

HALF YEARLY REPORT
DECEMBER 31, 2010



INVEST CAPITAL INVESTMENT BANK LIMITED

Unconsolidated Financial Statements

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Board of Directors

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

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

Mohsin Tayebaly & Co.
Ahmed & Qazi

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

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
National Bank of Pakistan
NIB Bank Limited
State Bank of Pakistan
Silk Bank Limited
Standard Chartered Bank (Pakistan) Ltd
The Bank of Khyber
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.investcapital.com
: www.alzaminlease.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 six months period ended December 31, 2010.

Directors' Review

During the six months 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 with no new investor willing to come forward. The NBF sector is still struggling its best to survive in this turmoil and most of the NBF entities are restructuring their liabilities and revamping corporate structure while, at the same time, are challenged with significant shrinking in their operations and size.

The prevailing situation is a real test of patience and courage of the management and the investors that are engaged in the NBF sector. Your Bank is also trying its best to overcome the problems and to revive its business to the levels it achieved before the recent turmoil and then grow it further. In this regards, your Bank is seeking cost curtailment, reshaping organization structure while meeting its obligations towards depositors, investors and lender banks.

On July 06, 2011, the SECP granted its approval vide its letter No SC/NBFC-1/ICIBL/2011/394 and conveyed "No Objection" to the below mentioned arrangements proposed by the major share holder of ICIBL vide his 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 date 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 7th July 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	Designation
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

Financial Statements

During the six months under review the Bank incurred a loss of Rs.273.812 million with negative earnings per share of Rs.0.985. The Gross revenue including other income stood at Rs.146.581million. The Financial charges came to Rs.222.406 million and operating expenses remained at Rs.140.523 million.

On the balance sheet side the total assets reduced from Rs.4,880.531 million in June 2010 to Rs.4,013.400 million in December 2010 basically 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.

	December 31, 2010	December 31, 2009
Gross Revenue	141.048	325.355
Other Income	5.533	33.974
Profit/(Loss) for the period before taxation	(271.520)	(269.620)
Taxation - net	(2.292)	(1.497)
Profit/(Loss) for the period after taxation	(273.812)	(271.117)
Total Assets	4,013.400	4,880.531
Earnings / (Loss) per Share	(0.985)	(0.976)

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 Company. The Board and the management have taken effective remedial measures to mitigate the aforesaid effects which are given in the ensuing paragraphs.

- Reduction in operating costs. Resultantly, the operating costs is expected to be reduced from an average of Rs.51 million per month in the year ended 30 June 2010 to approximately Rs.17 million per month in the subsequent months.
- Intensification of recovery process against loan and advances losses and rental income and it is expected that it will improve liquidity of the Company.
- Increased emphasis on handling advisory and non-funded business which will provide additional earnings without adding to the operating costs and will generate substantial liquidity for the Company.

Going Concern

Previously the Company had gone through a very troubling period which eventually led to the change in the majority shareholding and the management. Consequently, the previous Board resigned and a new Board has been constituted with the approval of the SECP

The new management has come with the vision and determination to revive the entity in such a manner that it shall become one of the leading investment banks of the country in a reasonable time-frame. Accordingly, it is taking various steps such as reducing cost of operations and financing, starting fresh business activities from September 2011, undertaking new leasing business, reviving the profitable generators operating lease business, (which is now contributing Rs.3.00 million per month in the revenue stream instead of previous Rs.1.5 million) and concentrating on fee based income related activities. The primary objective of the new management is to turn your bank profitable by June 2012.

In order to implement its business plans, a fresh equity of Rs.126 million has been injected by the major shareholder whereas the proceeds of Rs.24 million have also been received from the sale of brokerage arm of the Bank.

The management is continuing negotiations with lending financial institutions for restructuring or settlement of the aggregate outstanding amount of Rs.1,200 million in various modes like privately placed TFCs, Murabahah Financing, Running Finance, Term Lending etc. Your Bank's management has been making persistent efforts to resolve the complex issues with the financial institutions in such a way that all liabilities shall be cleared at the earliest and the Bank may concentrate on its new business activities. Therefore, the lenders have been requested to waive mark-up since October 2010 and settle the outstanding balances against our assets which are mostly, but not limited, to immovable assets. We are very thankful to the financial institutions for accepting our proposals. We expect this important effort shall conclude successfully within four to six months span.

The SECP has been requested for relaxation of the prudential requirements for minimum equity, per party exposure and other relevant limits for a period of four years in view of the above mentioned situation and renewal of leasing and investment finance services' licenses. These matters are under consideration of the SECP.

Your Board has carefully reviewed and considered the opinion expressed by the Auditors in their limited review report of the enclosed accounts, regarding the future of the Company's business. Their observations seem to be based primarily on the opinion expressed by the previous Auditors on the Annual Accounts June 2010 as, understandably, the impact of the significant remedial actions taken thereafter including injection of cash equity of Rs 150 million was not fully measurable in the limited time span. Nevertheless, comprehensive business strategies, as discussed above, are being actively implemented by the management to achieve multi-dimensional improvements in the overall operations of the Company. While the settlement of our liabilities with the lending banks has already entered the implementation phase, future cash flows are indicating positive results after injection of equity and benefit of sale of brokerage arm besides maximization of the recoveries. Therefore, on the basis of the reasons explained in preceding paragraphs, your Board and management firmly maintain that presentation of these financial statements on a going concern basis is appropriate and justifiable.

The management is taking appropriate measures to complete the requirements of the SECP for renewal of Company's licenses and feels confident that due to above mentioned positive steps, especially the injection of fresh equity, the SECP would allow special forbearance to the Bank in compliance of Minimum Equity Requirement (MER) and compliance of other prudential limits in due course.

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 Company's business and restructuring with the banks, the rating of the Company shall be improved.

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 Liqat 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 Company in these difficult times.

Karachi
Date: October 14, 2011

Naveed Amin
Chief Executive Officer

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

Introduction

We have reviewed the accompanying condensed interim balance sheet of Invest Capital Investment Limited ("the Company") as at December 31, 2010 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the six months period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarter ended December 31, 2010 and 2009 have not been reviewed, as we are required to review only the cumulative figures for the six months period ended December 31, 2010.

