

Quarterly Report

March 31, 2012



INVEST CAPITAL INVESTMENT BANK LIMITED

Company Information	1
Directors' Review	2
Condensed Interim Balance Sheet (Un-audited)	4
Condensed Interim Profit and Loss Account (Un-audited)	5
Condensed Interim Statement of Comprehensive Income (Un-audited)	6
Condensed Interim Cash Flow Statement (Un-audited)	7
Condensed Interim Statement of Changes in Equity (Un-audited)	9
Notes to the Financial Statements (Un-audited)	10
Our Network	19

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

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.esbm@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

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, 2012.

Bank's Review

The overall economic and political conditions remained depressed during the nine months period under review, which are going on in the same fashion for quite a long time now. The law and order situation in Karachi has badly affected the smooth running of the business activities not only in Karachi but also in other cities of the country. The energy crisis i.e extreme load shedding of gas and electricity has badly affected the industries of the country. Due to the continued liquidity crunch in the economy the NBFC sector is still facing difficulties in doing new business hence unable to generate any sizable profits.

The present management of the bank is doing its best to make the bank a profitable institution and this regard has taken various steps discussed in detail in the half yearly report of December 2011. The regulatory issues are also expected to be resolved with the cooperation and assistance of the SECP.

Following are the main targets for bringing the bank back onto the right track (refer to note 1.3):

1. Further reduction in administrative and operating expenses & Financial costs
2. Increasing fresh leasing business
3. Finalizing settlements and rescheduling with banks and financial institutions
4. Urgent disposal of non-core assets
5. Immediate disposal and transfer of brokerage related assets and liabilities
6. Improvement in recovery of stuck-up leases and loans

The management is fully focused on the above points and expects to achieve the same in a short span of time.

Financial Statements

During the nine months under review the bank suffered a loss of Rs. 147.52 million (March 2011 Rs. 385.08 million) with negative earnings of Rs. 0.52 (March 2011 Rs. -1.35) per share. The Gross revenue including other income stood at Rs. 175.81 million as compared to Rs. 197.69 of the relevant period of the previous year. The Financial charges were Rs. 162.11 million (March 2011 Rs. 255.80 million) and the Administration and operating expenses reduced by Rs. 43.23 million from Rs. 173.36 million to Rs. 130.13 million.

On the balance sheet side the total assets reduced from Rs. 3,388.46 million to Rs. 2,480.06 million in nine month's period due reduction of lease and loan portfolio.

A summary of the profit and loss account is given below:

	----- Rs. in million -----	
	March 31, 2012	March 31, 2011
Gross Revenue	143.78	182.80
Other Income	32.03	14.89
Profit/ (Loss) for the period before taxation	(146.08)	(384.64)
Taxation – net	(1.44)	(0.44)
Profit/(Loss) for the period after taxation	(147.52)	(385.08)
Earnings / (Loss) per Share	(0.52)	(1.35)

There is a visible reduction in loss which has been achieved through various corrective measures taken by the management. The reduction in the financial charges, operating expenses, provisioning for lease losses is lot more than the reduction in the income which is mainly due to reduction in lease/loan portfolios.

Delay in presentation of the financial statements

Due to a delay of seven (7) months in presentation of the financial statements of June 2010, the financial statements of June 2011 were also delayed and published on March 20, 2012 and approved in the AGM on 27th April 2012. As a result of the above the review for December 2011 started a bit late and so the quarterly accounts for September 2011, December 2011 and March 2012 got delayed. However, the management is hopeful that annual financial report as of June 2012 will be presented within the statutory time frame.

Acknowledgments

The Board of directors is pleased to place on record their appreciation for the continued support and guidance provided by the Securities and Exchange Commission of Pakistan and the shareholders and the lenders for their cooperation. The devotion and hard work of the employees is also duly recognized by the Board.

