

QUARTERLY REPORT  

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SEPTEMBER 30, 2013



INVEST CAPITAL INVESTMENT BANK LIMITED

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# 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 quarter ended September 30, 2013.

## The Review

Since the date of last Directors report on the annual financial statements as at 30th June 2013 there has been no improvement in the economic conditions of the State. There is persistent shortage of Electricity, Natural Gas and Fuel. The price inflation has further increased during this short span of time. The conditions are worse for the general public. There is no change in status of the NBF sector. No source of funding is available for this Sector, it is just relying on the recoveries of the old portfolios to meet its expenditure.

The present management is continuing its efforts to manage the Company in a professional way and has stuck to its plan, details of which are mentioned in note 1.3 to the accounts. The main features of the plan are given below:

1. Reduction in the administrative expenses and financial costs
2. Writing 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 quarter under review there is a loss of Rs. 10.71 million (September 2012 profit Rs. 7.96 million) basically due to provisioning and income suspensing against NPLs. The earnings per share is Rs. (0.04) (September 2012 Rs. 0.03 per share). The Gross revenue including other income stood at Rs. 23.29 million as against Rs. 148.95 million of the comparative period of the previous year. The financial charges amounted to Rs. 18.28 million (September 2012 Rs. 6.44 million) and the administrative expenses decreased by Rs. 17.28 million from Rs. 31.55 million as at September 30, 2012 to Rs. 14.27 million as at September 30, 2013.

The total assets in the Balance Sheet showed a reduction of Rs. 22.54 million and stood at Rs. 1,378.27 million. Similarly the liabilities amounted to Rs. 1,313.45 and the equity moved down slightly to Rs. 64.82 million.

Given below is a comparison of profit and loss figures of the current and previous period of three months:

	Rs. in million	
	September 30, 2013	September 30, 2012
Gross Revenue	22.38	25.21
Other Income	0.91	123.74
Administration & Operating expenses	14.27	31.55
Financial charges	18.29	6.45
Profit/(Loss) for the period before taxation	(10.62)	8.08
Taxation - net	0.09	0.11
Profit/(Loss) for the period after taxation	(10.71)	7.97
Earnings / (Loss) per Share	(0.04)	0.03

## Acknowledgments

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

For and on behalf of the Board



**Muhammad Asif**  
Chief Executive Officer

Lahore  
October 29, 2013

## Condensed Interim Balance Sheet (Un-audited)

As at September 30, 2013

	Note	Un-audited September 30, 2013	Audited June 30, 2013
-- Rupees in thousands --			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5	78,330	80,512
Intangible assets		3,429	3,711
Long term investments	6	80,071	74,719
Net investment in Ijarah finance / assets under Ijarah arrangements	7	183,759	198,328
Long term musharakah finances		9,260	16,658
Long term loans		9,587	10,654
Long term security deposits		2,948	2,948
Deffered tax asset		150,000	150,000
		<b>517,385</b>	<b>537,530</b>
<b>Current assets</b>			
Short term investments	8	19,989	34,903
Short term musharakah finances		71,844	73,186
Short term finances		7,566	8,954
Ijarah rentals receivable	7	2,380	2,427
Current maturity of non-current assets	9	366,846	354,740
Advances, deposits, prepayments and other receivables		145,308	131,740
Cash and bank balances	10	1,073	11,451
Assets classified as held for sale	11	245,884	245,884
		<b>860,890</b>	<b>863,285</b>
<b>TOTAL ASSETS</b>		<b>1,378,275</b>	<b>1,400,815</b>