Scope of Review

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

Basis for adverse conclusion

As described in Note 1.4 to the interim financial information, the interim financial information has been prepared on a going concern basis. The Company has incurred net loss of Rs. 273.81 million for the six months period ended December 31, 2010, and the accumulated loss as at the balance sheet date was Rs. 873.89 million. The Company's current liabilities exceed its current assets by Rs. 183.83 million. The Company's net shareholders' equity as at December 31, 2010 was negative Rs. 50.75 million against the minimum equity requirement under Schedule 1 read with regulation 4 of NBFC Regulations, 2008.

Furthermore, the Company is facing operational and financial problems and the licenses of the Company in respect of leasing and investment finance services were expired on December 08, 2010 and February 29, 2011 respectively and were not renewed till the date of this report. There exists material uncertainty relating to events and conditions discussed above. In our opinion, the going concern assumption used in the preparation of the interim financial information is inappropriate, therefore, the company may not be able to realize its assets and discharge its liabilities in the normal course of business.

Adverse conclusion

Our review indicates that, because of the significance of the matters discussed in preceding paragraphs, the interim financial information does not give a true and fair view of the state of the Company's affair as at December 31, 2010 and of the loss, its comprehensive loss, cash flows and changes in equity for the six months period then ended in accordance with the approved accounting standards as applicable in Pakistan.

The condensed interim financial information of the company for the half year ended December 31, 2009 was reviewed by another firm of Chartered Accountants who expressed an unqualified conclusion in their report dated February 26, 2010. They have expressed adverse opinion on the financial statements of the company for the year ended June 30, 2010 in their report dated May 14, 2011.

Faisalabad
October 14, 2011

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

Condensed Interim Balance Sheet (Un-audited)
As at December 31, 2010



Al-Zaamin Invest Bank.

	Note	Un-Audited December 31, 2010	Audited June 30, 2010
---- (Rupees in '000) ----			
ASSETS			
Non-current assets			
Property, plant and equipment	6	381,160	393,889
Intangible assets	7	8,895	10,103
Long term investments	8	244,626	247,912
Net investment in Ijarah finance/assets under Ijarah arrangements	9	375,507	624,347
Long term musharakah finance - secured	10	77,332	78,113
Long term loans - considered good		15,537	22,210
Long term deposits and receivables - unsecured and considered good		15,879	19,964
Deferred taxation	11	-	-
		1,118,936	1,396,538
Current assets			
Short term investments	12	70,756	293,533
Short term musharakah finances		101,109	131,605
Short term finances - secured		48,575	55,167
Trade debts - unsecured		933,270	1,005,106
Assets acquired in satisfaction of finances		49,500	49,500
Ijarah rentals receivable		7,045	9,563
Current maturity of non-current assets	13	1,056,616	1,250,031
Advances, deposits, prepayments and other receivables		127,981	129,909
Stock in trade		1,720	728
Cash and bank balances	14	14,358	75,318
Assets held for sale		483,533	483,533
		2,894,463	3,483,993
TOTAL ASSETS		<u>4,013,399</u>	<u>4,880,531</u>
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized 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)
Deficit on revaluation of available-for-sale investments - net		(3,457)	(1,798)
Accumulated loss		(873,885)	(600,072)
		(50,749)	224,723
Surplus on revaluation of property, plant and equipment		9,258	9,258
Non-current liabilities			
Liability against assets subject to finance lease		5,458	9,992
Deferred liability for staff gratuity		600	12,662
Security deposits from lessees		216,422	276,137
Long term certificates of musharakah	15	140,170	90,525
Certificates of investments and deposits	16	7,345	6,445
Long term musharakah and murabahah borrowings	17	99,638	127,456
Musharakah Term Finance Certificates	18	376,745	420,013
Redeemable capital - Term Finance Certificates	19	128,380	-
Long term loan	20	-	-
Deferred liabilities		1,839	2,575
		976,597	945,805
Current liabilities			
Current portion of long term liabilities	21	741,247	1,120,274
Short term certificates of musharakah	22	514,677	648,100
Short term certificates of investments and deposits		102,920	118,520
Short term borrowings	23	1,168,465	1,392,453
Short term musharakah borrowings	24	4,000	5,000
Loan from a Director - unsecured		197,543	168,022
Creditors, accrued and other liabilities		349,441	248,376
		3,078,293	3,700,745
TOTAL EQUITY AND LIABILITIES		<u>4,013,399</u>	<u>4,880,531</u>
CONTINGENCIES AND COMMITMENTS	25	-	-

The annexed notes 1 to 32 form an integral part of this financial information.

Shaukat Ali
Director

Naveed Amin
Chief Executive Officer

Condensed Interim Profit and Loss Account (Un-audited)
For six months period ended December 31, 2010



Note	Six months period ended December 31,		Three months period ended December 31,	
	2010	2009	2010	2009
	(Rupees in '000)		(Rupees in '000)	
Income				
Brokerage, commission and fees	-	76,500	-	35,032
Income from leasing operations	39,053	101,523	19,161	52,371
Operating lease rentals	61,331	62,584	28,657	28,583
Profit on musharakah investments	15,300	36,601	6,433	9,311
Income from investment and placement	876	5,047	384	1,476
Income from finances	3,021	11,013	189	7,826
Income on deposits with banks	4,198	2,540	477	1,562
Gain on sale of long term investments	5,346	24,645	3,036	28,371
Unrealised gain / (loss) on remeasurement of investments carried at fair value through profit or loss	2,629	3,125	5,125	(12,421)
Dividend income / (loss) from joint venture	4,307	(202)	4,307	934
Dividend income	6,833	1,979	2,316	1,511
(Loss) from Diesel / CNG filling station-net	(1,846)	-	(1,846)	-
	141,048	325,355	68,239	154,556
Expenses				
Financial charges	(222,406)	(278,443)	(126,203)	(150,844)
Administration and operating expenses	(140,523)	(303,945)	(65,475)	(148,548)
	(362,929)	(582,388)	(191,678)	(299,392)
	(221,881)	(257,033)	(123,439)	(144,836)
Other income	5,533	33,974	6,198	15,748
	(216,348)	(223,059)	(117,241)	(129,088)
Impairment loss				
Reversal / (provision) against other receivables	1,500	(8,095)	1,500	(8,095)
Provision for impairment in the value of available for sale investments	-	(8,975)	-	808
Doubtful lease receivables written off	(422)	(1,945)	(422)	(1,912)
Provision against doubtful finance lease receivable and lease rentals - net	(34,457)	(16,679)	(18,951)	(16,679)
Provision against long term / short term musharakah finances	(7,077)	(1,791)	(4,417)	(1,791)
Provision against long term loan	(4,840)	(8,399)	(5,045)	(8,399)
Other receivables written off	(9,876)	(677)	(9,876)	(499)
	(55,172)	(46,561)	(37,211)	(36,567)
(Loss) before taxation	(271,520)	(269,620)	(154,452)	(165,655)
Provision for taxation	26	(2,292)	(1,497)	(1,211)
(Loss) after taxation	(273,812)	(271,117)	(155,663)	(157,031)
(Loss) per share				
- basic	27	(0.961)	(0.994)	(0.576)
-diluted	27	(0.961)	(0.952)	(0.551)

The annexed notes 1 to 32 form an integral part of this financial information.

