

HALF YEARLY REPORT  
DECEMBER 31, 2009



INVEST CAPITAL INVESTMENT BANK LIMITED

## Contents



Company Information	02
Directors' Review	04
Review Report of Auditors	06
Balance Sheet	07
Profit and Loss Account	08
Statement of Comprehensive Income	09
Statement of Changes in Equity	10
Cash Flow Statement	11
Notes to the Financial Statements	13
Our Network	24

## Company Information



### Board of Directors

Mr. Zafar Iqbal	- Chairman
Mr. Basheer A. Chowdry	- Managing Director
Mr. Nusrat Yar Ahmad	- Chief Executive
Mr. Saeed Iqbal Chaudhry	
Mr. Muhammad Zahid	
Mr. Aamer Saeed	
Mr. Rehman Ghani	
Mr. Najib Amanullah	

### Audit Committee

Mr. Aamer Saeed	- Chairman
Mr. Rehman Ghani	- Member
Mr. Najib Amanullah	- Member

### Chief Financial Officer

Mr. Shabbir Sikandar

### Company Secretary

Mr. Shamir S. Ismail

### Bankers

Allied Bank Limited  
Askari Bank Limited  
Atlas Bank Limited  
Bank Alfalah Limited  
Bank Al-Habib Limited  
Dawood Islamic Bank Limited  
Faysal Bank Limited  
Habib Metropolitan Bank Limited  
JS Bank Limited  
KASB Bank Limited  
MCB Bank Limited  
Meezan Bank Limited  
Mybank Limited  
National Bank of Pakistan  
NIB Bank Limited  
The Royal Bank of Scotland Limited

## Company Information



### **Bankers**

State Bank of Pakistan  
Silk Bank Limited  
Standard Chartered Bank (Pakistan) Ltd  
The Bank of Khyber  
United Bank Limited

### **Auditors**

KPMG Taseer Hadi & Co., Chartered Accountants

### **Legal Advisors**

Mohsin Tayebaly & Co.

### **Share Registrar**

CDC House, 99-B, Block 'B', S.M.C.H.S.  
Main Shahra-e-Faisal, Karachi-74400.  
Phone: (92-21) 0800-CDCPL (23275)  
Fax: (92-21) 3432 6053  
Email: info@cdcpak.com  
URL: www.cdcpakistan.com

### **Registered Office**

C3C, 12th Lane, Ittehad Commercial,  
Khayaban-e-Ittehad, Phase II Ext.,  
DHA, Karachi.  
Tel: (92-21) 111-111-097  
Fax: (92-21) 3531 3887  
Website: www.investcapital.com

During the six months under review, external factors remained persistent in dampening the investment climate of the country. Political rifts alongside worsening law and order situation continued to hinder activities in the economy and the capital markets as investors opted to remain sidelined. This along with numerous structural issues continued to pressure foreign investment in the country while liquidity remained a key cause of concern. On the positive side, country's ratings were maintained by international rating agencies with a 'Stable' outlook. Meanwhile, the country continued to remain under tightened monetary policy regime where discount rate was maintained at 12.5%.

On economic front, the country posed a mixed picture. In this vein, one of the key economic indicators, external account, showed vast improvement primarily supported by the decline in international oil price and other key commodity prices on YoY basis coupled with solid flow of remittances. Consistent double-digit inflation, resumption of oil import payments from the interbank market along with limited growth in country's NFAs and poor investment resulted in PKR touching its all-time low at 84.5 against USD during 1HFY10.

After posting encouraging returns until Jun-09, Pakistan equities (benchmark KSE-100) marked another 31% YoY returns during 1HFY10. Total average daily volumes rose to 173mn during 1HFY10, rising by 319% YoY while only 0.2% HoH. Market capitalization went up by a massive 28% (23% in PKR terms) to stand at USD32bn in Dec-09 from USD26bn in Jun-09. However, higher risk perception, coupled with the prevalent liquidity crunch and uncertainty on the political front has kept the market below its potential.

### Completion of Merger Process

All actions required to finalize the merger process have since been completed. The shareholders of Al-Zamin Leasing Corporation and certificate-holders of Al-Zamin Leasing Modaraba have been issued replacement shares of Invest Capital Investment Bank Limited according to the approved swap ratios. While the CDC accounts of the shareholders have been credited with their respective holdings, the physical shares are also ready with the Registrar of the Company, Central Depository Company of Pakistan Ltd, for collection by the shareholders.

The Annual General Meeting of the Bank was held on 19th February 2010 which was attended by a large number of shareholders. The AGM approved the audited accounts as at 30th June 2009, ratified the reconstituted Board of Directors, re-appointed the auditors for the next year and approved the circulation of the quarterly accounts of the Bank through its website.

### Financial Statements

Consequent upon approval of the merger of Al-Zamin Leasing Corporation Limited and Al-Zamin Leasing Modaraba with and into Invest Capital Investment Bank Limited, the merged entity issued its first amalgamated financial statements as at 30th June 2009 after compliance of all regulatory formalities.

The half yearly accounts as at 31st December 2009 presented to the shareholders provided the following comparative figures:

	31st December 2009	31st December 2008
<b>Total revenue</b>	<b>359,329</b>	<b>52,287</b>
<b>Financial &amp; related expenses</b>	<b>312,334</b>	<b>21,103</b>
<b>Provisions</b>	<b>46,561</b>	<b>67,609</b>
<b>Operating expenses</b>	<b>270,054</b>	<b>116,935</b>
<b>Loss after tax</b>	<b>271,117</b>	<b>156,634</b>
<b>EPS</b>	<b>(0.99)</b>	<b>(2.10)</b>

According to the declared policy of the management, collections from leasing, Muskarakah and other investments have been deployed towards reduction of borrowings of the Bank thereby showing a reduction of about 1,400 million in its balance sheet footings over the six months' period. The management has started implementing its business plans after the merger which include diversified approaches to most advantageous income streams like corporate advisory activities, commodity brokerage and Islamic products. There is a concentrated focus on increasing working efficiency and reduction of costs over time so as to achieve a sound profitability for the Bank. The net operating loss reported in the enclosed accounts is a matter of concern for the Board and the management and aggressive actions have been initiated to curtail the operating expenses, reducing financial charges, converting non-operating assets into income streams, maximizing recoveries of receivables and multiplying income avenues. Your management is confident to bring a visible and consistent improvement in the Banks' operations towards a break-even position and then to achieve positive yields for the stakeholders.

