

Invest Capital Investment Bank Limited
Condensed Interim Balance Sheet (Un-audited)
As at 30 September 2009

DIRECTORS' REPORT FOR THE QUARTER ENDED 30TH SEPTEMBER, 2009

On behalf of the Board of Directors, I am pleased to present the first quarter's financial statements of your bank as at 30th September, 2009.

Directors' Review

During the quarter under review, a number of externalities continued to hamper overall investment climate of the country. The political canvas of the country remained loaded with the rifts between democratic institutions and leading political parties. On the other hand, law & order situation remained fiery in the wake of military operations against insurgency within tribal zones. The aftermath of this operation continued to cause collateral damage within the urban areas of the northern region. The result of such heightening tensions was prominently reflected in diminished foreign investments in the country. Meanwhile, liquidity remained in the state of drought, compelling the country to continue with its shelter under the IMF plan.

On the green side, one of the key economic indicators, external account of the country, showed much improved position mainly supported by decline in international oil and commodity prices YoY coupled with robust flow of remittances. The current account deficit of the country stood at USD460mn during 3QFY10 – down 36% YoY. With trade deficit standing 18% YoY down at USD3.10bn where exports couldn't lend support with 9% decline YoY, remittances came in as savior with USD2.33bn - thanks to curbs placed on undocumented foreign exchange transactions along with State Bank's measures to encourage banks to improve remittances inflow. On the other hand, despite attractive returns, political unrest and security/regulatory risks were major factors causing 32% YoY decline in foreign direct investment to USD670mn in 3QFY10. The major component pulling down Net Foreign Investment was the FDI, while FIPI was on the rise, hinting at the foreign investors' strategy to eye more short term gains than tying up their capital in long term projects. Foreign exchange reserves however, remained at sufficient levels of USD14.8bn by end Sep-09, showing a rise of ~28% QoQ – thanks to timely IMF loan tranches.

On the monetary side, inflation continued its downward spiral mainly due to renowned low-base impact of last year while the central bank softened its monetary stance by a 100bps in Aug-09. In addition, the SBP managed the entire money markets' liquidity needs through regular OMOs along with the introduction of an interest rate corridor which kept short term interest rates relatively stable during the period. Fiscal deficit target on the other hand, as promised with the IMF, was slightly missed coupled with tax collections being generally off the track during 3QFY10. The total tax collection remained subdued (at Rs259bn in 3QFY10). However, gradual elimination of overall subsidies coupled with favorable differentials in

JK

domestic and international oil prices pacified the fiscal deficit to some extent during the period.

After posting encouraging returns until Jun-09, Pakistan equities (benchmark KSE-100) marked another 31% QoQ returns during 3QFY10. Total average daily volumes also recorded at 189mn in 3QFY10, rising by 185% YoY while 7% QoQ. On the other hand, market capitalization was down 5% YoY, whereas rose 28% QoQ in 3QFY10. However, higher risk perception, coupled with the prevalent liquidity crunch and uncertainty on the political canvas gripped the market .

Future Outlook

Future market activity is contingent upon the positive development on expected inflows, MSCI review for KSE100 for its inclusion back into the MSCI Emerging Market Indices, and the inflation front as one-off blows of electricity and gas tariff differentials are yet to be passed on to the consumer. In addition, materialization of a new improved financing product for investors to resolve liquidity issue is of vital importance. On the inflows front, a total of over USD4bn (including military, non-military, Kerry Lugar and the IMF inflows) are expected in the 2HFY10 which is expected to support economic growth and the market liquidity. However, current decision of the SBP to pass-on oil payments to banks has led to PKR trading at its all-time low against the greenback. This will have more negative impacts of country's increased debt servicing and higher inflation with its trickling impacts on every strata of the economy than short term positive impacts of higher exports for a few sectors of the economy.

