvement in the liquidity and equity position of the Company.

## (e) Disposal / transfer of brokerage related assets and liabilities

The Company is in the process of transfer of brokerage business related assets and liabilities to the outgoing group as explained in detail in Note 16. Gain of Rs. 71.96 million has been recognised during the period on transfer of other liability to the outgoing group. This transaction on completion will result in net saving of approximately Rs. 74.87 million for the Company and, therefore, will result in improvement in financial performance and equity of the Company.

## (f) Improved recovery of leases and loans portfolio

Net recovery from leases and loans portfolio during the period is Rs. 89.38 million (2012 : Rs. 109.25 million). This amount has been utilized in the new leasing business, as well as, in meeting the obligations towards depositors and other lenders.

The above mentioned efforts will help to overcome the financial and operational problems and will result in further improvement of financial and operational position of the Company. Considering management's plans and the results of the mitigating actions as discussed in paras (a) to (f) above, management is confident that the Company will be able to continue as a going concern.

1.4 As at December 31, 2013, the Company could not meet the regulatory requirements of NBFC Rules, 2003 and Non-Banking Finance Companies and NBFC Regulations, 2008 mentioned as under:

- Regulation 14(4)(i) : An NBFC shall invest at least 15% of the funds raised through certificate of investment / musharakah, excluding the certificate of investment / musharakah held by financial institutions, in Government securities.
- Regulation 17(1) : Total outstanding exposure (fund and non-fund based) of an NBFC to a person shall not at any time exceed 30% of the equity of the NBFC, provided that the maximum outstanding fund based exposure should not exceed 20% of the NBFC's equity.
- Regulation 17(2) : Total outstanding exposure (fund and non-fund based) of an NBFC to any group shall not exceed 50% of the equity of the NBFC, provided that the maximum outstanding fund based exposure should not exceed 35% of the NBFC's equity.

The Company's request to SECP to allow relaxation of the above-mentioned regulatory requirements and compliance of minimum equity requirement for a period of four years in view of the operational and financial difficulties faced by the Company, is under consideration of SECP. The management expects a favorable response from SECP.

## 2. BASIS OF PREPARATION

### 2.1 Basis of Preparation

This condensed interim financial report has been prepared under the 'historical cost convention' except investments in joint ventures which have been accounted for using equity method, assets classified as held for sale which are stated at the lower of carrying amount and fair value less costs to sell, and available for sale investments which are stated at fair value.

# Notes to the Condensed Interim Financial Report (Un-audited)

For the half year ended December 31, 2013

## 2.2 Statement of Compliance

This condensed interim financial report has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial Reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case the requirements of IAS 34 differ with the requirements of the Companies Ordinance, 1984, the provisions of or the directives issued under the Companies Ordinance, 1984 have been followed.

This condensed interim financial report does not include all the information required for a complete set of financial statements, and should be read in conjunction with the published audited financial statements of the Company for the year ended June 30, 2013.

This condensed interim financial report is un-audited and is being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984.

## 2.3 Functional and Presentation Currency

This condensed interim financial report is prepared in Pakistani Rupee which is the functional and presentation currency of the Company. Figures have been rounded off to the nearest thousand of rupees except earning per share which is in Rupees.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 The accounting policies and methods of computation followed in the preparation of this condensed interim financial report are the same as those applied in the preparation of the published audited financial statements for the year ended June 30, 2013.

### 3.2 Application of new and revised International Financial Reporting Standards

3.2.1 Standards, amendments to published approved accounting standards and interpretations effective from July 01, 2013:

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that became effective during the period and are mandatory for accounting periods of the Company beginning on or after July 01, 2013 but are considered not to be relevant or not to have any significant effect on the Company's operations and are, therefore, not disclosed in this condensed interim financial report.

3.2.2 Standards, amendments to published approved accounting standards and interpretations as adopted in Pakistan, which are not yet effective:

There are other amendments to the standards and new interpretations that are mandatory for accounting periods of the Company beginning on or after July 01, 2014 but are considered not to be relevant or not to have any significant effect on the Company's operations and are, therefore, not disclosed in this condensed interim financial report.

