

# Quarterly Report

## March 31, 2011

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INVEST CAPITAL INVESTMENT BANK LIMITED

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## **Unconsolidated Financial Statements**

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### 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. Syed Abid Raza Zaidi

### 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 / 35755216 (Direct)  
Fax: (042) 35755215  
Email: mimran.esbm@gmail.com

### Bankers

Allied Bank Limited  
Askari Bank Limited  
Summit Bank Limited  
Bank Alfalah Limited  
Bank Al-Habib Limited  
Burj Bank Limited  
Faysal Bank Limited  
Habib Metropolitan Bank Limited  
JS Bank Limited  
KASB Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
National Bank of Pakistan  
NIB Bank Limited  
State Bank of Pakistan  
Silk Bank Limited  
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

The Board of Directors of Invest Capital Investment Bank Limited (the "Bank") is pleased to present before the members the un-audited financial statements for the nine months period ended March 31, 2011.

## Bank's Review

During the period under review, the overall economic and political conditions remained depressed with no positive changes towards bringing the economy back on its desired track being visible. The law and order situation further deteriorated, causing serious damage to the economy resulting in further withdrawal of foreign investment leaving a significant negative impact. The NBFC sector is still struggling its best to survive in this turmoil and most of the NBFC entities are restructuring their liabilities and revamping corporate structure while, at the same time, are challenged with significant shrinking in their operations and size.

Your bank was not an exception, therefore for the survival of the bank it was mutually agreed between the shareholders that one major shareholder group shall acquire majority holding and management control of the bank, and accordingly on July 06, 2011, SECP granted its approval vide letter No SC/NBFC-1/ICIBL/2011/394 and conveyed "No Objection" to the below mentioned arrangements proposed by the major share holder of bank vide letter dated June 1, 2011.

- i. Sale and transfer of 26 % Shares of ICIBL held by other major share holder group.
- ii. Sale of Invest Capital Markets Limited ("ICML"), a wholly owned subsidiary of ICIBL along with all brokerage related assets and liabilities appearing on the books of ICIBL to Invest Cap Group.
- iii. Injection of Rs.150 million into ICIBL by major share holder comprising of direct injection of Rs.126 million through subordinated loan, and indirect injection of Rs.24 million.

In response to our application, the SECP has given its approval under rule 5 (6) (e) of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 ('Rules') for sale and transfer of 75,462,939 shares of ICIBL to major share holder group. SECP has also granted approval under Rule 7 (2) (c) of the Rules for sale of ICML, a wholly owned subsidiary of ICIBL together with all brokerage related assets and liabilities appearing on the books of ICIBL as on April 30, 2011 (at their values on the transaction date) which have been verified by Chartered Accountant firm vide their certificate dated June 3, 2011 to the company.

As per the terms of the SECP approval, the following persons were appointed as chief executive officer and directors of ICIBL replacing the outgoing chief executive and directors of ICIBL, who had resigned on July 7, 2011 from their respective positions in terms of clause 3 of the Memorandum of Understanding dated June 27, 2011 signed between the two groups of shareholders:

Name	
Mr. Ahmed Kamran	Chairman
Mr. Naveed Amin	Chief Executive Officer
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

The new management is trying its level best to overcome the problems at top priority, and keep afloat the bank at an acceptable level. In this regards, your bank has initiated the following action plan. This action plan will not only be helpful in mitigating / overcoming the problems being faced by the bank since merger but shall also keep the bank as a going concern entity.

- (a) Substantial reduction in administrative and other expenses

It is submitted that new management of the bank has substantially curtailed its administrative and other operating expenses.

- (b) Commencement of new leasing business

Bank has recommenced leasing business after a considerable gap of well above two years. Leases disbursed so far amount to Gross Rs. 78.55 million and Net Rs. 58.02 million. Presently the new business is mainly being made in car leasing segment only at an IRR ranging between 18 - 22% with deposit margin of 20 - 35%.

Management is confident that by the end of June 2012 it shall achieve a total business target of Rs. 200 million. This shall improve the bank's asset book and also add to its profitability.

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

The management is making strenuous efforts for the settlement / rescheduling of outstanding loans amounting to Rs. 1,266.98 million with various banks / financial institutions through transfer of bank's lease / loan portfolio and immovable properties/shares/ memberships of DHA Golf Club with waiver of mark-up. Subsequently, loans amounting to Rs. 239.35 million have been settled, loans amounting to Rs. 224.22 million have been rescheduled and mark up of Rs. 14.27 million has been waived off. Some other banks / financial institutions have also agreed in principle for settlement / rescheduling of loans amounting to Rs. 406.08 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 the ensuing months.

- (d) Disposal of non-core assets

Management is also focusing on disposal of other non-core assets / businesses like CNG / fuel stations and generators fleet in addition to disposal of properties /assets through settlement against liabilities as discussed in para (d) above. The bank has subsequently disposed off five earth moving machines and a proposal for the disposal of one of the CNG station is under consideration. Disposal of non-core assets at profit will result in improvement in the liquidity and equity position of the bank.

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

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

- (g) Requesting SECP for renewal of business licenses

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 bank. Considering management's plans and the results of mitigating actions as discussed in detail in paragraphs (a) to (g) above, Management is confident that the bank will be able to continue as a going concern.

### Financial Statements

During the nine months under review the bank incurred a loss of Rs. 385.07 million with negative earnings per share of Rs. 1.386. The Gross revenue including other income stood at Rs. 197.69 million. The Financial charges came to Rs. 255.79 million and operating expenses remained at Rs. 173.35 million.

On the balance sheet side the total assets reduced from Rs. 4,880.531 million in June 2010 to Rs. 3,846.50 million in March 2011 primarily due to reduction in the Leasing and Musharakah portfolio. Similarly the bulk of reduction on the liabilities side has been in the short term borrowings and security deposits from lessees.

**March 31, 2011**                      March 31, 2010  
**(Rupees in millions)**

Gross Revenue	<b>182.80</b>	457.47
Other Income	<b>14.89</b>	9.35
Profit/ (Loss) for the period before taxation	<b>(310.11)</b>	(404.14)
Taxation - net	<b>(0.44)</b>	(3.28)
Loss from discontinued operation	<b>(74.51)</b>	-
Profit/(Loss) for the period after taxation	<b>(385.07)</b>	(407.42)
Earnings / (Loss) per Share	<b>(1.39)</b>	(1.43)

The main reasons for the net loss are financial charges, operating expenses, provisioning and reduction of income. Non conducive business conditions prevailing in the country coupled with worsening law and order, heavy floods and excessive power outages have significantly contributed to the operational loss of the bank.

### Credit Rating

JCR-VIS Credit Rating Company Ltd. has placed the entity rating of "D". However, the management is confident that with the revival of the bank's business and restructuring of liabilities, the rating of the bank shall improve.

### Auditors

In the AGM held on June 24, 2011, the previous auditors of company resigned and did not offer themselves for re-appointment. Therefore, the members approved the change of auditors from M/s KPMG Taseer Hadi, Chartered Accountants to M/s Avais Haider Liquat Nauman, Chartered Accountants.

### Acknowledgments

The Directors wish to place on record their appreciation for the dedicated efforts made by the staff during difficult times and the valuable guidance and support provided by the Securities and Exchange Commission of Pakistan. The Board is also grateful to the continuous support and encouragement provided by shareholders and the lenders for their remarkable support in our efforts to revive the bank in these difficult times.

For and on behalf of Board of Directors

**Karachi**  
March 20, 2012

**Naveed Amin**  
Chief Executive Officer

**Unconsolidated Condensed Interim Balance Sheet**  
As at 31 March 2011 (Un-audited)



	Note	Un-Audited 31 March 2011	Audited 30 June 2010
(Rupees in'000)			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	341,619	393,889
Intangible assets	5	6,266	10,103
Long term investments	6	129,324	247,912
Net investment in Ijarah finance/assets under Ijarah arrangements	7	336,691	624,347
Long term musharakah finance - secured	8	116,572	78,113
Long term loans - considered good		21,026	22,210
Long term deposits and receivables - unsecured and considered good		15,160	19,964
Deferred taxation		-	-
		<b>966,657</b>	<b>1,396,538</b>
<b>Current assets</b>			
Short term investments	9	37,477	293,533
Short term musharakah finances	10	95,769	131,605
Short term finances - secured		43,132	55,167
Trade debts - unsecured		-	1,005,106
Assets acquired in satisfaction of finances		49,500	49,500
Ijarah rentals receivables		11,445	9,563
Current maturity of non-current assets	11	833,618	1,250,031
Advances, deposits, prepayments and other receivables		147,616	129,909
Stock in trade		1,720	728
Cash and bank balances	12	22,840	75,318
Assets held for sale	13	1,636,732	483,533
		<b>2,879,849</b>	<b>3,483,993</b>
		<b>3,846,506</b>	<b>4,880,531</b>
<b>TOTAL ASSETS</b>			
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised capital			
485,000,000 (June 30, 2010: 485,000,000) ordinary shares of Rs.10/- each		<b>4,850,000</b>	<b>4,850,000</b>
Issued, subscribed and paid-up capital		2,848,669	2,848,669
Capital reserve on amalgamation		(2,022,076)	(2,022,076)
Surplus/(deficit) on revaluation of available-for-sale investments - net		1,203	(1,798)
Accumulated (loss)		(985,150)	(600,072)
		(157,354)	224,723
Surplus on revaluation of property, plant and equipment		9,258	9,258
<b>Non-current liabilities</b>			
Liability against assets subject to finance lease		3,673	9,992
Deferred liability for staff gratuity		-	12,662
Security deposits from lessees		212,727	276,137
Long term certificates of musharakah	14	124,485	90,525
Certificates of investments and deposits	15	7,345	6,445
Long term musharakah and murabahah borrowings	16	95,748	127,456
Musharakah Term Finance Certificates	17	367,589	420,013
Redeemable capital - Term Finance Certificates	18	128,380	-
Long term loan	19	-	-
Deferred liabilities		1,046	2,575
		<b>940,993</b>	<b>945,805</b>
<b>Current liabilities</b>			
Current portion of long term liabilities	20	642,017	1,120,274
Short term certificates of musharakah	21	445,782	648,100
Short term certificates of investments and deposits		103,793	118,520
Short term borrowings	22	93,301	1,392,453
Short term musharakah borrowings	23	3,200	5,000
Loan from a Director - unsecured		197,543	168,022
Creditors, accrued and other liabilities		183,526	248,376
Liabilities directly associated with the assets classified as held for sale	13	1,384,446	-
		<b>3,053,608</b>	<b>3,700,745</b>
		<b>3,846,506</b>	<b>4,880,531</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			
<b>CONTINGENCIES AND COMMITMENTS</b>			
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The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