# Condensed Interim Balance Sheet (Un-audited)

As at September 30, 2013

	Note	Un-audited September 30, 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>	<b>4,850,000</b>
Issued, subscribed and paid-up capital			
Capital reserve on amalgamation		<b>2,848,669</b>	2,848,669
Gain / (loss) on remeasurement of available for sale investments		<b>(2,022,076)</b>	(2,022,076)
Accumulated loss		<b>4,178</b>	(1,418)
		<b>(765,956)</b>	(755,249)
		<b>64,815</b>	69,926
<b>Non-current liabilities</b>			
Subordinated loan from directors	12	<b>126,000</b>	126,000
Security deposits from lessees		<b>77,348</b>	71,938
Long term certificates of musharakah		<b>12,908</b>	13,908
Long term certificates of investment		<b>8,673</b>	9,201
Long term musharakah and murabaha borrowings	13	<b>6,744</b>	7,544
Musharakah term finance certificates	14	-	-
Redeemable capital	15	-	-
Long term loans	16	-	-
		<b>231,673</b>	228,591
<b>Current liabilities</b>			
Current portion of non-current liabilities	17	<b>351,599</b>	378,893
Short term certificates of musharakah		<b>36,100</b>	45,450
Short term certificates of investment		<b>24,100</b>	25,300
Short term musharakah borrowings		-	-
Loan from sponsor	18	<b>197,542</b>	197,542
Accrued and other liabilities		<b>78,076</b>	77,835
Profit / mark up payable		<b>208,620</b>	191,528
Liabilities directly associated with the assets classified as held for sale of discontinued operations	11	<b>185,750</b>	185,750
		<b>1,081,787</b>	1,102,298
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,378,275</b>	<b>1,400,815</b>
<b>COMMITMENTS</b>			

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



**Muhammad Asif**  
Chief Executive Officer



**Fiza Zahid**  
Executive Director

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

For the quarter ended September 30, 2013

	Note	September 30, 2013	September 30, 2012
— Rupees in thousand —			
<b>Income</b>			
Income from leasing operations		8,339	10,298
Operating lease rentals		3,413	6,707
Profit on musharakah investments		4,032	2,254
Income from investment and placement		80	101
Income from finances		2,294	3,050
Income on deposits with banks		85	643
Income from joint ventures		2,849	1,423
Dividend income		413	427
Net gain on sale of marketable securities		1,068	609
Unrealized (loss) on investment in marketable securities - net		(185)	(297)
		<u>22,387</u>	<u>25,214</u>
<b>Expenses</b>			
Administrative and operating expenses		(14,267)	(31,549)
Financial charges - net		(18,289)	(6,445)
		<u>(32,556)</u>	<u>(37,994)</u>
Other income		(10,169)	(12,780)
		<u>905</u>	<u>123,737</u>
		<u>(9,263)</u>	<u>110,957</u>
<b>Provision (Charged)/Reversed on Non-performing loans and Write-offs</b>			
(Provision) against doubtful finance lease receivable and lease rentals - net		(2,320)	(70,217)
Reversal / (Provision) against long term / short term musharakah finances		1,098	(18,996)
(Provision) against long term / short term loans		(131)	(13,664)
		<u>(1,352)</u>	<u>(102,877)</u>
		<u>(10,616)</u>	<u>8,080</u>
<b>(Loss) / profit before taxation</b>			
		<u>(91)</u>	<u>(112)</u>
<b>Provision for taxation</b>			
<b>(Loss) / profit for the period</b>		<u>(10,707)</u>	<u>7,968</u>
<b>Earning per share - Basic and Diluted</b>	20	<u>(0.04)</u>	<u>0.03</u>

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

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

For the quarter ended September 30, 2013

	September 30, 2013	September 30, 2012
— Rupees in thousand —		
<b>(Loss) / profit for the period</b>	(10,707)	7,968
<b>Other comprehensive income / (loss)</b>		
Unrealised (loss) / gain on available for sale investment reclassified to profit and loss account on disposal	(105)	104
Unrealized gain / (loss) on remeasurement of available for sale investments	5,701	(444)
<b>Total comprehensive (loss) / income for the period</b>	<u>(5,111)</u>	<u>7,628</u>



**Muhammad Asif**  
Chief Executive Officer



**Fiza Zahid**  
Executive Director

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

For the quarter ended September 30, 2013

September 30, 2013      September 30, 2012

– Rupees in thousand –

### a) CASH FLOWS FROM OPERATING ACTIVITIES

<b>(Loss) / profit before taxation</b>	<b>(10,616)</b>	<b>8,080</b>
<b>Adjustments for non cash charges and other items:</b>		
Depreciation of property, plant and equipment	1,978	2,149
Amortization of intangible assets	283	423
Depreciation on assets leased out	2,097	11,483
Provision against finance lease receivable and lease rentals - net	2,320	70,217
(Reversal) / provision against long term/short term musharakah finances	(1,098)	18,998
Provision against long term loan/short term loan	131	13,665
Financial charges - net	18,289	6,445
Gain on settlement of liabilities	-	(122,589)
Gain on disposal of operating assets	(645)	(1,148)
Unrealised loss on investments in marketable securities	185	297
	<b>23,539</b>	<b>(62)</b>
<b>Operating cash flows before working capital changes</b>	<b>12,924</b>	<b>8,018</b>