Financial Statements

For the quarter, your company has posted an after tax loss of Rs. 114 million which equates to Re. 0.42 per share. The financial statements for the quarter reflect the amalgamated position of Al-Zamin Leasing Corporation Limited, Al-Zamin Leasing Modaraba and Invest Capital Investment Bank Limited pursuant to amalgamation approved by the Honorable High Court of Sindh on 8th December, 2009. During the quarter, the balance sheet footings have been reduced by about Rs. 512 million due to a reduction of Rs. 261 million in the lease portfolio through meticulous recovery of the lease rentals and reduction of Rs. 528 million in the short term investments. Concurrently, security deposits on leases reduced by Rs. 151 million and aggregate reduction of Rs. 385 was achieved in the borrowings of the company. In the Profit and Loss Account, the the previous figures relating to September, 2008, pertained only the Invest Capital Investment Bank and, therefore, do not provide any useful comparison with the current figures of merged entity. Nevertheless, it is apparent that the merger has brought in diversified streams of income ranging form leasing operations and

musharakah investments to brokerage commission and fees. This symbolizes the fulfillment of major objective of the merger aimed at multiplying the sources of earnings for the bank. After taking into account the financial charges and impairments of doubtful assets , operating expenses and the current taxation, a net loss of Rs. 114million has been recorded for this quarter.

The important objective of the merger is to reduce the operating costs of merging entities by rationalizing the human resource and administrative cost. Effective steps are being taken in this direction to ensure optimization of the available resources and curtaining expense to every possible extent. An impact of our efforts will be visible in forthcoming reports.

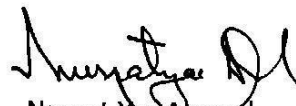
Future Operations

As reported in the annual accounts, your bank has embarked upon re-energizing of its business activities and maximizes returns by utilizing the collective strength of the merging entities. Every effort is being made to minimize the transitory period and to streamline various aspects of the merged operations. Your management is committed to ensuring better returns on equity and to move fast towards achieving visible profitability in the months to come.

Acknowledgments

The Board wishes to place on record its sincere appreciation for the devoted services of the human capital, the guidance and support provided by the SECP and the valuable encouragement by shareholders for completing our merger.

For and on behalf of Directors


Nusrat Yar Ahmed
Chief Executive

Karachi

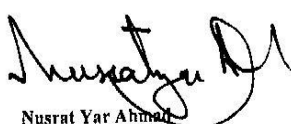
Dated : 24th December, 2009

Invest Capital Investment Bank Limited
Condensed Interim Balance Sheet (Un-audited)
As at 30 September 2009

	Note	30 September 2009	30 June 2009
		(Rupees in '000')	
Non-current assets			
Property, plant and equipments	3	826,388	830,476
Intangible assets	4	39,439	36,875
Long term investments	5	167,017	175,439
Net investment in finance leases	6	1,027,564	1,288,310
Long term musharakah - secured	7	189,255	199,165
Long term loans to employees - unsecured and considered good		69,646	77,676
Investment property		116,066	116,500
Long term deposits - unsecured and considered good	8	37,810	31,168
Deferred taxation		17,395	17,395
		2,490,581	2,773,005
Current assets			
Short-term investments	9	401,890	930,273
Takaful reserve fund investment		32,587	28,744
Short term musharakah and murabahah	10	237,050	242,706
Short term finances - secured		64,666	67,259
Trade debtors - unsecured		1,559,553	1,445,526
Assets acquired in satisfaction of finances provided		99,500	99,500
Operating lease rentals receivables		19,531	17,310
Current maturity of non-current assets		1,474,057	1,555,101
Receivable under reverse repurchase transaction		476,703	195,000
Advances, deposits, prepayments and other receivables		236,514	243,185
Stock in trade		877	1,042
Cash and bank balances	11	241,281	248,332
		4,844,209	5,073,978
TOTAL ASSETS		7,334,790	7,846,983
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorised capital		4,850,000	4,850,000
485,000,000 (2009: 485,000,000) ordinary shares of Rs.10/- each			
Issued, subscribed and paid-up capital	12	2,727,669	2,727,669
Capital reserve on amalgamation		(2,022,076)	(2,022,076)
Surplus / (deficit) on revaluation of available-for-sale investment		30,894	4,207
Accumulated profit		34,979	148,123
Share deposit money		121,000	121,000
		892,466	978,924
Surplus on revaluation of assets		18,721	19,664
Non-current liabilities			
Liability against assets subject to finance lease		16,774	18,967
Deferred liability for staff gratuity		5,913	6,061
Security deposits from lessees		521,737	672,796
Long term certificates of musharakah	13	80,225	177,095
Certificates of investment and deposit	14	7,235	3,635
Long term musharakah and murabahah borrowings	15	183,386	201,830
Musharakah Term Finance Certificates	16	462,692	462,055
Redeemable capital - Musharakah Term Finance Certificates	17	128,723	128,380
Sub-ordinated loan		194,545	194,545
Long-term loan		126,524	202,014
Deferred liabilities		146	1,909
		1,727,901	2,069,288
Current liabilities			
Current portion of long term liabilities	18	1,377,993	1,395,719
Short term certificates of musharakah	19	320,120	283,280
Short term certificates of investment and deposit		119,450	71,650
Short term borrowings	20	1,994,014	2,266,569
Short term Musharakah	21	32,414	48,000
Creditors, accrued and other liabilities		851,711	713,890
		4,695,702	4,779,108
TOTAL EQUITY AND LIABILITIES		7,334,790	7,846,983
CONTINGENCIES AND COMMITMENTS	22		

