

Quarterly Report
March 31, 2013



INVEST CAPITAL INVESTMENT BANK LIMITED

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Company Information

Board of Directors

Mr. Ahmed Kamran - Chairman
Mr. Naveed Amin - Chief Executive
Mr. Basheer A. Chowdry- Director
Mr. Shaukat Ali - Director
Mr. Muhammad Qasim - Director
Mr. Muhammad Asif - Director
Ms. Ayesha Zahid - Director
Ms. Fiza Zahid - Director

Audit Committee

Mr. Shaukat Ali - Chairman
Mr. Ahmed Kamran - Member
Ms. Fiza Zahid - Member

Human Resource Committee

Mr. Shaukat Ali - Chairman
Mr. Naveed Amin - Member
Mr. Muhammad Asif - Member
Miss Ayesha Zahid - Member
Miss Fiza Zahid - Member

Chief Financial Officer

Mr. M. Naim Ashraf

Company Secretary

Mr. Syed Shahid Owais

Auditors

Avais Hyder Liaquat Nauman
Chartered Accountants

Legal Advisors

Ahmed & Qazi

Share Registrar

CorpTec Associates (Private) Limited,
7/3-G, Mushtaq Ahmed Gurmani Road,
Gulberg - II, Lahore.
Tel: 042-35788097-98 / 042-35755216 (Direct)
Fax: 042-35755215
Email: mimran.csbm@gmail.com

Bankers

Allied Bank Limited
Askari Bank Limited
Summit Bank Limited
Bank Alfalah Limited
Burj Bank Limited
Faysal Bank Limited
Habib Metropolitan Bank Limited
MCB Bank Limited
Meezan Bank Limited
National Bank of Pakistan
State Bank of Pakistan
Standard Chartered Bank (Pakistan) Ltd
United Bank Limited

Registered Office

801-802, 8th Floor, Lakson Square Building
No. 3, Sarwar Shaheed Road, Karachi.
Tel: (92-21) 35205110 / 35661938, 48,58
Fax: (92-21) 35658409 / 35661988
Website: www.icibl.com

Head Office

701-A, City Tower, 6-K Main Boulevard,
Gulberg II, Lahore.
Tel: (92-42) 35770383-86
Fax: (92-42) 35788710

National Tax Number

0656427-5

Directors' Report

The Board of Directors of Invest Capital Investment Bank Limited (the "Bank") is pleased to present before the members of the Bank, the un-audited financial statements for the nine months period ended March 31, 2013.

Performance Review

For quite a long time there has been no improvement in the economic front of the country. The factors responsible for this situation are the consistent shortage of electricity, natural gas, fuel and price inflation along-with deteriorating law and order situation. Additionally, the NBF sector has been facing shortage of liquidity. The only source of funding with them is the recovery from their regular or stuck-up lease/loan portfolios.

The efforts of the present management to run the Bank professionally and efficiently have started giving fruits which is evident from the results of the half year ended December 2012 and the quarter ended March 2013. The main points of focus were as follows which are explained in detail in note 1.3 to the accounts:

1. Maximum possible reduction in the administrative and operating expenses and Financial costs
2. Doing fresh car leasing business
3. Finalizing settlements and rescheduling with banks and financial institutions
4. Disposal of non-core assets
5. Disposal and transfer of brokerage related assets
6. Improving recovery of stuck-up leases and loans

Financial Statements

During the past nine months, your bank earned a profit of Rs. 149.96 million (March 2012 loss Rs. 147.52 million) with earnings per share of Rs. 0.53 (March 2012 Rs. minus 0.52 per share). The gross revenue including other income stood at Rs. 303.20 million as against Rs. 27.35 million of the comparative period of the previous year. The financial charges amounted to Rs. 83.47 million (March 2012 Rs. 162.11 million) and the operating and administrative expenses showed a reduction of Rs. 23.55 million from Rs. 130.13 million as at March 31, 2012 to Rs.106.58 million as at March 31, 2013.