Liquidity in the market is still a constraint due to which fund related activities shall remain comparatively slow. Unlike last year, the stock market has started showing volumes, which is a good sign. We are confident that although there are tough times for business in general, your management will take all requisite decisions and strive hard to bring stability to the Bank. The target of the management is to emerge as a comprehensive and strong NBFC in the sector and our cross-selling with diversified market reach shall be the cutting edge.

### Credit Rating

We are happy to report that upon conclusion of its post merger due diligence, JCR-VIS Credit Rating Company has reaffirmed the entity ratings of the Bank at 'A-/A-2' (Single A Minus / A-Two). In line with the guidelines for secured obligations, rating of TFC-2 issued by Al-Zamin Leasing Modaraba has been reaffirmed at "A" (Single A) while rating of TFC-2 issued by Al-Zamin Leasing Corporation Limited has been upgraded to 'A' (Single A). Outlook on the assigned ratings is 'Stable'.

### 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. On the inflation front as one-off blows of electricity and gas tariff differentials are being passed on to the consumers. 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, CSF, Kerry Lugar, FODP and the IMF inflows) are expected in the 2HFY10 which should support economic growth and the market liquidity. However, imposition of Capital Gains Tax, on-going political-judiciary tussle, will affect country's investment and overall growth while higher inflation with its trickling impacts on every stratum of the economy will continue for at least 2HFY10.

### Acknowledgments

The Directors of the company wish to express their sincere gratitude to the Regulatory Authorities particularly the Securities and Exchange Commission of Pakistan (SECP), shareholders, valued customers and the financial institutions for their continuous guidance and support. We also like to extend our appreciation to the entire team of the Bank for their dedication and commitment throughout the period under review.

**For and on Behalf of Board of Directors**

**Karachi**  
26th February 2010

**Nusrat Yar Ahmed**  
Chief Executive Officer

**Independent Report on Review of Condensed Interim Financial Information  
to the Members of Invest Capital Investment Bank Limited****Introduction**

We have reviewed the accompanying condensed interim balance sheet of Invest Capital Investment Bank Limited ("the Company") as at 31 December 2009 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity for the six months period then ended (the interim financial information). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan relating to interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

**Scope of review**

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

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at and for the six months period ended 31 December 2009 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan relating to interim financial reporting.

**Other matters**

The figures for the quarters ended 31 December 2009 in the condensed interim profit and loss account have not been reviewed and we do not express a conclusion thereon.

**Karachi**  
26th February 2010

KPMG Taseer Hadi & Co.  
Chartered Accountants  
**Mazhar Saleem**

## Condensed Interim Balance Sheet As at 31 December 2009



		Un-Audited 31 December 2009	Audited 30 June 2009
<b>ASSETS</b>			
<b>Non-current assets</b>			
	Note	(Rupees in '000)	
Property, plant and equipment	5	927,642	946,976
Intangible assets	6	37,498	36,875
Long term investments	7	139,472	175,439
Net investment in Ijarah finance/assets under Ijarah arrangements	8	937,325	1,288,310
Long term musharakah finance - secured	9	185,276	199,165
Long term loans - considered good		57,553	77,677
Long term deposits and receivables - unsecured and considered good		37,974	31,168
Deferred taxation	10	25,813	17,395
		<b>2,348,553</b>	<b>2,773,005</b>
<b>Current assets</b>			
Short term investments	11	606,182	930,273
Takaful reserve fund investments		30,811	28,744
Short term musharakah finances		230,331	242,706
Short term finances - secured		68,986	67,259
Trade debts - unsecured		1,360,309	1,445,526
Assets acquired in satisfaction of finances		49,500	99,500
Ijarah rentals receivable		17,071	17,310
Current maturity of non-current assets	12	1,300,223	1,555,101
Receivable under reverse repurchase transaction		-	195,000
Advances, deposits, prepayments and other receivables		216,860	243,185
Stock in trade		1,022	1,042
Cash and bank balances	13	176,841	248,332
		<b>4,058,136</b>	<b>5,073,978</b>
<b>TOTAL ASSETS</b>		<b>6,406,689</b>	<b>7,846,983</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
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		2,727,669	2,727,669
Capital reserve on amalgamation		(2,022,076)	(2,022,076)
Surplus on revaluation of available-for-sale investments - net		12,866	4,207
Accumulated (loss) / profit		(122,502)	148,123
Share deposit money		121,000	121,000
		716,957	978,923
Surplus on revaluation of property, plant and equipment		19,172	19,664
<b>Non-current liabilities</b>			
Liability against assets subject to finance lease		14,179	18,967
Deferred liability for staff gratuity		5,548	6,061
Security deposits from lessees		448,842	672,797
Long term certificates of musharakah	14	83,455	177,095
Certificates of investments and deposits	15	7,235	3,635
Long term musharakah and murabahah borrowings	16	199,858	201,830
Musharakah Term Finance Certificates	17	507,032	462,055
Redeemable capital - Term Finance Certificates	18	128,380	128,380
Loan from a Director - unsecured		207,033	194,445
Long term loan	19	43,533	202,014
Deferred liabilities		1,563	1,909
		<b>1,646,658</b>	<b>2,069,188</b>
<b>Current liabilities</b>			
Current portion of long term liabilities	20	1,247,969	1,395,719
Short term certificates of musharakah	21	303,570	283,280
Short term certificates of investments and deposits		115,232	71,650
Short term borrowings	22	1,639,570	2,266,569
Short term musharakah borrowings	23	6,000	48,000
Creditors, accrued and other liabilities		711,561	713,990
		<b>4,023,902</b>	<b>4,779,208</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,406,689</b>	<b>7,846,983</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	24		