For and on behalf of the Board

Lahore
July 20, 2012

Naveed Amin
Chief Executive Officer

Condensed Interim Balance Sheet (Un-audited)

As at March 31, 2012



		Un-audited March 31, 2012	Audited June 30, 2011
	Note	--- Rupees in thousands ---	
ASSETS			
Non-current assets			
Property, plant and equipment	5	287,271	310,817
Intangible assets		4,422	5,635
Long term investments	6	109,282	112,882
Net investment in Ijarah finance / assets under Ijarah arrangements	7	272,840	340,100
Long term musharakah finances		43,629	54,784
Long term loans		14,962	18,784
Long term security deposits		13,176	12,958
Deferred taxation	8	-	-
		745,582	855,960
Current assets			
Short term investments	9	736	20,304
Short term musharakah finances		85,558	95,069
Short term finances		6,137	25,769
Assets acquired in satisfaction of finances		49,500	49,500
Ijarah rentals receivables	7	426	92
Current maturity of non-current assets		566,613	633,153
Advances, deposits, prepayments and other receivables	10	138,723	100,496
Stock in trade		1,263	620
Cash and bank balances	11	50,245	15,341
Assets classified as held for sale	12	835,275	1,592,155
		1,734,476	2,532,499
		2,480,058	3,388,459
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized capital 485,000,000 (June 30, 2011 : 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		(1,817)	1,033
Accumulated loss		(1,273,137)	(1,125,621)
		(448,361)	(297,996)
Surplus on revaluation of assets		9,258	9,258
Non-current liabilities			
Subordinated loan from directors	13	126,000	-
Security deposits from lessees		138,921	154,582
Long term certificates of musharakah / deposits		87,128	112,085
Long term certificates of investments and deposits		7,245	7,345
Long term musharakah and murabaha borrowings	14	-	30,831
Musharakah Term Finance Certificates	15	115,190	245,775
Redeemable capital - Term Finance Certificates	16	128,380	128,380
Long term loans	17	-	-
Deferred revenue		-	1,102
		602,864	680,100
Current liabilities			
Current portion of long term liabilities	18	824,566	774,251
Short term certificates of musharakah / deposits		203,522	359,519
Short term certificates of investments and deposits		88,572	85,226
Short term borrowings	19	19,576	93,301
Short term musharakah borrowings		2,000	2,700
Loan from sponsor	20	197,542	197,542
Creditors, accrued and other liabilities		433,446	233,742
Liabilities directly associated with the assets classified as held for sale	12	547,073	1,250,816
		2,316,297	2,997,097
		2,480,058	3,388,459
TOTAL EQUITY AND LIABILITIES			
CONTINGENCIES AND COMMITMENTS			
	21	-	-

The annexed notes 1 to 25 form an integral part of this condensed interim financial report.

Naveed Amin
Chief Executive Officer

Muhammad Qasim
Director

Condensed Interim Profit and Loss Account (Un-audited)
For the nine months ended March 31, 2012



	Nine months ended March 31		Quarter ended March 31	
	2012	2011	2012	2011
	--- Rupees in thousand ---		--- Rupees in thousand ---	
Income				
Income from leasing operations	20,813	49,783	9,202	10,730
Operating lease rentals	62,166	89,920	29,619	28,589
Profit on musharakah investments	1,939	24,971	213	9,671
Income from investment and placement	444	1,564	115	688
Income from finances	37,427	5,343	24,715	2,322
Income on deposits with banks	6,936	1,310	2,174	(2,888)
Income from joint ventures	9,555	6,357	2,364	2,050
Dividend income	1,500	4,575	-	(2,258)
Net gain / (loss) on sale of marketable securities	717	288	-	(5,058)
Unrealized gain / (loss) on investment in marketable securities - net	3,057	538	2,479	(2,091)
Loss from Diesel / CNG filling station - net	(779)	(1,846)	-	-
	143,775	182,803	70,881	41,755
Expenses				
Administrative and operating expenses	(130,131)	(173,358)	(38,547)	(32,835)
Financial charges	(162,107)	(255,797)	(43,766)	(33,391)
	(292,238)	(429,155)	(82,313)	(66,226)
	(148,463)	(246,352)	(11,432)	(24,471)
Other income	32,033	14,891	6,264	9,358
	(116,430)	(231,461)	(5,168)	(15,113)
Provision (Charged)/Reversed on Non-performing loans and Write-offs				
Provision against doubtful finance lease receivable and lease rentals - net	(15,141)	(50,403)	(6,182)	(15,946)
Provision against other receivables	-	1,500	-	-
Doubtful lease receivables written-off	-	(597)	-	(175)
Other receivables written-off	-	(9,876)	-	-
Provision against long term / short term musharakah finances	(8,763)	(10,970)	(2,178)	(3,893)
Provision against long term / short term loan	(5,744)	(8,308)	1	(3,468)
	(29,648)	(78,654)	(8,359)	(23,482)
Loss before taxation	(146,078)	(310,115)	(13,527)	(38,595)
Loss for the period from discontinuing operation	-	(74,516)	-	(24,324)
Provision for taxation	(1,438)	(447)	(523)	1,845
Loss after taxation	(147,516)	(385,078)	(14,050)	(61,074)
Loss per share				
- Basic	23	(0.52)	(1.35)	(0.05)
- Diluted	23	(0.52)	(1.35)	(0.05)

