

QUARTERLY REPORT  

---

SEPTEMBER 30, 2014



INVEST CAPITAL INVESTMENT BANK LIMITED



## Contents

Directors' Report	01
Condensed Interim Balance Sheet (Un-Audited)	02
Condensed Interim Profit and Loss Account (Un-Audited)	04
Condensed Interim Statement of Comprehensive Income (Un-audited)	04
Condensed Interim Cash Flow Statement (Un-Audited)	05
Condensed Interim Statement of Changes in Equity (Un-Audited)	07
Notes to the Condensed Interim Financial Report (Un-Audited)	08
Company Information	16
Our Network	

# Directors' Report

The Directors of Invest Capital Investment Bank Limited (the "Company") are pleased to present to the shareholders, the un-audited financial statements for the Quarter ended September 30, 2014.

## The Review

The company has earned a profit of Rupees 43.51 million (September 2013 loss of Rupees 10.71 million). The earnings per share stood at Rs. 0.15 (September 2013 negative Rs. 0.04). The administrative and operating expenses decreased to Rupees 10.95 million from Rupees 14.27 million as at September 30, 2013, whereas the financial charges posted negative at Rupees 42.59 million, due to reversals and waivers of mark-up amounting to Rupees. 49.02 million in settlement of loans.

There was a reduction of Rupees 37.23 million in the total assets of the Company which amounted to Rupees 1,289.68 million as at 30th September 2014 as against Rupees 1,326.91 million as of 30th June 2014. The equity of the Company increased to Rupees 225.49 million from Rupees 181.98 million of the figure as at 30th June 2014, whereas the liabilities reduced by Rupees 80.74 million mainly due to payment / settlement of liabilities.

A comparison of the current and previous period profit and loss figures is presented below in million rupees:

	September 30, 2014	September 30, 2013
Gross Revenue	12.78	22.30
Other Income	4.39	0.99
Administration & Operating expenses	10.95	14.27
Profit / (Loss) for the period before taxation	43.61	(10.62)
Taxation - net	(0.10)	(.91)
Profit / (Loss) for the period after taxation	43.51	(10.71)
Earnings per Share	0.15	(0.04)

During the quarter gross revenue of Rupees 12.78 million was earned as compared to Rupees 22.30 million of the comparative period last year. The decrease is due to maturity of leases. Fresh leases matching the maturities may only be disbursed if ample funds are available to the Company. The administrative expenses and financial charges have come down further due to the measures taken by the management as per the revival plan.

During the quarter under review the economic conditions of the Country showed a mixed trend. The earlier part of the quarter remained depressed due to political conditions, however, towards the end of the quarter things started to improve. The stock markets also started performing better along-with all other economic and financial activities. The NBF Sector is still facing the problems of liquidity as well as meeting regulatory requirements which were set at high standards during the booming economy. The implementation of SECP Reforms Committee recommendations is still awaited which, when introduced, will provide a clearer road map for the Sector.

## The Plan

In July 2011 the new management put forth a plan for revival of the Company which has shown positive results. The work on the plan continued during the period as well which focused on the following points:

- (1) Settlement of outstanding liabilities
- (2) Disposal of non-core assets
- (3) Disposal / transfer of brokerage related assets and liabilities
- (4) Recovery of non-performing leases and loans portfolio
- (5) Substantial reduction in administrative and other expenses
- (6) Commencement of new leasing business

The above plan helped to a great extent to overcome the financial and operational problems and will further result in improvement of financial position of the Company. The management is confident that the Company will continue as a going concern.

## Credit Rating

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

## Acknowledgments

The guidance and support provided by the Regulatory Authorities and the cooperation of the members and lenders is highly appreciated by the Board of Directors of the Company. The Board also recognizes the devotion and hard work of the staff members of the Company.