Shaukat Ali
Director

Naveed Amin
Chief Executive Officer

Condensed Interim Comprehensive Income (Un-audited)
For six months period ended December 31, 2010



	Six months period ended		Three months period ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009
	----- (Rupees in '000) -----		----- (Rupees in '000) -----	
Loss for the period	(273,812)	(271,117)	(155,663)	(157,031)
Other comprehensive (loss) / income				
Unrealized (loss) / gain for the period on remeasurement of available-for-sale investments	(1,658)	11,296	-	14,235
Total comprehensive loss for the period	<u>(275,470)</u>	<u>(259,821)</u>	<u>(155,663)</u>	<u>(142,796)</u>

The annexed notes 1 to 32 form an integral part of this financial information.

Shaukat Ali
Director

Naveed Amin
Chief Executive Officer

Six months period ended
December 31, December 31,
2010 2009
---- (Rupees in '000) ----

CASH FLOWS FROM OPERATING ACTIVITIES

(Loss) before taxation	(271,520)	(269,620)
Adjustments for non cash charges and other items:		
Depreciation of property, plant and equipment	10,430	34,039
Amortization of intangible assets	1,559	2,086
Depreciation on assets leased out	42,972	-
Amortization of deferred revenue	-	(346)
Impairment loss against other lease receivables	-	(5,970)
(Reversal) / provision against other receivables	(1,500)	8,095
Doubtful lease receivables written off	422	1,945
Provision against doubtful finance lease receivable and lease rentals-net	34,457	16,679
Provision against long term / short term musharakah finances	7,077	1,791
Provision against long term loan / short term loan	4,840	8,399
Provision for gratuity	-	(513)
Other receivables written off	9,876	677
Dividend Income	-	(7,703)
Financial charges - net	222,406	278,442
Gain on sale of marketable securities	-	(24,645)
Gain on disposal of property, plant and equipment	(171)	(1,779)
Unrealized gain on remeasurement of investments carried at fair value through profit or loss	(2,629)	(3,125)
Impairment loss in the value of available-for-sale Investments	-	8,975
	329,739	317,047
Cash flow from operating activities before working capital changes	58,219	47,427
(Increase) / decrease in current assets		
Trade debts	71,836	85,217
Short-term investments	223,747	-
Short term musharakah finances - secured	23,419	23,783
Short term finances - secured	6,592	-
Assets acquired in satisfaction of finances	-	-
Ijarah rentals receivable	2,518	(5,437)
Advances, deposits, prepayments and other receivables	(2,358)	21,275
Stock in trade	(992)	20
	324,762	124,858
Increase / (decrease) in current liabilities		
Short term certificates of musharakah	(133,423)	20,290
Short term certificates of investments and deposits	(15,600)	47,182
Creditors, accrued and other liabilities	43,588	51,542
	(105,435)	119,014
Cash flow from operating activities after working capital changes	277,546	291,299
Financial charges paid	(163,086)	(315,996)
Gratuity paid	-	(513)
Income tax paid	(8,078)	(4,303)
	(171,164)	(320,812)
Net cash flow from operating activities	106,382	(29,513)

	Note	Six months period ended	
		December 31, 2010	December 31, 2009
		----- (Rupees in '000) -----	
CASH FLOWS FROM INVESTING ACTIVITIES			
Fixed capital expenditure		(3,835)	(26,467)
Long term loans		14,132	5,216
Long term deposit		4,085	(6,807)
Dividend received		-	4,264
Long term musharakah finances		13,604	-
Investments		342,567	971,662
Assets acquired in satisfaction of finances		-	50,000
Sale proceeds from disposal of property, plant and equipment		6,290	9,624
Net cash flow from investing activities		<u>376,843</u>	<u>1,007,492</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of liability against assets subject to finance lease		(4,064)	(9,650)
Short term borrowings		(224,988)	(867,049)
Receivable under reverse repurchase transaction		-	195,000
Deferred liability for staff gratuity		(12,062)	-
Security deposits from lessees		(165,713)	(245,673)
Long term certificates of musharakah		(46,040)	(59,915)
Certificates of investments and deposits		900	-
Long term musharakah and murabahah borrowings		(23,651)	(86,139)
Musharakah term finance certificates		(43,750)	(14,583)
Redeemable capital - term finance certificates		-	(45,000)
Loan from director - unsecured		29,521	12,588
Deferred liabilities		(736)	-
Long-term loan		(53,601)	(33,373)
Net cash flow from financing activities		<u>(544,184)</u>	<u>(1,153,794)</u>
Net (decrease) in cash and cash equivalents		<u>(60,959)</u>	<u>(175,815)</u>
Cash and cash equivalents at beginning of the period		75,318	(519,414)
Cash and cash equivalents at end of the period	28	<u>14,358</u>	<u>(695,229)</u>

The annexed notes 1 to 32 form an integral part of this financial information.