**Ahmed Kamran**  
Chairman

**Naveed Amin**  
Chief Executive Officer

**Unconsolidated Condensed Interim Profit and Loss Account**  
For nine months period ended 31 March 2011 (Un-audited)



	Note	Nine months period ended 31 March		Three months period ended 31 March	
		2011 (Rupees in '000)	2010	2011 (Rupees in '000)	2010
<b>Income</b>					
Brokerage, commission and fees		-	113,142	-	36,642
Income from leasing operations		49,783	130,578	10,730	29,055
Operating lease rentals		89,920	98,021	28,589	35,437
Profit on musharakah investments		24,971	58,493	9,671	21,892
Income from investment and placement		1,564	2,618	688	529
Income from finances		5,343	16,178	2,322	5,165
Income on deposits with banks		1,310	3,808	(2,888)	1,268
Gain on sale of listed shares - net		288	34,327	(5,058)	8,994
Unrealised gain / (loss) on remeasurement of investments carried at fair value through profit or loss		538	(4,025)	(2,091)	(7,150)
Dividend income from joint ventures		6,357	-	2,050	-
Dividend income		4,575	4,337	(2,258)	89
(Loss) from Diesel/CNG filling station - net		(1,846)	-	-	-
		<b>182,803</b>	457,477	<b>41,755</b>	131,921
<b>Expenses</b>					
Financial charges		(255,797)	(395,524)	(33,391)	(117,081)
Administration and operating expenses		(173,358)	(453,344)	(32,835)	(149,397)
		<b>(429,155)</b>	(848,868)	<b>(66,226)</b>	(266,478)
		<b>(246,352)</b>	(391,391)	<b>(24,471)</b>	(134,557)
Other income		14,891	46,838	9,358	13,064
		<b>(231,461)</b>	(344,553)	<b>(15,113)</b>	(121,493)
<b>Impairment loss</b>					
Reversal/(provision) against other receivables		1,500	(8,095)	-	-
Provision for impairment in the value of investments available for sale		-	(8,975)	-	-
Doubtful lease receivables written off		(597)	(2,207)	(175)	(262)
Provision against doubtful finance lease receivable and lease rentals - net		(50,403)	(28,838)	(15,946)	(12,159)
Provision against long term / short term musharakah finances		(10,970)	(1,791)	(3,893)	-
Provision against long term loan		(8,308)	(9,011)	(3,468)	(612)
Other receivables written off		(9,876)	(677)	-	-
		<b>(78,654)</b>	(59,594)	<b>(23,482)</b>	(13,033)
<b>Loss before taxation</b>		<b>(310,115)</b>	(404,147)	<b>(38,595)</b>	(134,526)
Provision for taxation		(447)	(3,278)	1,845	(1,781)
<b>Loss after taxation from continuing operations</b>		<b>(310,562)</b>	(407,425)	<b>(36,750)</b>	(136,307)
<b>Discontinued operations</b>					
Loss for the period from discontinued operations	13.1	(74,516)	-	(24,324)	-
<b>Loss for the period</b>		<b>(385,078)</b>	(407,425)	<b>(61,074)</b>	(136,307)
Loss per share					
- basic		(1.386)	(1.479)	(0.220)	(0.485)
-diluted		(1.352)	(1.479)	(0.214)	(0.485)

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

**Ahmed Kamran**  
Chairman

**Naveed Amin**  
Chief Executive Officer



**Unconsolidated Condensed Interim Cash Flow**  
**For nine months period ended 31 March 2011 (Un-audited)**



CASH FLOWS FROM OPERATING ACTIVITIES	Note	Nine months period ended 31 March	
		2011	2010
		(Rupees in '000)	
(Loss) before taxation		(310,115)	(404,147)
<b>Adjustments for non cash charges and other items:</b>			
Depreciation of property, plant and equipment		16,003	51,133
Amortization of intangible assets		1,733	3,203
Amortization of deferred revenue		-	(521)
Depreciation on assets leased out		63,982	-
Provision/ (reversals) against other receivables		(1,500)	8,095
Doubtful lease receivables written off		597	2,207
Provision against doubtful finance lease receivables and lease rentals - net		50,403	22,490
Provision against long term / short term musharakah finances		10,970	1,791
Provision against long term loan / short term loan		8,308	9,011
Provision for gratuity		-	(745)
Dividend Income		-	(4,337)
Other receivables written off		9,876	677
Financial charges - net		255,797	395,524
Gain on disposal of property, plant and equipment		(6,060)	(1,820)
Gain on sale of marketable securities		-	(18,416)
Unrealised gain on remeasurement of investments carried at fair value through profit or loss		(538)	(4,025)
Impairment loss in the value of investments available-for-sale		-	8,975
		<b>409,571</b>	<b>481,292</b>
<b>Cash flow from operating activities before working capital changes</b>		<b>99,456</b>	<b>77,145</b>
<b>(Increase) / decrease in current assets</b>			
Trade Debts		-	68,293
Short-term investments		25,474	541,973
Short term musharakah finances - secured		24,866	40,949
Short term finances - secured		12,035	19,971
Ijarah rentals receivable		(1,882)	(5,437)
Advances, deposits, prepayments and other receivables		59,816	(73,051)
Stock in trade		(992)	(478)
Assets held for sale		26,253	-
		<b>145,570</b>	<b>592,220</b>
<b>Increase / (decrease) in current liabilities</b>			
Short term certificates of musharakah		(202,318)	202,085
Short term certificates of investments and deposits		(14,727)	49,780
Creditors, accrued and other liabilities		(26,496)	199,374
		<b>(243,541)</b>	<b>451,239</b>
<b>Cash flow from operating activities after working capital changes</b>		<b>1,485</b>	<b>1,120,604</b>
Financial charges paid		(170,327)	(425,163)
Gratuity paid		-	(745)
Income tax paid		(4,531)	(3,193)
		<b>(174,858)</b>	<b>(429,101)</b>
<b>Change in cash flow from operating activities</b>		<b>(173,373)</b>	<b>691,503</b>
<b>Operating cash flow from discontinued operations</b>		<b>(17,014)</b>	<b>-</b>
<b>Net cash flow from operating activities</b>		<b>(190,387)</b>	<b>691,503</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditure		(4,898)	(36,406)
Long term loans		2,251	3,137
Long term deposit		4,804	(8,379)
Long term musharakah finances		23,151	-
Investments		495,796	733,433
Asset acquired in satisfaction of finances		-	50,000
Dividend received		-	4,410
Sale proceeds from disposal of property, plant and equipment		60,384	12,842
<b>Change in cash flow from investing activities</b>		<b>581,488</b>	<b>759,037</b>
<b>Investing cash flow from discontinued operations</b>		<b>238,997</b>	<b>-</b>
<b>Net cash flow from investing activities</b>		<b>820,485</b>	<b>759,037</b>

**Unconsolidated Condensed Interim Cash Flow**  
For nine months period ended 31 March 2011 (Un-audited)



	Note	Nine months period ended 31 March	
		2011	2010
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of liability against assets subject to finance lease		(5,309)	(13,546)
Short term borrowings		(6,600)	(762,843)
Receivable under reverse repurchase transaction		-	(58,208)
Deferred liability for staff gratuity		(12,662)	-
Security deposits from lessees		(235,275)	(323,846)
Long term certificates of musharakah		(54,165)	(65,840)
Certificates of investments and deposits		900	-
Long term musharakah and murabahah borrowings		(27,541)	(129,007)
Musharakah Term Finance Certificates		(52,985)	(58,333)
Redeemable capital - Term Finance Certificates		-	(45,000)
Loan from a Director - unsecured		29,521	(11,306)
Deferred liabilities		(1,529)	-
Long-term loan		(95,064)	(51,937)
<b>Change in cash flow from financing activities</b>		<b>(460,709)</b>	<b>(1,519,866)</b>
<b>Financing cash flows from discontinued operations</b>		<b>(213,957)</b>	<b>-</b>
<b>Net cash flow from financing activities</b>		<b>(674,666)</b>	<b>(1,519,866)</b>
<b>NET (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(44,568)</b>	<b>(69,326)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>		<b>75,318</b>	<b>(519,414)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	12	<b>30,750</b>	<b>(588,740)</b>

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

**Ahmed Kamran**  
Chairman

**Naveed Amin**  
Chief Executive Officer

**Unconsolidated Condensed Interim Statement of Comprehensive Income**  
For nine months period ended 31 March 2011 (Un-audited)

	Nine months period ended		Three months period ended	
	31 March 2011 (Rupees in '000)	31 March 2010	31 March 2011 (Rupees in '000)	31 March 2010
Loss for the period	(385,078)	(407,425)	(61,074)	(136,307)
Other comprehensive (loss) / income				
Unrealised gain / (loss) for the period on remeasurement of available-for-sale investments	3,002	5,083	-	(6,213)
<b>Total comprehensive loss for the period</b>	<b>(382,076)</b>	<b>(402,342)</b>	<b>(61,074)</b>	<b>(142,520)</b>

