Half Yearly Report
December 31, 2011

InvestBank.

INVEST CAPITAL INVESTMENT BANK LIMITED

Contents

Company Information

Board of Directors

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

Audit Committee

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

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 six months period ended December 31, 2011.

Bank's Review

The sluggish economic and political conditions continued to prevail during the six months period under review. No signs of any positive recovery can be seen in the economy of Pakistan; it is rather sailing at a very slow pace. The law and order situation is becoming worse with the passage of time. Karachi, the industrial and economic hub of Pakistan, is badly affected in this regard. The NBFC sector is unable to generate funds from commercial banks or other NBFI's and is relying on recovery of its own stuck-up portfolios. Hence the opportunities of doing fresh business are very limited.

The present management of the bank has taken various steps for making this bank a viable and profitable institution, the details of which have been enumerated in the Annual Report 2011. The improvements are visible from the comparison of the profit and loss figures given in this report.

A summary of the measures taken to address the financial and operational problems being faced by the bank is appended below:

(1) **Substantial reduction in administrative and other expenses**

Bank's management has curtailed its administrative and other operating expenses to a great extent which is evident from the profit and loss account. The management is taking steps to further reduce these expenses to minimum possible level without affecting the operational efficiency of the Bank. This will result in improving the profitability and equity position of the Bank.

(2) **Commencement of new leasing business**

The bank has recommenced leasing business during the period. The Bank is mainly carrying out car leasing business at attractive rates and at sufficient deposit margin. Till end of June 2012 a total of Rs. 169.15 million (gross) has been disbursed. Leasing business will result in profits in the coming years which will result in improvement of the profitability and equity position of the Bank.

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

The management is making strenuous efforts for the settlement or rescheduling of outstanding loans with various banks and financial institutions through transfer of Company's leases, loan portfolio, immovable properties, marketable shares, investments and other assets with waiver of mark-up. Till end of June 2012 loans/ deposits amounting to Rs. 514.75 million have been settled and loans/deposits amounting to Rs. 197.60 million have been rescheduled. Some other banks and financial institutions have also agreed in principle for settlement or rescheduling of loans amounting to Rs. 219.79 million. The management is putting its best efforts to settle or reschedule these loans as early as possible and expects waiver of mark-up of around Rs. 200 million in these settlements.

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

Management is focusing on disposal of non-core assets. Till end of June 2012 properties having book value of Rs. 317.54 million have been disposed-off or agreed in principle for disposal against settlement of loans/deposits as discussed in para (c) above. The bank has also disposed-off five earth moving machines, and proposals for disposal of CNG and fuel stations and generators fleet are under consideration. Disposal of non-core assets at profit will result in improvement in liquidity and equity position of the Bank.

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

ICML and brokerage business related assets and liabilities have been sold to the outgoing group. As explained in Note 18, the liabilities of the outgoing group pertaining to brokerage business have been brought down to Rs. 576.80 million as at the balance sheet date. The outgoing group has committed that it shall pay-off all the outstanding liabilities at the soonest possible. This transaction will result in net saving of approximately Rs. 137.46 million to the Bank and consequently result in improvement in financial performance and equity of the bank.

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

Recovery from leases and loans portfolio has substantially improved as compared to the previous financial year. Net recovery till end of June 2012 is Rs. 288 million. This amount has been utilized in the new leasing business as well as in meeting the obligations towards depositors and other lenders.

Management is hopeful that the above mentioned measures will help overcome the financial and operational problems and will result in the improvement of financial position and financial results of the Bank. Considering management's plans and the results of the mitigating measures as discussed above, the management is confident that the Bank will continue as a going concern.

Financial Statements

Effective from 1st July 2011, the bank has entered into an agreement with the outgoing group for sale of 100% shares of Invest Capital Markets Limited (ICML). Therefore, there is no need for any consolidation hence these accounts have been prepared on standalone basis. During the six months under review the bank incurred a loss of Rs. 133.47 million (December 2010 Rs. 273.81 million) with negative earnings of Rs. 0.47 (December 2010 Rs. -0.96) per share. The Gross revenue including other income amounted to Rs. 98.66 million as compared to Rs. 146.58 of the first half of the previous year. The financial charges stood at Rs. 118.34 million (December 2010 Rs. 222.41 million) and the administration and operating expenses showed a reduction of Rs. 48.94 million from Rs. 140.52 million to Rs. 91.58 million.

The total assets on the balance sheet reduced by Rs. 886.63 million to Rs. 2,501.83 million in the span of six months mainly due to maturity of leases and payment or adjustment of liabilities.

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

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

	December 31, 2011	December 31, 2010
Gross Revenue	**72.89**	141.05
Other Income	**25.77**	5.53
Administration & Operating expenses	**91.58**	140.52
Profit/ (Loss) for the period before taxation	**(132.55)**	(271.52)
Taxation – net	**(0.91)**	(2.29)
Profit/(Loss) for the period after taxation	**(133.47)**	(273.81)
Earnings / (Loss) per Share	**(0.47)**	(0.96)

Due to the steps taken by the management there is reduction in the loss for the period. The financial charges, operating expenses, provisioning for lease losses have decreased as compared to the last half year. The income has also decreased due to matured leases. The income will only increase when fresh business is done for which necessary measures are being taken.