Shaukat Ali
Director

Naveed Amin
Chief Executive Officer

Condensed Interim Changes in Equity (Un-audited)
For six months period ended December 31, 2010



	Issued, subscribed and paid-up capital	Capital reserve on amalgamation	Surplus / (deficit) on revaluation of available for sale investment	Unappropriated profit / (Accumulated loss)	Share deposit money	Total
(Rupees in '000)						
Balance as at July 01, 2009	2,727,669	(2,022,076)	4,207	148,123	121,000	978,923
Total comprehensive (loss) / income for the period ended December 31, 2009						
Loss after taxation	-	-	-	(271,117)	-	(271,117)
<i>Other comprehensive income</i>						
Transfer of impairment in the value of investment classified as available-for-sale taken to profit and loss account	-	-	(2,637)	-	-	(2,637)
Unrealised gain on remeasurement of investments classified as available-for-sale	-	-	11,296	-	-	11,296
Incremental depreciation charged for the period - released from surplus on revaluation of fixed asset	-	-	8,659	(271,117)	-	(262,458)
Balance as at December 31, 2009	2,727,669	(2,022,076)	12,866	(122,502)	121,000	716,957
Total comprehensive (loss) / income for the period ended June 30, 2010						
Loss after taxation	-	-	-	(477,757)	-	(477,757)
<i>Other comprehensive loss</i>						
Unrealised loss on remeasurement of investments classified as available-for-sale	-	-	(13,052)	-	-	(13,052)
Transfer of impairment in the value of investment classified as available-for-sale taken to profit and loss account.	-	-	(1,613)	-	-	(1,613)
Incremental depreciation charged for the period - released from surplus on revaluation of fixed asset	-	-	-	186	-	186
Subordinated loan converted into share capital	121,000	-	-	-	(121,000)	-
Balance as at July 01, 2010	2,848,669	(2,022,076)	(1,799)	(600,073)	-	224,721
Total comprehensive income for the period ended December 31, 2010						
Loss after taxation	-	-	-	(273,812)	-	(273,812)
<i>Other comprehensive loss</i>						
Unrealised loss on remeasurement of investments classified as available-for-sale	-	-	(1,658)	-	-	(1,658)
Incremental depreciation charged for the period - released from surplus on revaluation of fixed asset	-	-	(1,658)	(273,812)	-	(275,470)
Balance as at December 31, 2010	2,848,669	(2,022,076)	(3,457)	(873,885)	-	(50,749)

The annexed notes 1 to 32 form an integral part of this financial information.

Shaukat Ali
Director

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 in Karachi in the province of Sindh.
- 1.2 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.
- 1.3 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.
- 1.4 The Company incurred net loss of Rs. 273.812 million for the six months period ended December 31, 2010, and the accumulated loss as at balance sheet date was Rs. 873.885 million. The Company's current liabilities exceeded its current assets by Rs 183.83 million. The equity of the Company is below the minimum equity requirement as per NBFC Regulations, 2008. Further, the leasing and investment finance services' licenses of the Company were not renewed after December 08, 2010 and February 29, 2011 respectively. Furthermore, the Company has not complied with certain loan agreements.

The Company is making strenuous efforts to liquidate its assets, restructure/reschedule borrowings, defer accrued and future mark up, reduce its operating costs and increase equity. SECP has accorded its approval to the different arrangements proposed by the new management to improve the liquidity position of the Company. The management is confident that it will be successful in its efforts and hence 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 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 June 30, 2010.

2.3 Functional and presentation currency

These condensed interim financial statements are presented in Pakistan Rupees which is 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 except as follows:

The Company has adopted the following amended IFRS and related interpretations which became effective during the period:

- IAS 32 - Financial Instruments: Presentation - Classification of Rights Issues (Amendment)

- IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments

In April 2009, International Accounting Standards Board issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below:

FRS 5 – Non-Current Assets Held for Sale and Discontinued Operations

IFRS 8 – Operating Segments

IAS 1 – Presentation of Financial Statements

IAS 7 – Statement of Cash Flows

IAS 17 – Leases

IAS 36 – Impairment of Assets

IAS 38 – Intangible Assets

IAS 39 – Financial Instruments: Recognition and measurement

The adoption of the above standards, amendments / improvements and interpretations did not have any material effect on these condensed interim financial statements.

4. TRANSFER OF ASSETS AND LIABILITIES TO SUBSIDIARY

In compliance with regulation no. 7(2)(n) of the NBFC Rules, 2003, the Company had to separate its brokerage business from the other business activities. The requirement for compliance with aforesaid regulation was extended till June 30, 2010 by SECP vide S.R.O 886 dated 13 October 2009.

During the year 2009-2010 the Company transferred its brokerage business to Invest Capital Markets Limited "ICML" (the subsidiary) as per policy and directives of the Securities and Exchange Commission of Pakistan (SECP). SECP accorded its approval to the said transfer vide its letter referenced SC/NBFC-1/ICIBL/2009/170 dated March 27, 2009. On June 25, 2010 the Company entered into an agreement with ICML for the transfer of brokerage business. In consideration for the transfer of the brokerage business, ICML has issued to the Company 15,000,000 fully paid up ordinary shares having a face value of Rs. 10/- in the sum of Rs. 150,000,000. The assets, liabilities and licenses of the Company's brokerage business were transferred to ICML at the close of business on June 30, 2010.

The shares were allotted to the Company on July 12, 2010. The net investment of the Company in the subsidiary as at December 31, 2010 is Rs. 116,850,002/-.

5. ESTIMATES, JUDGEMENTS AND RISK MANAGEMENT POLICIES

5.1 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 June 30, 2010.

5.2 Risk management policies and procedures are consistent with those disclosed in the financial statements for the year ended June 30, 2010.

6. PROPERTY, PLANT AND EQUIPMENT

	December 31, 2010	June 30, 2010
	----- (Rupees in '000) -----	
Operating assets	369,544	382,033
Capital work in progress	11,616	11,856
	<u>381,160</u>	<u>393,889</u>