On the balance sheet , total assets came down from Rs. 2,187.11 million to Rs. 1,400.91 million during the last nine months basically due to reduction in the lease/loan portfolio and sale/disposal of assets. The equity and liabilities also reduced by Rs. 786.19 million due to settlement of liabilities.

Directors' Report

A comparison of the current and previous period profit and loss figures is given below:

-----Rs. in million-----

	March 31, 2013	March 31, 2012
Gross Revenue	121.54	143.78
Other Income	181.67	32.03
Administration & Operating expenses	106.58	130.13
Financial charges	83.47	162.11
Profit/ (Loss) for the period before taxation	151.73	(146.08)
Taxation – net	(1.78)	(1.44)
Profit/(Loss) for the period after taxation	149.96	(147.52)
Earnings / (Loss) per Share	0.53	(0.52)

The efforts to achieve further improvement in the earnings and operations of the Bank shall continue to produce better results in the coming months as well.

Acknowledgments

The Board of directors is pleased to place on record its appreciation of the valuable support provided by the Regulatory Authorities, shareholders and lenders. The Board also recognizes the hard work and devotion of the employees of the Bank.

For and on behalf of the Board

Lahore
April 19, 2013



Naveed Amin
Chief Executive Officer

Financial Statements

For the Nine Months Period Ended March 31, 2013

Condensed Interim Balance Sheet (Un-audited)

As at March 31, 2013

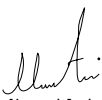
	Note	Un-audited March 31, 2013	Audited June 30, 2012
--- Rupees in thousands ---			
ASSETS			
Non-current assets			
Property, plant and equipment	5	182,296	199,006
Intangible assets		3,057	3,945
Long term investments	6	73,919	84,906
Net investment in Ijarah finance / assets under Ijarah arrangements	7	178,423	166,730
Long term musharakah finances		31,763	36,716
Long term loans		11,548	15,087
Long term security deposits		7,443	10,091
		488,449	516,481
CURRENT ASSETS			
Short term investments	8	18,307	4,514
Short term musharakah finances		77,269	85,547
Short term finances		11,356	8,134
Ijarah rentals receivables	9	5,630	4,755
Current maturity of non-current assets	10	412,292	559,209
Advances, deposits, prepayments and other receivables		156,338	157,877
Stock in trade		229	439
Cash and bank balances	11	17,675	62,199
Assets classified as held for sale	12	213,372	787,955
		912,468	1,670,629
TOTAL ASSETS		1,400,917	2,187,110

Condensed Interim Balance Sheet (Un-audited)


As at March 31, 2013

Note	Un-audited March 31, 2013	Audited June 30, 2012
--- Rupees in thousands ---		
EQUITY AND LIABILITIES		
Share Capital and Reserves		
Authorized capital		
485,000,000 (June 30, 2012 : 485,000,000) ordinary shares of Rs. 10 each		
	4,850,000	4,850,000
Issued, subscribed and paid-up capital		
	2,848,669	2,848,669
Capital reserve on amalgamation		
	(2,022,076)	(2,022,076)
Gain / (loss) on remeasurement of available for sale investments		
	(4,478)	(582)
Accumulated loss		
	(957,102)	(1,116,316)
	(134,987)	(290,305)
Surplus on revaluation of assets		
	-	9,258
Non-current liabilities		
Subordinated loan from directors		
	126,000	126,000
Security deposits from lessees		
	58,224	77,442
Long term certificates of musharakah / deposits		
	23,665	67,878
Long term certificates of investments and deposits		
	3,600	11,824
Long term musharakah and murabaha borrowings		
13	7,620	8,870
Musharakah Term Finance Certificates		
14	-	53,952
Redeemable capital - Term Finance Certificates		
15	-	128,380
Long term loans		
16	227	2,195
	219,336	476,541
Current Liabilities		
Current portion of non-current liabilities		
17	534,676	652,963
Short term certificates of musharakah / deposits		
	55,208	118,430
Short term certificates of investments and deposits		
	32,388	75,782
Short term musharakah borrowings		
	-	1,350
Loan from sponsor		
	197,542	197,542
Creditors, accrued and other liabilities		
	84,900	93,056
Profit / mark up payable		
	226,104	232,867
Liabilities directly associated with the assets classified as held for sale		
12	185,750	619,626
	1,316,568	1,991,616
TOTAL EQUITY AND LIABILITIES		
	1,400,917	2,187,110
CONTINGENCIES AND COMMITMENTS		
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The annexed notes form an integral part of this condensed interim financial report.