Changes in working capital

#### (Increase)/decrease in current assets

Short term investments	14,729	(13,906)
Short term musharakah finances	1,645	290
Short term finances	1,388	211
Ijarah rentals receivable	47	2,282
Advances, deposits, prepayments and other receivables	(13,659)	16,297
Stock in trade	-	75
	<b>4,149</b>	<b>5,250</b>

#### (Decrease) / increase in current liabilities

Short term certificates of musharakah	(9,350)	(11,525)
Short term certificates of investment	(1,200)	(1,600)
Accrued and other liabilities	241	11,838
	<b>(10,309)</b>	<b>(1,286)</b>

#### Cash (used in) operations

Financial charges paid	6,763	11,981
Income tax paid	(1,196)	(1,753)
	-	-
	<b>(1,196)</b>	<b>(1,753)</b>
<b>Net cash (used in) operating activities</b>	<b>5,567</b>	<b>10,229</b>

### b) CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from disposal of operating assets	849	2,008
Long term investments	244	2,941
Net investment in Ijarah finance / assets under Ijarah arrangements	11,995	13,113
Long term musharakah finances	1,551	1,194
Long term loans	(6,371)	897
Long term security deposits	-	104
<b>Net cash generated from investing activities</b>	<b>8,268</b>	<b>20,256</b>

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

For the quarter ended September 30, 2013

September 30, 2013      September 30, 2012

– Rupees in thousand –

### c) CASH FLOWS FROM FINANCING ACTIVITIES

Security deposits from lessees	(13,689)	(1,993)
Long term certificates of musharakah	(9,174)	(20,928)
Long term certificates of investments	-	-
Long term musharakah and murabaha borrowings	(825)	(1,359)
Musharakah term finance certificates	-	(38,924)
Long term loan	(525)	(1,600)
<b>Net cash (used in) financing activities</b>	<b>(24,213)</b>	<b>(64,804)</b>
<b>Net increase / (decrease) in cash and cash equivalents (a+b+c)</b>	<b>(10,378)</b>	<b>(34,319)</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>1,073</b>	<b>27,880</b>

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



**Muhammad Asif**  
Chief Executive Officer



**Fiza Zahid**  
Executive Director



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

For the quarter ended September 30, 2013

	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 June 30, 2012	2,848,669	(2,022,076)	(582)	(1,116,316)	(290,305)
<b>Total comprehensive income / (loss) for the period</b>					
Profit for the period	-	-	-	7,968	7,968
Unrealized (loss) on remeasurement of available for sale investments	-	-	(444)	-	(444)
Unrealized gain on available for sale investment reclassified to profit and loss account on disposal	-	-	104	-	104
	-	-	(340)	7,968	7,628
Balance as at September 30, 2012	<u>2,848,669</u>	<u>(2,022,076)</u>	<u>(922)</u>	<u>(1,108,348)</u>	<u>(282,677)</u>
Balance as at June 30, 2013	2,848,669	(2,022,076)	(1,418)	(755,249)	69,926
<b>Total comprehensive income / (loss) for the period</b>					
(Loss) for the period	-	-	-	(10,707)	(10,707)
Unrealized gain on remeasurement of available for sale investments	-	-	5,701	-	5,701
Unrealized (loss) on available for sale investment reclassified to profit and loss account on disposal	-	-	(105)	-	(105)
Balance as at September 30, 2013	<u>2,848,669</u>	<u>(2,022,076)</u>	<u>4,178</u>	<u>(765,956)</u>	<u>64,815</u>

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



**Muhammad Asif**  
Chief Executive Officer



**Fiza Zahid**  
Executive Director

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

For the quarter ended September 30, 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 suffered financial and operational difficulties from 2009 to 2011. These financial and operational difficulties resulted as under:
- the Company suffered huge operating losses till 2011 and, as at the balance sheet date, the accumulated loss is Rs. 765.96 million (June 2013: Rs. 755.25 million) and the current liabilities of the Company exceed its current assets by Rs. 220.90 million ( June 2013: Rs 239.01 million).
  - net shareholders equity of the Company as at September 30, 2013 is Rs. 190.82 million (June 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 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 financial statements.
  - 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 windup of the Company filed by a creditor of the Company having a stake of 1.32% of the total liabilities as at 30th September 2013 amounting to Rs. 17.41 million.

There has been 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 without affecting the operational efficiency of the Company. This has resulted in improving the operating results and equity position of the Company.