For and on behalf of the Board



Muhammad Asif  
Chief Executive Officer

Lahore  
October 29, 2014

## Condensed Interim Balance Sheet (Un-audited)

As at September 30, 2014

	Note	Un-audited September 30, 2014	Audited June 30, 2014
— Rupees in thousands —			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment			
Operating assets	5	68,694	70,495
Intangible assets		2,617	2,838
Long term investments	6	76,808	83,575
Net investment in Ijarah finance / assets under Ijarah arrangements	7	144,174	185,764
Long term musharakah finances	8	-	-
Long term loans	9	87,185	73,544
Long term security deposits		2,863	2,863
Deferred tax asset		150,000	150,000
		<b>532,342</b>	<b>569,079</b>
<b>Current assets</b>			
Short term investments	10	9,454	19,857
Short term musharakah finances	11	70,492	70,507
Short term finances	12	7,835	8,481
Ijarah rentals receivables	7.3	697	1,978
Current portion of non-current assets	13	399,294	381,321
Advances, deposits, prepayments and other receivables	14	41,484	38,446
Cash and bank balances	15	3,139	10,933
Assets classified as held for sale	16.1	224,943	226,304
		<b>757,338</b>	<b>757,826</b>
<b>TOTAL ASSETS</b>		<b>1,289,680</b>	<b>1,326,905</b>

# Condensed Interim Balance Sheet (Un-audited)

As at September 30, 2014

Note	Un-audited September 30, 2014	Audited June 30, 2014
	— Rupees in thousands —	
<b>EQUITY AND LIABILITIES</b>		
<b>Share Capital and Reserves</b>		
Authorized capital 485,000,000 (2014 : 485,000,000) ordinary shares of Rs. 10 each	<u>4,850,000</u>	<u>4,850,000</u>
Issued, subscribed and paid-up capital	<u>2,848,669</u>	2,848,669
Capital reserve	<u>(2,022,076)</u>	(2,022,076)
Capital reserve on amalgamation		
Unrealized gain / (loss) on remeasurement of available for sale investments	<u>11,908</u>	11,908
Revenue reserve		
Accumulated loss	<u>(613,012)</u>	(656,525)
	<u>225,489</u>	181,976
<b>Non-current liabilities</b>		
Subordinated loan from directors	<u>126,000</u>	126,000
Security deposits from lessees	<u>89,452</u>	91,770
Long term certificates of musharakah	<u>10,648</u>	9,448
Long term certificates of investments	<u>2,977</u>	3,502
Long term musharakah and murabaha borrowings	<u>25,708</u>	20,806
Long term loans	-	-
Deferred liability		
Mark up on long term musharakah	<u>9,747</u>	9,747
	<u>264,532</u>	261,274
<b>Current liabilities</b>		
Current portion of non-current liabilities	<u>207,253</u>	243,398
Short term certificates of musharakah	<u>22,495</u>	25,740
Short term certificates of investments	<u>15,000</u>	16,200
Loan from sponsor	<u>197,542</u>	197,542
Accrued and other liabilities	<u>93,367</u>	93,371
Profit / mark up payable	<u>150,805</u>	194,207
Liabilities directly associated with assets held for sale of discontinued operation	<u>113,197</u>	113,197
	<u>799,659</u>	883,655
<b>TOTAL EQUITY AND LIABILITIES</b>	<u><u>1,289,680</u></u>	<u><u>1,326,905</u></u>
<b>COMMITMENTS</b>	-	-

The annexed notes form an integral part of these financial statements.



**Muhammad Asif**  
Chief Executive Officer



**Shaukat Ali**  
Director

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

For the quarter ended September 30, 2014

	September 30, 2014	September 30, 2013
— Rupees in thousand		
<b>Income</b>		
Income from leasing operations	6,337	8,339
Operating lease rentals	1,595	3,413
Profit on musharakah investments	(202)	4,032
Income from investment and placement	-	80
Income from finances	2,415	2,294
Income on deposits with banks	203	85
Income from joint ventures	-	2,849
Dividend income	29	413
Net gain on sale of marketable securities	2,406	1,068
Unrealized gain / (loss) on investment in marketable securities - net	-	(185)
	<b>12,782</b>	<b>22,387</b>
<b>Expenses</b>		
Administrative and operating expenses	(10,951)	(14,267)
Financial charges - net	42,590	(18,289)
	<b>31,639</b>	<b>(32,556)</b>
Other income	44,421	(10,169)
	<b>4,386</b>	<b>905</b>
	<b>48,807</b>	<b>(9,263)</b>
<b>Provision (charged) / reversed on non-performing loans and write-offs</b>		
Reversal / (provision) against:		
Finance lease receivable and rentals - net	(2,896)	(2,320)
Long term / short term musharakah finances	26	1,098
Long term / short term loans	278	(131)
Other receivables	(489)	-
Balances written off:		
Lease receivables	(2,113)	-
	<b>(5,194)</b>	<b>(1,352)</b>
<b>Profit before taxation</b>	<b>43,613</b>	<b>(10,616)</b>
Provision for taxation	(100)	(91)
<b>Profit for the year</b>	<b>43,513</b>	<b>(10,707)</b>
<b>Earnings per share - Basic and Diluted</b>	<b>0.15</b>	<b>(0.04)</b>

The annexed notes form an integral part of these financial statements.