The annexed notes 1 to 25 form an integral part of this condensed interim financial report.

Naveed Amin
Chief Executive Officer

Muhammad Qasim
Director



Nine months ended March 31		Quarter ended March 31		
2012	2011	2012	2011	
--- Rupees in thousand ---		--- Rupees in thousand ---		
Loss for the period	(147,516)	(385,078)	(14,050)	(61,074)
Other comprehensive income / (loss)				
Unrealized gain / (loss) on remeasurement of available for sale investments	(2,850)	3,002	(2,482)	-
Total comprehensive loss for the period	<u>(150,366)</u>	<u>(382,076)</u>	<u>(16,532)</u>	<u>(61,074)</u>

The annexed notes 1 to 25 form an integral part of this condensed interim financial report.

Naveed Amin
Chief Executive Officer

Muhammad Qasim
Director

Condensed Interim Cash Flow Statement (Un-audited)

For the nine months ended March 31, 2012

	March 31, 2012	March 31, 2011
--- Rupees in thousand ---		
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss Before Taxation	(146,078)	(310,115)
Adjustments for non cash charges and other items:		
Depreciation of property, plant and equipment	6,981	16,003
Amortization of intangible assets	849	1,733
Depreciation on assets leased out	45,304	63,982
Provision against doubtful finance lease receivable and lease rentals - net	15,141	50,403
Provision against other receivables	-	(1,500)
Doubtful lease receivables written-off	-	597
Provision against long term/short term musharaka finances	8,763	10,970
Provision against long term loan/short term loan	5,744	8,308
Other receivables written-off	-	9,876
Financial charges - net	162,107	255,797
(Gain) / loss on disposal of operating assets	24,833	(6,060)
Unrealised (gain) /loss on investments in marketable securities	(3,774)	(538)
	265,948	409,571
Cash flow from operating activities before working capital changes	119,870	99,456
(Increase)/decrease in current assets		
Short term investments	19,569	25,474
Short term musharaka finances	5,100	24,866
Short term finances	19,632	12,035
Stock in trade	(643)	(992)
Ijarah rentals receivables	(334)	(1,882)
Advances, deposits, prepayments and other receivables	(23,410)	59,816
Assets classified as held for sale	53,157	26,253
	73,071	145,570
Increase/(decrease) in current liabilities		
Short term certificates of musharaka/deposits	(155,997)	(202,318)
Short term certificates of investments and deposits	3,346	(14,727)
Creditors, accrued and other liabilities	(116,845)	(26,496)
	(269,496)	(243,541)
Cash flow from operating activities after working capital changes	(76,555)	1,485
Financial charges paid	(41,655)	(170,327)
Income tax paid	(7,537)	(4,531)
	(49,192)	(174,858)
Operating cash flow from discontinued operations	-	(17,014)
Net cash flow from operating activities	(125,747)	(190,387)
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	(1,604)	(4,898)
Long term investments	-	118,588
Net investment in Ijarah finance / assets under Ijarah arrangements	134,688	377,208
Long term musharaka finances	6,339	23,151
Long term loans	34,862	2,251
Long term security deposits	(218)	4,804
Sale proceeds from disposal of tangible fixed assets	21,054	60,384
	195,121	581,488
Investing cash flow from discontinued operations	-	238,997
Net cash flow from investing activities	195,121	820,485