## 4. ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

4.1 The preparation of financial reports in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in this condensed interim financial report are the same as those disclosed in the published audited financial statements for the year ended June 30, 2013.

4.2 Risk management policies and procedures are consistent with those disclosed in the published audited financial statements for the year ended June 30, 2013.



# Notes to the Condensed Interim Financial Report (Un-audited)

For the half year ended December 31, 2013

	Un-audited December 31, 2013	Audited June 30, 2013
	– Rupees in thousand –	
<b>5. PROPERTY, PLANT AND EQUIPMENT - Operating assets</b>	<b><u>75,535</u></b>	<b><u>80,512</u></b>

	Half year ended December 31 (Un-audited)			
	2013		2012	
	Additions	Disposals	Additions	Disposals
	– Rupees in thousand –			
<b>5.1 Acquisitions and disposals of operating assets at cost</b>				
Furniture and fixtures	-	962	962	3,762
Office equipment	120	347	-	2,794
Vehicles	-	1,310	-	1,638
	<u>120</u>	<u>2,619</u>	<u>962</u>	<u>8,194</u>

	Note	Un-audited December 31, 2013	Audited June 30, 2013
		– Rupees in thousand –	
<b>6. LONG TERM INVESTMENTS</b>			
Investment in joint ventures	6.1	55,189	53,402
Available for sale investments:			
- At fair value		24,258	18,594
- At cost		2,563	2,724
		<u>82,010</u>	<u>74,719</u>

## 6.1 Investment in joint ventures

This represents investment in CNG filling stations. The latest available unaudited financial statements of joint ventures as on December 31, 2013 have been used for the purpose of application of equity method.

- Centre Gas (Private) Limited	6.1.1	35,311	33,139
- Ameen Enterprises	6.1.2	19,878	20,263
		<u>55,189</u>	<u>53,402</u>

### 6.1.1 Centre Gas (Private) Limited

Cost	34,536	34,536
Share of profit of joint venture	21,095	16,074
Dividend received	(20,320)	(17,470)
	<u>35,311</u>	<u>33,139</u>

### 6.1.2 Ameen Enterprises

Cost	20,622	20,622
Share of profit of joint venture	5,791	5,576
Drawings	(6,535)	(5,935)
	<u>19,878</u>	<u>20,263</u>

## 7. NET INVESTMENT IN IJARAH FINANCE / ASSETS UNDER IJARAH ARRANGEMENTS

Contracts accounted for as finance lease under IAS 17	7.1	429,329	404,850
Contracts accounted for under IFAS 2		2,364	23,452
		<u>431,693</u>	<u>428,302</u>
Less : Current portion	13	(240,190)	(229,974)
		<u>191,503</u>	<u>198,328</u>

# Notes to the Condensed Interim Financial Report (Un-audited)

For the half year ended December 31, 2013

## 7.1 Net investment in Ijarah finance

Following is a statement of lease receivables accounted for under IAS 17:

	As at December 31, 2013(Un-audited)			As at June 30, 2013(Audited)		
	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 in thousand --					
Minimum lease payments receivable	864,753	124,147	988,900	848,193	135,415	983,608
Residual value of leased assets	13,601	90,294	103,895	13,261	71,370	84,631
Lease contracts receivable	878,354	214,441	1,092,795	861,454	206,785	1,068,239
Unearned lease income (including suspended income)	(172,360)	(17,780)	(190,140)	(173,863)	(17,498)	(191,361)
Provision for potential lease losses	(465,804)	(7,522)	(473,326)	(457,617)	(14,411)	(472,028)
	<u>638,164</u>	<u>(25,302)</u>	<u>(663,466)</u>	<u>631,480</u>	<u>(31,909)</u>	<u>(663,389)</u>
	<u>240,190</u>	<u>189,139</u>	<u>429,329</u>	<u>229,974</u>	<u>174,876</u>	<u>404,850</u>