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

**Ahmed Kamran**  
Chairman

**Naveed Amin**  
Chief Executive Officer

**Unconsolidated Condensed Interim Changes in Equity**  
**For nine months period ended 31 March 2011 (Un-audited)**



	Issued, subscribed and paid-up capital	Capital reserve on amalgamation	(Deficit) / surplus on revaluation of available for sale investment	Accumulated profit / (loss)	Share deposit money	Total
	----- (Rupees in '000) -----					
Balance as at 01 July 2009	2,727,669	(2,022,076)	4,207	148,123	121,000	978,923
<i>Total comprehensive loss for the period ended 31 March 2010</i>						
Loss after taxation	-	-	-	(407,425)	-	(407,425)
<i>Other comprehensive loss</i>						
Unrealised loss on remeasurement of investments classified as available for sale	-	-	(2,912)	-	-	(2912)
Transfer of impairment in the value of investments classified as available-for-sale taken to profit and loss account	-	-	5,083	-	-	5083
Incremental depreciation charged for the period-release from surplus on revaluation of fixed assets	-	-	2171	(407,425)	-	(405,254)
Subordinated loan converted into share capital	121,000	-	-	-	(121,000)	-
<b>Balance as at 31 March 2010</b>	<b>2,848,669</b>	<b>(2,022,076)</b>	<b>6,378</b>	<b>(258,810)</b>	<b>-</b>	<b>574,161</b>
<i>Total comprehensive loss for the period ended 30 June 2010</i>						
Loss after taxation	-	-	-	(341,448)	-	(341,448)
<i>Other comprehensive loss</i>						
Unrealised loss on remeasurement of available for sale investments	-	-	1,156	-	-	1,156
<b>Others</b>						
Transfer of impairment in the value of investments c classified as available-for-sale taken to profit and loss account.	-	-	(9,333)	-	-	(9,333)
Incremental depreciation charged for the period-release from surplus on revaluation of fixed assets	-	-	-	186	-	186
<b>Balance as at July 01 2010</b>	<b>2,848,669</b>	<b>(2,022,076)</b>	<b>(1,799)</b>	<b>(600,072)</b>	<b>-</b>	<b>224,722</b>
<i>Total comprehensive loss for the period ended 31 March 2011</i>						
Loss after taxation	-	-	-	(385,078)	-	(385,078)
<i>Other comprehensive loss</i>						
Unrealised gain transferred to profit and loss account on disposal	-	-	-	-	-	-
Unrealised loss on remeasurement of investments classified as available for sale	-	-	3,002	-	-	3,002
Incremental depreciation charged for the period-release from surplus on revaluation of fixed assets	-	-	3,002	(385,078)	-	(382,076)
<b>Balance as at 31 March 2011</b>	<b>2,848,669</b>	<b>(2,022,076)</b>	<b>1,203</b>	<b>(985,150)</b>	<b>-</b>	<b>(157,354)</b>

The annexed notes 1 to 26 form an integral part of these condensed interim financial statements.

**Ahmed Kamran**  
Chairman

**Naveed Amin**  
Chief Executive Officer

## 1. LEGAL STATUS AND OPERATIONS

- 1.1 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. The Company is listed on all the stock exchanges. 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 obligations 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 8 December 2009.
- 1.3 **Challenges/ problems and mitigation plan / actions**

### Challenges / problems

The Company started facing financial and operational difficulties in the year 2009 owing to global financial and economic meltdown that brought in problems of mismatch of resources, surge in non-performing loans and liquidity crunch, non-achievement of post-merger strategic objectives and internal and external impediments. These financial and operational difficulties have resulted as under:

- the Company has suffered net loss of Rupees 385.07 million during the period and as at balance sheet date, the accumulated loss is Rupees 985.15 million and the current liabilities of the Company exceed its current assets by Rupees 173.76 million.
- net shareholders equity of the Company as at March 31, 2011 is negative by Rupees 157.35 million and is less than the minimum equity level of Rs. 850 million required under NBFC Regulations, 2008. The Company is unable to comply with per party exposure limit and other relevant limits as stipulated under NBFC Regulations, 2008.
- 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 or conditions which may cast significant doubt about the Company's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. The management has formulated a plan and is taking measures to address the financial and operational problems being faced by the Company. The plan and efforts are listed below:

### Mitigation plan / actions

- (a) Substantial reduction in administrative and other expenses
- (b) Commencement of new leasing business
- (c) Injection of funds amounting to Rupees 150 million
- (d) Settlement / rescheduling of loans with lending banks / financial institutions
- (e) Disposal of non-core assets
- (f) Disposal / transfer of brokerage related assets and liabilities
- (g) Improved recovery of non-performing leases and loans portfolio
- (h) Renewal of leasing and investment finance services' licenses

Management is hopeful that the above mentioned plan will help to overcome the financial and operational problems and will result in the improvement of financial position and financial results of the Company. Therefore, the Management is confident that the Company will be able to continue as a going concern.

## 2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of Preparation

These condensed interim financial statements have been prepared under the "historical cost convention" except staff retirement gratuity carried at present value, non-current assets held for sale stated at the lower of carrying amount and fair value less costs to sale and investment in associate-available for sale stated at fair value.

### 2.2 Statement of compliance

These condensed interim financial statements are un-audited and have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34- "Interim Financial Reporting" as applicable in Pakistan. These condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the financial statements of the Company as at and for the year ended June 30, 2010.

### 2.3 Functional and presentation currency

These condensed interim financial statements are presented in Pakistan Rupees which is the Company's functional and presentation currency and rounded off to the nearest thousand of Rupees.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed for the preparation of these condensed interim financial statements are the same as those applied in preparing the financial statements for the year ended June 30, 2010.

## 4. PROPERTY, PLANT AND EQUIPMENT

Nine months period ended			
31 March 2011		31 March 2010	
Additions	Disposals	Additions	Disposals
------(Rupees in '000)-----			

### Acquisition and disposals of operating assets - at cost

#### Owned - cost

Land and building	-	40,725	-	-
Plant and Machinery	-	16,150	-	-
Office renovation	-	-	196	-
Furniture and fixtures	-	265	470	51
Office equipments	891	32	992	267
Vehicles	3,657	16,081	21,798	13,506
Generator	-	-	218	-
	<u>4,548</u>	<u>73,253</u>	<u>23,674</u>	<u>13,824</u>

#### Leased - cost

Vehicles	-	-	-	1,360
	<u>4,548</u>	<u>73,253</u>	<u>23,674</u>	<u>15,184</u>

## 5. INTANGIBLE ASSETS

### Acquisition of Intangible assets - at cost

Computer software	<u>350</u>	<u>-</u>	<u>2,793</u>	<u>-</u>
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	Note	31 March 2011	30 June 2010
<b>6. LONG TERM INVESTMENTS</b>		<b>(Rupees in '000)</b>	
Investment in subsidiary - at cost	13.1	-	116,850
Investment in related parties - at cost	6.1	<b>82,863</b>	82,863
Available for sale investments:			
- Ordinary shares & certificates of listed and unlisted entities		<b>30,161</b>	30,786
- Mutual funds		<b>11,197</b>	10,588
- Term finance certificates		<b>5,103</b>	6,825
		<b><u>129,324</u></b>	<b><u>247,912</u></b>

**6.1 INVESTMENTS IN RELATED PARTIES**

**Joint ventures**

CNG / Diesel filling stations

- Centre Gas (Private) Limited

- UMA Enterprises

- Ameen Enterprises

<b>34,536</b>	34,536
<b>27,705</b>	27,705
<b><u>20,622</u></b>	<u>20,622</u>
<b><u>82,863</u></b>	<u>82,863</u>

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

Ijarah contracts

accounted for as finance leases

7.1	<b>828,980</b>	1,358,715
-----	----------------	-----------

Ijarah contracts

accounted for under IFAS 2

7.2	<b>238,035</b>	317,340
	<b><u>1,067,015</u></b>	<u>1,676,055</u>

Current portion of net investment in Ijarah finance

11	<b><u>(730,324)</u></b>	<u>(1,051,709)</u>
	<b><u>336,691</u></b>	<u>624,346</u>

**7.1 Net investment in Ijarah finance**

	31 March 2011			30 June 2010		
	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 '000) -----					
Minimum lease payments receivable	<b>1,069,786</b>	<b>78,305</b>	<b>1,148,091</b>	1,169,540	271,622	1,441,162
Residual value of leased assets	<b>191,547</b>	<b>69,226</b>	<b>260,773</b>	343,414	154,532	497,946
Lease contracts receivable	<b>1,261,333</b>	<b>147,531</b>	<b>1,408,864</b>	1,512,954	426,154	1,939,108
Unearned lease income (including suspended income)	<b>(191,793)</b>	<b>(27,237)</b>	<b>(219,030)</b>	(204,363)	(56,953)	(261,316)
Provision for potential lease losses	<b>(339,216)</b>	<b>(21,638)</b>	<b>(360,854)</b>	(256,883)	(62,194)	(319,077)
	<b>(531,009)</b>	<b>(48,875)</b>	<b>(579,884)</b>	(461,246)	(119,147)	(580,393)
	<b><u>730,324</u></b>	<b><u>98,656</u></b>	<b><u>828,980</u></b>	<u>1,051,708</u>	<u>307,007</u>	<u>1,358,715</u>

**7.2 Contractual rentals receivables**

	31 March 2011	30 June 2010
	(Rupees in '000)	
Due within one year	91,092	156,501
Due after one year but within five years	<u>146,943</u>	<u>158,922</u>
	<u>238,035</u>	<u>315,423</u>

**8. LONG TERM MUSHARAKAH FINANCE - SECURED**

Companies (non-financial institutions)	114,233	120,690
Individuals	<u>103,991</u>	<u>114,603</u>
	<u>218,224</u>	<u>235,293</u>
Receivable within one year shown under current assets	11 (64,075)	(125,685)
	<u>154,149</u>	<u>109,608</u>
Provision against impaired balances	<u>(37,577)</u>	<u>(31,495)</u>
	<u>116,572</u>	<u>78,113</u>

**9. SHORT-TERM INVESTMENTS**

**Investments at fair value through profit or loss**

*Quoted securities*

- Ordinary shares	-	30,118
- Preference shares - cumulative	433	611
- Mutual funds	<u>24,735</u>	<u>67,274</u>
	<u>25,168</u>	<u>98,003</u>

*Available-for-sale*

Government securities	-	182,561
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*Other quoted securities*