March 31, 2012	March 31, 2011
---------------------------	-------------------

--- Rupees in thousand ---

CASH FLOWS FROM FINANCING ACTIVITIES

Subordinated loan from directors	126,000	-
Loan from sponsor	-	29,521
Repayment of liability against assets subject to finance lease	(4,804)	(5,309)
Security deposits from lessees	(72,028)	(235,275)
Long term certificates of musharaka /deposits	(27,375)	(54,165)
Long term certificates of investments and deposits	-	900
Long term musharaka and murabaha borrowings	(45,775)	(27,541)
Musharaka Term Finance Certificates	-	(52,985)
Long term loan	(8,795)	(95,064)
Short term borrowings	(24,993)	(6,600)
Short term musharakah borrowings	(700)	-
Deferred liability	-	(14,191)
Amount received against assets classified as held for sale	24,000	-
	(34,470)	(460,709)
Financing cash flow from discontinued operations	-	(213,957)
Net cash flow from financing activities	(34,470)	(674,666)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	34,904	(44,568)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	15,341	75,318
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	50,245	30,750

The annexed notes 1 to 25 form an integral part of this condensed interim financial report.

Naveed Amin
Chief Executive Officer

Muhammad Qasim
Director

Condensed Interim Statement of Changes in Equity (Un-audited)
For the nine months ended March 31, 2012



	Issued, subscribed and paid-up capital	Capital reserve on amalgamation	Gain on remeasurement of available for sale investments	Accumulated loss	Total
	Rupees in thousand				
Balance as at July 01, 2010	2,848,669	(2,022,076)	(1,798)	(600,073)	224,722
Total comprehensive income / (loss) for nine months ended March 31, 2011					
Loss for the period	-	-	-	(385,078)	(385,078)
Unrealized gain / (loss) on remeasurement of available for sale investments	-	-	3,002	-	3,002
Balance as at March 31, 2011	2,848,669	(2,022,076)	1,204	(985,151)	(157,354)
Total comprehensive income / (loss) for the quarter ended June 30, 2011					
Loss for the period	-	-	-	(140,470)	(140,470)
Unrealized gain / (loss) on remeasurement of available for sale investments	-	-	(1,906)	-	(1,906)
Transfer of gain / (loss) in the value of investment classified as available for sale taken to profit and loss account	-	-	1,735	-	1,735
Balance as at June 30, 2011	2,848,669	(2,022,076)	1,033	(1,125,621)	(297,995)
Total comprehensive income / (loss) for the period					
Loss for the period	-	-	-	(147,516)	(147,516)
Transfer of gain / (loss) in the value of investment classified as available for sale taken to profit and loss account	-	-	(2,850)	-	(2,850)
Balance as at March 31, 2012	2,848,669	(2,022,076)	(1,817)	(1,273,137)	(448,361)

The annexed notes 1 to 25 form an integral part of this condensed interim financial report.

Naveed Amin
Chief Executive Officer

Muhammad Qasim
Director

I. 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 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** Since year 2009 the Company is facing financial and operational difficulties. These financial and operational difficulties have resulted in Company suffering loss during the period and negative equity as at the balance sheet date. Effective July 2011 new management of the Company have acquired major shareholding and management control of the Company from the outgoing group. A total of Rs. 150 million has been injected by the new management, Rs. 126 million directly as subordinated loan and Rs. 24 million indirectly through outgoing group as consideration of sale of Invest Capital Markets Limited - a wholly owned subsidiary - and Company's brokerage business related assets and liabilities.