The annexed notes 1 to 25 form an integral part of these financial statements.



Basheer A. Chowdry
Managing Director

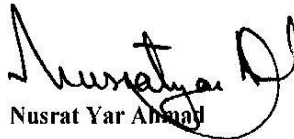

Nusrat Yar Ahmad
Chief Executive

Invest Capital Investment Bank Limited
Condensed Interim Profit and Loss Account (Un-audited)
For three months period ended 30 September 2009

	Three months period ended	
	30 September	
	2009	2008
Income	(Rupees in '000')	
Brokerage, commission & fees	41,468	23,367
Income from leasing operations	49,152	-
Operating lease rentals	34,001	-
Profit on musharakah investments	27,290	-
Income from Investment and placement	3,571	-
Income from finances	3,187	-
Income on deposits with banks	978	-
Net (loss) / gain on sale of marketable securities	(3,726)	4,386
Unrealised gain on investment in marketable securities - net	15,546	(4,681)
Dividend income	468	-
(Loss) / income from Diesel / CNG filling stations - net	(1,136)	-
	<u>170,799</u>	<u>23,072</u>
Expenses		
Financial charges	(127,599)	(4,550)
Amortisation of assets leased out	(16,524)	-
	<u>(144,123)</u>	<u>(4,550)</u>
	26,676	18,522
(IMPAIRMENT LOSS) / REVERSALS		
Provision for impairment in the value of investment	(9,783)	-
Doubtful lease receivables written off	(33)	-
Other receivables written off	(178)	-
	<u>(9,994)</u>	<u>-</u>
	16,682	18,522
Operating expenses	<u>(138,873)</u>	<u>(60,588)</u>
	(122,191)	(42,066)
Other income	<u>18,226</u>	<u>2,688</u>
Loss before taxation	<u>(103,965)</u>	<u>(39,378)</u>
Taxation		
- Prior	-	-
- Current	(10,121)	(1,104)
	<u>(10,121)</u>	<u>(1,104)</u>
Loss for the period	<u>(114,086)</u>	<u>(40,482)</u>
Earnings per share - basic and diluted	<u>(0.42)</u>	<u>(0.54)</u>

The annexed notes 1 to 25 form an integral part of these financial statements.


Basheer A. Chowdry
Managing Director


Nusrat Yar Ahmad
Chief Executive

Invest Capital Investment Bank Limited
Condensed Interim Cash Flow Statement (Un-audited)
For three months period ended 30 September 2009

CASH FLOWS FROM OPERATING ACTIVITIES

Loss before taxation

Three months period ended
30 September

2009 2008

(Rupees in '000')

(105,924) (84,710)

Adjustments for non cash charges and other items:

Depreciation of property and equipment
Amortization of intangibles
Amortization of deferred revenue
Allowances for potential lease losses and term finances
Other receivable written-off
Doubtful receivables written-off
Financial charges - net
Dividend Income
Bad debts
Provision for gratuity
Net gain/(loss) on sale of marketable securities
Loss / (gain) on disposal of fixed assets
Unrealised loss on remeasurement of investments carried at fair value through profit or loss
Impairment in the value of investments classified as available-for-sale

17,546	19,410
150	103
(173)	(1,472)
9,783	459
178	419
33	310
127,599	131,775
(468)	(2,495)
-	2,298
-	503
9,086	810
307	(140)
(13,842)	33,825
9,783	4,681
159,982	190,486
54,058	105,776

Cash flow from operating activities before working capital changes

(Increase) / decrease in current assets

Net investment in lease finance / Ijarah finances
Lease rentals receivable
Stock in trade
Musharakah and murabahah receivables
Advances, prepayments & other receivable
Trade Debtors

364,987	145,730
(5,437)	-
165	(251)
13,003	125,311
1,161	9,054
(114,028)	(102,945)
259,851	176,899

Increase / (decrease) in current liabilities

Security deposit from lessees
Trade creditors, accrued and other liabilities

(148,403)	(55,068)
171,528	(46,945)
23,124	(102,013)
337,033	180,662

Cash flow from operating activities after working capital changes

Financial charges paid
Gratuity paid
Income tax paid

(119,382)	(98,607)
(148)	-
(3,855)	(2,219)
(123,385)	(100,826)
213,648	79,836

Net cash flow from operating activities

CASH FLOWS FROM INVESTING ACTIVITIES

Fixed capital expenditure
Purchase of investments-net of proceeds on sale
Proceeds from disposal of assets in own use
Dividend received
Long term security deposits and advances
Short-term / long-term finances - net
Long term loan
Net cash flow from investing activities

(19,600)	(90,315)
463,127	(56,697)
4,420	(45,936)
2,137	3,492
(6,642)	(189)
26,791	-
3,920	(4,772)
474,153	(194,417)

CASH FLOWS FROM FINANCING ACTIVITIES

Redeemable capital raised - net of initial transaction cost
Musharakah Term Finance Certificates
Liabilities against assets subject to finance lease
Long term certificates of musharakah
Long term musharakah and murabahah
Short-term musharakah borrowings and bank finances
Short term certificates of musharakah
Profits paid to certificate holders
Borrowing repaid
Certificates of investment and deposits issued / (redeemed)
Receivables under reverse repurchase transactions
Short term finance
Long-term loans
Borrowings
Net cash flow from financing activities

(45,000)	(44,578)
-	598
(5,278)	(9,045)
(56,185)	(119,283)
(45,112)	5,716
(60,435)	(64,740)
36,840	-
-	(8)
(123,372)	6,936
51,400	(82,719)
(281,703)	-
(63,081)	176,853
(14,813)	-
(88,114)	(1,126)
(694,853)	(131,396)
(7,052)	(245,977)
248,332	541,112
241,280	295,135

NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD

CASH AND CASH EQUIVALENTS AT END OF THE PERIOD

The annexed notes 1 to 25 form an integral part of these financial statements.

Basheer A. Chowdhry
Managing Director


Invest Capital Investment Bank Limited

Nusrat Ynr Ahmad
Chief Executive

Invest Capital Investment Bank Limited
Condensed Interim Statement of Changes in Equity (Un-audited)
For three months period ended 30 September 2009

	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	Rupees in '000 Total
Balance as at 01 July 2008	746,424	(347,924)	(12,076)	(18,262)	121,000	489,162
Loss for the period (July 08-Sept 08)	-	-	-	(40,482)	-	(40,482)
Balance as at 30 September 2008	746,424	(347,924)	(12,076)	(58,744)	121,000	448,680
Balance as at 01 July 2009	2,727,669	(2,022,076)	4,207	148,123	121,000	978,923
Loss for the period (July 09-Sept 09)	-	-	-	(114,086)	-	(114,086)
Unrealised loss on remeasurement of investments classified as available-for-sale	-	-	(2,939)	-	-	(2,939)
Impairment in the value of investment classified as available-for-sale taken to profit and loss account (recognised income)	-	-	29,626	-	-	29,626
Adjustment of incremental depreciation on revaluation of fixed assets	-	-	-	942	-	942
Total recognised income for the year	-	-	26,687	(113,144)	-	(86,457)
Balance as at 30 September 2009	2,727,669	(2,022,076)	30,894	34,979	121,000	892,466

The annexed notes 1 to 25 form an integral part of these financial statements.