Credit Rating

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

Acknowledgments

The valuable support provided by the Regulatory Authorities, shareholders and lenders is highly appreciated. The Board is also thankful for the hard work and devotion of the employees of the bank.

For and on behalf of the Board

Lahore
July 20, 2012

Naveed Amin
Chief Executive Officer

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

Introduction

We have reviewed the accompanying condensed interim balance sheet of Invest Capital Investment Bank Limited ("the Company") as at December 31, 2011 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six months period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed statement of comprehensive income for the quarter ended December 31, 2011 and 2010 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2011.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at December 31, 2011 and for the six months period then ended is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan.

Emphasis of matters

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

- We draw attention to Note 1.3 to the accounts which indicate that the Company incurred net loss of Rs. 133.47 million for the six months period ended December 31, 2011, and as at balance sheet date the accumulated loss is Rs. 1,259.09 million and current liabilities of the company exceed its current assets by Rs. 481.14 million. These conditions along with other matters as set forth in Note 1.3 indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern.
- We also draw attention to Note 1.4 to the accounts which indicates the fact of non-compliance of certain requirements of NBFC Rules 2003 and NBFC Regulations, 2008 by the company.

Avais Hyder Liaquat Nauman
Chartered Accountants
Engagement partner: Syed Ali Adnan Tirmizey

Dated: July 20, 2012
Place: Faisalabad

Condensed Interim Balance Sheet (Un-audited)
As at December 31, 2011

InvestBank.

	Note	Un-audited December 31, 2011	Audited June 30, 2011
		--- Rupees in thousand ---	
ASSETS			
Non-current assets			
Property, plant and equipment	5	**289,799**	310,817
Intangible assets		**4,790**	5,635
Long term investments	6	**110,146**	112,882
Net investment in Ijarah finance / assets under Ijarah arrangements	7	**201,695**	340,100
Long term musharakah finances	8	**45,704**	54,784
Long term loans	9	**35,242**	18,784
Long term security deposits		**12,701**	12,958
Deferred taxation	10	**-**	-
		700,077	855,960
Current assets			
Short term investments	11	**736**	20,304
Short term musharakah finances	12	**85,558**	95,069
Short term finances	13	**10,646**	25,769
Assets acquired in satisfaction of finances	14	**49,500**	49,500
Ijarah rentals receivables	7	**3,474**	92
Current maturity of non-current assets	15	**573,807**	633,153
Advances, deposits, prepayments and other receivables	16	**92,705**	100,496
Stock in trade		**1,263**	620
Cash and bank balances	17	**87,176**	15,341
Assets classified as held for sale	18	**896,884**	1,592,155
		1,801,749	2,532,499
TOTAL ASSETS		**2,501,826**	3,388,459
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 on remeasurement of available for sale investments		**664**	1,032
Accumulated loss		**(1,259,087)**	(1,125,621)
		(431,830)	(297,996)
Surplus on revaluation of assets		**9,258**	9,258
Non-current liabilities			
Subordinated loan from directors	19	**126,000**	-
Security deposits from lessees		**126,633**	154,582
Long term certificates of musharakah / deposits		**94,165**	112,085
Long term certificates of investments and deposits		**7,245**	7,345
Long term musharakah and murabaha borrowings	20	**-**	30,831
Musharakah Term Finance Certificates	21	**158,718**	245,775
Redeemable capital - Term Finance Certificates	22	**128,380**	128,380
Long term loans	23	**-**	-
Deferred revenue		**368**	1,102
		641,509	680,100
Current liabilities			
Current portion of long term liabilities	24	**792,537**	774,251
Short term certificates of musharakah / deposits		**211,352**	359,519
Short term certificates of investments and deposits		**95,831**	85,226
Short term borrowings	25	**68,309**	93,301
Short term musharakah borrowings		**2,000**	2,700
Loan from sponsor	26	**197,542**	197,542
Creditors, accrued and other liabilities	27	**338,517**	233,742
Liabilities directly associated with the assets classified as held for sale	18	**576,801**	1,250,816
		2,282,889	2,997,097
TOTAL EQUITY AND LIABILITIES		**2,501,826**	3,388,459
CONTINGENCIES AND COMMITMENTS	28	**-**	-

The annexed notes 1 to 33 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 six months period ended December 31, 2011

InvestBank.