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

**Basheer A. Chowdry**  
Managing Director

**Nusrat Yar Ahmad**  
Chief Executive

**Condensed Interim Profit and Loss Account**  
For six months period ended 31 December 2009 (Un-audited)



	Note	Six months period ended		Three months period ended	
		31 December 2009	31 December 2008	31 December 2009	31 December 2008
		(Rupees in '000)		(Rupees in '000)	
<b>Income</b>					
Brokerage, commission & fees		76,500	38,294	35,032	14,926
Income from Continuous Funding System		-	3,535	-	3,535
Income from leasing operations		101,523	-	52,371	-
Operating lease rentals		62,584	-	28,583	-
Profit on musharakah investments		36,601	-	9,311	-
Income from investment and placement		5,047	-	1,476	-
Income from finances		11,013	-	7,826	-
Income on deposits with banks		2,540	-	1,562	-
Gain on sale of listed shares - net		24,645	4,419	28,371	33
Unrealised gain / (loss) on remeasurement of investments carried at fair value through profit or loss		3,125	(4,658)	(12,421)	23
Dividend income		1,979	-	1,511	-
		<u>325,557</u>	<u>41,590</u>	<u>153,622</u>	<u>18,517</u>
<b>Expenses</b>					
Financial charges		(278,443)	(21,104)	(150,844)	(16,553)
Amortisation of assets leased out		(33,891)	-	(17,367)	-
		<u>(312,334)</u>	<u>(21,104)</u>	<u>(168,211)</u>	<u>(16,553)</u>
		<u>13,223</u>	<u>20,486</u>	<u>(14,589)</u>	<u>1,964</u>
<b>(IMPAIRMENT LOSS) / REVERSALS</b>					
Provision against other receivables		(8,095)	-	(8,095)	-
Provision for impairment in the value of investment		-	(14,186)	-	(14,186)
- Transferred from statement of changes in equity		-	-	-	-
- For the period		(8,975)	(53,422)	808	(53,422)
Doubtful lease receivables written off		(1,945)	-	(1,912)	-
Provision against doubtful finance lease receivable and lease rentals - net		(16,679)	-	(16,679)	-
Impairment loss provision		-	-	-	-
against long term / short term musharakah investment		(1,791)	-	(1,791)	-
Provision against long term loan		(8,399)	-	(8,399)	-
Other receivables written off		(677)	-	(499)	-
		<u>(46,561)</u>	<u>(67,608)</u>	<u>(36,567)</u>	<u>(67,608)</u>
		<u>(33,338)</u>	<u>(47,122)</u>	<u>(51,156)</u>	<u>(65,644)</u>
Administrative and operating expenses		(270,054)	(116,935)	(131,181)	(56,347)
		<u>(303,392)</u>	<u>(164,057)</u>	<u>(182,337)</u>	<u>(121,991)</u>
Other income		33,974	10,697	15,748	8,009
Share of (loss) / income from joint venture - net		(202)	-	934	-
		<u>33,772</u>	<u>10,697</u>	<u>16,682</u>	<u>8,009</u>
<b>Loss before taxation</b>		<u>(269,620)</u>	<u>(153,360)</u>	<u>(165,655)</u>	<u>(113,982)</u>
<b>Taxation</b>					
- Current		(13,929)	(3,274)	(3,808)	(2,170)
- Prior		5,634	-	5,634	-
- Deferred		6,798	-	6,798	-
		<u>(1,497)</u>	<u>(3,274)</u>	<u>8,624</u>	<u>(2,170)</u>
Loss for the period	25	<u>(271,117)</u>	<u>(156,634)</u>	<u>(157,031)</u>	<u>(116,152)</u>
Loss per share - basic	26	<u>(0.994)</u>	<u>(2.098)</u>	<u>(0.576)</u>	<u>(1.556)</u>
Loss per share - diluted	26	<u>(0.952)</u>	<u>(1.806)</u>	<u>(0.551)</u>	<u>(1.339)</u>

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

**Basheer A. Chowdry**  
Managing Director

**Nusrat Yar Ahmad**  
Chief Executive

**Condensed Interim Statement of Comprehensive Income**  
For six months period ended 31 December 2009 (Un-audited)



	Six months period ended		Three months period ended	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
	(Rupees in '000)		(Rupees in '000)	
Loss for the period	(271,117)	(156,634)	(157,031)	(116,152)
<b>Other comprehensive income</b>				
Unrealised gain / (loss) for the period on remeasurement of available-for-sale investments	11,296	(1,516)	14,235	-
<b>Total comprehensive loss for the period</b>	<b><u>(259,821)</u></b>	<b><u>(158,150)</u></b>	<b><u>(142,796)</u></b>	<b><u>(116,152)</u></b>

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

**Basheer A. Chowdry**  
Managing Director

**Nusrat Yar Ahmad**  
Chief Executive

**Condensed Interim Statement of Changes in Equity**  
For six months period ended 31 December 2009 (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 2008	746,424	(347,924)	(12,076)	(18,262)	121,000	489,162
<i>Total comprehensive income for the period ended 31 December 2008</i>						
Loss after taxation	-	-	-	(156,634)	-	(156,634)
<i>Other comprehensive income</i>						
Unrealised loss on remeasurement of available for sale investments	-	-	(1,516)	-	-	(1,516)
Impairment in the value of investments classified as available-for-sale taken to profit and loss account	-	-	14,186	-	-	14,186
Incremental depreciation on revaluation of fixed assets for the period	-	-	12,670	(156,634)	-	(143,964)
	-	-	-	148	-	148
<b>Balance as at 31 December 2008</b>	<b>746,424</b>	<b>(347,924)</b>	<b>594</b>	<b>(174,748)</b>	<b>121,000</b>	<b>345,346</b>
<i>Total comprehensive income for the period ended 30 June 2009</i>						
Profit after taxation	-	-	-	321,984	-	321,984
<i>Other comprehensive income</i>						
Unrealised gain on remeasurement of available for sale investments	-	-	3,613	-	-	3,613
	-	-	3,613	321,984	-	325,597
<b>Transaction with owners, recorded directly in equity</b>						
Issue of shares on amalgamation to AZLCL shareholders in ration 1:2.4	1,178,570	-	-	-	-	1,178,570
Issue of shares on amalgamation to AZLM shareholders in ration 1:2.6	802,675	-	-	-	-	802,675
	1,981,245	-	-	-	-	1,981,245
Transfer from reserve on amalgamation	-	(1,674,152)	-	-	-	(1,674,152)
Incremental depreciation on revaluation of fixed assets for the period	-	-	-	887	-	887
<b>Balance as at July 01 2009</b>	<b>2,727,669</b>	<b>(2,022,076)</b>	<b>4,207</b>	<b>148,123</b>	<b>121,000</b>	<b>978,923</b>
<i>Total comprehensive income for the period ended 31 December 2009</i>						
Loss after taxation	-	-	-	(271,117)	-	(271,117)
<i>Other comprehensive income</i>						
Unrealised gain transferred to profit and loss account on disposal	-	-	(2,637)	-	-	(2,637)
Unrealised gain on remeasurement of investments classified as available-for-sale	-	-	11,296	-	-	11,296
	-	-	8,659	(271,117)	-	(262,458)
Incremental depreciation on revaluation of fixed assets for the period	-	-	-	492	-	492
<b>Balance as at 31 December 2009</b>	<b>2,727,669</b>	<b>(2,022,076)</b>	<b>12,866</b>	<b>(122,502)</b>	<b>121,000</b>	<b>716,957</b>