- Term finance certificates	-	84
- Ordinary shares	-	1,185
- Mutual funds	<u>11,309</u>	<u>10,700</u>
	<u>11,309</u>	<u>11,969</u>

*Un-quoted securities*

Dawood Family Takaful Limited	<u>1,000</u>	<u>1,000</u>
	<u>37,477</u>	<u>293,533</u>

**10. SHORT TERM MUSHARAKAH FINANCES - SECURED**

- Considered good	24,622	37,500
- Impaired balances	<u>134,491</u>	<u>152,562</u>
	<u>159,113</u>	<u>190,062</u>
Provision against impaired balances	<u>(63,344)</u>	<u>(58,457)</u>
	<u>95,769</u>	<u>131,605</u>

	Note	31 March 2011	30 June 2010
<b>11. CURRENT MATURITY OF NON-CURRENT ASSETS</b>			
(Rupees in '000)			
Net investment in Ijarah finance / assets under Ijarah arrangements	7	730,324	1,051,708
Musharakah receivables	8	64,075	125,684
Long term loans		39,219	72,638
		<u>833,618</u>	<u>1,250,030</u>
<b>12. CASH AND BANK BALANCES</b>			
Balance with banks in:			
<i>Current accounts in local currency with:</i>			
- State Bank of Pakistan		44	922
- Commercial Banks		3,547	16,776
		<u>3,591</u>	<u>17,698</u>
Term deposit accounts - local currency		-	19,000
Deposit accounts - local currency		18,669	38,088
		<u>18,669</u>	<u>57,088</u>
		<u>22,260</u>	<u>74,786</u>
<i>Cash in hand</i>			
- Local currency		580	532
Continued Operations		<u>22,840</u>	<u>75,318</u>
Discontinued Operation		7,910	-
Total		<u>30,750</u>	<u>75,318</u>

**13. DISCONTINUED OPERATION AND NON CURRENT ASSETS HELD FOR SALE**

**13.1 Discontinued Operation**

The assets held for sale of discontinued operation and liabilities directly associated with such assets under IFRS 5 'Non Current Assets Held For Sale and Discontinued Operation in their respective categories are summarized hereunder:

	Note	31 March 2011	30 June 2010
<b>Carrying Value</b>			
<b>Assets held for sale of discontinued operation</b>			
Property, plant and equipment		31,102	-
Intangible assets		1,872	-
Investment in subsidiary - at cost	6	116,850	-
Long term loans		10,042	-
Long term deposits and receivables - unsecured		513	-
Short-term investments		25,362	-
Trade debts - unsecured		938,626	-
Advances, deposits, prepayments and other receivables		47,175	-
Cash and bank balances		7,909	-
Properties transferred from non current assets held for sale	13.2.2	96,489	-
		<u>1,275,940</u>	<u>-</u>



	31 March 2011	30 June 2010
	(Rupees in '000)	
<b>Total assets classified as held for sale</b>		
Assets of discontinued operation	1,275,940	-
Non current assets held for sale	13.2 <u>360,792</u>	<u>483,533</u>
	<u>1,636,732</u>	<u>483,533</u>

**Liabilities directly associated with the assets held for sale**

Long-term loan	21,108	-
Short term borrowings	1,136,133	-
Creditors, accrued and other liabilities	227,205	-
	<u>1,384,446</u>	<u>-</u>

As per the Memorandum of Understanding signed between the incoming and outgoing shareholder groups and keeping in view the nature of these liabilities classified as held for sale, these are to be settled by acquirer either through payment of cash or adjustment with any other asset. These liabilities have, therefore, been classified as held for sale.

**Analysis of the result of discontinued operation**

Revenue	7,303	-
Expenses	<u>(55,777)</u>	<u>-</u>
Results from operating activities	(48,474)	-
Other Income	2,101	-
Finance Cost	(25,172)	-
Impairment & write-off	-	-
Taxation	<u>(2,971)</u>	<u>-</u>
	<u>(74,516)</u>	<u>-</u>

**Analysis of Cash Flows from discontinued operation**

Operating cash flows	<u>(17,014)</u>	<u>-</u>
Investing cash flows	<u>238,997</u>	<u>-</u>
Financing cash flows	<u>(213,957)</u>	<u>-</u>

**13.2 Non current assets held for sale**

The Board of Directors had decided to dispose off the following properties. Active campaign is being undertaken in this respect to dispose of these properties at the earliest.

	31 March 2011	30 June 2010
	(Rupees in '000)	
<b>Office premises</b>		
Property no. 1	18,592	18,592
Property no. 2	18,458	18,458
Property no. 3	18,458	18,458
Property no. 4	75,933	75,933
Property no. 5	7,188	7,188
Property no. 6	20,761	20,761
Property no. 7	<u>12,291</u>	<u>12,291</u>
	<u>171,679</u>	<u>171,679</u>

	Note	31 March 2011	30 June 2010
(Rupees in '000)			
<b>Buildings</b>			
Property no. 8		36,532	36,532
Property no. 9		18,275	18,275
Property no. 10		-	26,254
Property no. 11		106,823	106,823
Property no. 12		4,226	4,226
		165,856	192,109
<b>Land</b>			
Property no. 13		28,500	28,500
Property no. 14		4,127	4,127
Property no. 15		60,000	60,000
Property no. 16		24,198	24,198
Property no. 17		2,920	2,920
		119,745	119,745
Transferred to assets held for sale and discontinued operations	13.2.2	(96,488)	-
		360,792	483,533
<b>13.2.1</b> The company is in the process of negotiation with various lenders to set-off its debts in consideration of the above properties. The management is of the view that they will be able to settle the debts within next financial year.			
<b>13.2.2</b> The Property no. 7, Property no.16 and Property no. 17 having value of Rs. 96.488 million are related to the discontinued operation and therefore, these properties have been transferred to assets held for sale of discontinued operation at note 13.1			
<b>14. LONG TERM CERTIFICATES OF MUSHARAKAH - UNSECURED</b>			
Certificate of musharakh			
- Associated undertakings		6,580	6,580
- Others		148,785	202,950
		155,365	209,530
Payable within one year shown under current liabilities	20	(30,880)	(119,005)
		124,485	90,525
<b>15. CERTIFICATES OF INVESTMENTS &amp; DEPOSITS - UNSECURED</b>			
<b>Long term</b>			
For one year or more		8,135	7,235
Payable within one year shown under current liabilities	20	(790)	(790)
		7,345	6,445
<b>16. LONG TERM MUSHARAKAH AND MURABAHAH BORROWINGS - SECURED</b>			
<b>Musharakah borrowings</b>			
From commercial banks		33,333	33,333
<b>Murabahah borrowings from:</b>			
Commercial banks		150,525	169,907
Other financial institutions		61,057	69,216
		211,582	239,123
		244,915	272,456

	Note	31 March 2011	30 June 2010
(Rupees in '000)			
Payable within one year shown under current maturity	20	<u>(149,167)</u> <u>95,748</u>	<u>(145,000)</u> <u>127,456</u>
<b>17. MUSHARAKAH TERM FINANCE CERTIFICATES (TFCs - privately placed) - secured</b>			
Commercial banks		268,573	294,687
Other financial institutions		237,434	260,521
Individuals		<u>38,924</u>	<u>42,708</u>
		<u>544,931</u>	<u>597,916</u>
Current maturity	20	<u>(175,000)</u> <u>369,931</u>	<u>(175,000)</u> <u>422,916</u>
Total initial transaction cost		7,400	7,400
Amortization to date		<u>(5,058)</u>	<u>(4,497)</u>
		<u>2,342</u>	<u>2,903</u>
		<u>367,589</u>	<u>420,013</u>
<b>18. REDEEMABLE CAPITAL</b>			
Term Finance Certificates (TFCs)		<u>128,380</u>	<u>128,380</u>
		<u>128,380</u>	<u>128,380</u>
Current maturity	20	<u>-</u>	<u>(128,380)</u>
		<u>128,380</u>	<u>-</u>
Total initial transaction cost		-	10,384
Amortization to date		<u>-</u>	<u>(10,384)</u>
		<u>-</u>	<u>-</u>
		<u>128,380</u>	<u>-</u>
<b>19 LONG TERM LOAN -SECURED</b>			
Facility I		37,807	44,855
Facility II		49,410	60,298
Facility III		12,352	15,074
Facility IV		6,176	7,537
Facility V		-	43,795
Facility VI		<u>-</u>	<u>29,250</u>
		<u>105,745</u>	<u>200,809</u>
Current maturity	20	<u>(105,745)</u>	<u>(200,809)</u>
		<u>-</u>	<u>-</u>

	Note	31 March 2011	30 June 2010
		(Rupees in '000)	
<b>20. CURRENT PORTION OF LONG TERM LIABILITIES</b>			
Security deposit from lessees		171,039	342,904
Certificates of musharakah	14	30,880	119,005
Certificates of investments and deposits	15	790	790
Liabilities under finance lease arrangements		9,396	8,386
Long term musharakah	16	149,167	145,000
Musharakah Term Finance Certificates	17	175,000	175,000
Term Finance Certificates	18	-	128,380
Long term loan	19	105,745	200,809
		<u>642,017</u>	<u>1,120,274</u>
<b>21. SHORT TERM CERTIFICATES OF MUSHARAKAH - unsecured</b>		<u>445,782</u>	<u>648,099</u>
<b>22. SHORT TERM BORROWINGS</b>			
Secured			
Payable under repurchase transactions		41,768	182,803
From commercial banks - secured		48,733	745,850
Unsecured			
From Non-Banking Finance Companies - unsecured		2,800	3,800
Clean borrowings		-	460,000
		<u>93,301</u>	<u>1,392,453</u>
<b>23. SHORT TERM MUSHARAKAH BORROWINGS - unsecured</b>			
Leasing Companies and Modarabas		3,200	5,000
		<u>3,200</u>	<u>5,000</u>
<b>24. CONTINGENCIES AND COMMITMENTS</b>			
<b>24.1 Contingencies</b>			
There has been no change in contingencies as stated in the annual financial statements for the year ended June 30, 2010.			
<b>24.2 Commitments</b>			
Lease financing contracts committed but not executed at the balance sheet date amounted to			
NIL (June 30, 2010: Rs. 0.664 million).			
<b>25. RELATED PARTY TRANSACTIONS</b>			
Related parties comprise of major shareholders, subsidiary, associated companies with or without common directors, retirement benefit fund, directors, other key management personnel and their close family members. Contributions to the retirement benefit plans are made as per the terms of employment / actuarial advise. Remuneration of key management personnel and loans to employees are in accordance with their terms of employment. Other transactions with related parties are entered into at agreed rates.			
Details of transactions and balances at period end with related parties, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:			