	Note	Six months period ended December 31 2011	Six months period ended December 31 2010	Three months period ended December 31 2011	Three months period ended December 31 2010
		- Rupees in thousand -		- Rupees in thousand -	
Income					
Income from leasing operations		**11,611**	39,053	**3,514**	19,161
Operating lease rentals		**32,547**	61,331	**19,715**	28,657
Profit / (loss) on musharakah investments		**1,726**	15,300	**(714)**	6,433
Income from investment and placement		**329**	876	**185**	384
Income from finances		**12,712**	3,021	**8,082**	189
Income on deposits with banks		**4,762**	4,198	**2,411**	477
Income from joint ventures		**7,191**	4,307	**3,596**	4,307
Dividend income		**1,500**	6,833	**1,500**	2,316
Net gain / (loss) on sale of marketable securities		**717**	5,346	**(577)**	3,036
Unrealized gain on investment in marketable securities - net		**578**	2,629	**578**	5,125
Loss from Diesel / CNG filling station - net		**(779)**	(1,846)	**(779)**	(1,846)
		72,894	141,048	**37,511**	68,239
Expenses					
Administrative and operating expenses		**(91,584)**	(140,523)	**(43,450)**	(65,475)
Financial charges		**(118,341)**	(222,406)	**(59,711)**	(126,203)
		(209,925)	(362,929)	**(103,161)**	(191,678)
		(137,031)	(221,881)	**(65,650)**	(123,439)
Other income		**25,769**	5,533	**23,691**	6,198
		(111,262)	(216,348)	**(41,959)**	(117,241)
Provision (Charged)/Reversed on Non-performing loans and Write-offs					
Provision against doubtful finance lease receivable and lease rentals - net		**(8,959)**	(34,457)	**(5,347)**	(18,951)
Provision against long term / short term musharakah finances		**(6,585)**	(7,077)	**(2,019)**	(4,417)
Provision against long term / short term loan		**(5,745)**	(4,840)	**(5,729)**	(5,045)
Reversal of provision against other receivables		**-**	1,500	**-**	1,500
Doubtful lease receivables written-off		**-**	(422)	**-**	(422)
Other receivables written-off		**-**	(9,876)	**-**	(9,876)
		(21,289)	(55,172)	**(13,095)**	(37,211)
Loss before taxation		**(132,551)**	(271,520)	**(55,054)**	(154,452)
Provision for taxation	29	**(915)**	(2,292)	**(561)**	(1,211)
Loss after taxation		**(133,466)**	(273,812)	**(55,615)**	(155,663)
Loss per share					
- Basic	30	**(0.47)**	(0.96)	**(0.20)**	(0.57)
- Diluted	30	**(0.47)**	(0.96)	**(0.20)**	(0.57)

The annexed notes 1 to 33 form an integral part of this condensed interim financial report.

Naveed Amin
Chief Executive Officer

Muhammad Qasim
Director

InvestBank.

	Six months period ended December 31		Three months period ended December 31	
	2011	2010	**2011**	2010
	- Rupees in thousand -		- Rupees in thousand -	
Loss for the period	**(133,466)**	(273,812)	**(55,615)**	(155,663)
Other comprehensive income / (loss)				
Unrealized (loss) on remeasurement of available for sale investments	**(368)**	(1,658)	**(1,189)**	-
Total comprehensive loss for the period	**(133,834)**	(275,470)	**(56,805)**	(155,663)

The annexed notes 1 to 33 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 six months period ended December 31, 2011

InvestBank.

	December 31, 2011	December 31, 2010
	--- Rupees in thousand ---	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss Before Taxation	**(132,551)**	(271,520)
Adjustments for non cash charges and other items:		
Depreciation of property, plant and equipment	**7,550**	10,430
Amortization of intangible assets	**845**	1,559
Depreciation on assets leased out	**31,390**	42,972
Provision against doubtful finance lease receivable and lease rentals-net	**8,959**	34,457
Provision against long term/short term musharaka finances	**6,585**	7,077
Provision against long term loan/short term loan	**5,745**	4,840
Reversal of provision against other receivable	**-**	(1,500)
Doubtful lease receivables written off	**-**	422
Other receivables written off	**-**	9,876
Financial charges-net	**118,341**	222,406
(Gain) / loss on disposal of operating assets	**8,980**	(171)
Unrealised (gain) / loss on investments in marketable securities	**577**	(2,629)
	188,972	329,739
Cash flow from operating activities before working capital changes	**56,421**	58,219
(Increase)/decrease in current assets		
Short term investments	**19,568**	223,747
Short term musharaka finances	**5,100**	23,419
Short term finances	**15,147**	6,592
Trade debts	**-**	71,836
Ijarah rentals receivables	**(17,896)**	2,518
Advances, deposits, prepayments and other receivables	**(60,330)**	(2,358)
Stock in trade	**(643)**	(992)
Assets classified as held for sale	**22,480**	-
	(16,574)	324,762
Increase/(decrease) in current liabilities		
Short term certificates of musharaka/deposits	**(148,167)**	(133,423)
Short term certificates of investments and deposits	**10,605**	(15,600)
Creditors, accrued and other liabilities	**20,787**	43,588
	(116,775)	(105,435)
Cash flow from operating activities after working capital changes	**(76,928)**	277,546
Financial charges paid	**(60,642)**	(163,086)
Income tax paid	**(3,516)**	(8,078)
	(64,158)	(171,164)
Net cash flow from operating activities	**(141,086)**	106,382
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed capital expenditure	**(890)**	(3,835)
Long term investments	**2,736**	3,286
Investment in subsidiary	**-**	-
Net investment in Ijarah finance / assets under Ijarah arrangements	**215,413**	339,281
Long term musharaka finances	**4,842**	13,604
Long term loans	**(4,956)**	14,132
Long term security deposits	**257**	4,085
Sale proceeds from disposal of tangible fixed assets	**23,522**	6,290
Net cash flow from investing activities	**240,924**	376,843

	December 31, 2011	December 31, 2010
	--- Rupees in thousand ---	
CASH FLOWS FROM FINANCING ACTIVITIES		
Subordinated loan from directors	**126,000**	-
Repayment of liability against assets subject to finance lease	**(3,834)**	(4,064)
Security deposits from lessees	**(85,984)**	(165,713)
Long term certificates of musharaka/deposits	**(15,760)**	(46,040)
Long term certificates of investments and deposits	**-**	900
Long term musharaka and murabaha borrowings	**(38,437)**	(23,651)
Musharaka Term Finance Certificates	**-**	(43,750)
Long term loan	**(8,295)**	(53,601)
Short term borrowings	**(24,993)**	(224,988)
Short term musharakah borrowings	**(700)**	-
Loan from sponsor	**-**	29,521
Amount received against assets classified as held for sale	**24,000**	-
Deferred liability	**-**	(12,798)
Net cash flow from financing activities	**(28,003)**	(544,184)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	**71,835**	(60,959)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	**15,341**	75,318
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	**87,176**	14,359

The annexed notes 1 to 33 form an integral part of this condensed interim financial report.