The new management is in the process of implementation of a multi-facet plan and is taking measures to address the financial and operational problems being faced by the Company. Brief listing of the plan and efforts are as under:

- Substantial reduction in administrative and other expenses
- Commencement of new car leasing business
- Settlement / rescheduling of loans / deposits with lending banks / financial institutions
- Disposal of non-core assets including properties
- Substantial development in settlement of liabilities of brokerage business by the outgoing group
- Improved recovery of non-performing leases and loans portfolio

Management is hopeful that the above mentioned plans / measures will help overcome the financial and operational problems and will result in the improvement of financial position and financial results of the Company.

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 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, 2011.

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.

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, 2011 except the policy for investment in joint ventures as detailed below:

In previous periods long term investment in joint ventures were carried at cost in the separate financial statements as the Company was also issuing consolidated financial statements. Effective July 01, 2011 the Company is not required to issue consolidated financial statements owing to disposal of subsidiary and, therefore, the Company has changed its accounting policy for investment in joint ventures from cost to equity method to comply with the requirements of IAS 31 'Investment in joint ventures'.

This change in accounting policy has been applied retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'. Since the share of profits of joint ventures was accounted for as dividend / distribution of profits from joint ventures, the change in accounting policy has resulted in decrease of long term investment in joint ventures by Rs. 4.49 million (June 30, 2011 : Rs. 2.52 million) and decrease of other liabilities by Rs. 4.49 million (June 30, 2011 : Rs. 2.52 million).

- 3.2 Amendments to certain existing standards and new interpretations on approved accounting standards effective during the period were not relevant to the Company's operations and did not have any impact on the accounting policies of the Company.

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 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 area 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 were the same as those applied to the published audited financial statements for the year ended June 30, 2011.

- 4.2 Risk management policies and procedures are consistent with those disclosed in the published audited financial statements for the year ended June 30, 2011.

Un-audited March 31, 2012	Audited June 30, 2011
--	-----------------------------

Note --- Rupees in thousand ---

5. PROPERTY, PLANT AND EQUIPMENT

Operating assets	272,831	296,602
Capital work in progress	14,440	14,215
	<u>287,271</u>	<u>310,817</u>

Nine months ended March 31 (Un-audited)			
2012		2011	
Additions	Disposals	Additions	Disposals

--- Rupees in thousand ---

5.1 Acquisitions and disposals of operating assets - at cost

Owned

Land and building	-	-	-	40,725
Plant and machinery	-	-	-	16,150
Furniture and fixtures	104	125	-	265
Office equipments	226	-	891	32
Vehicles	774	7,502	3,657	16,081
Generators	-	12,476	-	-
	<u>1,104</u>	<u>20,103</u>	<u>4,548</u>	<u>73,253</u>

Un-audited March 31, 2012	Audited June 30, 2011
--	-----------------------------

Note --- Rupees in thousand ---

6. LONG TERM INVESTMENTS

Investment in subsidiary - at cost		-	116,850
Investment in joint ventures	6.1	78,368	80,339
Available for sale investments:			
- Ordinary shares & certificates of listed and un-listed entities		26,512	27,165
- Term finance certificates		4,402	5,378
		<u>109,282</u>	<u>229,732</u>
Transferred to assets classified as held for sale		-	(116,850)
		<u>109,282</u>	<u>112,882</u>

6.1 Investment in joint ventures

This represents investment in CNG / Diesel filling stations. The latest available unaudited financial statements of joint ventures as on March 31, 2012 have been used for the purpose of application of equity method.

- Centre Gas (Private) Limited	6.1.1	30,426	32,698
- UMA Enterprises	6.1.2	28,529	26,895
- Ameen Enterprises	6.1.3	19,413	20,746
		<u>78,368</u>	<u>80,339</u>

6.1.1 Centre Gas (Private) Limited

Cost	34,536	34,536
Share of profit / (loss) of joint venture	1,160	(1,838)
Dividend received	(5,270)	-
	<u>30,426</u>	<u>32,698</u>

	Un-audited March 31, 2012	Audited June 30, 2011
Note	--- Rupees in thousand ---	

6.1.2 UMA Enterprises

Cost	27,705	27,705
Share of profit of joint venture	8,099	2,810
Dividend received	(7,275)	(3,620)
	<u>28,529</u>	<u>26,895</u>