Basheer A. Chowdhry
 Managing Director


Nusrat Yar Ahmad
 Chief Executive

Invest Capital Investment Bank Limited

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

For three month period ended 30 September 2009

1. LEGAL STATUS AND OPERATIONS

- 1.1 Invest Capital Investment Bank Limited ('the Company') was formed after the amalgamation of Asset Investment Bank Limited ('AIBL') with Invest Capital and Securities (Private) Limited ('ICSL') through the order of Lahore High Court, Rawalpindi Bench dated 27 March 2007 for the sanction of the arrangement of amalgamation. Subject to the restrictions, if any, the Company will perform all the businesses and activities that the two separate entities were performing before the amalgamation. Pursuant to the same order the name of AIBL was changed to Invest Capital Investment Bank Limited.

The Company is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984. The Securities & Exchange Commission of Pakistan ('SECP') on 29 February 2008 issued a license to the company to carry out investment finance activities as a Non Banking Finance Company. The Company is listed on Karachi, Lahore and Islamabad stock exchanges. The registered office of the Company is situated in Karachi.

JCR VIS Credit Rating Company Limited has maintained to the Company a medium to long term entity rating of A- (Single A Minus) and a short term rating of A-2 (A-Two) with the outlook on the rating as "Stable".

In compliance with regulation no. 7(2)(n) of the NBFC Rules, 2003, the Company has to separate its brokerage business from the other business activities. The Company is in the process of segregating its brokerage business from other business activities and proposes to transfer the brokerage business to a subsidiary company incorporated for this purpose. The requirement for compliance with aforesaid regulation has been extended till 30 June 2010 by SECP vide S.R.O 886 dated 13 October 2009.

- 1.2 The Company entered into 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 ("InvestBank"). The scheme of arrangement was under Sections 284 to 288 read with section 503 (1) (c) of the Companies Ordinance, 1984. The scheme was effective from 30 June 2009 (close of business), accordingly from 30 June 2009 (close of business) all the assets and liabilities and obligations of the AZLCL and AZLM were vested with and assumed by the Company. The Company in consideration will issue 117,857,040 shares to the share holders of AZLCL at a swap ratio of 24 shares of the Company for 10 shares of AZLCL and issue 80,267,460 shares to the certificate holders of AZLM at a swap ratio of 26 shares of the Company for 10 certificates of AZLM. The Securities and Exchange Commission of Pakistan approved the above merger, while the Competition Commission of Pakistan also issued the no objection certificate to this matter. The Honourable High Court of Sindh approved the amalgamation by way of merger through its order dated 8 December 2009.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 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 of 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 30 June 2009.

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 30 June 2009.


2.2 Estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

The significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those applied to financial statements as at and for the year ended 30 June 2009.

2.3 Functional and presentation currency

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



3. PROPERTY AND EQUIPMENTS

Three months period ended
30 September 2009

	<i>Owned</i>		<i>Leased</i>	
	Additions	Disposals	Additions	Disposals
	----- (Rupees in '000) -----			
<i>Owned</i>				
Land and building	-	-	-	-
Office renovation	2,594	-	-	-
Furniture and fixtures	-	-	-	-
Office equipments	397	(75)	-	-
Vehicles	13,828	(5,367)	-	600
	<u>16,819</u>	<u>(5,442)</u>	<u>-</u>	<u>600</u>

4. INTANGIBLES

Computer software	<u>2,781</u>	<u>-</u>	<u>-</u>	<u>-</u>
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5. LONG TERM INVESTMENTS

30 September
2009

30 June
2009

(Rupees in '000)

Investment in related parties	5.1	61,994	62,240
Available for sale investments:			
- Ordinary shares of listed and unlisted companies		77,523	83,504
- Mutual Funds		16,910	18,596
- Term Finance Certificates		10,590	11,099
		<u>167,017</u>	<u>175,439</u>

5.1 INVESTMENT IN RELATED PARTIES

Joint ventures

CNG / Diesel filling stations

- Centre Gas (Private) Limited

- UMA Enterprises

- Al-Zamin Corporation Ltd.