		Six months period ended			
		December 31, 2010		December 31, 2009	
		Additions	Disposals	Additions	Disposals
		----- (Rupees in '000) -----			
6.1	Acquisitions and disposals of operating assets - at cost				
	Owned - cost				
	Office renovation	-	-	196	-
	Furniture and fixtures	-	170	470	51
	Office equipments	766	-	992	267
	Vehicles	2,719	5,369	21,798	13,506
	Generator	-	-	218	-
		<u>3,485</u>	<u>5,539</u>	<u>23,674</u>	<u>13,824</u>
	Leased - cost				
	Vehicles	-	-	-	1,360
		<u>3,485</u>	<u>5,539</u>	<u>23,674</u>	<u>15,184</u>
				December 31, 2010	June 30, 2010
				----- (Rupees in '000) -----	
7.	INTANGIBLE ASSETS				
	Computer softwares			<u>8,895</u>	<u>10,103</u>
				<u>8,895</u>	<u>10,103</u>
				December 31, 2010	June 30, 2009
				----- (Rupees in '000) -----	
7.1	Acquisition of Intangible assets - at cost				
	Computer softwares			<u>351</u>	<u>2,793</u>
				December 31, 2010	June 30, 2010
				----- (Rupees in '000) -----	
8.	LONG TERM INVESTMENTS				
	Investment in subsidiary - at cost	4	116,850	116,850	116,850
	Investment in related parties - at cost	8.1	82,863	82,863	82,863
	Available for sale investments:				
	- Ordinary shares and certificates of listed and unlisted entities		29,807	30,786	30,786
	- Mutual funds		8,493	10,588	10,588
	- Term finance certificates		6,613	6,825	6,825
			<u>244,626</u>	<u>247,912</u>	<u>247,912</u>
8.1	INVESTMENTS IN RELATED PARTIES				
	Joint ventures				
	CNG / Diesel filling stations				
	- Centre Gas (Private) Limited		34,536	34,536	34,536
	- UMA Enterprises		27,705	27,705	27,705
	- Ameen Enterprises		20,622	20,622	20,622
			<u>82,863</u>	<u>82,863</u>	<u>82,863</u>

9. NET INVESTMENT IN IJARAH FINANCE / ASSETS UNDER IJARAH ARRANGEMENTS	Note	December 31, 2010	June 30, 2010
		----- (Rupees in '000) -----	
Ijarah contracts commenced on or before June 30, 2008 accounted for as finance leases	9.1	993,928	1,358,715
Ijarah contracts commenced on or after July 1, 2008 accounted for under IFAS 2		<u>264,995</u>	317,340
		<u>1,258,923</u>	1,676,055
Current portion of net investment in Ijarah finance	13	<u>(883,416)</u>	(1,051,708)
		<u>375,507</u>	624,347

9.1 Net investment in Ijarah finance

	December 31, 2010			June 30, 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	1,121,411	108,466	1,229,877	1,169,540	271,622	1,441,162
Residual value of leased assets	<u>258,573</u>	<u>75,691</u>	<u>334,264</u>	343,414	154,532	497,946
Lease contracts receivable	1,379,984	184,157	1,564,141	1,512,954	426,154	1,939,108
Unearned lease income (including suspended income)	<u>(170,783)</u>	<u>(50,802)</u>	<u>(221,585)</u>	(204,363)	(56,953)	(261,316)
Provision for potential lease losses	<u>(325,785)</u>	<u>(22,843)</u>	<u>(348,628)</u>	(256,883)	(62,194)	(319,077)
	<u>(496,568)</u>	<u>(73,645)</u>	<u>(570,213)</u>	(461,246)	(119,147)	(580,393)
	<u>883,416</u>	<u>110,512</u>	<u>993,928</u>	1,051,708	307,007	1,358,715

9.2 Contractual rentals receivable	Note	December 31, 2010	June 30, 2010
		----- (Rupees in '000) -----	
Due within one year		100,559	156,501
Due after one year but within five years		<u>113,047</u>	158,922
		<u>213,606</u>	315,423

10. LONG TERM MUSHARAKAH FINANCE - SECURED

Companies (non-financial institutions)		115,267	120,690
Individuals		<u>111,074</u>	114,603
		<u>226,341</u>	235,293
Receivable within one year shown under current assets	13	<u>(112,861)</u>	(125,685)
		<u>113,480</u>	109,608
Provision against impaired balances		<u>(36,148)</u>	(31,495)
		<u>77,332</u>	78,113

10.1 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 13.5 % to 27 % (June 30, 2010: 13.5% to 27%). These are payable in monthly / quarterly installments.

11. DEFERRED TAX ASSET

Net deferred tax asset amounting to Rs. 852 million (June 30, 2010: Rs 459 million) has not been recognised as a matter of prudence.

Note	December 31, 2010	June 30, 2010
	----- (Rupees in '000) -----	

12. SHORT-TERM INVESTMENTS

12.1 Investments at fair value through profit or loss

Quoted securities		
- Ordinary shares	582	30,118
- Preference shares - cumulative	577	611
- Mutual funds	54,289	67,274
	<u>55,448</u>	<u>98,003</u>

12.2 Available-for-sale

Government securities	-	182,561
Other quoted securities		
- Term finance certificates	84	84
- Ordinary shares	5,030	1,185
- Mutual funds	9,194	10,700
	<u>14,308</u>	<u>11,969</u>
Un-quoted securities		
Dawood Family Takaful Limited	1,000	1,000
	<u>70,756</u>	<u>293,533</u>

13. CURRENT MATURITY OF NON-CURRENT ASSETS

Net investment in Ijarah finance / assets under Ijarah arrangements	9	883,416	1,051,708
Musharakah receivables	10	112,861	125,684
Long term loans		60,339	72,638
		<u>1,056,616</u>	<u>1,250,031</u>

14. CASH AND BANK BALANCES

Balance with banks in:			
Current accounts in local currency with:			
- State Bank of Pakistan		328	922
- Commercial Banks		2,909	16,776
		<u>3,237</u>	<u>17,698</u>
Term deposit accounts - local currency		-	19,000
Deposit accounts - local currency	14.1	10,264	38,088
		<u>10,264</u>	<u>57,088</u>
		<u>13,501</u>	<u>74,786</u>
Cash in hand in local currency		857	532
		<u>14,358</u>	<u>75,318</u>