7.2 The above net investment in finance lease includes non-performing lease portfolio of Rs. 585.42 million (June 30, 2013: Rs. 629.73 million). Detail of non performing leases is as follows:

Category of Classification	As at December 31, 2013(Un-audited)			As at June 30, 2013(Audited)		
	Principal outstanding	Provision required	Provision held	Principal outstanding	Provision required	Provision held
	-- Rupees in thousand --					
Standard	2,962	661	661	33,213	8,303	8,303
Doubtful	44,275	22,137	22,137	19,743	9,871	9,871
Loss	538,178	450,528	450,528	576,773	453,854	453,854
	<u>585,415</u>	<u>473,326</u>	<u>473,326</u>	<u>629,729</u>	<u>472,028</u>	<u>472,028</u>

## 7.3 Ijarah rentals receivable

The rentals receivable for Ijarah contracts accounted for under IFAS 2 are as under:

Note	Un-audited December 31, 2013	Audited June 30, 2013
	-- Rupees in thousand --	
Ijarah rentals receivable	91,376	94,189
Less : Provision against Ijarah rentals receivable	(89,458)	(91,761)
	<u>1,918</u>	<u>2,427</u>

## 8. LONG TERM MUSHARAKAH FINANCES

Secured		
Considered good		
Individuals	-	1,015
Considered doubtful		
Companies (Non-financial institutions)	82,214	84,830
Individuals	97,805	95,924
	<u>180,019</u>	<u>180,754</u>
Provision against impaired balances	(45,985)	(46,817)
	<u>134,034</u>	<u>134,937</u>
Current maturity	13	(128,223)
	<u>5,811</u>	<u>16,658</u>

## 9. LONG TERM LOANS

Considered good		
Employees	557	557
Customers	3,390	-
Other	71,955	-
	<u>75,902</u>	<u>557</u>
Considered doubtful		
Customers	46,193	52,792
Less : Provision	(33,027)	(36,225)
	<u>13,166</u>	<u>16,567</u>
	<u>89,068</u>	<u>17,124</u>
Current maturity	13	(7,407)
	<u>81,661</u>	<u>10,654</u>

## Notes to the Condensed Interim Financial Report (Un-audited)

For the half year ended December 31, 2013

- 9.1 Other receivable of Rs. 71.96 million due from the outgoing group under the agreement for transfer of brokerage business related assets and liabilities (Refer Note 16.3) has been classified as a non current asset due to revision of terms of its repayment. Rs. 24.58 million is receivable in 08 unequal quarterly installments commencing from December 31, 2016 and ending on September 30, 2018, and balance amount of Rs. 47.37 million is receivable in lump sum on December 31, 2018. It is subject to mark up at the rate of six months KIBOR plus 2% per annum.

	Note	Un-audited December 31, 2013	Audited June 30, 2013
— Rupees in thousand —			
<b>10. SHORT TERM INVESTMENTS</b>			
Investments at fair value through profit and loss			
Quoted securities - different listed companies		21,036	30,953
Available for sale			
Quoted securities			
National Bank Of Pakistan		-	3,701
Un-quoted securities			
Dawood Family Takaful Limited - Held for sale		250	250
		<u>21,286</u>	<u>34,903</u>
<b>11. SHORT TERM MUSHARAKAH FINANCES</b>			
Secured			
Impaired balances		129,025	131,708
Provision against impaired balances		(58,519)	(58,522)
		<u>70,506</u>	<u>73,186</u>
<b>12. SHORT TERM FINANCES</b>			
Secured			
Impaired balances		8,855	15,303
Provision against impaired balances		(2,049)	(6,349)
		<u>6,806</u>	<u>8,954</u>
<b>13. CURRENT PORTION OF NON-CURRENT ASSETS</b>			
Net investment in lease finance / assets under ijarah arrangements	7	240,190	229,974
Long term musharakah finances	8	128,223	118,295
Long term loans	9	7,407	6,470
		<u>375,820</u>	<u>354,740</u>
<b>14. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			
Unsecured, considered good			
Advances			
- against purchases and expenses		111	349
- to staff		160	811
- Income tax - net		7,805	7,813
Prepayments		1,065	141
Other receivables	14.1	24,699	111,684
		<u>33,840</u>	<u>120,798</u>
Unsecured, considered doubtful			
Advances			
- against purchases and expenses		5,713	6,191
- to staff		135	-
Deposit with Privatization Commission		10,000	10,000
Other receivables		150,729	159,578
		<u>166,577</u>	<u>175,769</u>
Provision against doubtful balances		(166,577)	(164,827)
		-	10,942
		<u>33,840</u>	<u>131,740</u>