Naveed Amin
Chief Executive Officer



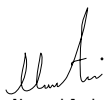
Shaukat Ali
Director

Condensed Interim Profit and Loss Account (Un-audited)


For the Nine Months Period Ended March 31, 2013

	Nine months period ended March 31		Three months period ended March 31		
	Note	2013	2012	2013	2012
--- Rupees in thousand ---					
Income					
Income from leasing operations		52,210	20,813	15,040	9,202
Operating lease rentals		47,047	62,166	4,312	29,619
Profit on musharakah investments		4,829	1,939	(491)	213
Income from investment and placement		278	444	75	115
(Loss) / Income from finances		9,163	37,427	5,422	24,715
Income on deposits with banks		3,103	6,936	338	2,174
(Loss)/ income from joint venturesii		275	9,555	1,218	2,364
Dividend income		4,469	1,500	3,934	-
Net gain / (loss) on sale of marketable securities		3,945	717	1,074	-
Loss from Diesel / CNG filling station - net		(606)	(779)	(606)	-
Unrealized gain on securities - net		(3,176)	3,057	(3,318)	2,479
		121,537	143,775	26,999	70,881
Expenses					
Administrative and operating expenses		(106,580)	(130,131)	(18,445)	(38,547)
Financial charges		(83,467)	(162,107)	(23,908)	(43,766)
Waiver of financial charges		82,012	-	-	-
		(108,035)	(292,238)	(42,354)	(82,313)
		13,502	(148,463)	(15,355)	(11,432)
Other income					
		181,666	32,033	(0)	6,264
		195,168	(116,430)	(15,355)	(5,168)
Provision (charged)/reversed in respect of:					
Finance lease receivable and lease rentals - net		(30,084)	(15,141)	29,263	(6,182)
Lease receivables written-off		(4,812)	-	(4,812)	-
Long term / short term musharakah finances		569	(8,763)	(3,609)	(2,178)
Long term / short term loans		(8,622)	(5,744)	1,941	1
Other receivables written-off		(485)	-	(485)	-
		(43,434)	(29,648)	22,298	(8,359)
Profit /(loss) before taxation					
		151,734	(146,078)	6,943	(13,527)
Provision for taxation					
-For the period		(1,355)	(1,438)	(144)	(523)
-Prior period's		(424)	-	-	-
Profit /(loss) after taxation					
		149,955	(147,516)	6,799	(14,050)
Profit /(loss) per share					
- Basic and diluted - Rupees per share		0.53	(0.52)	0.02	(0.05)

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



Naveed Amin
Chief Executive Officer



Shaukat Ali
Director

Condensed Interim Statement of Comprehensive Income (Un-audited)


For the Nine Months Period Ended March 31, 2013

	Nine months period ended March 31		Three months period ended March 31	
	2013	2012	2013	2012
	--- Rupees in thousand ---			
Profit / (loss) for the period	149,955	(147,516)	6,799	(14,050)
Other comprehensive income / (loss)				
Revaluation surplus realized on disposal of revalued assets	(9,258)	-	-	-
Unrealized gain / (loss) on remeasurement of available for sale investments	(3,896)	(2,850)	(6,123)	(2,482)
Total comprehensive Income/(loss)	136,801	(150,366)	676	(56,805)

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



Naveed Amin
Chief Executive Officer



Shaukat Ali
Director

Condensed Interim Cash Flow Statement (Un-audited)