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

**Basheer A. Chowdry**  
Managing Director

**Nusrat Yar Ahmad**  
Chief Executive

**Condensed Interim Statement of Cash Flow**  
For six months period ended 31 December 2009 (Un-audited)



	Six months period ended	
	31 December 2009	31 December 2008
	(Rupees in '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(269,620)	(153,360)
<b>Adjustments for non cash charges and other items:</b>		
Depreciation of property and equipment	34,039	16,233
Amortization of intangibles	2,086	208
Amortization of deferred revenue	(346)	-
Allowances for potential lease losses and term finances	25,078	-
Reversal / impairment loss against other lease receivables	(5,970)	-
Reversal / impairment loss against other receivables	8,095	-
Impairment loss provision / reversal of impairment loss provision against long term / short term musharakah investment	1,791	-
Other receivable written-off	677	-
Doubtful receivables written-off	1,945	-
Financial charges - net	278,442	21,103
Dividend Income	(7,703)	-
Bad debts	-	-
Provision for gratuity	(513)	-
Net gain / (loss) on sale of marketable securities	(24,645)	-
Loss / (gain) on disposal of fixed assets	(1,779)	(322)
Unrealised loss on remeasurment of investments carried at fair value through profit or loss	(3,125)	4,658
Impairment in the value of investments classified as available-for-sale	8,975	67,609
	<u>317,047</u>	<u>109,489</u>
<b>Cash flow from operating activities before working capital changes</b>	<b>47,427</b>	<b>(43,871)</b>
<b>Decrease / (Increase) in current assets</b>		
Net investment in lease finance / Ijarah finances	577,620	-
Lease rentals receivable	(5,437)	-
Stock in trade	20	-
Musharakah and murabahah receivables	23,783	-
Advances, prepayments & other receivable	21,275	44,463
Trade Debtors	85,217	(164,156)
	<u>702,478</u>	<u>(119,693)</u>
<b>(Decrease) / increase in current liabilities</b>		
Security deposit from lessees	(245,673)	-
Trade creditors, accrued and other liabilities	51,542	99,081
	<u>(194,131)</u>	<u>99,081</u>
<b>Cash flow from operating activities after working capital changes</b>	<b>555,774</b>	<b>(64,483)</b>
Financial charges paid	(315,996)	(15,157)
Gratuity paid	(513)	-
Income tax paid	(4,303)	(806)
	<u>(320,812)</u>	<u>(15,963)</u>
<b>Net cash flow from operating activities</b>	<b>234,962</b>	<b>(80,446)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Fixed capital expenditure	(26,467)	(84,792)
Purchase of investments - net of proceeds on sale	380,813	(5,429)
Proceeds from disposal of assets in own use	9,624	4,198
Assets acquired in satisfaction of claims	50,000	-
Dividend received	4,264	-
Long term security deposits and advances	(6,807)	678
Short term / long term finances - net	13,229	-
Long term loans	5,216	(3,597)
<b>Net cash flow from investing activities</b>	<b>429,872</b>	<b>(88,942)</b>

**Condensed Interim Statement of Cash Flow**  
For six months period ended 31 December 2009 (Un-audited)



Six months period ended  
31 December 2009    31 December 2008  
(Rupees in '000)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Redeemable capital raised - net of initial transaction cost	(45,000)	-
Musharakah Term Finance Certificates	(14,583)	-
Liabilities against assets subject to finance lease	(9,650)	(2,351)
Long term certificates of musharakah	(59,915)	-
Long term musharakah and murabahah	(86,139)	-
Short term musharakah borrowings and bank finances	(44,888)	-
Short term certificates of musharakah	20,290	-
Profits paid to certificate holders	(6)	-
Borrowings repaid	(950,444)	848,606
Loan from a director	12,588	-
Certificates of investment and deposits issued / (redeemed)	47,182	(11,103)
Receivables against Continuous Funding System	-	(325,430)
Receivables under reverse repurchase transactions	195,000	-
Short term finance	128,289	-
Long term loans	(33,373)	90,000
<b>Net cash flow from financing activities</b>	<b>(840,649)</b>	<b>599,722</b>
<b>NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(175,815)</b>	<b>430,334</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD</b>	<b>(519,414)</b>	<b>(1,203,269)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>(695,229)</b>	<b>(772,935)</b>

The annexed notes 1 to 30 form an integral part of these condensed interim financial statements.

**Basheer A. Chowdry**  
Managing Director

**Nusrat Yar Ahmad**  
Chief Executive

**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. 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) has 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.

Subsequent to six months period ended 31 December 2009, JCR VIS Credit Rating Company Limited has reaffirmed the company's 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".

- 1.2** In compliance with regulation no. 7(2)(n) of the NBFC Rules, 2003, the Company has to separate its brokerage business from other business activities. 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. Subsequent to the six months period ended 31 December 2009, SECP has issued a notification dated 3 February 2010 mentioning draft proposed amendments to Non Banking Finance Companies (Establishment and Regulation) Rules 2003. The said amendments mention that the above regulation shall not apply to NBFC which have a valid licence to undertake investment finance services business and have been subject to such terms and conditions as the Commission may impose, granted permission by the commission to undertake brokerage business without forming a separate company. SECP has invited objections suggestions to the above amendment within 14 days of publication of the said notification in the official Gazette. Final notification in this regard has not yet been made by SECP to date.

- 1.3** 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 ("InvestBank"). The scheme of arrangement was under Sections 284 to 288 read with section 503 (1) (c) of the Companies Ordinance, 1984 and was effective from 30 June 2009 (close of business). Accordingly, on 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 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 order dated 8 December 2009.

As the merger was effective as of 30 June 2009, the condensed interim income statement and condensed interim statement of comprehensive income for the six months and three months period ended 31 December 2008 represents the results of stand alone operations of Invest Capital Investment Bank Limited.

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

**2.1 Statement of compliance**

These condensed interim financial statements are un-audited but subject to limited scope review by the auditors 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.

**2.2 Functional and presentation currency**

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

**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 30 June 2009, except for the following:

IAS 1 (Revised) 'Presentation of Financial Statements' (effective for annual periods beginning on or after January 1, 2009) – The revised standard prohibits the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity in a statement of comprehensive income. Further, under revised standard, an entity may present the components of profit or loss either as part of a single statement of comprehensive income or in a separate income statement. The Company has opted to present the components of profit or loss in a separate statement while a statement of comprehensive income is presented separately as permitted under revised IAS 1. As surplus on revaluation of property, plant and equipment does not form part of the equity under the local laws and is presented below the equity in the balance sheet, accordingly changes in equity arising from surplus on revaluation of assets have not been considered part of comprehensive income and accordingly these are not included in the statement of comprehensive income presented in these financial statements.