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

For the quarter ended September 30, 2014

	September 30, 2014	September 30, 2013
Profit for the quarter	43,513	(10,707)
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Unrealized gain / (loss) on remeasurement of available for sale investments	-	(105)
Other Items		
Un-realized loss on available for Sale investment reclassified to profit and loss account on disposal	-	5,701
	-	5,596
<b>Total comprehensive Income for the quarter</b>	<b>43,513</b>	<b>(5,111)</b>

The annexed notes form an integral part of these financial statements.



**Muhammad Asif**  
Chief Executive Officer



**Shaukat Ali**  
Director

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

For the quarter ended September 30, 2014

September 30, 2014      September 30, 2013

– Rupees in thousand –

### a) CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation 43,613 (10,616)

#### Adjustments for non cash charges and other item

Depreciation of property, plant and equipment	2,091	1,978
Amortization of intangible assets	301	283
Depreciation on assets leased out	87	2,097
(Reversal) / provision against:		
Long term / short term musharakah finances	(26)	(1,098)
Long term / short term loans	(278)	131
Finance lease receivable and rentals - net	2,896	2,320
Balances written off		
Doubtful lease receivables	2,113	-
Loss / (gain) on disposal of:		
Operating assets	(21)	(645)
Unrealised (gain) / loss on investments in marketable securities	-	185
Financial charges - net	(42,590)	18,289
Gain on settlement of liabilities	(4,373)	-
	<b>(39,800)</b>	<b>23,539</b>

Cash flow from operating activities before working capital changes 3,814 12,924

#### Changes in working capital

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

Short term investments	10,403	14,729
Short term musharakah finances	15	1,645
Short term finances	646	1,388
Ijarah rentals receivables	1,281	47
Advances, deposits, prepayments and other receivables	(3,098)	(13,659)
Assets classified as held for sale - net	763	-

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

Short term certificates of musharakah	(3,245)	(9,350)
Short term certificates of investments	(1,200)	(1,200)
Accrued and other liabilities	(4)	241

Cash generated from / (used in) operations 9,373 6,763

Financial charges paid	(1,428)	(1,196)
Income tax paid	(40)	-

Net cash generated from / (used in) operations **7,905** **5,567**

# Condensed Interim Cash Flow Statement (Un-audited)

For the quarter ended September 30, 2014

September 30, 2014      September 30, 2013

– Rupees in thousand –

## b) CASH FLOWS FROM INVESTING ACTIVITIES

Additions in:		
Operating assets	-	849
Recovery of / (investment in) :		
Long term investments	3,874	244
Net investment in Ijarah finance / assets under Ijarah	22,747	11,995
Long term musharakah finances	40	1,551
Long term loans	(13,618)	(6,371)
Proceeds from disposal of:		
Operating assets	(270)	-
Net cash generated from investing activities	12,773	8,268

## c) CASH FLOWS FROM FINANCING ACTIVITIES

Security deposits from lessees received	(2,318)	(13,689)
Repayment of :		
Redeemable capital	(1,458)	-
Long term certificates of musharakah	(800)	(9,174)
Long term certificates of investments	(4,125)	-
Long term musharakah and murabaha borrowings	(39,282)	(825)
Long term loan	19,511	(525)
Short term musharakah borrowings	-	-
Net cash (used in) financing activities	(28,472)	(24,213)
Net (decrease) in cash and cash equivalents	(7,794)	(10,378)
Cash and cash equivalents at the beginning of the period	10,933	11,451
Cash and cash equivalents at the end of the period	3,139	1,073

The annexed notes form an integral part of these financial statements.