For the Nine Months Period Ended March 31, 2013

	March 31, 2013	March 31, 2012
--- Rupees in thousands ---		
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(loss) before taxation	151,734	(146,078)
Adjustments for non cash charges and other items:		
Depreciation of property, plant and equipment	9,180	6,981
Amortization of intangible assets	888	849
Depreciation on assets leased out	25,799	45,304
Provision against doubtful finance lease receivable and lease rentals - net	30,084	15,141
Lease receivables written-off	4,812	-
Provision (reversed) / charged against musharakah finances	(568)	8,763
Provision against long term / short term loans	8,622	5,744
Other receivables written-off	485	-
Financial charges - net	1,455	162,107
Gain on settlement of liabilities	(183,707)	-
(Gain) / loss on disposal of operating assets	2,890	24,833
Loss on disposal of non-current assets held for sale	320	-
Unrealised (gain) / loss on investments in marketable securities	3,176	(3,774)
	<u>(96,564)</u>	<u>265,948</u>
Cash flow from operating activities before working capital changes	55,170	119,870
(Increase)/decrease in current assets		
Short term investments	(16,969)	19,569
Short term musharakah finances	1,597	5,100
Short term finances	3,243	19,632
Ijarah rentals receivables	(876)	(334)
Stock in trade	209	(643)
Assets classified as held for sale	-	53,157
Advances, deposits, prepayments and other receivables	1,375	(23,410)
	<u>(11,421)</u>	<u>73,071</u>
Increase/(decrease) in current liabilities		
Short term certificates of musharakah/deposits	(38,222)	(155,997)
Short term certificates of investments and deposits	6,587	3,346
Creditors, accrued and other liabilities	(8,156)	(116,845)
	<u>(39,791)</u>	<u>(269,496)</u>
Cash flow from operating activities after working capital changes	3,958	(76,555)
Financial charges paid	(8,218)	(41,655)
Income tax paid	(2,100)	(7,537)
	<u>(10,318)</u>	<u>(49,192)</u>
Net cash flow from operating activities	(6,360)	(125,747)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure-Net	4,640	(1,604)
Long term investments	7,093	-
Assets classified as held for sale	30,600	21,054
Recovery of net investment in Ijarah finance / assets under Ijarah arrangements	55,905	134,688
Recovery of long term musharakah finances	7,722	6,339
Long term loans	(405)	34,862
Long term security deposits refunded	2,648	(218)
Net cash flow from investing activities	108,203	195,121

Condensed Interim Cash Flow Statement (Un-audited)

For the Nine Months Period Ended March 31, 2013

	March 31, 2013	March 31, 2012
--- Rupees in thousands ---		
CASH FLOWS FROM FINANCING ACTIVITIES		
Subordinated loan from directors	-	126,000
Repayment of liability against assets subject to finance lease	-	(4,804)
Amount received against assets classified as held for sale	-	24,000
Security deposits from lessees refunded	(57,573)	(72,028)
Repayment of :		
Long term certificates of musharakah / deposits	(20,853)	(27,375)
Long term certificates of investments and deposits	(6,800)	-
Long term musharakah and murabaha borrowings	(5,553)	(45,775)
Musharakah Term Finance Certificates	(51,290)	-
Long term loans	(2,949)	(8,795)
Short term borrowings	-	(24,993)
Short term musharakah borrowings	(1,350)	(700)
Net cash flow from financing activities	(146,368)	(34,470)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(44,525)	34,904
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	62,199	15,341
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	17,674	50,245

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



Naveed Amin
Chief Executive Officer



Shaukat Ali
Director

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

For the Nine Months Period Ended March 31, 2013

	Issued, subscribed and paid-up capital	Capital reserve on amalgamation	Gain on remeasurement of available for sale investments	Accumulated loss	Total
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--- Rupees in thousand ---

Balance as at July 01, 2011 2,848,669 (2,022,076) 1,032 (1,125,621) (297,996)

Total comprehensive (loss) for the period

Loss for the period

-	-	-	(147,516)	(147,516)
-	-	(2,850)	-	(2,850)
-	-	(2,850)	(147,516)	(150,366)

Other comprehensive loss
Unrealized (loss) on remeasurement of
available for sale investments

Balance as at March 31, 2012 2,848,669 (2,022,076) (1,818) (1,273,137) (448,362)