IFRS 8 - "Operating Segments" - An operating segment is a component of the company that engages in business activities from which it may earn revenue and incur expenses, including revenues and expenses that relate to transactions with any of the company's other components. An operating segment's operating results are reviewed regularly by the CEO. Segment results that are reported to the CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. There is no change in the operating segments being reported as a result of the adoption of IFRS 8 - Operating Segments, other than changes in certain disclosures.

#### 4. ESTIMATES, JUDGEMENTS AND RISK MANAGEMENT POLICIES

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

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

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.

- 4.2 Risk management policies and procedures are consistent with those disclosed in the financial statements for the year ended 30 June 2009.

#### 5. PROPERTY, PLANT AND EQUIPMENT

	Six months period ended			
	31 December 2009	31 December 2009	31 December 2008	31 December 2008
	Additions	Disposals	Additions	Disposals
	(Rupees in '000)			
<b>Owned - cost</b>				
Land and building	-	-	21	-
Office renovation	196	-	32,121	-
Furniture and fixtures	470	51	-	310
Office equipments	992	267	47,601	287
Vehicles	21,798	13,506	5,025	4,756
Generator	218	-	-	-
	<u>23,674</u>	<u>13,824</u>	<u>84,768</u>	<u>5,353</u>
<b>Leased - cost</b>				
Vehicles	-	1,360	-	620
	<u>23,674</u>	<u>15,184</u>	<u>84,768</u>	<u>5,973</u>
<b>6. INTANGIBLE ASSETS</b>				
Computer software	<u>2,793</u>	-	24	-

7. LONG TERM INVESTMENTS	31 December 2009	30 June 2009
	(Rupees in '000)	
Investment in related parties	7.1	61,148
Available for sale investments:		62,241
- Ordinary shares & certificates of listed and unlisted entities		57,259
- Mutual Funds		11,700
- Term Finance Certificates		9,365
		<u>139,472</u>
<b>7.1 INVESTMENTS IN RELATED PARTIES</b>		<u>175,439</u>
<b>Joint ventures</b>		
CNG / Diesel filling stations		
- Centre Gas (Private) Limited		34,068
- UMA Enterprises		27,080
		<u>61,148</u>
		<u>62,241</u>
<b>8. NET INVESTMENT IN IJARAH FINANCE / ASSETS UNDER IJARAH ARRANGEMENTS</b>		
Ijarah contracts commencing upto 30 June 2008		
- accounted for as finance leases		1,838,748
Ijarah contracts commencing 1 July 2008		
- accounted for under IFAS 2		269,818
		<u>2,108,566</u>
		2,707,581
Current portion of net investment in Ijarah finance	12	<u>(1,171,241)</u>
		<u>937,325</u>
		<u>1,288,310</u>

**8.1 Net investment in Ijarah finance**

	31 December 2009			30 June 2009		
	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	1,158,206	488,470	1,646,676	1,269,600	807,121	2,076,721
Residual value of leased assets	365,489	351,291	716,780	371,120	600,010	971,130
Lease contracts receivable	<u>1,523,695</u>	<u>839,761</u>	<u>2,363,456</u>	1,640,720	1,407,131	3,047,851
Unearned lease income (including suspended income)	(160,153)	(75,974)	(236,127)	(194,903)	(137,448)	(332,351)
Provision for potential lease losses	(192,301)	(96,280)	(288,581)	(26,546)	(251,328)	(277,874)
	<u>(352,454)</u>	<u>(172,254)</u>	<u>(524,708)</u>	(221,449)	(388,776)	(610,225)
	<u>1,171,241</u>	<u>667,507</u>	<u>1,838,748</u>	<u>1,419,271</u>	<u>1,018,355</u>	<u>2,437,626</u>

**9. LONG TERM MUSHARAKAH FINANCE - secured**

	31 December 2009	30 June 2009
	(Rupees in '000)	
Companies (non-financial institutions)	115,894	125,944
Individuals	<u>135,810</u>	<u>138,932</u>
	<u>251,704</u>	<u>264,876</u>
Receivable within one year shown under current assets	12 (65,517)	(64,827)
	<u>186,187</u>	<u>200,049</u>
Provision against impaired balances	<u>(911)</u>	<u>(884)</u>
	<u><u>185,276</u></u>	<u><u>199,165</u></u>

9.1 This represents investments under musharakah basis for working capital and project financing. These are secured against mortgage of properties, musharakah finance (borrowing), demand promissory note and personal guarantee of sponsor directors. Profit rates range between 10 % to 42.42 % (30 June 2009: 12.01% to 42.42%). These are payable in monthly / quarterly instalments by 11 November 2012.

**10. DEFERRED TAX ASSET - net**

**10.1 Deferred tax on items recognised in the surplus on revaluation of assets:**

<i>Taxable temporary differences:</i>		
- Surplus on revaluation of fixed assets	(1,165)	(1,194)
- Surplus on revaluation of available-for-sale Government securities	-	(1,590)
	<u>(1,165)</u>	<u>(2,784)</u>

**10.2 Deferred tax arising on merger**

<i>Deductible temporary differences (tax effect)</i>		
- provision against doubtful finance lease and other receivable	109,840	109,840
- carry forward of income tax losses	195,000	199,298
- liabilities against assets subject to finance lease	7,831	9,909
	<u>312,671</u>	<u>319,047</u>
<i>Taxable temporary differences (tax effect)</i>		
- accelerated tax depreciation	10.3 (285,693)	(298,868)
	<u>26,978</u>	<u>20,179</u>
	<u><u>25,813</u></u>	<u><u>17,395</u></u>

10.3 At 31 December 2009, net deferred tax asset amounting to Rs. 186 million has not been recognised as a matter of prudence.