**Muhammad Asif**  
Chief Executive Officer



**Shaukat Ali**  
Director



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

For the quarter ended September 30, 2014

Issued, subscribed and paid-up capital	Capital Reserves			Revenue Reserve	Total	
	Capital reserve on amalgamation	(Loss) / gain on remeasurement of available for sale investments	Sub total	Accumulated loss		
Rupees in thousand						
Balance as at June 30, 2013	2,848,669	(2,022,076)	(1,418)	(2,023,494)	(755,249)	69,926
<b>Total comprehensive income for the year</b>						
Profit for the year	-	-	-	-	98,725	98,725
Other comprehensive income / (loss)						
Items that may be reclassified subsequently to profit or loss						
Unrealized (loss) on remeasurement of available for sale investments	-	-	13,013	13,013	-	13,013
Other items						
Un-realized loss on available for sale investment reclassified to profit and loss account on disposal	-	-	313	313	-	313
Surplus realized on disposal of revalued assets	-	-	-	-	-	-
	-	-	13,325	13,325	98,725	112,050
Balance as at June 30, 2014	2,848,669	(2,022,076)	11,908	(2,010,168)	(656,525)	181,976
<b>Total comprehensive income for the year</b>						
Profit for the year	-	-	-	-	43,513	43,513
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss						
Unrealized gain on remeasurement of available for sale investments	-	-	-	-	-	-
Other items						
Un-realized loss on available for sale investment reclassified to profit and loss account on disposal	-	-	-	-	-	-
	-	-	-	-	43,513	43,513
Balance as at September 30, 2014	2,848,669	(2,022,076)	11,908	(2,010,168)	(613,012)	225,489

The annexed notes form an integral part of these financial statements.



**Muhammad Asif**  
Chief Executive Officer



**Shaukat Ali**  
Director

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

For the quarter ended September 30, 2014

## 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 A-603,604, 6th floor, Lakson Square Building No 3, Sarwar Shaheed Road, 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. 613.01 million (2014: Rs. 656.52 million) and the current liabilities of the Company exceed its current assets by Rs. 42.32 million (2014: Rs. 125.83 million).
  - The Company has been unable to comply with certain prudential regulations as stipulated under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) (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 winding up of the Company filed by a creditor of the Company having a stake of 1.85% (2014: 1.68%) of the total liabilities as at September 30, 2014 amounting to Rs. 17.41 million (2014 : 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 IRR and reasonable deposit margin. Leasing business is resulting in profits thereby improving the operational results and equity position of the Company.

### (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. As at 30th September, 2014 liabilities amounting to Rupees 113.66 are left to be settled.

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

For the quarter ended September 30, 2014

**(d) Disposal of non-core assets**

The management is focused on disposal of its non-core assets. This has resulted in reduction of liabilities and improvement in the liquidity and equity position of the Company.

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

The Company is in the process of transfer of brokerage business related assets and liabilities to the outgoing group as explained in detail in Note 16.

**(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. 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, 2014, the Company could not meet the regulatory requirements of NBFC Rules, 2003 and Non-Banking Finance Companies and NBFC Regulations, 2008 mentioned as under:

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

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

## **2. BASIS OF PREPARATION**

### **2.1 Statement of compliance**

These condensed interim financial statements have been prepared in accordance with the requirements of the Companies Ordinance 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) the directives issued by the Securities and Exchange Commission of Pakistan (SECP) and approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Accounting / Financial Reporting Standards (IASs / IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations or the directives issued by SECP differ with the requirements of IASs / IFRSs, requirements of the Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.

These condensed interim financial statements do not include all the information required for a complete set of financial statements, and should be read in conjunction with the published audited financial statements of the Company for the year ended June 30, 2014.

These condensed interim financial statements are un-audited and are being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984.

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

For the quarter ended September 30, 2014

## 2.2 Basis of measurement

These financial statements have been prepared under the 'historical cost convention' except:

- Investments at fair value through profit and loss and Investments available for sale are stated at fair value.
  
- Non-current assets held for sale are stated at lower of carrying amount and fair value less costs to sell.

## 2.3 Functional and presentation currency

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

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

**3.1** The accounting policies and methods of computation followed in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the published audited financial statements for the year ended June 30, 2014.

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

**3.2.1** Standards, amendments to published approved accounting standards and interpretations effective from July 01, 2014:

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that became effective during the period and are mandatory for accounting periods of the Company beginning on or after July 01, 2014 but are considered not to be relevant or not to have any significant effect on the Company's operations and are, therefore, not disclosed in these condensed interim financial statements.