- 14.1 It includes mark up of Rs. 4.01 million (June 30, 2013: Receivable of Rs. 72.55 million and mark up of Rs. 21.64 million) due from the outgoing group under an agreement for transfer of brokerage business related assets and liabilities (Refer Note 16.3). Receivable of Rs. 0.6 million alongwith mark up of Rs. 21.64 million have been settled against term finance certificates and related mark up (Refer Note 18.2)

Other receivable of Rs. 71.96 million due from the outgoing group has been transferred to long term loan due to revision of terms of its repayment (Refer Note 9.1)

# Notes to the Condensed Interim Financial Report (Un-audited)

For the half year ended December 31, 2013

	Note	Un-audited December 31, 2013	Audited June 30, 2013
-- Rupees in thousand --			
<b>15. CASH AND BANK BALANCES</b>			
Balances with banks in local currency:			
In current accounts:			
- State Bank of Pakistan		45	45
- Commercial Banks		<u>2,030</u>	<u>723</u>
		2,075	768
In deposit accounts - commercial banks		<u>3,844</u>	<u>10,683</u>
		<u>5,919</u>	<u>11,451</u>
<b>16. ASSETS CLASSIFIED AS HELD FOR SALE</b>			
The assets classified as held for sale of discontinued operation (Refer Note 16.1) and liabilities directly associated with such assets (Refer Note 16.2) and other non-current assets (Refer Note 16.1) in their respective categories are summarized hereunder:			
<b>16.1 Assets classified as held for sale</b>			
Assets held for sale of discontinued operation	16.3		
Trade debts - unsecured		25,250	25,250
Advances, deposits, prepayments and other receivables		<u>37,067</u>	<u>37,665</u>
		62,317	62,915
Non-current assets held for sale	16.4	183,969	182,969
Total assets classified as held for sale		<u>246,286</u>	<u>245,884</u>
<b>16.2 Liabilities directly associated with assets held for sale</b>	16.3		
Long term loan		5,295	5,295
Short term borrowings		107,902	107,902
Other liability		-	72,552
		<u>113,197</u>	<u>185,750</u>
<b>16.3</b>			
The agreement for transfer of assets and liabilities related to brokerage business to the outgoing group has been revised during the period. Other liability of Rs. 71.96 million has been transferred to the outgoing group on conversion of other receivable of Rs. 71.96 million into long term loan (Refer Note 9.1). Remaining assets and liabilities will be transferred to the outgoing group on completion of other sale conditions as stipulated in clause 5 of the agreement on or before December 31, 2014.			
<b>16.4</b>			
Active campaign is being undertaken to dispose-off the remaining properties at the earliest including settlement against liabilities, if appropriate.			
<b>17. LONG TERM MUSHARAKAH AND MURABAHA BORROWINGS</b>			
Secured			
Musharakah borrowing			
From commercial bank	17.1	26,598	33,333
Murabaha borrowings			
From commercial banks	17.2	40,213	41,263
From other financial institutions	17.2	18,031	18,631
		<u>58,244</u>	<u>59,894</u>
		84,842	93,228
Current portion	18	<u>(58,871)</u>	<u>(85,684)</u>
		<u>25,971</u>	<u>7,544</u>
<b>17.1</b>			
Terms of repayment have been revised during the period. Principal plus future mark up is repayable in 16 equal quarterly installments commenced from September 31, 2013 and ending on June 30, 2017. Overdue mark up for the period till June 30, 2013 is deferred and will be paid in eight equal quarterly installments commencing from September 30, 2017 and ending on September 30, 2019. It is subject to mark up at fixed rate of 6.78% per annum (June 30, 2013 : Three month KIBOR plus 1.5% per annum)			