**11. SHORT-TERM INVESTMENTS**

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

<i>Quoted securities</i>		
- Ordinary shares	60,720	49,237
- Preference shares - cumulative	803	462
- Mutual funds	75,327	76,276
	<u>136,850</u>	<u>125,975</u>
<b>Available-for-sale</b>		
Government securities	465,406	777,597
<i>Other quoted securities</i>		
- Term finance certificates	80	84
- Ordinary shares	2,846	25,617
	<u>2,926</u>	<u>25,701</u>
<i>Un-quoted securities</i>		
Dawood Family Takaful Limited (100,000 ordinary shares)	1,000	1,000
	<u>606,182</u>	<u>930,273</u>

		31 December 2009	30 June 2009
		(Rupees in '000)	
<b>12. CURRENT MATURITY OF NON-CURRENT ASSETS</b>			
Net investment in Ijarah finance / assets under Ijarah arrangements	8	1,171,241	1,419,271
Musharakah receivables	9	65,517	64,827
Long term loans		63,381	70,314
Long term deposits and receivables		84	689
		<u>1,300,223</u>	<u>1,555,101</u>
<b>13. CASH AND BANK BALANCES</b>			
Balance with banks in:			
Current accounts in local currency with:			
- State Bank of Pakistan		3,619	6,490
- Commercial Banks		22,856	15,495
		<u>26,475</u>	<u>21,985</u>
Term deposit accounts - local currency		-	60,000
Deposit accounts - local currency	13.1	149,194	165,420
		<u>149,194</u>	<u>225,420</u>
Cash in hand		175,669	247,405
- Local currency		1,172	927
		<u>176,841</u>	<u>248,332</u>
13.1	These bank accounts carry mark-up ranging from 1% to 10.5% (30 June 2009: 1% to 11%).		
<b>14. LONG TERM CERTIFICATES OF MUSHARAKAH - unsecured</b>			
Certificate of musharakah associated undertakings		10,930	12,420
- others		189,390	247,815
		<u>200,320</u>	<u>260,235</u>
Payable within one year shown under current liabilities	20	(116,865)	(83,140)
		<u>83,455</u>	<u>177,095</u>
14.1	This carry profit rates ranging between 14% to 19% (30 June 2009: 13.75% to 15%) per annum and are due for repayment between 3 January 2010 and 12 December 2014.		
<b>15. CERTIFICATES OF INVESTMENTS &amp; DEPOSITS - unsecured</b>			
Long term			
For one year or more		7,824	4224
Payable within one year shown under current liabilities	20	(589)	(589)
		<u>7,235</u>	<u>3,635</u>
15.1	The company has a scheme of registered Certificates of Investment (COIs) and Certificates of Deposit (CODs) for resource mobilisation. The term of COIs / CODs ranges from one month to five years and return thereon ranges from 7.25% to 18% (30 June 2009: 7.3% to 17.89%) per annum.		
<b>16. LONG TERM MUSHARAKAH AND MURABAHAH BORROWINGS - secured</b>			
Musharakah borrowings			
From Commercial Banks	16.1		
Murabahah borrowings from:			
Commercial Banks	16.2	212,083	222,917
Other financial institutions	16.3	96,108	154,746
		<u>308,191</u>	<u>377,663</u>
		<u>358,191</u>	<u>444,330</u>
Payable within one year shown under current maturity	20	(158,333)	(242,500)
		<u>199,858</u>	<u>201,830</u>

- 16.1** These finances carry profit rate of 3 months KIBOR+1.5% (30 June 2009: 3 months KIBOR+1.5%) per annum and are payable in quarterly instalments. These are secured against hypothecation of specific leased assets and floating charge on the assets of the company. The principal repayment will start from 12 March 2010 on quarterly basis. The maturity date is 12 June 2011.
- 16.2** These finances carry profit rates ranging from six months average KIBOR plus 3% (30 June 2009: 6 months average KIBOR plus 3%) per annum and three months KIBOR plus 1.9% to 2.75% (30 June 2009: three months KIBOR plus 1.9% to 2.75%) per annum payable in monthly and quarterly instalments. These are secured against hypothecation of specific leased assets, floating charge on the assets and a corporate guarantee. These finances are payable from 28 January 2010 to 28 January 2012 representing the initial maturities of original borrowings in respective acquiree entities.
- 16.3** These finances carry profit rates ranging from six months average KIBOR plus 3% to 3.25% (30 June 2009: six months average KIBOR plus 3% to 3.25%) per annum and three months KIBOR plus 3% (30 June 2009: three months KIBOR plus 3%) per annum payable in monthly quarterly and half yearly instalments. These are secured against hypothecation of specific leased assets, floating charge on the assets and a corporate guarantee. These finances are payable from 28 January 2010 and 28 January 2012 representing the initial maturities of original borrowings in respective acquiree entities.

		31 December 2009	30 June 2009
<b>17. MUSHARAKAH TERM FINANCE CERTIFICATES (TFCs - privately placed) - secured</b>		<b>(Rupees in '000)</b>	
		239,896	345,000
	Commercial banks	396,563	355,000
	Other financial institutions	48,958	-
	Individuals	-	45,000
	Privately placed term finance certificates - 2	<u>685,417</u>	<u>745,000</u>
	Current maturity	20	20
		<u>(175,000)</u>	<u>(278,333)</u>
		<u>510,417</u>	<u>466,667</u>
	Total initial transaction cost	7,400	7,400
	Amortization to date	<u>(4,015)</u>	<u>(2,788)</u>
		<u>3,385</u>	<u>4,612</u>
		<u>507,032</u>	<u>462,055</u>

- 17.1** These finances carry profit rate of 6 months KIBOR plus 1.9% (30 June 2009: 6 months KIBOR+1.9%) per annum and are payable in monthly instalments. At the period end profit rate was 14.65% (30 June 2009: 12.43%) per annum. These are secured against first pari passu charge of specific leased assets and associated lease receivables of the Company. The principal repayment will start from 12 January 2010 on monthly basis in equal instalments of Rs. 14.58 million (30 June 2009: Rs. 116.667 million). The maturity date is 12 May 2013.

**18. REDEEMABLE CAPITAL  
- TERM FINANCE CERTIFICATES**

		18.1	110,500	110,500
	Musharakah Term Finance Certificates (MTFCs)	18.2	128,380	128,380
	Term Finance Certificates (TFCs)		<u>238,880</u>	<u>238,880</u>
	Current maturity	20	(110,500)	(110,127)
			<u>128,380</u>	<u>128,753</u>
	Total initial transaction cost		10,384	10,384
	Amortization to date		<u>(10,384)</u>	<u>(10,011)</u>
			-	373
			<u>128,380</u>	<u>128,380</u>

- 18.1** The MTFCs are secured by a floating charge on the un-encumbered leased assets and associated lease receivables of the Company. The MTFCs are listed on the Karachi Stock Exchange and currently carry an instrument rating of A (Single A) by JCR VIS Credit Rating Company Limited (JCR-VIS) dated 29 September 2008 which has been reaffirmed by JCR-VIS subsequent to the six months period ended 31 December 2009.

- 18.2** Term Finance Certificates (TFCs) were issued by the Company on 5 September 2002. These are perpetual unless put / call option attached to these is exercised. The TFCs holders will have the put option for redemption at face value on the 60th month from the issue date and at the end of every three years thereafter. Likewise the Company will have the call option. Consequently, the said options are available on 5 September 2010. The TFCs holders and the issuer will have to give a 30 days written notice before exercising their put / call option. These are secured by joint pari passu charge on all present and future leased assets and related receivables of the Company. Subsequent to the six months period ended 31 December 2009, JCR-VIS has upgraded the TFCs rating to A (Single A).