Naveed Amin
Chief Executive Officer

Muhammad Qasim
Director

	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 (loss) for six months ended December 31, 2010					
Loss for the period	-	-	-	(273,812)	(273,812)
Unrealized gain / (loss) on remeasurement of available for sale investments	-	-	(1,658)	-	(1,658)
	-	-	(1,658)	(273,812)	(275,470)
Balance as at December 31, 2010	2,848,669	(2,022,076)	(3,456)	(873,885)	(50,748)
Total comprehensive income / (loss) for six months ended June 30, 2011					
Loss for the period	-	-	-	(251,736)	(251,736)
Unrealized gain on remeasurement of available for sale investments	-	-	2,753	-	2,753
Transfer of gain in the value of investment classified as available for sale taken to profit and loss account	-	-	1,735	-	1,735
	-	-	4,488	(251,736)	(247,248)
Balance as at June 30, 2011	2,848,669	(2,022,076)	1,032	(1,125,621)	(297,996)
Total comprehensive (loss) for the period					
Loss for the period	-	-	-	(133,466)	(133,466)
Unrealized (loss) on remeasurement of available for sale investments	-	-	(368)	-	(368)
	-	-	(368)	(133,466)	(133,834)
Balance as at December 31, 2011	**2,848,669**	**(2,022,076)**	**664**	**(1,259,087)**	**(431,830)**

The annexed notes 1 to 33 form an integral part of this condensed interim financial report.

Naveed Amin
Chief Executive Officer

Muhammad Qasim
Director

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 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 as under:

- the Company has suffered net loss of Rs. 133.47 million during the period and, as at balance sheet date, the accumulated loss is Rs. 1,259.09 million and the current liabilities of the Company exceed its current assets by Rs. 481.14 million.

- net shareholders equity of the Company as at December 31, 2011 is negative by Rs. 431.83 million as compared to the minimum equity level of Rs. 850 million required under the NBFC Regulations, 2008. The Company is unable to comply with the prudential limits as stipulated under NBFC Regulations, 2008 (please refer to Note 1.4).

- the Company has been unable to comply with the terms of certain loan agreements.

- the Company is facing difficulty in recovery of its non-performing leases and loans portfolio.

- the leasing and investment finance services licenses of the Company have expired on December 08, 2010 and February 29, 2011 respectively and renewal is pending.

There is material uncertainty related to events and conditions which may cast significant doubt about the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

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 (ICML) – a wholly owned subsidiary – and Company's brokerage business related assets and liabilities. The injection of funds by new management has been very vital and timely support for the Company, and these funds have been solely utilized for payments to depositors. Further, the subordinated loan will also help enable the Company to meet the minimum equity requirement in ensuing years.

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. The plan and efforts are discussed below:

(a) Substantial reduction in administrative and other expenses

The management of the Company has substantially curtailed its administrative and other operating expenses as reflected in the profit and loss account. The management is taking steps to further reduce these expenses to minimum possible level without affecting the operational efficiency of the Company. This will result in improving the operating results and equity position of the Company.

(b) Commencement of new leasing business

The Company has recommenced leasing business from September 2011. The Company is mainly carrying out car leasing business at a very attractive IRR and reasonable deposit margin. Till end of May 2012 a total of Rs. 166.28 million (gross) has been disbursed. Leasing business will result in profits in ensuing years thereby improving the operational results and equity position of the Company.

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

The management is making strenuous efforts for the settlement / rescheduling of outstanding loans with various banks / financial institutions through transfer of Company's lease / loan portfolio and immovable properties / shares / memberships of DHA Golf Club with waiver of mark-up. Till end of May 2012 loans / deposits amounting to Rs. 390.65 million have been settled and loans / deposits amounting to Rs. 205.78 million have been rescheduled. Some other banks / financial institutions have also agreed in principle for settlement / rescheduling of loans amounting to Rs. 285.70 million. The management is putting their best efforts to settle / reschedule these loans as early as possible and expects waiver of mark-up of around Rs. 200 million in ensuing years.

(d) Disposal of non-core assets

Management is focusing on disposal of non-core assets. Till end of May 2012 properties having book value of Rs. 317.54 million have been disposed-off / principally agreed for disposal against settlement of loans / deposits as discussed in para (c) above. Also, Company has disposed-off five earth moving machines, and proposals for disposal of CNG / fuel stations and generators fleet are under consideration. Disposal of non-core assets at profit will result in improvement in liquidity and equity position of the Company.