14.1 These bank accounts carry mark-up ranging from 5% to 10.5% per annum (June 30, 2010: 5% to 10.5% per annum).



	Note	December 31, 2010	June 30, 2010
----- (Rupees in '000) -----			
15. LONG TERM CERTIFICATES OF MUSHARAKAH - UNSECURED			
Certificate of musharakah			
Associated undertakings		6,550	6,580
Others		156,940	202,950
		<u>163,490</u>	<u>209,530</u>
Payable within one year shown under current liabilities	21	(23,320)	(119,005)
		<u>140,170</u>	<u>90,525</u>
15.1			
These represent the mobilization of funds under the scheme of certificates of musharakah. These carry profit rates ranging between 13.00% to 19.5% per annum (June 30, 2010: 13.00% to 19.5% per annum) and are due for repayment between January 04, 2011 and January 10, 2016 (June 30, 2010: July 28, 2010 to June 30, 2015).			
	Note	December 31, 2010	June 30, 2010
----- (Rupees in '000) -----			
16. CERTIFICATES OF INVESTMENTS AND DEPOSITS - UNSECURED			
Long term			
For one year or more		8,135	7,235
Payable within one year shown under current liabilities	21	(790)	(790)
		<u>7,345</u>	<u>6,445</u>
16.1			
The term of COIs / CODs ranges from one year to five years and return thereon ranges from 11.5% to 15% per annum (June 30, 2010: 11.5% to 15% per annum).			
17. LONG TERM MUSHARAKAH AND MURABAHAH BORROWINGS - SECURED			
Musharakah borrowings			
From commercial banks	17.1	33,333	33,333
Murabahah borrowings from:			
Commercial banks	17.2	152,763	169,907
Other financial institutions	17.3	62,709	69,216
		<u>215,472</u>	<u>239,123</u>
		248,805	272,456
Payable within one year shown under current maturity	21	(149,167)	(145,000)
		<u>99,638</u>	<u>127,456</u>
17.1			
These finances carry profit rate of 3 months KIBOR plus 1.5% per annum and are payable in quarterly installments. These are secured against first pari passu floating charge over all present and future leased assets and associated lease receivables. The principal repayment commenced from September 12, 2009 on quarterly basis. The maturity date was June 11, 2011. The Company's applications for the restructuring of the borrowings are pending with the lenders. As a result, borrowings of Rs. 16.667 million alongwith mark up of Rs.2.292 million were due but not paid as at the balance sheet date.			
17.2			
These finances carry profit rates ranging from six months KIBOR plus 3% per annum and three months KIBOR plus 1.9% to 2.75% per annum payable in monthly and quarterly installments. These are secured against floating charge on all present and future leased assets and associated lease receivables and corporate guarantee by the management company of AZLM. These finances are payable from July 28, 2010 to June 28, 2012. The Company's applications for the restructuring of the borrowings are pending with the lenders. As a result, borrowings of Rs. 10.532 million alongwith mark up of Rs. 3.432 million were due but not paid as at the balance sheet date.			

17.3 These finances carry profit rates ranging from six months KIBOR plus 3% per annum payable in monthly installments. These are secured against floating charge on all present and future leased assets and associated lease receivables and corporate guarantee by the management Company of AZLM. These finances are payable from July 28, 2010 to June 28, 2012. The Company's applications for the restructuring of the borrowings are pending with the lenders. As a result, borrowings of Rs. 6.968 million alongwith mark up of Rs. 2.270 million were due but not paid as at the balance sheet date.

18. MUSHARAKAH TERM FINANCE CERTIFICATES (TFCs - privately placed) - secured	Note	December 31,	June 30,
		2010	2010
		----- (Rupees in '000) -----	
Commercial banks		273,125	294,687
Other financial institutions		241,458	260,521
Individuals		39,583	42,708
		<u>554,166</u>	<u>597,916</u>
Current maturity	21	<u>(175,000)</u>	<u>(175,000)</u>
		<u>379,166</u>	<u>422,916</u>
Total initial transaction cost		<u>7,400</u>	<u>7,400</u>
Amortization to date		<u>(4,979)</u>	<u>(4,497)</u>
		<u>2,421</u>	<u>2,903</u>
		<u>376,745</u>	<u>420,013</u>

18.1 These finances carry profit rate of 6 months KIBOR plus 1.9% per annum and are payable in half yearly installments. At the period end profit rate was 15.13% per annum (June 30, 2010: 14.12% per annum). These are secured against first pari passu charge of specific leased assets and associated lease receivables of the Company. The principal repayment has commenced from November 12, 2009 on monthly basis in equal installments. The maturity date is December 11, 2013. The Company's applications for the restructuring of the borrowings are pending with the lenders. As a result, borrowings of Rs.43.750 million alongwith mark up of Rs.19.047 million were due but not paid as at the balance sheet date.

19. REDEEMABLE CAPITAL	Note	December 31,	June 30,
		2010	2010
		----- (Rupees in '000) -----	
Term Finance Certificates (TFCs)	19.1	<u>128,380</u>	<u>128,380</u>
Current maturity	21	<u>-</u>	<u>(128,380)</u>
		<u>128,380</u>	<u>-</u>
Total initial transaction cost		<u>-</u>	<u>10,384</u>
Amortization to date		<u>-</u>	<u>(10,384)</u>
		<u>-</u>	<u>-</u>
		<u>128,380</u>	<u>-</u>

19.1 Term Finance Certificates (TFCs) were issued by the Company on September 05, 2002. These are perpetual unless put / call option attached to these is exercised. On September 05, 2010 none of the TFC holders sent the put option to the Company hence the same is continued for further 3 years as per terms of their issuance.

20. LONG TERM LOAN - secured	Note	December 31,	June 30,
		2010	2010
		----- (Rupees in '000) -----	
Facility I	20.1	38,447	44,855
Facility II	20.2	50,248	60,298
Facility III	20.2	12,562	15,074
Facility IV	20.2	6,281	7,537
Facility V	20.3	25,045	43,795
Facility VI	20.4	14,625	29,250
		<u>147,208</u>	<u>200,809</u>
Current maturity	21	<u>(147,208)</u>	<u>(200,809)</u>
		<u>-</u>	<u>-</u>

20.4 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% per annum with no floor or cap. The facility is secured against the equitable mortgage of a specific property of the Company. The maturity date is June 08, 2011.

	Note	December 31, 2010	June 30, 2010
----- (Rupees in '000) -----			
21. CURRENT PORTION OF LONG TERM LIABILITIES			
Security deposit from lessees		236,906	342,904
Certificates of musharakah	15	23,320	119,005
Certificates of investments and deposits	16	790	790
Liabilities under finance lease arrangements		8,856	8,386
Long term musharakah	17	149,167	145,000
Musharakah Term Finance Certificates	18	175,000	175,000
Term Finance Certificates	19	-	128,380
Long term loan	20	147,208	200,809
		<u>741,247</u>	<u>1,120,274</u>
22. SHORT TERM CERTIFICATES OF MUSHARAKAH - unsecured			
		<u>514,677</u>	<u>648,100</u>

22.1 These musharakah certificates are for periods, ranging between 90 to 365 days and carry expected profit rates ranging from 11% to 17.25% per annum.