		31 December 2009	30 June 2009
<b>19. LONG TERM LOAN -secured</b>		(Rupees in '000)	
Facility I	19.1	83,303	121,750
Facility II	19.2	120,595	160,794
Facility III	19.2	30,149	40,198
Facility IV	19.2	15,074	20,099
Facility V	19.3	66,267	85,017
Facility VI	19.4	43,875	58,500
		<u>359,263</u>	<u>486,358</u>
Current maturity	20	<u>(315,730)</u>	<u>(284,344)</u>
		<u>43,533</u>	<u>202,014</u>

19.1 This finance carries mark-up rate of 14.07% and is payable in monthly instalments from 13 January 2007. It is secured by joint pari-passu charge on all present and future leased assets and related receivables of the company.

19.2 These finances carry mark-up rate of 14.60% and are payable in monthly instalments from 29 June 2007. These are secured by joint pari-passu charge on all present and future leased assets and related receivables of the company.

19.3 This represents the long term loan obtained by the Company from a Commercial Bank repayable in 24 monthly instalments commenced from July 2009. The loan carries mark-up of 3 months KIBOR plus 3% spread with no floor and cap. The facility is secured against the pledge of shares of listed companies.

19.4 This represents the long term loan obtained by the Company from a Commercial Bank payable in 24 equal monthly instalments commenced from July 2009. The loan carries mark-up of 1 month KIBOR plus 4.5% spread with no floor or cap. The facility is secured against the equitable mortgage of property.

**20. CURRENT MATURITY OF  
LONG TERM LIABILITIES**

Security deposit from lessees		358,572	379,539
Certificates of musharakah	14	116,865	83,140
Liabilities under finance lease arrangements		12,380	17,146
Long term musharakah	16	158,333	242,500
Musharakah Term Finance Certificates	17	175,000	278,333
Term Finance Certificates	18	110,500	110,127
Long term loan	19	315,730	284,344
Certificates of investments and deposits	15	589	589
		<u>1,247,969</u>	<u>1,395,718</u>

**21. SHORT TERM CERTIFICATES OF  
MUSHARAKAH - unsecured**

21.1 These musharakah certificates are for periods, ranging between 90 to 365 days (30 June 2009: 90 to 365 days) and carry expected profit rates ranging between 9% to 17.25% (30 June 2009: 9% to 20%) per annum.

**22. SHORT TERM BORROWINGS**

Payable under repurchase transactions	22.1	461,500	965,944
Clean borrowings	22.2	300,000	400,000
From Commercial Banks - secured	22.3	872,070	767,746
From Non-Banking Finance Companies - unsecured	22.4	6,000	126,379
From others - unsecured		-	6,500
		<u>1,639,570</u>	<u>2,266,569</u>

- 22.1 These are funds borrowed in the local inter bank market against pledge of securities at rates ranging from 11.8% to 12.4% (30 June 2009: 13.20% to 13.60%) per annum for the periods ranging from 7 days to 31 days (30 June 2009: 2 days to 90 days).
- 22.2 Money at call and short notice carries mark-up at rates ranging from 13.25% to 14% (30 June 2009: 16% per annum) per annum for the periods ranging from 31 days to 154 days (30 June 2009: 31 days to 38 days).
- 22.3 The aggregate facilities amounting to Rs. 1,106 million (30 June 2009: Rs. 1,568 million) have been obtained from Commercial Banks which are secured against pledge of shares of companies quoted at Karachi Stock Exchange, hypothecation charges over present and future receivables and pari passu charges over the leased assets of the company. The mark up rate on facility is 3 months KIBOR plus 2% to 3 months KIBOR plus 3.5% (30 June 2009: 1 month KIBOR plus 1.40% to 3 months KIBOR plus 3.21%) per annum on outstanding balance.
- 22.4 This represents finance facilities carrying mark-up at the rate of 22% (30 June 2009: 17.16% to 21.90%) per annum having a maturity latest by 20 January 2010.

23. SHORT TERM MUSHARAKAH BORROWINGS - unsecured	31 December 2009	30 June 2009
	(Rupees in '000)	
Financial institutions	-	40,000
Leasing Companies and Modarabas	23.1 <u>6,000</u>	<u>8,000</u>
	<u>6,000</u>	<u>48,000</u>

- 23.1 This finance has been obtained for 90 days at a profit rate of 13% per annum (30 June 2009: 92 days at a profit rate 13% per annum) and is due for repayment on 1 March 2010.

#### 24 CONTINGENCIES AND COMMITMENTS

##### 24.1 Contingencies

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

##### 24.2 Commitments

Lease financing contracts committed but not executed at the balance sheet date amounted to Rs. 24.330 million.

#### 25. TAXATION

Current	(13,929)	-
Prior year	5,634	-
Deferred	<u>6,798</u>	3,274
	<u>(1,497)</u>	<u>3,274</u>

##### 25.1 Reconciliation of tax charge for the year

Profit / (Loss) before taxation	<u>(269,620)</u>	<u>(153,360)</u>
Tax at the applicable tax rate of 35% (2008: 35%)	(94,367)	(53,676)
Reversal due to final tax regime / presumptive tax regime	94,367	53,676
Tax effect under final tax regime / presumptive tax regime	(13,929)	-
Tax effect of amount relating to prior year	5,634	-
Others	<u>6,798</u>	3,274
	<u>(1,497)</u>	<u>3,274</u>

**26. LOSS PER SHARE - BASIC AND DILUTED**

	Six months period ended		Three months period ended	
	31 December 2009	31 December 2008	31 December 2009	31 December 2008
	(Rupees in '000)			
Loss after taxation (both for the purpose of basic and diluted loss per share)	<u>(271,117)</u>	<u>(156,634)</u>	<u>(157,031)</u>	<u>(116,152)</u>
	(Number of shares in '000)			
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>272,767</u>	74,642	<u>272,767</u>	74,642
Effect of diluted potential ordinary shares	<u>12,100</u>	12,100	<u>12,100</u>	12,100
Weighted average number of ordinary shares for the purpose of diluted loss per share	<u>284,867</u>	<u>86,742</u>	<u>284,867</u>	<u>86,742</u>
	(Rupees)			
Loss per share - basic	<u>(0.994)</u>	<u>(2.098)</u>	<u>(0.576)</u>	<u>(1.556)</u>
Loss per share - diluted	<u>(0.952)</u>	<u>(1.806)</u>	<u>(0.551)</u>	<u>(1.339)</u>

	31 December 2009	31 December 2008
		(Rupees in '000)
<b>27. CASH AND CASH EQUIVALENTS</b>		
Cash and bank balances	<u>176,841</u>	143,199
Short term running finance	<u>(872,070)</u>	(916,134)
	<u>(695,229)</u>	<u>(772,935)</u>

**28. RELATED PARTY TRANSACTIONS**

Related parties comprise of major shareholders, 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 are in accordance with their terms of employment. Loans to the employees are in accordance with their terms of employment. Other transactions with related parties are entered into at agreed rates.