	<b>Nine months period ended</b>	
	<b>31 March</b>	<b>31 March</b>
	<b>2011</b>	<b>2010</b>
	<b>(Rupees in '000)</b>	
<b>Transactions during the period</b>		
Brokerage and advisory income earned from related parties	<u>50</u>	<u>529</u>
Contribution to staff retirement fund	<u>4,004</u>	<u>3,291</u>
Key management remuneration	<u>18,795</u>	<u>64,957</u>
	<b>31 March</b>	<b>30 June</b>
	<b>2011</b>	<b>2010</b>
	<b>(Rupees in '000)</b>	
<b>Balances</b>		
Loans to executives	<u>7,583</u>	<u>20,234</u>
Certificate of Musharakah borrowing from financial institution under common directorship	<u>2,500</u>	<u>2,500</u>
Certificates of Musharakah borrowing from trust under common directorship / trusteeship	<u>6,780</u>	<u>6,960</u>
Investment in shares of Invest Capital Markets Limited	<u>116,850</u>	<u>116,850</u>
Certificate of Musharakah borrowing from UMA Enterprises	<u>-</u>	<u>1,000</u>
Loan from director	<u>197,543</u>	<u>168,022</u>
Receivable from Ameen Enterprises	<u>3,169</u>	<u>4,369</u>

**26 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on March 20, 2012.

**Ahmed Kamran**  
Chairman

**Naveed Amin**  
Chief Executive Officer

**Consolidated Condensed Interim Balance Sheet**  
For nine months period ended 31 March 2011 (Un-audited)



	Note	Un-Audited 31 March 2011	Audited 30 June 2010
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	341,619	463,408
Intangible assets	5	6,266	35,389
Long term investments	6	124,205	128,543
Net investment in Ijarah finance/assets under Ijarah arrangements	7	336,691	624,347
Long term musharakah finance - secured	8	116,572	78,113
Long term loans - considered good		21,026	22,210
Long term deposits and receivables - unsecured and considered good		15,160	34,864
Deferred taxation		-	-
		<b>961,538</b>	<b>1,386,874</b>
<b>Current assets</b>			
Short term investments	9	37,477	293,533
Short term musharakah finances	10	95,769	131,605
Short term finances - secured		43,132	55,167
Trade debts - unsecured		-	1,193,880
Assets acquired in satisfaction of finances		49,500	49,500
Ijarah rentals receivables		11,445	9,563
Current maturity of non-current assets	11	833,618	1,250,031
Receivable under repurchase transaction		-	9,000
Advances, deposits, prepayments and other receivables		147,616	134,606
Stock in trade		1,720	728
Cash and bank balances	12	22,840	75,318
Assets held for sale	13	1,837,168	483,533
		<b>3,080,285</b>	<b>3,686,464</b>
<b>TOTAL ASSETS</b>		<b>4,041,824</b>	<b>5,073,338</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorised capital			
485,000,000 (June 30, 2010: 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)
Surplus/(deficit) on revaluation of available-for-sale investments - net		1,203	(1,798)
Accumulated (loss)		(1,028,136)	(612,320)
		(200,340)	212,475
Surplus on revaluation of property, plant and equipment		18,986	18,986
<b>Non-current liabilities</b>			
Liability against assets subject to finance lease		3,673	9,992
Deferred liability for staff gratuity		-	12,662
Security deposits from lessees		212,727	276,137
Long term certificates of musharakah	14	124,485	90,525
Certificates of investments and deposits	15	7,345	6,445
Long term musharakah and murabahah borrowings	16	95,748	127,456
Musharakah Term Finance Certificates	17	367,589	420,013
Redeemable capital - Term Finance Certificates	18	128,380	-
Long term loan	19	-	-
Deferred liabilities		1,046	2,575
		<b>940,993</b>	<b>945,805</b>
<b>Current liabilities</b>			
Current portion of long term liabilities	20	642,017	1,120,274
Short term certificates of musharakah	21	445,782	648,100
Short term certificates of investments and deposits		103,793	118,520
Short term borrowings	22	93,301	1,423,950
Short term musharakah borrowings	23	3,200	5,000
Loan from a Director - unsecured		197,542	168,022
Creditors, accrued and other liabilities		185,201	412,206
Liabilities directly associated with the assets classified as held for sale	13	1,611,348	-
		<b>3,282,184</b>	<b>3,896,072</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4,041,824</b>	<b>5,073,338</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	24		
The annexed notes 1 to 26 form an integral part of these consolidated condensed interim financial statements.			

**Ahmed Kamran**  
Chairman

**Naveed Amin**  
Chief Executive Officer

Consolidated Condensed Interim Profit and Loss Account  
For nine months period ended 31 March 2011 (Un-audited)



	Note	Nine months period ended 31 March		Three months period ended 31 March	
		2011 (Rupees in '000)	2010	2011 (Rupees in '000)	2010
<b>Income</b>					
Brokerage, commission and fees		-	113,142	-	36,642
Income from leasing operations		49,783	130,578	10,730	29,055
Operating lease rentals		89,920	98,021	28,589	35,437
Profit on musharakah investments		24,971	58,493	9,671	21,892
Income from investment and placement		1,564	2,618	688	529
Income from finances		5,343	16,178	2,322	5,165
Income on deposits with banks		1,310	3,808	(2,888)	1,268
Gain on sale of listed shares - net		288	34,327	(5,058)	8,994
Unrealised gain / (loss) on remeasurement of investments carried at fair value through profit or loss		538	(4,025)	(2,091)	(7,150)
Dividend income		4,575	4,337	(2,258)	89
(Loss) from Diesel/CNG filling station - net		(1,846)	-	-	-
		<u>176,446</u>	<u>457,477</u>	<u>39,705</u>	<u>131,921</u>
<b>Expenses</b>					
Financial charges		(255,797)	(395,524)	(33,391)	(117,081)
Administration and operating expenses		(173,358)	(453,344)	(32,835)	(149,397)
		<u>(429,155)</u>	<u>(848,868)</u>	<u>(66,226)</u>	<u>(266,478)</u>
		<u>(252,709)</u>	<u>(391,391)</u>	<u>(26,521)</u>	<u>(134,557)</u>
Other income		16,129	46,838	10,596	13,064
		<u>(236,580)</u>	<u>(344,553)</u>	<u>(15,925)</u>	<u>(121,493)</u>
<b>Impairment loss</b>					
Reversal/ (provision) against other receivables		1,500	(8,095)	-	-
Provision for impairment in the value of investments available for sale		-	(8,975)	-	-
Doubtful lease receivables written off		(597)	(2,207)	(175)	(262)
Provision against doubtful finance lease receivable and lease rentals - net		(50,403)	(28,838)	(15,946)	(12,159)
Provision against long term / short term musharakah finances		(10,970)	(1,791)	(3,893)	-
Provision against long term loan		(8,308)	(9,011)	(3,468)	(612)
Other receivables written off		(9,876)	(677)	-	-
		<u>(78,654)</u>	<u>(59,594)</u>	<u>(23,482)</u>	<u>(13,033)</u>
<b>(Loss) before taxation</b>		<u>(315,234)</u>	<u>(404,147)</u>	<u>(39,407)</u>	<u>(134,526)</u>
Provision for taxation		(447)	(3,278)	1,845	(1,781)
<b>(Loss) after taxation from continuing operations</b>		<u>(315,681)</u>	<u>(407,425)</u>	<u>(37,562)</u>	<u>(136,307)</u>
<b>Discontinued operation</b>					
Loss for the period from discontinued operation	13.1	(100,136)	-	(28,040)	-
<b>(Loss) for the period</b>		<u>(415,817)</u>	<u>(407,425)</u>	<u>(65,602)</u>	<u>(136,307)</u>
(Loss) per share					
- basic		(1.496)	(1.479)	(0.236)	(0.485)
-diluted		<u>(1.460)</u>	<u>(1.479)</u>	<u>(0.230)</u>	<u>(0.485)</u>

The annexed notes 1 to 26 form an integral part of these consolidated condensed interim financial statements.