	Note	December 31, 2010	June 30, 2010
----- (Rupees in '000) -----			
23. SHORT TERM BORROWINGS			
Secured			
Payable under repurchase transactions	23.1	41,768	182,803
From commercial banks	23.2	713,697	745,850
Unsecured			
Clean borrowings	23.3	410,000	460,000
From non-banking finance companies	23.4	3,000	3,800
		<u>1,168,465</u>	<u>1,392,453</u>

23.1 These are funds borrowed in the local inter bank market against pledge of securities at rates ranging from 12% to 12.45% per annum for the periods ranging from 14 days to 30 days.

23.2 The aggregate facilities amounting to Rs. 1,015 million have been obtained from commercial banks which are secured against pledge of shares of companies, hypothecation charges over present and future receivables and pari passu charges over leased assets and associated lease receivables. These are subject to mark up rates at 1 month KIBOR plus 3.00% per annum to 3 months KIBOR plus 2.25% to 3.00% per annum.

23.3 Money at call and short notices carries mark-up rates ranging from 13.5% to 14.5% per annum for the periods ranging from 7 days to 91 days.

23.4 This represents finance facilities carrying mark-up at the rate of 22% per annum. The maturity date is January 20, 2011 (June 30, 2010: July 15, 2010).

	Note	December 31, 2010	June 30, 2010
		----- (Rupees in '000) -----	
24. SHORT TERM MUSHARAKAH BORROWINGS - unsecured			
Leasing Companies and Modarabas	24.1	<u><u>4,000</u></u>	<u><u>5,000</u></u>

24.1 These finances have been obtained for 90 days (2010: 92 days) at a profit rate of 13% per annum and is due for repayment on March 01, 2011 (2010: July 31, 2010).

25. CONTINGENCIES AND COMMITMENTS

25.1 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).

	December 31, 2010	December 31, 2009
		----- (Rupees in '000) -----
26. TAXATION		
Current	2,292	(13,929)
Prior year	-	5,634
Deferred	-	6,798
	<u><u>2,292</u></u>	<u><u>(1,497)</u></u>

26.1 Reconciliation of tax charge for the year

(Loss) before taxation	<u><u>(273,812)</u></u>	<u><u>(269,620)</u></u>
Tax at the applicable tax rate of 35%	(95,834)	(94,367)
Reversal due to final tax regime	95,834	94,367
Tax effect under final tax regime	2,292	(13,929)
Tax effect of amount relating to prior year	-	5,634
Others	-	6,798
	<u><u>2,292</u></u>	<u><u>(1,497)</u></u>

27. LOSS PER SHARE - BASIC AND DILUTED

	Six months period ended December 31,		Three months period ended December 31,	
	2010	2009	2010	2009
		----- (Rupees in '000) -----		
Loss after taxation (both for the purpose of basic and diluted loss per share)	<u><u>(273,812)</u></u>	<u><u>(271,117)</u></u>	<u><u>(155,663)</u></u>	<u><u>(157,031)</u></u>
----- (Number of shares in '000) -----				
Weighted average number of ordinary shares for the purpose of basic loss per share	<u><u>284,867</u></u>	<u><u>272,767</u></u>	<u><u>272,767</u></u>	<u><u>272,767</u></u>
Effect of diluted potential ordinary shares	<u><u>-</u></u>	<u><u>12,100</u></u>	<u><u>-</u></u>	<u><u>12,100</u></u>
Weighted average number of ordinary shares for the purpose of diluted loss per share	<u><u>284,867</u></u>	<u><u>284,867</u></u>	<u><u>272,767</u></u>	<u><u>284,867</u></u>

	----- (Rupees per share) -----			
Loss per share - basic	<u>(0.961)</u>	<u>(0.994)</u>	<u>(0.571)</u>	<u>(0.576)</u>
Loss per share - diluted	<u>(0.961)</u>	<u>(0.952)</u>	<u>(0.571)</u>	<u>(0.551)</u>

28. CASH AND CASH EQUIVALENTS

	December 31,	
	2010	2009
	----- (Rupees in '000) -----	
Cash and bank balances	14,358	176,841
Short term running finance	-	(872,070)
	<u>14,358</u>	<u>(695,229)</u>

29. 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 advice. 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.

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

	Six months period ended	
	December 31,	
	2010	2009
	----- (Rupees in '000) -----	
Transactions during the year		
Brokerage and advisory income earned from related parties	-	529
Contribution to staff retirement fund	<u>1,557</u>	<u>3,291</u>
Key management remuneration	<u>12,400</u>	<u>64,957</u>
	December 31,	June 30,
	2010	2010
Balances		
Loans to executives	<u>1,846</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>6,960</u>	<u>6,960</u>
Investment in shares of Invest Capital Markets Limited	<u>150,000</u>	<u>150,000</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>3,969</u>	<u>4,369</u>

30. SEGMENT INFORMATION

	Investment activities	Leasing / Ijarah	Other operations	Total
(Rupees in '000)				
Information about reportable segment profit or loss, assets and liabilities				
Revenues from external customers	35,291	103,405	2,352	141,048
Interest expense	(55,912)	(166,494)	-	(222,406)
Depreciation and amortisation	(3,014)	(51,947)	-	(54,961)
Impairment of assets	(7,077)	(38,219)	(9,876)	(55,172)
Reportable segment profit	<u>(30,712)</u>	<u>(153,255)</u>	<u>(7,524)</u>	<u>(191,491)</u>
Reportable segment assets	<u>1,491,746</u>	<u>1,411,838</u>	<u>1,109,815</u>	<u>4,013,399</u>
Reportable segment liabilities	<u>(1,942,871)</u>	<u>(2,111,420)</u>	<u>(600)</u>	<u>(4,054,891)</u>

Reconciliations of reportable segment profit or loss, assets and liabilities

Profit or loss

Total profit or loss for reportable segments	(183,967)
Other profit or loss	(7,524)
	<u>(191,491)</u>
Unallocated amounts:	
Other administrative and operating expenses	(85,562)
Other income	5,533
Loss before income tax expense	<u>(271,520)</u>

Assets

Total assets for reportable segments	2,903,584
Other assets	1,109,815
Entity's assets	<u>4,013,399</u>

Liabilities

Total liabilities for reportable segments	(4,054,291)
Other liabilities	(600)
Entity's liabilities	<u>(4,054,891)</u>

31. 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 14 October 2011.