Total comprehensive income for the quarter ended June 30, 2012

Profit for the period

-	-	-	156,821	156,821
-	-	1,236	-	1,236
-	-	1,236	156,821	158,057

Transfer of un-recognized gain to
profit and loss account on disposal of
available for sale investments

Balance as at June 30, 2012 2,848,669 (2,022,076) (582) (1,116,316) (290,305)

Total comprehensive income for the period ended on March 31, 2013

Profit for the period

-	-	-	149,955	149,955
-	-	-	9,258	9,258
-	-	(3,896)	-	(3,896)
-	-	(3,896)	159,213	155,317

Other comprehensive income
Revaluation surplus realized on disposal
of revalued assets

Transfer of un-recognized gain
to profit and loss account on disposal of
available for sale investments


Balance as at March 31, 2013 2,848,669 (2,022,076) (4,478) (957,102) (134,988)

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



Naveed Amin

Chief Executive Officer



Shaukat Ali

Director

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

For the Nine Months Period Ended March 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 and liabilities and reserves of the AZLCL and AZLM were vested with and assumed by the Company. The Honourable 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 As already reported, since year 2009 the Company has been facing financial and operational difficulties. These financial and operational difficulties resulted as under:
- the Company has suffered operating losses in the prior years and, as at the balance sheet date, the accumulated loss was Rs. 957.10 million and the current liabilities of the Company exceeded its current assets by Rs. 404.10 million.
 - net shareholders equity of the Company as at March 31, 2013 is negative by Rs. 134.99 million as compared to the minimum equity level of Rs. 1,200 million required under the NBFC Regulations, 2008. The Company is unable to comply with the prudential limits as stipulated under 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.
 - the Company has been facing difficulty in recovery of its non-performing leases and loans portfolio.
 - the leasing and investment finance services licenses of the Company have expired on December 08, 2010 and February 29, 2011 respectively and renewal is pending.

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, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

The management of the Company is actively implementing its plan as disclosed in the published audited financial statements for the year ended June 30, 2012 to address all these financial and operational difficulties. Management's efforts and their results are briefly discussed below:

(a) Substantial reduction in administrative expenses

The management of the Company has substantially curtailed its administrative and other operating expenses to minimum possible level without affecting the operational efficiency of the Company. This is resulting in the improvement of operating results and equity position of the Company as reflected in this condensed interim financial report.

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

For the Nine Months Period Ended March 31, 2013

(b) Commencement of new leasing business

During the period, a further amount of Rs. 80.30 million (gross) has been disbursed in the leasing business at very attractive rates and reasonable deposit margins. Leasing business will result in profits in coming years thereby improving the operational results and equity position of the Company.

(c) Settlement / rescheduling of loans / deposits with lending banks / financial institutions

During the period, further loans / deposits amounting to Rs. 327.52 million have been settled and / or rescheduled. Some other banks / lenders have also agreed in principle for settlement / rescheduling of loans amounting to Rs. 46.11 million. The management is putting their best efforts to settle / reschedule the remaining loans as early as possible.

(d) Disposal of non-core assets

During the period, properties with book value of Rs. 109.79 million have been disposed-off and properties with book value of Rs. 25.78 million have been principally agreed for disposal against settlement of loans / deposits as discussed in para (c) above. A capital gain of Rs. 31.37 million was earned during the period on disposal of non-core assets which has resulted in improvement in 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. This transaction will result in net saving of approximately Rs. 146.83 million for the Company and, therefore, will result in improvement in financial performance and equity of the Company.

(f) Improved recovery of non-performing leases and loans portfolio

During the period, recovery of Rs. 117.11 million was made from non performing leases and loans portfolio and Rs 36.60 from new lease portfolio. 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 plans / measures are resulting in the improvement of financial position and financial results of the Company. Considering management's plans and the results of the mitigating actions as discussed in paragraph (a) to (f) above, management is confident that the Company will be able to continue as a going concern.

1.4 As at March 31, 2013, the Company could not meet the regulatory requirements of NBFC Rules, 2003 and NBFC Regulations, 2008 as disclosed in detail in the published audited financial statements for the year ended June 30, 2012.