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

ICML and brokerage business related assets and liabilities have been sold to the outgoing group. As explained in Note 18, the liabilities of the outgoing group pertaining to brokerage business have been brought down to Rs. 576.80 million as at the balance sheet date. The outgoing group has committed that it shall pay-off all the outstanding liabilities within due course of time. This transaction will result in net saving of approximately Rs. 137.46 million for the Company and, therefore, result in improvement in financial performance and equity of the Company.

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

Recovery from leases and loans portfolio has been substantially improved in relation to the previous financial year. Net recovery till end of May 2012 is Rs. 261 million. This amount has been utilized in the new leasing business, as well as, in meeting the obligations towards depositors and other lenders.

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. Considering management's plans and the results of the mitigating actions as discussed in paras (a) to (f) above, management is confident that the Company will be able to continue as a going concern.

1.4 As at December 31, 2011 the Company could not maintain the regulatory requirements of NBFC Rules, 2003 and NBFC Regulations, 2008 mentioned as under:

- Rule 7(2)(h) : An NBFC shall not make investment in unquoted shares of any company in excess of 20% of its equity.

- Regulation 5(1) : Aggregate liabilities, excluding contingent liabilities and security deposits, of an NBFC shall not exceed ten times of the Company's equity (in case of operations beyond the first two years).

- Regulation 5(2) : Contingent liabilities of an NBFC shall not exceed ten times of the Company's equity (in case of operations beyond the first two years).

- Regulation 14(4)(i) : An NBFC shall invest at least 15% of the funds raised through certificate of investment / musharakah, excluding the certificate of investment / musharakah held by financial institutions, in Government securities.

- Regulation 17(1) : Total outstanding exposure (fund and non-fund based) of an NBFC to a person shall not at any time exceed 30% of the equity of the NBFC, provided that the maximum outstanding fund based exposure should not exceed 20% of the NBFC's equity.

- Regulation 17(2) : Total outstanding exposure (fund and non-fund based) of an NBFC to any group shall not exceed 50% of the equity of the NBFC, provided that the maximum outstanding fund based exposure should not exceed 35% of the NBFC's equity.

- Regulation 28(d) and 30(1) : Total investments of an NBFC in shares, equities or scrips shall not exceed 50% of the NBFC's equity.

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

SECP has been requested by the Company 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. These matters are under consideration of SECP. The management expects a favorable response from SECP enabling the Company to recover from this adverse situation.

2. BASIS OF PREPARATION

2.1 Basis of Preparation

This condensed interim financial report has been prepared under the 'historical cost convention' except investment in joint ventures which have been accounted for using equity method, non-current assets classified as held for sale which are stated at the lower of carrying amount and fair value less costs to sell, and 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 but subject to limited scope review by the auditors and are 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. 3.63 million (June 30, 2011 : Rs. 2.52 million) and decrease of other liabilities by Rs. 3.63 million (June 30, 2011 : Rs. 2.52 million). Prior year figures have been rearranged for the purpose of comparison.

3.2 Standards, amendments to published approved accounting standards and interpretations effective from July 01, 2011:

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that became effective during the period and are mandatory for accounting periods beginning on or after July 01, 2011 but are considered not to be relevant or have any significant effect on the Company's operations and are, therefore, not disclosed in this condensed interim financial report.

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

4. ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

4.1 The preparation of financial reports in conformity with approved accounting standards, as applicable in Pakistan, requires the management to make 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 uncertainity and critical judgements in applying accounting policies that have the most significant effect on amounts recognized in this condensed interim financial report were the same as 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.

	Note	**Un-audited December 31, 2011**	Audited June 30, 2011
		--- Rupees in thousand ---	
5. PROPERTY, PLANT AND EQUIPMENT			
Operating assets		**275,359**	296,602
Capital work in progress		**14,440**	14,215
		289,799	310,817

	Six months period ended December 31 (Un-audited)			
	2011		2010	
	Additions	**Disposals**	Additions	Disposals
	--- Rupees in thousand ---			
5.1 Acquisitions and disposals of operating assets - at cost				
Owned				
Furniture and fixtures	**-**	**125**	-	170
Office equipments	**116**	**-**	766	-
Vehicles	**774**	**7,009**	2,719	5,369
Generators	**-**	**12,476**	-	-
	890	**19,610**	3,485	5,539

	Note	**Un-audited December 31, 2011**	Audited June 30, 2011
		--- Rupees in thousand ---	
6. LONG TERM INVESTMENTS			
Investment in subsidiary - at cost		**-**	116,850
Investment in joint ventures	6.1	**79,232**	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
		110,146	229,732
Transferred to assets classified as held for sale		**-**	(116,850)
		110,146	112,882

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 December 31, 2011 have been used for the purpose of application of equity method.