## Notes to the Condensed Interim Financial Report (Un-audited)

For the half year ended December 31, 2013

- 17.2** Syndicated murabaha borrowings of Rs. 49.12 million (June 30, 2013: Rs. 52.76 million) alongwith related mark up of Rs. 24.66 million (June 30, 2013: Rs. 21.12 million) are overdue. The Company's applications for restructuring / settlement of overdue borrowings and related mark up are pending with the lenders.

Note	Un-audited December 31, 2013	Audited June 30, 2013
— Rupees in thousand —		
<b>18. CURRENT PORTION OF NON-CURRENT LIABILITIES</b>		
Security deposit from lessees	<b>13,601</b>	32,696
Long term certificates of musharakah	<b>21,300</b>	38,250
Long term certificates of investments	<b>4,948</b>	2,998
Long term musharakah and murabaha borrowings	17 <b>58,871</b>	85,684
Musharakah term finance certificates	18.1 <b>38,924</b>	38,924
Term finance certificates	18.2 <b>107,250</b>	128,380
Long term loans	18.3 <b>50,911</b>	51,961
	<u><b>295,805</b></u>	<u><b>378,893</b></u>
<b>18.1</b>	This finance alongwith related mark up of Rs. 17.53 million (June 30, 2013: 15.4 million) is overdue. The Company's application for rescheduling / settlements is pending with the lender.	
<b>18.2</b>	These Term Finance Certificates have matured on September 05, 2013. Term finance certificates of Rs. 17.5 million and related mark up of Rs. 4.74 million have been settled against other receivables and related mark up due from outgoing group (Refer Note 14.1). Term finance certificates amounting to Rs. 107.25 million (June 30, 2013 : Rs. 128.38 million) alongwith related mark up of Rs. 39.29 million (June 30, 2013 : Rs. 36.86 million) are over due. The Company is negotiating with TFC holders for rescheduling / settlement of over due balances.	
<b>18.3</b>	It includes overdue loans of Rs. 50.16 million (June 30, 2013: Rs. 50.16 million). Mark up related to these loans amounting to Rs. 22.19 million (June 30, 2013 : Rs. 19.23 million) is also overdue. The Company's applications for restructuring / settlement of overdue loans and related mark up are pending with the lenders.	
<b>19. ACCRUED AND OTHER LIABILITIES</b>		
Accrued expenses	<b>2,086</b>	3,172
Auditors' remuneration payable	<b>1,935</b>	2,520
Advance against termination of leases	<b>470</b>	461
Unclaimed dividend	<b>6,072</b>	6,072
Advance received against		
Assets of discontinued operation held for sale	<b>24,000</b>	24,000
Other assets - held for sale	<b>8,634</b>	5,000
Other liabilities	<b>40,120</b>	36,610
	<u><b>83,317</b></u>	<u><b>77,835</b></u>
<b>20. PROFIT / MARK UP PAYABLE</b>		
Profit / mark-up payable on:		
- Certificates of musharakah / investments	<b>1,490</b>	7,047
- Long term musharakah and murabaha borrowings	<b>24,630</b>	38,161
- Redeemable capital	<b>39,291</b>	36,865
- Musharakah term finance certificates	<b>18,175</b>	15,404
- Long term loans	<b>22,193</b>	19,233
- Loan from sponsor	<b>84,324</b>	74,819
	<u><b>190,103</b></u>	<u><b>191,529</b></u>
<b>21. COMMITMENTS</b>		
Lease financing contracts committed but not executed at the balance sheet date amounted to Rs. 12.49 million (June 30, 2013 : Rs. 36.40 million).		