- Rule 7(2)(h) : An NBFC shall not make investment in unquoted shares of any company in excess of 20% of its equity.
- Regulation 5(1) : Aggregate liabilities, excluding contingent liabilities and security deposits, of an NBFC shall not exceed ten times of the Company's equity (in case of operations beyond the first two years).
- Regulation 5(2) : Contingent liabilities of an NBFC shall not exceed ten times of the Company's equity (in case of operations beyond the first two years).

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

For the Nine Months Period Ended March 31, 2013

- 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.
- Regulation 28(d) and 30(1) : Total investments of an NBFC in shares, equities or scrips shall not exceed 50% of the NBFC's equity.
- Regulation 28(e) and 30(1) : An NBFC shall not own shares, equities or scrips of any one company in excess of 10% of its own equity or the issued capital of that company, whichever is lower.

The Company's request to SECP to allow relaxation in 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 enabling the Company to recover from this adverse situation.

2. BASIS OF PREPARATION

2.1 Basis of preparation

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

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 do not include all the information required for a complete set of annual financial report, and should be read in conjunction with the published audited financial statements of the Company for the year ended June 30, 2012.

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 Rupees except earning per share which is in Rupees.

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

For the Nine Months Period Ended March 31, 2013

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, 2012.

3.2 Standards, amendments to standards and interpretations effective in current period:

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 beginning on or after July 01, 2012 but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed in this condensed interim financial report.

3.3 Standards, amendments to standards and interpretations becoming effective in future periods:

There are other amendments to the standards and new interpretations that are mandatory for accounting periods beginning on or after July 01, 2013 but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not detailed in this condensed interim financial report.

4. ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

4.1 The preparation of financial report in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make judgements, estimates and assumptions that affect the application of accounting policies and the 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 judgements in applying accounting policies that have the most significant effect on amounts recognized in this condensed interim financial report were the same as disclosed in the published audited financial statements for the year ended June 30, 2012.

4.2 Risk management policies and procedures are consistent with those disclosed in the published audited financial statements for the year ended June 30, 2012.

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

For the Nine Months Period Ended March 31, 2013

	Un-audited March 31, 2012	Audited June 30, 2012
--- Rupees in thousand ---		
5. PROPERTY, PLANT AND EQUIPMENT		
Operating assets	182,296	198,287
Capital work in progress	-	719
	<u>182,296</u>	<u>199,006</u>

	Nine months ended March 31 (Un-audited)			
	2013		2012	
	Additions	Disposals	Additions	Disposals
--- Rupees in thousand ---				
5.1 Acquisitions and disposals of operating assets at cost				
Furniture and fixtures	962	3,844	104	125
Office equipment	-	3,120	226	-
Vehicles	-	2,530	774	7,502
Generators	-	7,625	-	12,476
	<u>962</u>	<u>17,119</u>	<u>1104</u>	<u>20,103</u>

	Note	Un-audited March 31, 2013	Audited June 30, 2012
--- Rupees in thousand ---			

6. LONG TERM INVESTMENTS

Investment in joint ventures	6.1	48,714	54,540
Available for sale investments:			
- At fair value		22,401	27,363
- At cost		2,804	3,003
		<u>73,919</u>	<u>84,906</u>

6.1 Investment in joint ventures

This represent investment in CNG filling stations. The latest available un-audited financial statements of jointventures as on December 31, 2012 have been used for the purpose of application of equity method.

- Centre Gas (Private) Limited	6.1.1	29,858	35,008
- Ameen Enterprises	6.1.2	18,856	19,532
		<u>48,714</u>	<u>54,540</u>

6.1.1 Centre Gas (Private) Limited

Cost	34,536	34,536
Share of profit of joint venture	6,292	5,742
Dividend received	(10,970)	(5,270)
	<u>29,858</u>	<u>35,008</u>

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

For the Nine Months Period Ended March 31, 2013

	Note	Un-audited March 31, 2013	Audited June 30, 2012
---Rupees in thousand---			
6.1.2 Ameen Enterprises			
Cost		20,622	20,622
Share of profit of joint venture		5,970	6,246
Dividend received		(7,736)	(7,336)
		<u>18,856</u>	<u>19,532</u>