34,986	34,536
27,008	27,705
-	-
<u>61,994</u>	<u>62,241</u>

6. IJARAH FINANCE

Ijarah contracts commencing upto 30 June 2008

- accounted for as finance leases

Ijarah contracts commencing 1 July 2008

- accounted for under IFAS 2

Current portion of net investment in Ijarah finance

30 September 2009	30 June 2009
(Rupees in '000)	
2,106,727	2,437,626
266,327	269,955
2,373,054	2,707,581
(1,345,490)	(1,419,271)
1,027,564	1,288,310

6.1 Net investment in Ijarah finance

	30-Sep-09			30-Jun-09		
	Due within one year year	Due after one year but within five years	Total	Due within one year	Due after one year but within five years	Total
Minimum lease payments receivable	1,219,429	626,675	1,846,104	1,403,652	986,992	2,390,644
Residual value of leased assets	239,363	574,899	814,262	237,068	420,139	657,207
Lease contracts receivable	1,458,792	1,201,574	2,660,366	1,640,720	1,407,131	3,047,851
Unearned lease income (including suspended income)	(54,447)	(225,427)	(279,874)	(194,903)	(137,448)	(332,351)
Provision for potential lease losses	(58,855)	(214,910)	(273,765)	(26,546)	(251,329)	(277,875)
	(113,302)	(440,337)	(553,639)	(221,449)	(388,777)	(610,226)
	1,345,490	761,237	2,106,727	1,419,271	1,018,354	2,437,625

7. LONG TERM MUSHARAKAH - secured

Companies

Individuals

Receivable within one year shown under
current assets

Provision against impaired balances

30 September 2009	30 June 2009
(Rupees in '000)	
121,128	125,944
136,401	138,932
257,529	264,876
(67,390)	(64,827)
190,139	200,049
(884)	(884)
189,255	199,165

8. LONG TERM DEPOSITS - considered good

Long term deposits

Current maturity

37,894	31,856
(84)	(688)
37,810	31,168

9. SHORT-TERM INVESTMENTS

30 September, 2009 30 June 2009

Investments at fair value through profit or loss

(Rupees in '000')

Quoted securities

- Term finance certificates	-	-
- Ordinary shares	43,651	49,237
- Preference shares	1,436	462
- Mutual Funds	47,922	76,276

Available-for-sale

1,347

Government securities

277,374

777,597

Quoted securities

- Term finance certificates	84	84
- Units of closed ended mutual funds	25,890	-
- Ordinary shares	3,186	25,617

Un - Quoted securities

Dawood Family Takaful Limited

1,000

1,000

401,890

930,273

10. SHORT TERM MUSHARAKAH AND MURABAHAH

Musharakah - secured

- Considered good	169,687	175,344
- Impaired balance	71,818	71,818
	241,505	247,162
Provision against impaired balances	(4,455)	(4,455)
	237,050	242,707

11. CASH AND BANK BALANCES

Balance with banks in:

Current accounts

- State Bank of Pakistan	3,624	6,490
- Local currency	9,995	15,495
	13,619	21,985

Term Deposit accounts

Deposit accounts - local currency

-	60,000
226,760	165,420
226,760	225,420
240,379	247,405

Cash in hand

- Local currency	902	927
	241,281	248,332

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12. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

272,766,865 (2009: 272,766,865)
Ordinary shares of Rs. 10/-each
issued for cash

30 September 2009 30 June 2009
(Rupees in '000')

2,727,669 2,727,669

13. LONG TERM CERTIFICATES OF MUSHARAKAH -unsecured

Certificates of musharakah - associated undertaking
- others

Payable within one year shown under current liabilities

12,960	12,420
191,090	247,815
204,050	260,235
(123,825)	(83,140)
<u>80,225</u>	<u>177,095</u>