# Notes to the Condensed Interim Financial Report (Un-audited)

For the half year ended December 31, 2013

## 22. RELATED PARTY TRANSACTIONS

Related parties comprise of major shareholders, associated companies with or without common directors, staff retirement fund, directors, other key management personnel and their close family members. Contributions to the staff retirement fund, remuneration of key management personnel and loans to employees are made / paid in accordance with the terms of their employment. Other transactions with related parties are entered into at agreed rates.

Details of transactions for the period with related parties, other than those which have been disclosed elsewhere in this condensed interim financial report, are as follows:

	Half year ended December 31,	
	2013	2012
– Rupees in thousand –		
<b>Transactions during the period</b>		
Contribution to staff retirement fund	<u>471</u>	<u>621</u>
Key management compensation	<u>2,724</u>	<u>5,695</u>

## 23. SEGMENT INFORMATION

	December 31, 2013 (Un-audited)				December 31, 2012 (Un-audited)			
	Investment / financing activities	Leasing / Ijarah activities	Other Operations	Total	Investment / financing activities	Leasing / Ijarah activities	Other Operations	Total
Rupees in thousands								
Information about reportable segment profit or loss, assets and liabilities								
Revenue from external customers	5,169	27,278	5,479	37,926	12,811	79,906	1,821	94,538
Interest expense-net	(2,678)	(14,135)	-	(16,813)	3,102	19,350	-	22,452
Depreciation and amortization	(1,173)	(6,193)	-	(7,366)	(3,783)	(23,596)	-	(27,379)
Impairment of assets	6,320	(9,133)	-	(2,813)	(6,365)	(59,347)	-	(65,732)
Reportable segment profit / (loss)	<u>7,637</u>	<u>(2,182)</u>	<u>5,479</u>	<u>10,934</u>	<u>5,745</u>	<u>16,313</u>	<u>1,821</u>	<u>23,879</u>
	December 31, 2013 (Un-audited)				June 30, 2013 (Audited)			
Reportable segment assets	<u>675,307</u>	<u>449,591</u>	<u>230,306</u>	<u>1,355,204</u>	<u>724,202</u>	<u>445,709</u>	<u>230,903</u>	<u>1,400,814</u>
Reportable segment liabilities	<u>(985,524)</u>	<u>(106,061)</u>	<u>(113,197)</u>	<u>(1,204,782)</u>	<u>(1,040,044)</u>	<u>(105,095)</u>	<u>(185,749)</u>	<u>(1,330,888)</u>

	Un-audited December 31, 2013	Un-audited December 31, 2012
– Rupees in thousand –		
Reconciliation of profit		
Net profit for reportable segments	5,455	22,058
Profit from other operations	5,479	1,821
	<u>10,934</u>	<u>23,879</u>
Other administrative and operating expenses	(19,136)	(60,757)
Other income	81,473	181,666
Total profit for the period	<u>73,271</u>	<u>144,788</u>

	Un-audited December 31, 2013	Audited June 30, 2013
– Rupees in thousand –		
Reconciliation of assets and liabilities		
Assets		
Total assets for reportable segments	1,124,898	1,169,911
Assets related to other operations	230,306	230,903
Total assets of the Company	<u>1,355,204</u>	<u>1,400,814</u>
Liabilities		
Total liabilities of reportable segments	(1,091,585)	(1,145,139)
Liabilities related to other operations	(113,197)	(185,749)
Total liabilities of the Company	<u>(1,204,782)</u>	<u>(1,330,888)</u>

## Notes to the Condensed Interim Financial Report (Un-audited)

For the half year ended December 31, 2013

### 24. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial report was authorized for issue on 24th February 2014 by the Board of Directors of the Company.



**Muhammad Asif**  
Chief Executive Officer



**Ejaz Ahmed Khan**  
Director

## Our Network

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