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

Contracts accounted for as finance lease under IAS 17	7.1	438,090	490,875
Contracts accounted for under IFAS 2		29,991	93,806
		<u>468,081</u>	<u>584,681</u>
Less : Current portion	10	(289,658)	(417,951)
		<u>178,423</u>	<u>166,730</u>

7.1 Net investment in Ijarah finance

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

	As at March 31, 2013 (Un-audited)			As at June 30, 2012 (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	779,171	225,658	1,004,829	930,259	95,938	1,026,197
Residual value of leased assets	20,800	70,568	91,368	48,770	57,594	106,364
Lease contracts receivable	799,971	296,226	1,096,197	979,029	153,532	1,132,561
Unearned lease income (including suspended income)	(149,106)	(43,183)	(192,289)	(184,412)	(21,539)	(205,951)
Provision for potential lease losses	(361,208)	(104,610)	(465,818)	(376,666)	(59,069)	(435,735)
	<u>(510,313)</u>	<u>(147,793)</u>	<u>(658,107)</u>	<u>(561,078)</u>	<u>(80,608)</u>	<u>(641,686)</u>
	<u>289,658</u>	<u>148,433</u>	<u>438,089</u>	<u>417,951</u>	<u>72,924</u>	<u>490,875</u>

	Note	Un-audited March 31, 2013	Audited June 30, 2012
---Rupees in thousand---			

8. SHORT TERM INVESTMENTS

Investments at fair value through profit and loss		17,571	3,778
Ordinary shares - Quoted			
Available for sale			
Un-quoted securities		736	736
Dawood Family Takaful Limited		<u>18,307</u>	<u>4,514</u>

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

For the Nine Months Period Ended March 31, 2013

	Note	Un-audited March 31, 2013	Audited June 30, 2012
--- Rupees in thousand---			
9. IJARAH RENTAL RECEIVABLES			
The rentals receivable for Ijarah contracts accounted for under IFAS 2 are as under:			
Ijarah rentals receivable		93,130	76,036
Less : Provision against Ijarah rentals receivable		<u>(87,500)</u>	<u>(71,281)</u>
		<u>5,630</u>	<u>5,630</u>
10. CURRENT MATURITY OF NON-CURRENT ASSETS			
Net investment in lease finance / assets under ijarah arrangements		289,658	417,951
Long term musharakah finances		104,305	111,786
Long term loans		<u>18,329</u>	<u>29,472</u>
		<u>412,292</u>	<u>559,209</u>
11. CASH AND BANK BALANCES			
Balances with banks in local currency:			
In current accounts:			
- State Bank of Pakistan		45	45
- Commercial Banks		<u>14,489</u>	<u>15,422</u>
		<u>14,534</u>	<u>15,467</u>
In deposit accounts - commercial banks			
		3,057	46,355
Cash in hand		<u>84</u>	<u>377</u>
		<u>17,675</u>	<u>62,199</u>
12. ASSETS CLASSIFIED AS HELD FOR SALE			
The assets classified as held for sale of discontinued operation and liabilities directly associated with such assets (Refer Note 12.1) and other non-current assets (Refer Note 12.2) in their respective categories are summarized hereunder:			
Assets classified as held for sale			
Assets held for sale of discontinued operation			
Property, plant and equipment		-	22,931
Intangible assets		-	1,691
Long term loans		-	4,951
Long term security deposits and receivables		-	513
Short term investments		-	25,315
Trade debts - unsecured		25,250	306,485
Advances, deposits, prepayments and other receivables		37,665	37,665
Cash and bank balances		-	752
Properties		-	96,488
		<u>62,915</u>	<u>496,791</u>
Non-current assets held for sale	12.2	<u>150,457</u>	<u>291,164</u>
Total assets classified as held for sale		<u>213,372</u>	<u>787,955</u>
Liabilities directly associated with assets held for sale			
Long term loan		5,295	5,295
Short term borrowings		107,903	541,779
		<u>72,552</u>	<u>72,552</u>
Creditors, accrued and other liabilities		<u>185,750</u>	<u>619,626</u>