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

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

## 4. ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

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

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

Significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in these condensed interim financial statements are the same as those disclosed in the published audited financial statements for the year ended June 30, 2014.

**4.2** Risk management policies and procedures are consistent with those disclosed in the published audited financial statements for the year ended June 30, 2014.

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

For the quarter ended September 30, 2014

	Un-audited September 30, 2014	Audited June 30, 2014
– Rupees in thousand –		
<b>5. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating assets	68,694	70,495
	<u>68,694</u>	<u>70,495</u>

Quarter ended September 30 (Un-audited)			
2014		2013	
Additions	Disposals	Additions	Disposals
– Rupees in thousand –			

## 5.1 Acquisitions and disposals of operating assets at cost

Vehicles	-	117	-	1,100
	<u>-</u>	<u>117</u>	<u>-</u>	<u>1,100</u>

	Note	Un-audited September 30, 2014	Audited June 30, 2014
– Rupees in thousand –			

## 6. LONG TERM INVESTMENTS

Investment in joint ventures	6.1	49,839	52,445
Available for sale investments			
- At fair value		25,127	28,887
- At cost		1,842	2,243
		<u>76,808</u>	<u>83,575</u>

### 6.1 Investment in joint ventures

This represents investment in CNG filling stations. The latest available audited financial statements of joint ventures as on September 30, 2014 have been used for the purpose of application of equity method.

- Centre Gas (Private) Limited	6.1.1	30,680	33,305
- Ameen Enterprises	6.1.2	19,159	19,140
		<u>49,839</u>	<u>52,445</u>

#### 6.1.1 Centre Gas (Private) Limited

The movement in Company's share of net assets of Centre Gas (Private) Limited (CGL) is as under:

Cost	34,536	34,536
Cumulative share of profit of joint venture	24,518	24,518
Dividend received	(28,374)	(25,748)
	<u>30,680</u>	<u>33,305</u>

#### 6.1.2 Ameen Enterprises

The movement in Company's share of net assets of Ameen Enterprises (AE) is as under:

Cost	20,622	20,622
Cumulative share of profit of joint venture	4,972	4,953
Drawings	(6,435)	(6,435)
	<u>19,159</u>	<u>19,140</u>

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

Contracts accounted for as finance lease under IAS 17	7.1	394,447	417,762
Contracts accounted for under IFAS 2		490	777
		<u>394,937</u>	<u>418,539</u>
Less : Current portion	13	(250,763)	(232,775)
		<u>144,174</u>	<u>185,764</u>

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

For the quarter ended September 30, 2014

## 7.1 Net investment in Ijarah finance

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

	As at September 30, 2014 (Unaudited)			As at June 30, 2014 (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			Rupees in thousand		
Minimum lease payments receivable	798,471	129,727	928,198	836,371	117,929	954,300
Residual value of leased assets	13,933	90,795	104,728	12,958	91,770	104,728
Lease contracts receivable	812,404	220,522	1,032,926	849,329	209,699	1,059,028
Unearned lease income (including suspended income)	(140,931)	(34,762)	(175,693)	(164,397)	(16,979)	(181,376)
Provision for potential lease losses	(420,710)	(42,076)	(462,786)	(452,157)	(7,733)	(459,891)
	250,763	143,684	394,447	232,775	184,987	417,762

7.2 The above net investment in finance lease includes non-performing lease portfolio of Rs. 612.11 million (2014: Rs. 595.33 million). Detail of non performing leases is as follows:

Category of classification	As at September 30, 2014 (Unaudited)			As at June 30, 2014 (Audited)		
	Principal outstanding	Provision required	Provision held	Principal outstanding	Provision required	Provision held
	Rupees in thousand			Rupees in thousand		
Substandard	24,329	6,011	6,011	4,028	1,007	1,007
Doubtful	30,907	15,453	15,453	32,944	16,317	16,317
Loss	556,874	441,322	441,322	558,355	442,567	442,567
	612,110	462,786	462,786	595,325	459,891	459,891

Un-audited  
September 30,  
2014

Audited  
June 30,  
2014

– Rupees in thousand –

## Assets under Ijarah arrangement

### 7.3 Ijarah rentals receivable

Ijarah rentals receivable	86,300	89,028
Less : Provision against Ijarah rentals receivable	<u>(85,603)</u>	<u>(87,050)</u>
	<u>697</u>	<u>1,978</u>