Ahmed Kamran  
Chairman

Naveed Amin  
Chief Executive Officer

**Consolidated Condensed Interim Cash Flow**  
For nine months period ended 31 March 2011 (Un-audited)



CASH FLOWS FROM OPERATING ACTIVITIES	Nine months period ended	
	31 March	
	2011	2010
	(Rupees in '000')	
(Loss) before taxation	(315,234)	(404,147)
<b>Adjustments for non cash charges and other items:</b>		
Depreciation of property, plant and equipment	16,003	51,133
Amortization of intangible assets	1,733	3,203
Amortization of deferred revenue	-	(521)
Depreciation on assets leased out	63,982	-
(Reversal)/ Provision against other receivables	(1,500)	8,095
Doubtful lease receivables written off	597	2,207
Provision against doubtful finance lease receivables and lease rentals - net	50,403	22,490
Provision against long term / short term musharakah finances	10,970	1,791
Provision against long term loan / short term loan	8,308	9,011
Provision for gratuity	-	(745)
Dividend Income	-	(4,337)
Other receivables written off	9,876	677
Financial charges - net	255,797	395,524
Gain on disposal of propert, plant and equipment	(6,060)	(1,820)
Gain on sale of marketable securities	-	(18,416)
Unrealised gain on remeasurment of investments carried at fair value through profit or loss	(538)	(4,025)
Impairment loss in the value of investments available-for-sale	-	8,975
	<u>409,571</u>	<u>481,292</u>
<b>Cash flow from operating activities before working capital changes</b>	<b>94,337</b>	<b>77,145</b>
<b>(Increase) / decrease in current assets</b>		
Trade Debts	-	68,293
Short-term investments	25,474	541,973
Short term musharakah finances - secured	24,866	40,949
Short term finances - secured	12,035	19,971
Ijarah rentals receivable	(1,882)	(5,437)
Advances, deposits, prepayments and other receivables	59,816	(73,051)
Stock in trade	(992)	(478)
Assets held for sale	26,253	-
	<u>145,570</u>	<u>592,220</u>
<b>Increase / (decrease) in current liabilities</b>		
Short term certificates of musharakah	(202,318)	202,085
Short term certificates of investments and deposits	(14,727)	49,780
Creditors, accrued and other liabilities	(28,877)	199,374
	<u>(245,922)</u>	<u>451,239</u>
<b>Cash flow from operating activities after working capital changes</b>	<b>(6,015)</b>	<b>1,120,604</b>
Financial charges paid	(170,327)	(425,163)
Gratuity paid	-	(745)
Income tax paid	(4,531)	(3,193)
	<u>(174,858)</u>	<u>(429,101)</u>
<b>Change in cash flow from operating activities</b>	<b>(180,873)</b>	<b>691,503</b>
<b>Operating cash flow from discontinued operation</b>	<b>(13,778)</b>	<b>-</b>
<b>Net cash flow from operating activities</b>	<b>(194,651)</b>	<b>691,503</b>



**Consolidated Condensed Interim Cash Flow**  
For nine months period ended 31 March 2011 (Un-audited)



**CASH FLOWS FROM INVESTING ACTIVITIES**

Fixed capital expenditure	(4,898)	(36,406)
Long term loans	2,251	3,137
Long term deposit	19,704	(8,379)
Long term musharakah finances	23,151	-
Investments	498,396	733,433
Assets acquired in satisfaction of finances	-	50,000
Dividend received	-	4,410
Sale proceeds from disposal of tangible fixed assets	60,384	12,842
<b>Change in cash flow from investing activities</b>	<b>598,988</b>	<b>759,037</b>
<b>Investing cash flow from discontinued operations</b>	<b>228,678</b>	<b>-</b>
<b>Net cash flow from investing activities</b>	<b>827,666</b>	<b>759,037</b>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Repayment of liability against assets subject to finance lease	(5,309)	(13,546)
Short term borrowings	(6,600)	(762,843)
Receivable under reverse repurchase transaction	-	(58,208)
Deferred liability for staff gratuity	(12,662)	-
Security deposits from lessees	(235,275)	(323,846)
Long term certificates of musharakah	(54,165)	(65,840)
Certificates of investments and deposits	900	-
Long term musharakah and murabahah borrowings	(27,541)	(129,007)
Musharakah Term Finance Certificates	(52,985)	(58,333)
Redeemable capital - Term Finance Certificates	-	(45,000)
Loan from a Director - unsecured	29,520	(11,306)
Deferred liabilities	(1,529)	-
Long-term loan	(95,064)	(51,937)
<b>Change in cash flow from financing activities</b>	<b>(460,710)</b>	<b>(1,519,866)</b>
<b>Financing cash flows from discontinued operations</b>	<b>(13,957)</b>	<b>-</b>
<b>Net cash flow from financing activities</b>	<b>(474,667)</b>	<b>(1,519,866)</b>

**NET (DECREASE) IN CASH AND CASH EQUIVALENTS**

(41,652) (69,326)

**CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD**

75,318 (519,414)

**CASH AND CASH EQUIVALENTS AT END OF THE PERIOD**

12 33,666 (588,740)

The annexed notes 1 to 26 form an integral part of these consolidated condensed interim financial statements.

**Consolidated Condensed Interim Statement of Comprehensive Income**

For nine months period ended 31 March 2011 (Un-audited)

	Nine months period ended		Three months period ended	
	31 March 2011	31 March 2010	31 March 2011	31 March 2010
	(Rupees in '000)		(Rupees in '000)	
Loss for the period	(415,817)	(407,425)	(65,602)	(136,307)
Other comprehensive (loss)				
Unrealised gain / (loss) for the period on remeasurement of available-for-sale investments	3,002	5,083	-	(594)
<b>Total comprehensive loss for the period</b>	<b>(412,815)</b>	<b>(402,342)</b>	<b>(65,602)</b>	<b>(136,901)</b>

The annexed notes 1 to 26 form an integral part of these consolidated condensed interim financial statements.

**Ahmed Kamran**  
Chairman

**Naveed Amin**  
Chief Executive Officer

**Consolidated Condensed Interim Changes in Equity**  
**For nine months period ended 31 March 2011 (Un-audited)**



	Issued, subscribed and paid-up capital	Capital reserve on amalgamation	(Deficit) / surplus on revaluation of available for sale	Accumulated profit / (loss)	Share deposit money	Total
------(Rupees in '000)-----						
Balance as at 01 July 2009	2,727,669	(2,022,076)	4,207	148,123	121,000	978,923
<i>Total comprehensive loss for the period ended 31 March 2010</i>						
Loss after taxation	-	-	-	(407,425)	-	(407,425)
<i>Other comprehensive loss</i>						
Unrealised loss on remeasurement of investments classified as available for sale investments	-	-	(2,912)	-	-	2,912
Transfer of Impairment in the value of investments classified as available-for-sale taken to profit and loss account	-	-	5,083	-	-	5,083
Incremental depreciation charged for the period-released from surplus on revaluation of fixed assets	-	-	2,171	(407,425)	-	(405,254)
Subordinated loan converted into share capital	121,000	-	-	-	(121,000)	-
<b>Balance as at 31 March 2010</b>	<b>2,848,669</b>	<b>(2,022,076)</b>	<b>6,378</b>	<b>(258,810)</b>	<b>-</b>	<b>574,161</b>
<i>Total comprehensive loss for the period ended 30 June 2010</i>						
Loss after taxation	-	-	-	(353,695)	-	(353,695)
<i>Other comprehensive loss</i>						
Unrealised loss on remeasurement of available for sale investments	-	-	1,156	-	-	1,156
	-	-	1,156	(353,695)	-	(352,539)
<b>Others</b>						
Transfer of Impairment in the value of investments classified as available-for-sale taken to profit and loss account.	-	-	(9,333)	-	-	(9,333)
Incremental depreciation charged for the period-released from surplus on revaluation of fixed assets	-	-	-	186	-	186
<b>Balance as at July 01 2010</b>	<b>2,848,669</b>	<b>(2,022,076)</b>	<b>(1,799)</b>	<b>(612,319)</b>	<b>-</b>	<b>212,475</b>
<i>Total comprehensive loss for the period ended 31 March 2011</i>						
Loss after taxation	-	-	-	(415,817)	-	(415,817)
<i>Other comprehensive loss</i>						
Unrealised loss on remeasurement of investments classified as available for sale investments	-	-	3,002	-	-	3,002
	-	-	3,002	(415,817)	-	(412,815)
Incremental depreciation charged for the period-released from surplus on revaluation of fixed assets	-	-	-	-	-	-
<b>Balance as at 31 March 2011</b>	<b>2,848,669</b>	<b>(2,022,076)</b>	<b>1,203</b>	<b>(1,028,136)</b>	<b>-</b>	<b>(200,340)</b>

The annexed notes 1 to 26 form an integral part of these consolidated condensed interim financial statements.

**Ahmed Kamran**  
Chairman

**Naveed Amin**  
Chief Executive Officer

## 1. LEGAL STATUS AND OPERATIONS

### 1.1 The group consists of M/s Invest Capital Investment Bank Limited and M/s Invest Capital Markets Limited.

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. The Company is listed on all the stock exchanges. The registered office of the Company is situated at Karachi in the province of Sindh.

Invest Capital Markets Limited ('the subsidiary') is incorporated as a limited liability company in Pakistan under the Companies Ordinance, 1984. The subsidiary is engaged in the business of share brokerage, money market, forex and commodity brokerage, advisory and consultancy services. The subsidiary is the corporate member of Karachi Stock Exchange (Guaranteed) Limited (KSE) and National Commodity Exchange Limited (NCEL). The registered office of the subsidiary is situated in Karachi in the province of Sindh

### 1.2 Invest Capital Markets Limited ('the subsidiary') is incorporated as a limited liability company in Pakistan under the Companies Ordinance, 1984. The subsidiary is engaged in the business of share brokerage, money market, forex and commodity brokerage, advisory and consultancy services. The subsidiary is the corporate member of Karachi Stock Exchange (Guaranteed) Limited (KSE) and National Commodity Exchange Limited (NCEL). The registered office of the subsidiary is situated in Karachi in the province of Sindh. 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 ("Invest Bank"). All the assets and liabilities and obligations 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 8 December 2009.

### 1.3 Challenges/ problems and mitigation plan / actions

#### Challenges / problems

The Group started facing financial and operational difficulties in the year 2009 owing to global financial and economic meltdown that brought in problems of mismatch of resources, surge in non-performing loans and liquidity crunch, non-achievement of post-merger strategic objectives and internal and external impediments. These financial and operational difficulties have resulted as under:

- the Group has suffered net loss of Rupees 415.82 million during the period and as at balance sheet date, the accumulated loss is Rupees 1,028.13 million and the current liabilities of the Group exceed its current assets by Rupees 201.90 million.
- net shareholders equity of the Group as at March 31, 2011 is negative by Rupees 200.34 million and is less than the minimum equity level of Rs. 850 million required under NBFC Regulations, 2008. The Group is unable to comply with per party exposure limit and other relevant limits as stipulated under NBFC Regulations, 2008.
- the Group has been unable to comply with the terms of certain loan agreements.
- the Group is facing difficulty in recovery of its non-performing leases and loans portfolio.
- the leasing and investment finance services' licenses of the Group have expired on December 08, 2010 and February 29, 2011 respectively and renewal is pending.