### (b) Commencement of new leasing business

The Company recommenced leasing business from September 2011 after a considerable gap. The Company is mainly carrying out car leasing business at a very attractive rated and reasonable deposit margin. Since September 2011 leases amounting to Rs. 264.20 million have been disbursed. Leasing business is resulting in profits thereby improving the operational results and equity position of the Company.

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

For the quarter ended September 30, 2013

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

Management has made great progress in settlement / rescheduling of outstanding loans with various banks / financial institutions through transfer of Company's lease / loan portfolio and immovable properties / shares / other assets with waiver of mark-up. Since July 2011 liabilities amounting to Rs. 1,261.57 million have been settled / rescheduled, the percentage of liabilities settled to date is 80.79% whereas, liability amounting to Rs. 38.92 (2.49%) million has been principally agreed for settlement / rescheduling by the lender, and advanced stage negotiations are 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 focused on disposal of its non-core assets. Since July 2011 the management has disposed off properties having book value of Rs. 441.26 million against settlement of liabilities as well as cash. The Company has earned a capital gain of Rs. 105.47 on this account. Also properties having book value of Rs. 80.46 million have been agreed for disposal against settlement of liabilities as well as cash, and requirements in this regard shall be completed in due course. This has resulted 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 11. Since July 2011, net assets of Rs. 824.48 million have been transferred to the outgoing group against payment / settlement of equivalent borrowings of brokerage business by the outgoing group. This transaction on completion 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 leases and loans portfolio

Recovery from leases and loans portfolio has been substantially improved in relation to the previous financial years. Net recovery during the period from July 2011 to September 2013 is Rs. 546.48 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 plans / efforts have helped to overcome the financial and operational problems to a great extent 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 September 30, 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.

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

For the quarter ended September 30, 2013

## 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 does 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, 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.

## 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 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 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, 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 quarter ended September 30, 2013

	Un-audited September 30, 2013	Audited June 30, 2013
	— Rupees in thousand —	
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating assets	<u><b>78,330</b></u>	<u><b>80,512</b></u>

	Quarter ended September 30 (Un-audited)			
	2013		2012	
	Additions	Disposals	Additions	Disposals
	— Rupees in thousand —			
<b>5.1 Acquisitions and disposals of assets at cost</b>				
Furniture and fixtures	-	-	-	500
Office equipments	-	-	23	350
Vehicles	-	<b>1,100</b>	-	1,856
	<u>-</u>	<u><b>1,100</b></u>	<u>-</u>	<u><b>2,706</b></u>

	Note	Un-audited September 30, 2013	Audited June 30, 2013
		— Rupees in thousand —	

### 6. LONG TERM INVESTMENTS

Investment in joint ventures	6.1	<b>56,252</b>	53,402
Available for sale investments:			
- Ordinary shares & certificates (AFS)		<b>21,176</b>	18,593
- Term finance certificates		<b>2,644</b>	2,724
		<u><b>80,071</b></u>	<u><b>74,719</b></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 September 30, 2013 have been used for the purpose of application of equity method.

- Centre Gas (Private) Limited	6.1.1	<b>35,639</b>	33,139
- Ameen Enterprises	6.1.2	<b>20,613</b>	20,263
		<u><b>56,252</b></u>	<u><b>53,402</b></u>

#### 6.1.1 Centre Gas (Private) Limited

Cost	<b>34,536</b>	34,536
Share of profit / (loss) of joint venture	<b>18,573</b>	16,073
Dividend received	<b>(17,470)</b>	(17,470)
	<u><b>35,639</b></u>	<u><b>33,139</b></u>

#### 6.1.2 Ameen Enterprises

Cost	<b>20,622</b>	20,622
Share of profit of joint venture	<b>5,926</b>	5,576
Dividend received	<b>(5,935)</b>	(5,935)
	<u><b>20,613</b></u>	<u><b>20,263</b></u>

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

For the quarter ended September 30, 2013

	Note	Un-audited September 30, 2013	Audited June 30, 2013
– Rupees in thousand –			
<b>7. NET INVESTMENT IN IJARAH FINANCE / ASSETS UNDER IJARAH ARRANGEMENTS</b>			
Contracts accounted for as finance lease under IAS 17	7.1	<b>407,615</b>	404,850
Contracts accounted for under IFAS 2		<b>4,275</b>	23,452
		<b>411,890</b>	428,302
Less : Current portion	10	<b>(228,131)</b>	(229,974)
		<b>183,759</b>	198,328