## 8. LONG TERM MUSHARAKAH FINANCES

Secured

Considered doubtful

Companies (non-financial institutions)

Individuals

Provision against doubtful balances

Less: Current portion

	84,083	84,083
	<u>95,489</u>	<u>95,530</u>
	179,572	179,613
	<u>(45,675)</u>	<u>(45,701)</u>
	<u>133,898</u>	<u>133,913</u>
	133,898	133,913
	13	(133,898)
	<u>-</u>	<u>(133,913)</u>

## 9. LONG TERM LOANS

Considered good

Ex-employee

Customers

Outgoing group

Considered doubtful

Customers

Provision against doubtful balances

Less: Current portion

	557	557
	742	742
	<u>71,955</u>	<u>71,955</u>
	<u>73,254</u>	<u>73,254</u>
	61,369	47,750
	<u>(32,804)</u>	<u>(32,826)</u>
	<u>28,564</u>	<u>14,924</u>
	101,818	88,178
	13	(14,633)
	<u>87,185</u>	<u>73,544</u>

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

For the quarter ended September 30, 2014

	Note	Un-audited September 30, 2014	Audited June 30, 2014
– Rupees in thousand –			
<b>10. SHORT TERM INVESTMENTS</b>			
Investments at fair value through profit or loss			
Quoted securities - different listed companies		<u>9,454</u>	<u>19,857</u>
<b>11. SHORT TERM MUSHARAKAH FINANCES</b>			
Secured			
Considered doubtful		129,010	129,025
Provision against doubtful balances		<u>(58,519)</u>	<u>(58,519)</u>
		<u>70,492</u>	<u>70,507</u>
<b>12. SHORT TERM FINANCES</b>			
Secured			
Considered doubtful		9,618	10,520
Provision against doubtful balances		<u>(1,783)</u>	<u>(2,039)</u>
		<u>7,835</u>	<u>8,481</u>
<b>13. CURRENT PORTION OF NON-CURRENT ASSETS</b>			
Net investment in lease finance / assets under Ijarah arrangements	7	250,763	232,775
Long term musharakah finances	8	133,898	133,913
Long term loans	9	14,633	14,633
		<u>399,294</u>	<u>381,321</u>
<b>14. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			
Unsecured			
Considered good			
Advances			
- against purchases and expenses		285	165
- to staff		10	15
- Income tax - net		6,501	6,561
Prepayments		667	31
Other receivables		<u>34,021</u>	<u>31,674</u>
		<u>41,484</u>	<u>38,446</u>
Considered doubtful			
Advances			
- against purchases and expenses		5,285	5,285
- to ex-staff		485	485
Deposit with Privatization Commission		10,000	10,000
Other receivables		<u>151,263</u>	<u>150,775</u>
		<u>167,033</u>	<u>166,544</u>
Provision against doubtful balances		<u>(167,033)</u>	<u>(166,544)</u>
		<u>41,484</u>	<u>38,446</u>
<b>15. CASH AND BANK BALANCES</b>			
Balance with banks in local currency:			
In current account with State Bank of Pakistan		45	45
In deposit accounts with commercial banks		<u>3,094</u>	<u>10,888</u>
		<u>3,139</u>	<u>10,933</u>
<b>16. ASSETS CLASSIFIED AS HELD FOR SALE</b>			

The assets classified as held for sale of discontinued operation (Refer Note 16.1) and liabilities directly associated with such assets (Refer Note 16.2) and other non-current assets classified as held for sale (Refer Note 16.1) in their respective categories are summarized hereunder:

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

For the quarter ended September 30, 2014

	Note	Un-audited September 30, 2014	Audited June 30, 2013
— Rupees in thousand —			
<b>16.1</b>	Assets held for sale of discontinued operation		
	Trade debts - unsecured	25,081	25,250
	Advances, deposits, prepayments and other receivables	<u>37,236</u>	<u>37,067</u>
		62,317	62,317
	Non-current assets held for sale	<u>162,626</u>	<u>163,987</u>
	Total assets classified as held for sale	<u><u>224,943</u></u>	<u><u>226,304</u></u>
<b>16.2</b>	Liabilities directly associated with assets held for sale of discontinued operation		
	Long term loan	5,295	5,295
	Short term borrowings	107,902	107,902
	Other liability	-	-
		<u>113,197</u>	<u>113,197</u>
<b>17.</b>	<b>LONG TERM MUSHARAKAH AND MURABAHA BORROWINGS</b>		
	Secured		
	Musharakah borrowings		
	From commercial banks	21,414	23,171
	Murabaha borrowings		
	From commercial banks	<u>2,152</u>	<u>39,327</u>
	From financial institutions	<u>16,981</u>	<u>17,331</u>
		19,133	56,658
		40,547	79,829
	Less: Current portion	18 <u>(14,840)</u>	<u>(59,023)</u>
		<u>25,708</u>	<u>20,806</u>
<b>18.</b>	<b>CURRENT PORTION OF NON-CURRENT LIABILITIES</b>		
	Security deposit from lessees	13,526	13,526
	Long term certificates of musharakah	5,740	7,740
	Long term certificates of investments	2,100	5,700
	Long term musharakah and murabaha borrowings	17 <u>14,840</u>	<u>59,023</u>
	Long term loans	69,627	50,159
	Redeemable capital	<u>101,420</u>	<u>107,250</u>
		<u>207,253</u>	<u>243,398</u>
<b>19.</b>	<b>ACCRUED AND OTHER LIABILITIES</b>		
	Accrued expenses	951	662
	Auditors' remuneration payable	2,810	2,810
	Advance against termination of leases	484	484
	Unclaimed dividend	6,069	6,069
	Advance against non current assets held for sale		
	Discontinued operation	24,000	24,000
	Other assets-held for sale	17,228	16,412
	Other liabilities	<u>41,826</u>	<u>40,933</u>
		<u>93,367</u>	<u>93,371</u>
<b>20.</b>	<b>PROFIT / MARK UP PAYABLE</b>		
	Profit / mark-up payable on:		
	- Certificates of musharakah / investments	1,557	967
	- Long term musharakah and murabaha borrowings	5,170	26,492
	- Redeemable capital	45,076	47,667
	- Long term loans	-	25,106
	- Loan from sponsor	99,002	93,975
		<u>150,805</u>	<u>194,207</u>



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

For the quarter ended September 30, 2014

## 21. COMMITMENTS

Lease financing contracts committed but not executed

## 22. RELATED PARTY TRANSACTIONS

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

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

---

	Quarter ended September 30, 2014	Quarter ended September 30, 2013
	----- Rupees in thousand -----	
<b>Transactions during the period</b>		
Contribution to staff retirement fund	<u>196</u>	<u>286</u>
Key management compensation	<u>2,302</u>	<u>3,287</u>

## 23. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorized for issue on 29th October 2014 by the Board of Directors of the Company



**Muhammad Asif**  
Chief Executive Officer



**Shaukat Ali**  
Director

# Company Information

## Board of Directors

Mr. Shaukat Ali	-Chairman
Mr. Muhammad Asif	-Chief Executive
Mr. Ejaz Ahmed Khan	-Director
Mr. Muhammad Gasim	-Director
Ms. Ayesha Zahid	-Executive Director
Ms. Fiza Zahid	-Director
Mr. Shahab Ud Din Khan	-Director

## Audit Committee

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

## Human Resource Committee

Mr. Muhammad Gasim	-Chairman
Mr. Muhammad Asif	-Member
Ms. Fiza Zahid	-Member

## Chief Financial Officer & Company Secretary

Mr. M. Naim Ashraf

## Auditors

Awais Haider Liaquat Nauman  
Chartered Accountants

## Legal Advisors

Ahmad & Gazi

## Share Register

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

## Bankers

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

## Registered Office

603-604, 6th 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: 042-35770383-4  
Fax: 042-35788711

## National Tax Number

0656427-5

## Our Network

### Registered Office - Karachi

603-604, 6th Floor, Lakson Square Building No. 3,  
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 - 2150014

### 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- 2620010

### Gujranwala

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



INVEST CAPITAL INVESTMENT BANK LIMITED

**Registered Office:**

603-604, 6th Floor, Lakson Square Building No.3,  
Sarwar Shaheed Road, Karachi.  
Tel: (92-21) 35661968 Fax: (92-21) 35654022  
Website: [www.icibl.com](http://www.icibl.com)

**Head Office:**

701-A, City Tower, Main Boulevard,  
Gulberg II, Lahore.  
Tel: +92 42 35770383-84  
Fax: +92 42 35788711