	Note	Un-audited December 31, 2011	Audited June 30, 2011
		--- Rupees in thousand ---	
- Centre Gas (Private) Limited	6.1.1	**32,555**	32,698
- UMA Enterprises	6.1.2	**26,864**	26,895
- Ameen Enterprises	6.1.3	**19,813**	20,746
		79,232	80,339

6.1.1 Centre Gas (Private) Limited

Cost	**34,536**	34,536
Share of profit / (loss) of joint venture	**1,161**	(1,838)
Dividend received	**(3,142)**	-
	32,555	32,698

6.1.2 UMA Enterprises

Cost	**27,705**	27,705
Share of profit of joint venture	**5,735**	2,810
Profit received	**(6,576)**	(3,620)
	26,864	26,895

6.1.3 Ameen Enterprises

Cost	**20,622**	20,622
Share of profit of joint venture	**5,627**	4,360
Profit received	**(6,436)**	(4,236)
	19,813	20,746

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

	Note	Un-audited December 31, 2011	Audited June 30, 2011
Contracts accounted for as finance lease under IAS 17	7.1	**487,361**	608,952
Contracts accounted for under IFAS 2		**142,653**	203,605
		630,014	812,557
Less : Current portion	15	**(428,319)**	(472,457)
		201,695	340,100

7.1 Net investment in Ijarah finance

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

	As at December 31, 2011 (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	**923,782**	**72,360**	**996,142**	921,146	134,428	1,055,574
Residual value of leased assets	**53,881**	**41,171**	**95,052**	94,048	64,643	158,691
Lease contracts receivable	**977,663**	**113,531**	**1,091,194**	1,015,194	199,071	1,214,265
Unearned lease income						
(including suspended income)	**(182,260)**	**(11,861)**	**(194,121)**	(176,619)	(27,093)	(203,712)
Provision for potential lease losses	**(367,084)**	**(42,628)**	**(409,712)**	(366,119)	(35,482)	(401,601)
	(549,344)	**(54,489)**	**(603,833)**	(542,738)	(62,575)	(605,313)
	428,319	**59,042**	**487,361**	472,456	136,496	608,952

7.2 Ijarah rentals receivable

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

	Note	**Un-audited December 31, 2011**	Audited June 30, 2011
		--- Rupees in thousand ---	
Ijarah rentals receivable		**62,618**	44,722
Less : Provision against Ijarah rentals receivable		**(59,144)**	(44,630)
		3,474	92

8. Long Term Musharakah Finances

	Note		
Secured			
Companies (non-financial institutions)		**104,402**	107,171
Individuals		**103,394**	105,467
		207,796	212,638
Receivable within one year shown under current assets	15	**(122,158)**	(120,096)
		85,638	92,542
Provision against impaired balances		**(39,934)**	(37,758)
		45,704	54,784

9. Long Term Loans

Considered good		
Executives	**-**	6,643
Other employees	**1,338**	3,440
Customers	**13,909**	940
	15,247	11,023
Transferred to assets classified as held for sale	**-**	(8,641)
	15,247	2,382

	Note	**Un-audited December 31, 2011**	Audited June 30, 2011
		--- Rupees in thousand ---	
Considered doubtful			
Customers		**75,360**	83,269
Less : Provision		**(32,035)**	(26,267)
		43,325	57,002
		58,572	59,384
Current maturity	15	**(23,330)**	(40,600)
		35,242	18,784

10. Deferred Tax Asset

As at December 31, 2011, net deferred tax asset amounting to Rs. 907 million (June 30, 2011 : Rs. 958 million) has not been recognized as a matter of prudence.

11. Short Term Investments

Investments at fair value through profit and loss		
Quoted securities - Mutual funds	**-**	10,585
Available for sale		
Quoted securities - Mutual funds	**-**	8,862
Un-quoted securities		
Dawood Family Takaful Limited	**736**	857
	736	20,304

12. Short Term Musharakah Finances

Secured		
Considered good	**18,747**	47,740
Impaired balances	**133,639**	109,746
Provision against impaired balances	**(66,828)**	(62,417)
	66,811	47,329
	85,558	95,069

13. Short Term Finances

Secured		
Considered good	**-**	15,000
Impaired balances	**19,815**	19,962
Provision against impaired balances	**(9,169)**	(9,193)
	10,646	10,769
	10,646	25,769

14. Assets Acquired In Satisfaction Of Finances

DA Country and Golf Club Membership Seats	**75,000**	75,000
Less : Provision for impairment	**(25,500)**	(25,500)
	49,500	49,500

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

15. Current Maturity Of Non-Current Assets

	Note	Un-audited December 31, 2011	Audited June 30, 2011
Net investment in lease finance / assets under Ijarah arrangements	7	**428,319**	472,457
Long term musharakah finances	8	**122,158**	120,096
Long term loans	9	**23,330**	40,600
		573,807	633,153

16. Advances, Deposits, Prepayments And Other Receivables

	Un-audited December 31, 2011	Audited June 30, 2011
Unsecured, considered good		
Advances		
- against purchases and expenses	**1,850**	611
- to staff	**734**	816
- Income tax - net	**7,711**	48,961
Prepayments	**9,277**	4,846
Other receivables	**50,158**	78,443
	69,730	133,677
Unsecured, considered doubtful		
- against purchases and expenses	**5,100**	5,681
- to staff	**131**	131
- Deposit with Privatization Commission	**10,000**	10,000
Other receivables	**169,754**	164,039
	184,985	179,851
Provision against doubtful balances	**(162,010)**	(164,466)
	92,705	149,062
Transferred to assets classified as held for sale	**-**	(48,566)
	92,705	100,496

17. Cash And Bank Balances

	Un-audited December 31, 2011	Audited June 30, 2011
Balance with banks in:		
Current accounts in local currency with:		
- State Bank of Pakistan	**45**	101
- Commercial banks	**1,799**	1,345
	1,844	1,446
Deposit accounts - local currency	**85,014**	14,585
Cash in hand - local currency	**318**	489
	87,176	16,520
Transferred to assets classified as held for sale	**-**	(1,179)
	87,176	15,341