There is material uncertainty related to events or conditions which may cast significant doubt about the Group's ability to continue as a going concern and, therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. The management has formulated a plan and is taking measures to address the financial and operational problems being faced by the Group. The plan and efforts are listed below:

**Mitigation plan / actions**

- (a) Substantial reduction in administrative and other expenses
- (b) Commencement of new leasing business
- (c) Injection of funds amounting to Rupees 150 million
- (d) Settlement / rescheduling of loans with lending banks / financial institutions
- (e) Disposal of non-core assets
- (f) Disposal / transfer of brokerage related assets and liabilities
- (g) Improved recovery of non-performing leases and loans portfolio
- (h) Renewal of leasing and investment finance services' licenses

Management is hopeful that the above mentioned plan will help to overcome the financial and operational problems and will result in the improvement of financial position and financial results of the Group. Therefore, the Management is confident that the Group will be able to continue as a going concern.

**2. BASIS OF CONSOLIDATION**

The assets and liabilities of the subsidiary Group have been consolidated in accordance with IFRS 5 "Non Current Assets Held For Sale and Discontinued Operations" and the carrying value of investment in subsidiary held by the holding Group is eliminated against the shareholder's equity in the consolidated financial statements.

Material intra-group balances and transactions have been eliminated.

**3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES**

**3.1 Basis of Preparation**

These consolidated condensed interim financial statements have been prepared under the "historical cost convention" except staff retirement gratuity carried at present value, non-current assets held for sale stated at the lower of carrying amount and fair value less costs to sale and investment in associate-available for sale stated at fair value.

**3.2 Statement of compliance**

These consolidated condensed interim financial statements are un-audited and have been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34- "Interim Financial Reporting" as applicable in Pakistan. These consolidated condensed interim financial statements do not include all the information required for full financial statements and should be read in conjunction with the financial statements of the Group as at and for the year ended June 30, 2010.

**3.3 Functional and presentation currency**

These consolidated condensed interim financial statements are presented in Pakistan Rupees which is the Group's functional and presentation currency and rounded off to the nearest thousand of Rupees.

**4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies and methods of computation followed for the preparation of these un-audited consolidated condensed interim financial statements are the same as those applied in preparing the financial statements for the year ended June 30, 2010.

#### 4. PROPERTY, PLANT AND EQUIPMENT

	Nine months period ended			
	31 March 2011		31 March 2010	
	Additions	Disposals	Additions	Disposals
----- (Rupees in '000) -----				
Acquisition and disposals of operating assets - at cost				
<b><i>Owned - cost</i></b>				
Land and building	-	40,725	-	-
Plant and machinery	-	16,150	-	-
Office renovation	-	-	196	-
Furniture and fixtures	-	265	470	51
Office equipments	891	32	992	267
Vehicles	3,657	16,081	21,798	13,506
Generator	-	-	218	-
	<u>4,548</u>	<u>73,253</u>	<u>23,674</u>	<u>13,824</u>
<b><i>Leased - cost</i></b>				
Vehicles	-	-	-	1,360
	<u>4,548</u>	<u>73,253</u>	<u>23,674</u>	<u>15,184</u>

#### 5. INTANGIBLE ASSETS

Acquisition of Intangible assets-at cost

Computer software	<u>350</u>	<u>-</u>	<u>2,793</u>	<u>-</u>
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#### 6. LONG TERM INVESTMENTS

	Note	31 March 2011	30 June 2010
(Rupees in '000)			
Investment in related parties-at cost	6.1	77,744	80,344
Available for sale investments:			
- Ordinary shares & certificates of listed and unlisted entities		30,161	30,786
- Mutual funds		11,197	10,588
- Term finance certificates		5,103	6,825
		<u>124,205</u>	<u>128,543</u>

#### 6.1 INVESTMENTS IN RELATED PARTIES

##### Joint ventures

CNG / Diesel filling stations			
- Centre Gas (Private) Limited		32,130	32,111
- UMA Enterprises		26,110	26,776
- Ameen Enterprises		19,504	21,457
		<u>77,744</u>	<u>80,344</u>

	Note	31 March 2011	30 June 2010
<b>7. NET INVESTMENT IN IJARAH FINANCE / ASSETS UNDER IJARAH ARRANGEMENTS</b>		<b>(Rupees in '000)</b>	
Ijarah contracts			
- accounted for as finance leases	7.1	<b>828,980</b>	1,358,715
Ijarah contracts			
- accounted for under IFAS 2	7.2	<b>238,035</b>	317,340
		<b>1,067,015</b>	1,676,055
Current portion of net investment in Ijarah finance	11	<b>(730,324)</b>	(1,051,709)
		<b>336,691</b>	624,346

**7.1 Net investment in Ijarah finance**

	31 March 2011			30 June 2010		
	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 '000)					
Minimum lease payments receivable	1,069,786	78,305	1,148,091	1,169,540	271,622	1,441,162
Residual value of leased assets	191,547	69,226	260,773	343,414	154,532	497,946
Lease contracts receivable	1,261,333	147,531	1,408,864	1,512,954	426,154	1,939,108
Unearned lease income (including suspended income)	(191,793)	(27,237)	(219,030)	(204,363)	(56,953)	(261,316)
Provision for potential lease losses	(339,216)	(21,638)	(360,854)	(256,883)	(62,194)	(319,077)
	(531,009)	(48,875)	(579,884)	(461,246)	(119,147)	(580,393)
	<b>730,324</b>	<b>98,656</b>	<b>828,980</b>	1,051,708	307,007	1,358,715

	Note	31 March 2011	30 June 2010
<b>7.2 Contractual rentals receivables</b>		<b>(Rupees in '000)</b>	
Due within one year		<b>91,092</b>	156,501
Due after one year but within five years		<b>146,943</b>	158,922
		<b>238,035</b>	315,423

**8. LONG TERM MUSHARAKAH FINANCE - SECURED**

Companies (non-financial institutions)		<b>114,233</b>	120,690
Individuals		<b>103,991</b>	114,603
		<b>218,224</b>	235,293
Receivable within one year shown under current assets	11	<b>(64,075)</b>	(125,685)
		<b>154,149</b>	109,608
Provision against impaired balances		<b>(37,577)</b>	(31,495)
		<b>116,572</b>	78,113

9. SHORT-TERM INVESTMENTS	Note	31 March 2011	30 June 2010
<b>Investments at fair value through profit or loss</b>		<b>(Rupees in '000)</b>	
<i>Quoted securities</i>			
- Ordinary shares		-	30,118
- Preference shares - cumulative		433	611
- Mutual funds		24,735	67,274
		<b>25,168</b>	98,003
<i>Available-for-sale</i>			
Government securities		-	182,561
<i>Other quoted securities</i>			
- Term finance certificates		-	84
- Ordinary shares		-	1,185
- Mutual funds		11,309	10,700
		<b>11,309</b>	11,969
<i>Un-quoted securities</i>			
Dawood Family Takaful Limited		<b>1,000</b>	1,000
		<b>37,477</b>	<b>293,533</b>
<b>10. SHORT TERM MUSHARAKAH FINANCES - SECURED</b>			
Musharakah - secured			
- Considered good		24,622	37,500
- Impaired balances		134,491	152,562
		<b>159,113</b>	190,062
Provision against impaired balances		<b>(63,344)</b>	(58,457)
		<b>95,769</b>	<b>131,605</b>
<b>11. CURRENT MATURITY OF NON-CURRENT ASSETS</b>			
Net investment in Ijarah finance / assets under			
Ijarah arrangements	7	730,324	1,051,708
Musharakah receivables	8	64,075	125,684
Long term loans		39,219	72,638
		<b>833,618</b>	<b>1,250,030</b>
<b>12. CASH AND BANK BALANCES</b>			
Balance with banks in:			
<i>Current accounts in local currency with:</i>			
- State Bank of Pakistan		44	922
- Commercial Banks		3,547	16,776
		<b>3,591</b>	17,698
Term deposit accounts - local currency		-	19,000
Deposit accounts - local currency		18,669	38,088
		<b>18,669</b>	57,088
		<b>22,260</b>	74,786

	31 March 2011	30 June 2010
	(Rupees in '000)	
<i>Cash in hand</i>		
- Local currency	580	532
Continued Operations	<u>22,840</u>	<u>75,318</u>
Discontinued Operation	<u>10,826</u>	<u>-</u>
Total	<u><u>33,666</u></u>	<u><u>75,318</u></u>

### 13. DISCONTINUED OPERATION AND NON CURRENT ASSETS HELD FOR SALE

#### 13.1 Discontinued Operation

The assets held for sale of discontinued operation and liabilities directly associated with such assets under IFRS 5 'Non Current Assets Held For Sale and Discontinued Operation in their respective categories are summarized hereunder:

	Note	Carrying Value	
		31 March 2011	30 June 2010
<b>Assets held for sale of discontinued operations</b>			
Property, plant and equipment		90,320	-
Intangible assets		26,947	-
Long term loans		10,042	-
Long term deposits and receivables - unsecured		13,801	-
Short-term investments		25,362	-
Trade debts - unsecured		1,106,243	-
Advances, deposits, prepayments and other receivables		96,356	-
Cash and bank balances		10,826	-
Properties transferred from non current assets held for sale	13.2.2	96,489	-
		<u>1,476,377</u>	<u>-</u>
<b>Total assets classified as held for sale</b>			
Assets of discontinued operation		1,476,386	-
Non current assets held for sale	13.2	<u>360,791</u>	<u>483,533</u>
		<u><u>1,837,168</u></u>	<u><u>483,533</u></u>
<b>Liabilities directly associated with the assets held for sale</b>			
Long-term loan		21,108	-
Short term borrowings		1,136,133	-
Creditors, accrued and other liabilities		454,107	-
		<u>1,611,348</u>	<u>-</u>

As per the Memorandum of Understanding signed between the incoming and outgoing shareholder groups and keeping in view the nature of these liabilities classified as held for sale, these are to be settled by acquirer either through payment of cash or adjustment with any other asset. These liabilities have, therefore, been classified as held for sale.