6.1.3 Ameen Enterprises

Cost	20,622	20,622
Share of profit of joint venture	6,027	4,360
Dividend received	(7,236)	(4,236)
	<u>19,413</u>	<u>20,746</u>

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

Contracts accounted for as finance lease under IAS 17	7.1	555,784	608,952
Contracts accounted for under IFAS 2		122,085	203,605
		<u>677,869</u>	<u>812,557</u>
Less : Current portion	10	(405,029)	(472,457)
		<u>272,840</u>	<u>340,100</u>

7.1 Net investment in Ijarah finance

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

	As at March 31, 2012 (Un-audited)			As at June 30, 2011 (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	910,565	181,633	1,092,198	921,146	134,428	1,055,574
Residual value of leased assets	53,748	34,686	88,434	94,048	64,643	158,691
Lease contracts receivable	964,313	216,319	1,180,632	1,015,194	199,071	1,214,265
Unearned lease income (including suspended income)	(185,859)	(25,674)	(211,533)	(176,619)	(27,093)	(203,712)
Provision for potential lease losses	(373,425)	(39,890)	(413,315)	(366,119)	(35,482)	(401,601)
	<u>(559,284)</u>	<u>(65,564)</u>	<u>(624,848)</u>	<u>(542,738)</u>	<u>(62,575)</u>	<u>(605,313)</u>
	<u>405,029</u>	<u>150,755</u>	<u>555,784</u>	<u>472,456</u>	<u>136,496</u>	<u>608,952</u>

7.2 Ijarah rentals receivable

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

	Un-audited March 31, 2012	Audited June 30, 2011
Note	--- Rupees in thousand ---	
Ijarah rentals receivable	70,240	44,722
Less : Provision against Ijarah rentals receivable	(69,814)	(44,630)
	<u>426</u>	<u>92</u>

Note	Un-audited March 31, 2012	Audited June 30, 2011
	--- Rupees in thousand ---	

8. DEFERRED TAX ASSET

As at March 31, 2012, net deferred tax asset amounting to Rs. 882 million (June 30, 2011 : Rs. 958 million) has not been recognized as a matter of prudence.

9. SHORT TERM INVESTMENTS

Investments at fair value through profit and loss

Quoted securities - Mutual funds	-	10,585
Quoted securities - Mutual funds	-	8,862
Un-quoted securities		
Dawood Family Takaful Limited		
	736	857
	736	20,304

10. CURRENT MATURITY OF NON-CURRENT ASSETS

Net investment in lease finance / assets under Ijarah arrangements	7	405,029	472,457
Long term musharakah finances		120,558	120,096
Long term loans		41,026	40,600
		566,613	633,153

11. CASH AND BANK BALANCES

Balance with banks in:

Current accounts in local currency with:

- State Bank of Pakistan

- Commercial Banks

	30	101
	8,170	1,345
	8,200	1,446

Deposit accounts - local currency

Cash in hand - local currency

	42,045	14,585
	-	489
	50,245	16,520

Transferred to assets classified as held for sale

12	-	(1,179)
	50,245	15,341

12. ASSETS CLASSIFIED AS HELD FOR SALE

The Company has entered into an agreement for transfer of assets and liabilities related to its brokerage business to the outgoing shareholder group. The agreement is effective from July 01, 2011, and its sale consideration amounting to Rs. 24 million has been received by the Company on July 11, 2011. As per terms of the agreement the outgoing group shall settle entire bank liabilities comprising long term loan and short term borrowings (amounting to Rs. 937.67 million as at June 30, 2011) by March 31, 2012 or such extended date as is mutually agreed between the parties. The Company shall transfer assets to the outgoing group upon the settlement of liabilities. Assets are in use of the outgoing group.

During the nine months ended March 31, 2012 the outgoing group has settled short term borrowings amounting to Rs. 390.60 million and the Company has transferred other liabilities amounting to Rs. 313.13 million to the outgoing group. Consequently, the Company has transferred investment in subsidiary amounting to Rs. 116.85 million and trade debts amounting to Rs. 586.89 million to the outgoing group.