18. Assets Classified As Held For Sale

The Company has entered into an agreement for disposal 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 six months period ended December 31, 2011 the outgoing group has settled short term borrowings amounting to Rs. 360.87 million and the Company has transferred other liabilities amounting to Rs. 313.13 million to outgoing group. Consequsently, the Company has transferred investment in subsidiary amounting to Rs. 116.85 million and trade debts amounting to Rs. 557.15 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;

18.1 Assets classified as held for sale

Assets held for sale of discontinued operation

	Note	**Un-audited December 31, 2011**	Audited June 30, 2011
		--- Rupees in thousand ---	
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		**314,913**	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
		526,519	1,200,533
Non-current assets held for sale	18.3	**370,365**	391,622
Assets classified as held for sale		**896,884**	1,592,155

18.2 Liabilities directly associated with assets held for sale

Long term loan	**6,295**	6,295
Short term borrowings	**570,506**	931,383
Creditors, accrued and other liabilities	**-**	313,138
	576,801	1,250,816

18.3 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. 107.81 million have been disposed-off against settlement of short term borrowings and musharakah term finance certificates.

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

	Six months period ended December 31 (Un-audited)	
	2011	2010
	--- Rupees in thousand ---	
Operating cash flows	**244,026**	-
Investing cash flows	**116,850**	-
Financing cash flows	**(360,876)**	-

19. 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.

	Note	**Un-audited December 31, 2011**	Audited June 30, 2011
		--- Rupees in thousand ---	
20. Long Term Musharakah And Murabaha Borrowings			
Secured			
Musharakah borrowings			
From commercial banks	20.1	**33,333**	33,333
Murabaha borrowings			
From commercial banks	20.2 & 20.3	**136,012**	150,525
From other financial institutions	20.2 & 20.3	**37,216**	61,140
		173,228	211,665
		206,561	244,998
Current portion	24	**(206,561)**	(214,167)
		-	30,831

20.1 The maturity date of these borrowings was April 7, 2011. The Company's application for its restructuring / settlement is pending with the lender bank.

20.2 These borrowings were repayable during the period from July 28, 2010 to June 28, 2012. As at the balance sheet date borrowings amounting to Rs. 134.73 million are overdue.

20.3 During the period the Company has repaid borrowings amounting to Rs. 1.46 million, and settled borrowings amounting to Rs. 36.97 million against assets. Subsequently, borrowings amounting to Rs. 53.63 million have been settled against assets. The lender has agreed in principal to settle borrowings of Rs. 41.05 million against assets. Legal fomalities are in process.

21. Musharakah Term Finance Certificates
TFCs - privately placed and secured

Commercial banks	21.1 & 21.2	**268,573**	268,573
Other financial institutions	21.1 & 21.2	**237,434**	237,434
Other	21.1 & 21.2	**38,924**	38,924
		544,931	544,931
Current portion	24	**(384,514)**	(297,014)
		160,417	247,917
Total initial transaction cost		**7,400**	7,400
Less : Amortization to date		**(5,701)**	(5,258)
		1,699	2,142
		158,718	245,775

21.1 These finances were repayable in monthly installments of Rs. 14.58 million commencing from December 12, 2009 to November 11, 2013. As at the balance sheet date finances amounting to Rs. 209.51 million are overdue.

21.2 Subsequently finances amounting to Rs. 77.84 million have been settled against assets. The lender has agreed in principal to settle finances amounting to Rs.85.12 million against assets. Legal formalities are in process. Further, the Company's applications for restructuring / settlement of the remaining finances are pending with the lenders.

	Note	**Un-audited December 31, 2011**	Audited June 30, 2011
		--- Rupees in thousand ---	

22. Redeemable Capital - Term Finance Certificates

Term Finance Certificates	22.1	**128,380**	128,380

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

23. Long Term Loans

	Note	Un-audited December 31, 2011	Audited June 30, 2011
Secured			
Facility I	23.1	**38,022**	38,022
Facility II, III & IV	23.2 & 23.3	**65,724**	67,724
Facility V		**-**	6,295
		103,746	112,041
Less : Facility V transferred to liabilities directly associated with discontinued operation		**-**	(6,295)
Less : Current portion	24	**(103,746)**	(105,746)
		(103,746)	(112,041)
		-	-

23.1 The maturity date of this loan was January 13, 2011. As at the balance sheet date this loan is overdue. The Company's application for its restructuring / settlement is pending with the lender bank.

23.2 The maturity date of these loans was December 31, 2010. As at the balance sheet date these loans are overdue.

23.3 Subsequently a loan amounting to Rs. 4 million has been rescheduled. It is repayable in 8 equal monthly installments commencing from May 2012 and ending on December 2012. Subsequently a loan amounting to Rs. 49.41 million was settled. The Company's applications for restructuring / settlement of the remaining loans are pending with the lender bank.