### 7.1 Net investment in Ijarah finance

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

	As at September 30, 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	816,516	166,402	982,918	848,193	135,415	983,608
Residual value of leased assets	10,674	77,349	88,023	13,261	71,370	84,631
Lease contracts receivable	827,190	243,751	1,070,941	861,454	206,786	1,068,239
Unearned lease income (including suspended income)	(163,616)	(25,940)	(189,556)	(173,863)	(17,498)	(191,361)
Provision for potential lease losses	(435,443)	(38,328)	(473,771)	(457,617)	(14,411)	(472,028)
	<b>(599,059)</b>	<b>(64,268)</b>	<b>(663,327)</b>	<b>(631,480)</b>	<b>(31,909)</b>	<b>(663,389)</b>
	<b>228,131</b>	<b>179,484</b>	<b>407,615</b>	<b>229,974</b>	<b>174,877</b>	<b>404,850</b>

### 7.2 Ijarah rentals receivable

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

	Note	Un-audited September 30, 2013	Audited June 30, 2013
– Rupees in thousand –			
Ijarah rentals receivable		<b>95,466</b>	94,188
Less : Provision against Ijarah rentals receivable		<b>(93,085)</b>	(91,761)
		<b>2,380</b>	2,427

### 8. SHORT TERM INVESTMENTS

#### Investments at fair value through profit and loss

Ordinary shares-At fair value through profit & loss

**19,739** 30,953

Ordinary shares-Available for sale

- 3,700

#### Un-quoted securities

Dawood Family Takaful Limited-Held for sale

**250** 250

**19,989** 34,903

### 9. CURRENT MATURITY OF NON-CURRENT ASSETS

Net investment in lease finance / assets under Ijarah arrangements

7 **228,131** 229,974

Long term musharakah finances

**124,937** 118,295

Long term loans

**13,778** 6,471

**366,846** 354,740

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

For the quarter ended September 30, 2013

	Note	Un-audited September 30, 2013	Audited June 30, 2013
— Rupees in thousand —			
<b>10. CASH AND BANK BALANCES</b>			
Balance with banks in:			
Current accounts in local currency with:			
- State Bank of Pakistan		45	45
- Commercial Banks		<u>613</u>	<u>723</u>
		<u>658</u>	<u>768</u>
Deposit accounts - local currency		<u>415</u>	<u>10,683</u>
		<u><u>1,073</u></u>	<u><u>11,451</u></u>
<b>11. ASSETS CLASSIFIED AS HELD FOR SALE</b>			
<p>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.</p>			
<b>11.1 Assets classified as held for sale</b>			
<b>Assets held for sale of discontinued operation</b>			
Trade debts - unsecured		25,250	25,250
Advances, deposits, prepayments and other receivables		<u>37,665</u>	<u>37,665</u>
		<u>62,915</u>	<u>62,915</u>
<b>Non-current assets held for sale</b>	11.3	<u>182,969</u>	<u>182,969</u>
Total assets classified as held for sale		<u><u>245,884</u></u>	<u><u>245,884</u></u>
<b>11.2 Liabilities directly associated with assets held for sale</b>			
Long term loan		5,295	5,295
Short term borrowings		<u>107,902</u>	<u>107,902</u>
Creditors, accrued and other liabilities		<u>72,553</u>	<u>72,553</u>
		<u><u>185,750</u></u>	<u><u>185,750</u></u>
<b>11.3</b>	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.		
<b>12. SUBORDINATED LOAN FROM DIRECTORS</b>			
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.			
<b>13. LONG TERM MUSHARAKAH AND MURABAHA BORROWINGS</b>			
Secured			
<b>Musharakah borrowings</b>			
From commercial banks		33,333	33,333
<b>Murabaha borrowings</b>			
From commercial banks		<u>40,738</u>	<u>41,264</u>
From other financial institutions		<u>18,331</u>	<u>18,631</u>
		<u>59,069</u>	<u>59,895</u>
		<u>92,403</u>	<u>93,228</u>
Current portion	17	<u><u>(85,659)</u></u>	<u><u>(85,684)</u></u>
		<u><u>6,744</u></u>	<u><u>7,544</u></u>