The assets classified as held for sale of discontinued operation and other non-current assets and liabilities directly associated with such assets in their respective categories are summarized hereunder:

Note	Un-audited March 31, 2012	Audited June 30, 2011
------	--	-----------------------------

--- Rupees in thousand ---

12.1 Assets classified as held for sale

Assets held for sale of discontinued operation

Property, plant and equipment	29,213	29,213
Intangible assets	1,691	1,691
Investment in subsidiary - at cost	-	116,850
Long term loans	8,641	8,641
Long term security deposits and receivables	513	513
Short term investments	25,315	25,315
Trade debts - unsecured	285,184	872,077
Advances, deposits, prepayments and other receivables	48,566	48,566
Cash and bank balances	1,179	1,179
Properties	96,488	96,488
	<u>496,790</u>	<u>1,200,533</u>

Non-current assets held for sale

Total assets classified as held for sale	12.3 <u>338,485</u>	<u>391,622</u>
	<u>835,275</u>	<u>1,592,155</u>

12.2 Liabilities directly associated with assets held for sale

Long term loan	6,295	6,295
Short term borrowings	540,778	931,383
Creditors, accrued and other liabilities	-	313,138
	<u>547,073</u>	<u>1,250,816</u>

12.3 These comprise properties approved by the Board of Directors of the Company to be disposed off. Active campaign is being undertaken to dispose-off these properties at the earliest. Subsequently properties amounting to Rs. 75.93 million have been disposed-off against settlement of borrowings.

12.4 The Company has not carried out any brokerage business during the period. The cash flows related to discontinued business are as follows:

Operating cash flows	<u>273,755</u>	-
Investing cash flows	<u>116,850</u>	-
Financing cash flows	<u>(390,605)</u>	-

13. SUBORDINATED LOAN FROM DIRECTORS

This represents subordinated loan provided by the directors in cash to the Company on July 11, 2011. It is interest free. It will not be repaid before clearance of overdue deposits and creditors, upgradation of the Company's ranking to investment grade and compliance of minimum equity requirements.

14. LONG TERM MUSHARAKAH AND MURABAH BORROWINGS

Secured

Musharakah borrowings

From commercial banks	33,333	33,333
-----------------------	--------	--------

Murabaha borrowings

From commercial banks	136,012	150,525
From other financial institutions	29,877	61,140

	<u>165,889</u>	<u>211,665</u>
--	----------------	----------------

	<u>199,222</u>	<u>244,998</u>
--	----------------	----------------

Current portion	18 <u>(199,222)</u>	<u>(214,167)</u>
-----------------	---------------------	------------------

	<u>-</u>	<u>30,831</u>
--	----------	---------------

	Un-audited March 31, 2012	Audited June 30, 2011
	--- Rupees in thousand ---	
15. MUSHARAKAH TERM FINANCE CERTIFICATES		
TFCs - privately placed and secured		
Commercial banks	268,573	268,573
Other financial institutions	237,434	237,434
Other	38,924	38,924
	544,931	544,931
Current portion	(428,264)	(297,014)
	7,400	7,400
Total initial transaction cost	(5,923)	(5,258)
Less : Amortization to date	1,477	2,142
	115,190	245,775
16. REDEEMABLE CAPITAL - TERM FINANCE CERTIFICATES		
Term Finance Certificates	128,380	128,380
Less : Current portion	-	-
	128,380	128,380
17. LONG TERM LOANS		
Secured		
Facility I	38,022	38,022
Facility II, III & IV	65,223	67,724
Facility V	-	6,295
	103,245	112,041
Less : Facility V transferred to liabilities directly associated with discontinued operation	-	(6,295)
Less : Current portion	(103,245)	(105,746)
	-	-
18. CURRENT PORTION OF LONG TERM LIABILITIES		
Liabilities under finance lease arrangements	2,775	7,579
Security deposit from lessees	55,548	111,915
Certificates of musharakah / deposits	35,412	37,830
Certificates of investments and deposits	100	-
Long term musharakah and murabaha borrowings	199,222	214,167
Musharakah Term Finance Certificates	428,264	297,014
Long term loans	103,245	105,746
	824,566	774,251