14. CERTIFICATES OF INVESTMENT AND DEPOSIT

Long-term

For one year or more

Payable within one year shown under current liabilities

7,824	4,224
(589)	(589)
<u>7,235</u>	<u>3,635</u>

15. LONG TERM MUSHARAKAH AND MURABAHAH -secured

Musharakah

Commercial Banks

Other

58,333	66,66
-	-
<u>58,333</u>	<u>66,66</u>

Murabahah

Commercial Banks

Other financial institutions

187,500	222,9
153,385	154,7
<u>340,885</u>	<u>377,6</u>

Payable within one year shown under current maturity

399,218	444,3
(215,832)	(242,5)
<u>183,386</u>	<u>201,8</u>

16. MUSHARAKAH TERM FINANCE CERTIFICATES (privately placed)

Commercial banks

Other financial institutions

Privately placed term finance certificates - 2

345,000	345,0
355,000	355,0
-	45,0
<u>700,000</u>	<u>745,0</u>

Current maturity

(233,333)	(278,0)
<u>466,667</u>	<u>466,0</u>

Total initial transaction cost
Amortization to date

7,400	7,400
(3,425)	(2,000)
<u>3,975</u>	<u>5,400</u>
<u>462,692</u>	<u>461,000</u>

17. REDEEMABLE CAPITAL - MUSHARAKAH
TERM FINANCE CERTIFICATES (MTFCs)

	30 September 2009	30 June 2009
	(Rupees in '000')	
Balance as on 1 July	238,880	451,380
Paid during the period	-	(212,500)
Current maturity	238,880	238,880
	(109,991)	(110,127)
	128,889	128,753
Total initial transaction cost	10,384	10,384
Amortization to date	(10,218)	(10,011)
	166	373
	128,723	128,380

18. CURRENT MATURITY OF LONG TERM
LIABILITIES

Security deposit from lessees	382,200	379,539
Certificates of musharakah	123,825	83,140
Liabilities under finance lease arrangements	14,061	17,146
Long term musharakah	215,832	242,500
Musharakah Term Finance Certificates	109,991	278,333
Musharakah Term Finance Certificates (private)	233,333	110,127
Long term borrowing	298,162	284,344
Certificates of investment and deposit	589	589
	1,377,993	1,395,718

19. SHORT TERM CERTIFICATES OF
MUSHARAKAH - unsecured

Financial institutions		
- associated undertakings	2,500	2,500
- others	170,365	140,365
Public and private companies	18,755	18,755
Individuals		
- key management personnel	-	805
- others	113,145	109,515
Others		
- associated undertakings	5,155	10,455
- others	10,200	885
	320,120	283,280

20. SHORT TERM BORROWINGS

Payable under repurchase transactions	761,951	965,944
Clean borrowings	1,232,063	1,300,625
	1,994,014	2,266,569

21. SHORT TERM MUSHARAKAH

Financial institutions	24,414	40,000
Leasing Companies and Mudarabahs	8,000	8,000
	32,414	48,000

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22 CONTINGENCIES AND COMMITMENTS

There have been no change in the status of contingencies and commitments as stated in the annual financial statements for the year ended 30 June 2009.

23 TRANSACTIONS WITH RELATED PARTIES

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions and include major shareholders, associated companies with or without common directors, retirement benefit funds and directors and key management personnel and their close family members.

Transactions with the related parties are executed on the same terms as those prevailing at the time for comparable transactions with unrelated parties and do not involve more than a normal risk.

Details of transactions with related parties and balances with them as at the period-end were as follows:

	30 September 2009	30 June, 2009
	(Rupees in '000')	
With Key Management Personnel		
Remuneration to chief executive officer	2,684,000	2,684,000
Directors' fee		
Remuneration to executives	22,950,927	16,949,839
Brokerage income		
Brokerage and advisory income earned from related parties	208,250	4,541,596
Contribution to staff retirement fund	1,629,567	1,289,411

24 CORRESPONDING FIGURES

Comparative information has been re-classified or re-arranged in these condensed interim financial statements, wherever necessary to facilitate comparison and to conform with changes in presentation in the current period.

25 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 December 24, 2009.