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

	Six months period ended	
	31 December 2009	31 December 2008
<i>Transactions during the period</i>	(Rupees in '000)	
Brokerage and advisory income earned from related parties	<u>529</u>	<u>417</u>
Contribution to staff retirement fund	<u>3,291</u>	<u>1,797</u>
Key management compensation	<u>64,957</u>	<u>17,511</u>
<i>Balances</i>	31 December 2009	30 June 2009
	(Rupees in '000)	
Loans to executives	<u>21,755</u>	<u>22,907</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>13,285</u>	<u>17,920</u>
Musharakah Term Finance Certificate borrowings from financial institution under common directorship	<u>648</u>	<u>648</u>
Musharakah Term Finance Certificate borrowings from trust under common directorship / trusteeship	<u>337</u>	<u>337</u>
Payable to Al-Zamin Modaraba Management Company	<u>-</u>	<u>9,211</u>
Investment in shares of Centre Gas (Private) Limited	<u>34,068</u>	<u>34,536</u>
Investment in UMA Enterprises	<u>27,080</u>	<u>27,705</u>
Certificate of Musharakah borrowing from UMA Enterprises	<u>2,000</u>	<u>4,500</u>
Guarantee given to SNGPL in favour of Centre Gas (Private) Limited - off balance sheet item	<u>-</u>	<u>4,200</u>
Musharakah Term Finance Certificate borrowing from key management personnel	<u>1,576</u>	<u>1,493</u>
Loan from a director	<u>207,033</u>	<u>194,445</u>
Receivable from Centre Gas (Private) Limited	<u>-</u>	<u>10,000</u>
Net liability to defined benefit plans	<u>5,548</u>	<u>7,028</u>

29. SEGMENT INFORMATION

	Investment activities	Brokerage	Leasing / Ijarah	Other operations	Total
	(Rupees in '000)				
<b>Information about reportable segment profit or loss, assets and liabilities</b>					
Revenues from external customers	45,809	76,500	164,107	39,141	325,557
Interest expense	(25,671)	(42,871)	(209,901)	-	(278,443)
Depreciation and amortisation	(5,086)	(8,494)	(52,112)	(4,323)	(70,016)
Impairment of assets	(8,975)	-	(27,396)	(10,190)	(46,561)
Reportable segment profit	6,077	25,135	(125,302)	24,628	(69,463)
Reportable segment assets	902,042	1,506,391	3,231,493	766,763	6,406,689
Reportable segment liabilities	798,398	1,333,306	2,860,195	678,662	5,670,560
<b>Reconciliations of reportable segment profit or loss, assets and liabilities</b>					
<b>Profit or loss</b>					
Total profit or loss for reportable segments					(94,091)
Other profit or loss					24,628
Unallocated amounts:					
Litigation settlement received					-
Other administrative and operating expenses					(234,131)
Other income					33,974
Loss before income tax expense					<b>(269,620)</b>
<b>Assets</b>					
Total assets for reportable segments					5,639,926
Other assets					766,763
Entity's assets					<b>6,406,689</b>
<b>Liabilities</b>					
Total liabilities for reportable segments					4,991,898
Other liabilities					678,662
Entity's liabilities					<b>5,670,560</b>

30. 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 26th February 2010.

**Basheer A. Chowdry**  
Managing Director

**Nusrat Yar Ahmad**  
Chief Executive

## Our Network



### Registered Office / Head Office

C3C, 12th Lane, Ittehad Commercial,  
Khayaban-e-Ittehad, Phase-II, Ext. DHA, Karachi  
Tel : (92-21) 111-111-097  
Fax : (92-21) 3531 3887  
Web : www.investcapital.com

### Stock Exchange Office

Room No.704, 7th Floor,  
Karachi Stock Exchange Building,  
Stock Exchange Road, Karachi.  
Tel : (92-21) 3244 6334-5  
Fax : (92-21) 3244 6336

### Karachi

101-108 Kassam Court, BC-9,  
Block 5, Clifton, Karachi.  
Tel : 111-111-303  
Fax : (92-21) 3587 0408, 3583 8304

601-604, 6th Floor, Lakson Square Building No.3  
Sarwar Shaheed Road, Karachi.  
Tel : (92-21) 111-667-788  
Fax: (92-21) 3566 1988

### Islamabad

52-E, Dohdy Building, Jinnah Avenue  
Blue Area, Islamabad  
Tel : (92-51) 227 0588, 227 2835  
Fax : (92-51) 227 2813

301-302, 3rd Floor, Muhammad Gulistan Khan House,  
82-East, Fazal-ul-Haq Road, Blue Area, Islamabad.  
Tel : (92-51) 282 5904, 282 5907  
Fax: (92-51) 227 5202

### Lahore

2nd Floor, FB-II, Awami Complex,  
1-4 Usman Block, New Garden Town, Lahore.  
Tel : (92-42) 3594 0125-7  
Fax : (92-42) 3586 2324

16-A, Main Gulberg, Lahore  
Tel : (92-42) 3577 6701-08  
Fax: (92-42) 3577 6710

### Peshawar

Tehmas Center, Tekal Payan,  
University Road, Peshawar.  
Tel : (92-91) 571 1731-2  
Fax : (92-91) 571 1733

1st Floor, State Life Building, 34 The Mall,  
Peshwar Cantt., Peshawar.  
Tel : (92-91) 527 6026-28  
Fax: (92-91) 527 3683

### Faisalabad

201, 2nd Floor, Faisal Complex  
Bilal Road, Faisalabad.  
Tel : (92-41) 261 3466  
Fax : (92-41) 261 3467

### Also at

Abbotabad, Gujranwala, Hyderabad, Kohat, Multan,  
Sargodha, Sahiwal & Shiekhupura.



C3C, 12th Lane, Ittehad Commercial,  
Khayaban-e-Ittehad, Phase-II, Ext. DHA, Karachi  
Tel : (92-21) 111-111-097 Fax : (92-21) 3531 3887