Note	Un-audited March 31, 2012	Audited June 30, 2011
		--- Rupees in thousand ---

19. SHORT TERM BORROWINGS

Payable under repurchase transaction:

- Clean borrowings - 303,900

Bank finance facilities - secured

Facility II	-	66,188
Facility III	-	75,002
Facility IV	-	27,227
Facility V	-	167,876
Facility VI	-	225,000
Facility VII	-	66,189
Facility VIII	-	48,733
Facility IX	-	24,993
Facility X	-	16,776
	16,776	717,984
From Non-Banking Finance Company - unsecured	2,800	2,800
	19,576	1,024,684

Clean borrowings and facility II to VII transferred to liabilities directly associated with discontinued operation

-	(931,383)
19,576	93,301

20. LOAN FROM SPONSOR

The loan carries profit rate of 13.5% per annum (June 30, 2011 : 13.5% per annum).

21. CONTINGENCIES AND COMMITMENTS

Contingencies

There has been no change in contingencies as stated in the annual financial statements for the year ended June 30, 2011.

Commitments

Lease financing contracts committed but not executed at the balance sheet date amounted to Rs. 9.85 million (June 30, 2011 : Rs. Nil).

Note	Nine months ended March 31 (Un-audited)	
	2012	2011
	--- Rupees in thousand ---	

22. PROVISION FOR TAXATION

Current		
For the period	1,438	447
Deferred	-	-
	1,438	447

23. BASIC AND DILUTED LOSS PER SHARE

Loss after taxation for the period	Rupees in thousand	(147,516)	(385,078)
Weighted average ordinary shares	Number	284,866,896	284,866,896
Loss per share - basic	Rupees	(0.52)	(1.35)
Loss per share - diluted	Rupees	(0.52)	(1.35)

24. RELATED PARTY TRANSACTIONS

Related parties comprise of major shareholders, associated companies with or without common directors, retirement retirement fund, directors, other key management personnel and their close family members. Contributions to the staff retirement fund are made as per the terms of employment. Remuneration of key management personnel are in accordance with their terms of employment. Loans to the employees are in accordance with their terms of 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:

		Nine months ended March 31 (Un-audited)	
Note	2012	2011	
	--- Rupees in thousand ---		

Transactions during the period

Contribution to staff retirement fund	<u>1,067</u>	<u>1,029</u>
Key management compensation	<u>11,220</u>	<u>7,513</u>

25. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial report was authorized for issue on July 20, 2012 by the Board of Directors of the Company.

Naveed Amin
Chief Executive Officer

Muhammad Qasim
Director

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, 7th Floor, City Tower, 6-K
Main Boulevard, Gulberg II, Lahore.
Tel: (92-42) 35770383-86
Fax: (92-42) 35788710

Islamabad Office

11-West, Jinnah Avenue,
Blue Area, Islamabad.
Tel: (92-51) 2270588 / 2279807
Fax: (92-42) 2272813

Peshawar Office

Shop No. LG-524-525
Dean Trade Centre, Islamia Road
Peshawar Cantt.
Tel: (92-91) 5603107 / 5603109

Faisalabad Office

20 Bilal Road, Civil Lines
Faisalabad.
Tel: (92-41) 2626418 / 2620010
Fax: (92-41) 2613467

Gujranwala Office

51-A, Trust Plaza, G.T. Road,
Gujranwala.
Tel: (92-055) 3730308, 3730300
Fax: (92-055) 3731108

Multan Office

Khawar Centre, Nusrat Road, Multan.
Tel: (92-061) 4781699
Fax: (92-061) 4781599



INVEST CAPITAL INVESTMENT BANK LIMITED
Head Office

701-A, City Tower, 6-K, Main Boulevard, Gulberg II, Lahore.

Tel: +92(42) 35770383-86, Fax: +92(42) 35788710

www.icibl.com