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

For the Nine Months Period Ended March 31, 2013

- 12.1 The Company has entered into an agreement for transfer of assets and liabilities related to its brokerage business to the outgoing group. The agreement is effective from July 01, 2011. As per terms of the agreement, the outgoing group was liable to pay sale consideration of Rs. 24 million and other liability of Rs. 72.552 million and the Company was liable to transfer the assets and liabilities to the outgoing group on completion of other sale conditions as stipulated in clause 5 of the agreement on or before March 31, 2012 or such extended date as is mutually agreed between the parties. During the period the Company has transferred further assets amounting to Rs. 433.88 million to the outgoing group against payment / settlement of brokerage business related borrowings of Rs. 433.88 million by the outgoing group.
- 12.2 Active campaign is being undertaken to dispose-off the remaining properties at the earliest including settlement against liabilities.

	Note	Un-audited March 31, 2013	Audited June 30, 2012
--- Rupees in thousands ---			
13. LONG TERM MUSHARAKAH AND MURABAHA BORROWINGS			
Secured			
Musharakah borrowings			
From commercial banks		33,333	33,333
Murabaha borrowings			
From commercial banks		48,975	51,610
From other financial institutions		18,931	22,695
		67,906	74,305
		101,239	107,638
Current portion	17	(93,619)	(98,768)
		7,620	8,870
14. MUSHARAKAH TERM FINANCE CERTIFICATES			
TFCs - privately placed and secured			
Commercial banks		128,644	167,567
Financial institutions		-	196,564
Other		38,924	38,924
		167,568	403,055
Current portion	17	(167,568)	(347,847)
		-	55,208
Total initial transaction cost		7,400	7,400
Less : Amortization to date		(7,400)	(6,144)
		-	1,256
		-	53,952
15. REDEEMABLE CAPITAL - TERM FINANCE CERTIFICATES			
Term Finance Certificates		128,380	128,380
Less : Current portion		(128,380)	-
		-	128,380

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

For the Nine Months Period Ended March 31, 2013

- 15.1 Term Finance Certificates (TFCs) were issued by the Company on September 05, 2002. These are perpetual unless put / call options attached to these certificates are exercised. On September 05, 2010 none of the TFC holder exercised the put options, hence the same is continued for further three years and are maturing on September 05, 2013.

	Note	Un-audited March 31, 2013	Audited June 30, 2012
--- Rupees in thousands ---			
16. LONG TERM LOANS			
Secured			
From banking companies			
		38,022	38,023
		12,138	14,613
		2,326	2,800
		<u>52,486</u>	<u>55,436</u>
Unsecured- From Non banking finance company			
		(52,259)	(53,241)
		<u>227</u>	<u>2,195</u>
Less : Current portion	17		

17. CURRENT PORTION OF NON-CURRENT LIABILITIES

Security deposit from lessees		53,130	91,485
Long term certificates of musharakah / deposits		36,875	60,202
Long term certificates of investments and deposits		2,845	1,421
Long term musharakah and murabaha borrowings	13	93,619	98,768
Musharakah term finance certificates	14	167,568	347,847
Term Finance Certificates	15	128,380	-
Long term loans	16	52,259	53,240
		<u>534,676</u>	<u>652,963</u>

18. CONTINGENCIES AND COMMITMENTS

Contingencies

There has been no change in contingencies as stated in the annual financial statements for the year ended June 30, 2012.

Commitments

Lease financing contracts committed but not executed at the balance sheet date amounted to Nil (June 30, 2012 : Rs. 5.20 million).

19. 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.

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

For the Nine Months Period Ended March 31, 2013

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:

	Nine months period ended March 31,	
	2013	2012
	--- Rupees in thousand ---	
Transactions during the period		
Contribution to staff retirement fund	901	1,067
Key management compensation	<u>8,486</u>	<u>11,220</u>

20. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial report was authorized for issue on April 19, 2013 by the Board of Directors of the Company.



Naveed Amin

Chief Executive Officer



Shaukat Ali

Director

Our Network

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