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

For the quarter ended September 30, 2013

	Note	Un-audited September 30, 2013	Audited June 30, 2013
— Rupees in thousand —			
<b>14. MUSHARAKAH TERM FINANCE CERTIFICATES</b>			
TFCs - privately placed and secured			
Other-individual			
		<u>38,924</u>	38,924
		<u>38,924</u>	38,924
Current portion	17	<u>(38,924)</u>	(38,924)
		-	-
Total initial transaction cost		-	7,400
Less : Amortization to date		-	(7,400)
		-	-
		-	-
<b>15. REDEEMABLE CAPITAL</b>			
Term Finance Certificates			
		128,380	128,380
Less : Current portion	17	<u>(128,380)</u>	(128,380)
		-	-
		-	-
<b>16. LONG TERM LOANS</b>			
Secured			
Facility I			
		38,023	38,023
Facility II, III & IV			
		12,137	12,137
Unsecured- From NBFC's			
		1,276	1,801
		<u>51,436</u>	51,961
Less : Current portion	17	<u>(51,436)</u>	(51,961)
		-	-
		-	-
<b>17. CURRENT PORTION OF LONG TERM LIABILITIES</b>			
Security deposit from lessees			
		13,597	32,696
Long term certificates of musharakah			
		30,075	38,250
Long term certificates of investment			
		3,528	2,998
Long term musharakah and murabaha borrowings			
	13	85,659	85,684
Musharakah term finance certificates			
	14	38,924	38,924
Term Finance Certificates			
	15	128,380	128,380
Long term loans			
	16	51,436	51,961
		<u>351,599</u>	378,893
		-	-
<b>18. LOAN FROM SPONSOR</b>			
The loan carries profit rate of 6 months Kibor (June 30, 2013 : 6 months Kibor).			
<b>19. COMMITMENTS</b>			
Under lease financing contracts committed but not executed			
		11,807	36,400

September Quarter (Un-Audited)  
2013                      2012

### 20. BASIC AND DILUTED (LOSS) / PROFIT PER SHARE

Profit/(Loss) after taxation for the period	Rupees in thousand	<u>(10,707)</u>	7,968
Weighted average number of ordinary shares	Number	<u>284,866,896</u>	284,866,896
Profit/(Loss) per share - basic	Rupees	<u>(0.04)</u>	0.03



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

For the quarter ended September 30, 2013

### 21. 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:

	Quarter ended September 30 (Un-audited)	
	2013	2012
	— Rupees in thousand —	
<b>Transactions during the period</b>		
Contribution to staff retirement fund	<u>286</u>	<u>320</u>
Key management compensation	<u>3,287</u>	<u>2,985</u>

### 22. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial report was authorized for issue on October 29, 2013 by the Board of Directors of the Company.



**Muhammad Asif**  
Chief Executive Officer



**Fiza Zahid**  
Executive Director

# Company Information

## Board of Directors

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

## Audit Committee

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

## Human Resource Committee

Mr. Shaukat Ali	- Chairman
Mr. Muhammad Asif	- Member
Ms. Ayesha Zahid	- Member
Ms. Fiza Zahid	- Member

## Chief Financial Officer & Company Secretary

Mr. M. Naim Ashraf

## Auditors

Avais Hyder Liaquat Nauman  
Chartered Accountants

## Legal Advisors

Ahmed & Qazi

## 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

Allied Bank Limited  
Askari Bank Limited  
Summit Bank Limited  
Burj 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

0656427-7

## Our Network

### Registered Office - Karachi

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Sarwar Shaheed Road, Karachi  
Tel: 021 - 35661968  
Fax: 021 - 35654022  
Website: [www.icibl.com](http://www.icibl.com)

### Head Office - Lahore

701-A, 7th Floor, City Tower, 6-K  
Main Boulevard, Gulberg II, Lahore.  
Tel 042 - 35770383-4  
Fax: 042 - 35788711

### Islamabad

302, 3rd Floor, 82-E Muhammad Gulistan Khan House  
Fazal-e-Haq Road, Blue Area Islamabad  
Tel: 051 - 2279807  
Fax: 051 - 2275202

### Peshawar

Shop No. LG-524-525,  
Dean Trade Centre, Islamia Road,  
Peshawar Cantt.  
Tel: 091 - 5603107 / 5603109

### Faisalabad

20-Bilal Road, Civil Lines,  
Faisalabad.  
Tel: 041 - 2626418 / 2620010  
Fax: 041 - 2613467

### Gujranwala

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



INVEST CAPITAL INVESTMENT BANK LIMITED

**Registered Office:**

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