24. Current Portion Of Long Term Liabilities

	Note	Un-audited December 31, 2011	Audited June 30, 2011
Liabilities under finance lease arrangements		**3,745**	7,579
Security deposit from lessees		**53,881**	111,915
Certificates of musharakah / deposits		**39,990**	37,830
Certificates of investments and deposits		**100**	-
Long term musharakah and murabaha borrowings	20	**206,561**	214,167
Musharakah Term Finance Certificates	21	**384,514**	297,014
Long term loans	23	**103,746**	105,746
		792,537	774,251

	Note	Un-audited December 31, 2011	Audited June 30, 2011
		--- Rupees in thousand ---	
25. 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	25.1 & 25.2	**48,733**	48,733
Facility IX	25.3	-	24,993
Facility X	25.1 & 25.4	**16,776**	16,776
		65,509	717,984
From Non-Banking Finance Company - unsecured	25.1 & 25.5	**2,800**	2,800
		68,309	1,024,684
Clean borrowings and facility II to VII transferred to liabilities directly associated with discontinued operation		-	(931,383)
		68,309	93,301

25.1 These borrowings are overdue as at the balance sheet date.

25.2 Subsequently this finance has been settled against the assets.

25.3 During the period this finance has been settled against assets.

25.4 Subsequently the lender has agreed in principal to settle this finance against assets. Legal formalities are in process.

25.5 Subsequently the lender has agreed in principal to reschedule this loan. Legal formalities are in process

	Note	Un-audited December 31, 2011	Audited June 30, 2011
26. Loan From Sponsor	26.1	**197,542**	197,542

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

27. Creditors, Accrued And Other Liabilities

Trade creditors	-	44,903
Accrued expenses	**4,619**	35,445
Profit / mark-up payable on:		
- Certificates of musharakah / Certificates of investments / deposits	**22,302**	20,915
- Long term musharakah and murabaha borrowings	**47,698**	30,088
- Redeemable capital - Term Finance Certificates	**6,563**	6,561
- Musharakah Term Finance Certificates	**101,013**	61,896
- Long term loans	**20,685**	37,462
- Short term borrowings	**15,537**	5,148

	Note	Un-audited December 31, 2011	Audited June 30, 2011
		--- Rupees in thousand ---	
- Short term musharakah borrowings		**-**	7,363
- Loan from sponsor		**40,002**	26,668
Advance lease rentals / security deposits		**2,624**	3,740
Auditors' remuneration payable		**4,225**	4,516
Advance against termination of leases		**1,606**	3,682
Unclaimed dividend		**6,076**	6,077
Provision against overhauling of generators		**4,313**	1,839
Payable to subsidiary		**-**	207,449
Amount received against assets classified as held for sale	18	**24,000**	-
Other liabilities		**37,254**	43,128
		338,517	546,880
Transferred to liabilities directly associated with discontinued operation		**-**	(313,138)
		338,517	233,742

28. Contingencies And Commitments

Contingencies

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

Commitments

Lease financing contracts committed but not executed as at the balance sheet date amounted to Rs. 50.98 million (June 30, 2011 : Nil).

	Note	Six months period ended December 31 (Un-audited) 2011	2010
		--- Rupees in thousand ---	
29. Provision For Taxation			
Current			
For the period		**915**	2,292
Deferred	10	**-**	-
		915	2,292
29.1 Reconciliation of tax charge for the period			
Loss before taxation		**(132,551)**	(271,520)
Tax at the applicable tax rate of 35% (December 31, 2010 : 35%)		**(46,393)**	(95,032)
Reversal due to final tax regime		**46,393**	95,032
Tax effect under final tax regime		**915**	2,292
		915	2,292

		Un-audited December 31, 2011	Audited June 30, 2011

30. Basic And Diluted Loss Per Share

Loss after taxation for the period	Rupees in thousand	**(133,466)**	(273,812)
Weighted average ordinary shares	Number in thousand	**284,867**	284,867
Loss per share - basic	Rupees	**(0.47)**	(0.96)
Loss per share - diluted	Rupees	**(0.47)**	(0.96)

31. 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 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:

	Six months period ended December 31 (Un-audited)	
	2011	2010
	--- Rupees in thousand ---	
Transactions during the period		
Contribution to staff retirement fund	**764**	1,557
Key management compensation	**7,415**	12,400

32. Segment Information

	Investment / financing activities	Leasing / Ijarah activities	Other Operations	Total
		--- Rupees in thousand ---		
Information about reportable segment profit or loss, assets and liabilities				
Revenue from external customers	24,752	44,158	3,983	72,893
Interest expense	(42,603)	(75,738)	-	(118,341)
Depreciation and amortization	(3,326)	(5,914)	-	(9,240)
Impairment of assets	(12,330)	(8,959)	-	(21,289)
Reportable segment profit / (loss)	(33,507)	(46,453)	3,983	(75,977)
Reportable segment assets	909,253	695,689	896,884	2,501,826
Reportable segment liabilities	2,158,740	188,857	576,801	2,924,398

Profit or loss	---(Rupees in'000)---
Total profit / (loss) for reportable segments	(79,960)
Other profit	3,983
Unallocated amounts:	
Other administrative and operating expenses	(82,344)
Other income	25,769
Loss before tax	(132,552)
Assets	
Total assets for reportable segments	1,604,942
Other assets	896,884
Company's assets	2,501,826
Liabilities	
Total liabilities for reportable segments	2,347,597
Other liabilities	576,801
Company's liabilities	2,924,398

33. Date Of Authorization For Issue

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

Naveed Amin
Chief Executive Officer

Muhammad Qasim
Director

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