31 March 2011  
30 June 2010  
(Rupees in '000)

**Analysis of the result of discontinued operation**

Revenue	90,233	-
Expenses	(140,415)	-
Results from operating activities	(50,182)	-
Other Income	17,372	-
Finance Cost	(64,355)	-
Impairment & write-off	-	-
Taxation	(2,971)	-
	<u>(100,136)</u>	<u>-</u>

**Analysis of Cash Flows from discontinued operation**

Operating cash flows	(13,778)	-
Investing cash flows	8,678	-
Financing cash flows	(213,957)	-

**13.2 Non current assets held for sale**

The Board of Directors had decided to dispose off the following properties. Active campaign is being undertaken in this respect to dispose of these properties at the earliest.

	Note	31 March 2011	30 June 2010
		(Rupees in '000)	
<b>Office premises</b>			
Property no. 1		18,592	18,592
Property no. 2		18,458	18,458
Property no. 3		18,458	18,458
Property no. 4		75,933	75,933
Property no. 5		7,188	7,188
Property no. 6		20,761	20,761
Property no. 7		12,291	12,291
		<u>171,679</u>	<u>171,679</u>
<b>Buildings</b>			
Property no. 8		36,532	36,532
Property no. 9		18,275	18,275
Property no. 10		-	26,254
Property no. 11		106,823	106,823
Property no. 12		4,226	4,226
		<u>165,856</u>	<u>192,109</u>
<b>Land</b>			
Property no. 13		28,500	28,500
Property no. 14		4,127	4,127
Property no. 15		60,000	60,000
Property no. 16		24,198	24,198
Property no. 17		2,920	2,920
		<u>119,745</u>	<u>119,745</u>
Transferred to assets held for sale and discontinued operation	13.2.2	(96,488)	-
		<u>360,791</u>	<u>483,533</u>

13.2.1 The company is in the process of negotiation with various lenders to set-off its debts in consideration of the above properties. The management is of the view that they will be able to settle the debts within next financial year.

13.2.2 The Property no. 7, Property no.16 and Property no. 17 having value of Rs. 96.488 million are related to the discontinued operations and therefore, these properties have been transferred to assets held for sale of discontinued operations at note 13.1

	Note	31 March 2011	30 June 2010
(Rupees in '000)			
<b>14. LONG TERM CERTIFICATES OF MUSHARAKAH - UNSECURED</b>			
Certificate of musharakah			
- Associated undertakings		6,580	6,580
- Others		<u>148,785</u>	<u>202,950</u>
		<u>155,365</u>	<u>209,530</u>
Payable within one year shown under current liabilities	20	<u>(30,880)</u>	<u>(119,005)</u>
		<u>124,485</u>	<u>90,525</u>
<b>15. CERTIFICATES OF INVESTMENTS &amp; DEPOSITS - UNSECURED</b>			
<b>Long term</b>			
For one year or more		8,135	7,235
Payable within one year shown under current liabilities	20	<u>(790)</u>	<u>(790)</u>
		<u>7,345</u>	<u>6,445</u>
<b>16. LONG TERM MUSHARAKAH AND MURABAHAH BORROWINGS - SECURED</b>			
<b>Musharakah borrowings</b>			
From commercial banks		33,333	33,333
<b>Murabahah borrowings from:</b>			
Commercial banks		<u>150,525</u>	<u>169,907</u>
Other financial institutions		<u>61,057</u>	<u>69,216</u>
		<u>211,582</u>	<u>239,123</u>
		<u>244,915</u>	<u>272,456</u>
Payable within one year shown under current maturity	20	<u>(149,167)</u>	<u>(145,000)</u>
		<u>95,748</u>	<u>127,456</u>
<b>17. MUSHARAKAH TERM FINANCE CERTIFICATES (TFCs - privately placed) - secured</b>			
Commercial banks		268,573	294,687
Other financial institutions		237,434	260,521
Individuals		<u>38,924</u>	<u>42,708</u>
		<u>544,931</u>	<u>597,916</u>
Current maturity	20	<u>(175,000)</u>	<u>(175,000)</u>
		<u>369,931</u>	<u>422,916</u>
Total initial transaction cost		<u>7,400</u>	<u>7,400</u>
Amortization to date		<u>(5,058)</u>	<u>(4,497)</u>
		<u>2,342</u>	<u>2,903</u>
		<u>367,589</u>	<u>420,013</u>

	Note	31 March 2011	30 June 2010
		(Rupees in '000)	
<b>18. REDEEMABLE CAPITAL</b>			
Term Finance Certificates (TFCs)		<b>128,380</b>	128,380
		<b>128,380</b>	128,380
Current maturity	20	-	(128,380)
		<b>128,380</b>	-
Total initial transaction cost		-	10,384
Amortization to date		-	(10,384)
		-	-
		<b>128,380</b>	-
<b>19 LONG TERM LOAN -secured</b>			
Facility I		<b>37,807</b>	44,855
Facility II		<b>49,410</b>	60,298
Facility III		<b>12,352</b>	15,074
Facility IV		<b>6,176</b>	7,537
Facility V		-	43,795
Facility VI		-	29,250
		<b>105,745</b>	200,809
Current maturity	20	(105,745)	(200,809)
		-	-
<b>20. CURRENT PORTION OF LONG TERM LIABILITIES</b>			
Security deposit from lessees		<b>171,039</b>	342,904
Certificates of musharakah	14	<b>30,880</b>	119,005
Certificates of investments and deposits	15	<b>790</b>	790
Liabilities under finance lease arrangements		<b>9,396</b>	8,386
Long term musharakah	16	<b>149,167</b>	145,000
Musharakah Term Finance Certificates	17	<b>175,000</b>	175,000
Term Finance Certificates	18	-	128,380
Long term loan	19	<b>105,745</b>	200,809
		<b>642,017</b>	1,120,274
<b>21. SHORT TERM CERTIFICATES OF MUSHARAKAH - unsecured</b>		<b>44,578</b>	648,099
<b>22. SHORT TERM BORROWINGS</b>			
Secured			
Payable under repurchase transactions		<b>41,768</b>	214,300
Clean borrowings		-	460,000
From commercial banks - secured		<b>48,733</b>	745,850
Unsecured			
From non-banking finance companies - unsecured		<b>2,800</b>	3,800
Clean borrowings		-	-
		<b>93,301</b>	1,423,950

	31 March 2011	30 June 2010
<b>23. SHORT TERM MUSHARAKAH BORROWINGS - unsecured</b>		
	<b>(Rupees in '000)</b>	
Leasing Companies and Modarabas	<u>3,200</u>	<u>5,000</u>
	<u>3,200</u>	<u>5,000</u>

## 24. CONTINGENCIES AND COMMITMENTS

### 24. Contingencies

There has been no change in contingencies as stated in the annual financial statements for the year ended June 30, 2010.

### 25.2 Commitments

Lease financing contracts committed but not executed at the balance sheet date amounted to

NIL (June 30, 2010: Rs. 0.664 million).

## 25. RELATED PARTY TRANSACTIONS

Related parties comprise of major shareholders, subsidiary, associated companies with or without common directors, retirement benefit fund, directors, other key management personnel and their close family members. Contributions to the retirement benefit plans are made as per the terms of employment / actuarial advise. Remuneration of key management personnel and loans to employees are in accordance with their terms of employment. Other transactions with related parties are entered into at agreed rate.

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

	<b>Nine months period ended</b>	
	<b>31 March 2011</b>	<b>31 March 2010</b>
	<b>(Rupees in '000)</b>	
<b>Transactions during the year</b>		
Brokerage and advisory income earned from related parties	<u>50</u>	<u>529</u>
Contribution to staff retirement fund	<u>4,004</u>	<u>3,291</u>
Key management remuneration	<u>18,795</u>	<u>64,957</u>
	<b>31 March 2011</b>	<b>30 June 2010</b>
	<b>(Rupees in '000)</b>	
<b>Balances</b>		
Loans to executives	<u>7,583</u>	<u>20,234</u>
Certificate of Musharakah borrowing from financial institution under common directorship	<u>2,500</u>	<u>2,500</u>
Certificates of Musharakah borrowing from trust under common directorship / trusteeship	<u>6,780</u>	<u>6,960</u>

	<b>31 March 2011</b>	30 June 2010
Investment in shares of Invest Capital Markets Limited	<u><b>116,850</b></u>	<u>116,850</u>
Certificate of Musharakah borrowing from UMA Enterprises	<u>-</u>	<u>1,000</u>
Loan from director	<u><b>197,543</b></u>	<u>168,022</u>
Receivable from Ameen Enterprises	<u><b>3,169</b></u>	<u>4,369</u>

**26 DATE OF AUTHORIZATION FOR ISSUE**

These condensed interim financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on March 20, 2012.

**Ahmed Kamran**  
Chairman

**Naveed Amin**  
Chief Executive Officer

# Our Network

## Registered Office / Head 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](http://www.icibl.com)

## Karachi

601-604, 6th Floor, Lakson Square Building No.3,  
Sarwar Shaheed Road, Karachi.

Tel : (92-21) 35205110 / 35661938, 48-58

Fax : (92-21) 35658409

## Islamabad

11-West, Jinnah Avenue,  
Blue Area, Islamabad.

Tel : (92-51) 2270588 / 2279807

Fax : (92-51) 2272813

## Lahore

701-A, 7th Floor, City Tower, 6-K  
Main Boulevard, Gulberg II, Lahore.

Tel : (92-42) 35770383-86

Fax : (92-42) 35788710

## Peshawar

Tehmas Center, Tehkal Payan,  
University Road, Peshawar.

Tel : (92-91) 5711731-33

Fax : (92-91) 5846034

## Faisalabad

20 Bilal Road, Civil Lines  
Faisalabad.

Tel : (92-41) 2626418 / 2620010

Fax : (92-41) 2613467

## Gujranwala

51-A, Trust Plaza, G.T. Road,  
Gujranwala.

Tel : (92-055) 3730308, 3730300

Fax : (92-055) 3731108

## Multan

Khawar Centre, Nusrat Road, Multan.

Tel : (92-061) 4781699

Fax : (92-061) 4781599



INVEST CAPITAL INVESTMENT BANK LIMITED

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

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