32. GENERAL

32.1 RECLASSIFICATIONS

Following prior year figures have been reclassified to reflect better presentation:

- Amortisation of leased out assets amounting to Rs. 33,891,000/- was disclosed as a separate line item on the face of condensed interim profit and loss account. It has now been grouped under the head of 'Administrative and operating expenses'.
- Dividend income from joint venture amounting to Rs. 202,000/- was disclosed as a separate line item on the face of condensed interim profit and loss account. It has now been grouped under the head of 'Other income'.

32.2 The figures of condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement represent the figures after transfer of brokerage business to ICML (Refer Note 4), hence are not comparable, with the figures for prior periods.

Shaukat Ali
Director

Naveed Amin
Chief Executive Officer



Al-Zaamin Invest Bank.

**Condensed Interim
Consolidated
Financial Information
of
Invest Capital Investment
Bank Limited
&
Its Subsidiary
Invest Capital Markets
Limited**

**Consolidated Condensed Interim Balance Sheet
As at December 31, 2010 (Un-audited)**



Al-Zaamin Invest Bank.

	Note	Un-Audited December 31, 2010	Audited 30 June, 2010
----- (Rupees in '000) -----			
ASSETS			
Non-current assets			
Property, plant and equipment	6	443,720	463,409
Intangible assets	7	34,040	35,389
Long term investments	8	124,707	128,543
Net investment in Ijarah finance/assets under Ijarah arrangements	9	375,507	624,347
Long term musharakah finance - secured	10	77,332	78,113
Long term loans - considered good		15,537	22,210
Long term deposits and receivables - unsecured and considered good		29,167	34,863
Deferred taxation	11	-	-
		1,100,010	1,386,874
Current assets			
Short term investments	12	70,756	293,533
Short term musharakah finances		101,109	131,605
Short term finances - secured		48,575	55,167
Trade debts - unsecured		1,085,267	1,193,880
Assets acquired in satisfaction of finances		49,500	49,500
Ijarah rentals receivables		7,045	9,563
Current maturity of non-current assets	13	1,056,616	1,250,031
Receivable under reverse repurchase transaction		-	9,000
Advances, deposits, prepayments and other receivables		131,147	134,606
Stock in trade		1,720	728
Cash and bank balances	14	15,228	75,318
Assets held for sale		483,533	483,533
		3,050,496	3,686,464
TOTAL ASSETS		4,150,506	5,073,338
EQUITY AND LIABILITIES			
Share capital and reserves			
Authorized 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)
Deficits on revaluation of available-for-sale investments - net		(3,457)	(1,798)
Accumulated loss		(911,105)	(612,320)
		(87,969)	212,475
Surplus on revaluation of property, plant and equipment		18,986	18,986
Non-current liabilities			
Liability against assets subject to finance lease		5,458	9,992
Deferred liability for staff gratuity		600	12,662
Security deposits from lessees		216,422	276,137
Long term certificates of musharakah	15	140,170	90,525
Certificates of investments and deposits	16	7,345	6,445
Long term musharakah and murabaha borrowings	17	99,638	127,456
Musharakah Term Finance Certificates	18	376,745	420,013
Redeemable capital - Term Finance Certificates	19	128,380	-
Long term loan	20	-	-
Deferred liabilities		1,839	2,575
		976,597	945,805
Current liabilities			
Current portion of long term liabilities	21	741,247	1,120,274
Short term certificates of musharakah	22	514,677	648,100
Short term certificates of investments and deposits		102,920	118,520
Short term borrowings	23	1,168,465	1,423,950
Short term musharakah borrowings	24	4,000	5,000
Loan from a Director - unsecured		197,542	168,022
Creditors, accrued and other liabilities		514,041	412,206
		3,242,892	3,896,072
TOTAL EQUITY AND LIABILITIES		4,150,506	5,073,338
CONTINGENCIES AND COMMITMENTS			
	25		

The annexed notes 1 to 32 form an integral part of these condensed interim consolidated financial statements.

Shaukat Ali
Director

Naveed Amin
Chief Executive Officer

Six months period ended Three months period ended

Note	December 31,		December 31,	
	2010	2009	2010	2009

---- (Rupees in '000) ----

Income				
Brokerage, commission and fees	56,458	76,500	30,610	35,032
Income from leasing operations	39,053	101,523	19,161	52,371
Operating lease rentals	61,331	62,584	28,657	28,583
Profit on musharakah investments	15,300	36,601	6,433	9,311
Income from investment and placement	876	5,047	762	1,476
Income from finances	3,021	11,013	(189)	7,826
Income on deposits with banks	4,198	2,540	477	1,562
Gain on sale of long term investments	5,346	24,645	3,036	28,371
Unrealised gain on remeasurement of investments carried at fair value through profit or loss	2,629	3,125	5,125	(12,421)
Dividend income	6,833	1,979	2,316	1,511
(Loss) from Diesel / CNG filling station-net	(1,846)	-	(1,846)	-
	<u>193,199</u>	<u>325,557</u>	<u>94,542</u>	<u>153,622</u>
Expenses				
Financial charges	(228,717)	(278,443)	(93,752)	(150,844)
Administration and operating expenses	(219,974)	(303,945)	(105,934)	(148,548)
	<u>(448,691)</u>	<u>(582,388)</u>	<u>(199,686)</u>	<u>(299,392)</u>
	<u>(255,492)</u>	<u>(256,831)</u>	<u>(105,144)</u>	<u>(145,770)</u>
Other income	14,171	33,772	12,107	16,682
	<u>(241,321)</u>	<u>(223,059)</u>	<u>(93,037)</u>	<u>(129,088)</u>
Impairment loss				
Reversal / (provision) against other receivables	1,500	(8,095)	1,500	(8,095)
Provision for impairment in the value of available for sale investments	-	(8,975)	-	808
Doubtful lease receivables written off	(422)	(1,945)	(422)	(1,912)
Provision against doubtful finance lease receivable and lease rentals - net	(34,457)	(16,679)	(18,951)	(16,679)
Provision against long term / short term musharakah finances	(7,077)	(1,791)	(4,417)	(1,791)
Provision against long term loan	(4,840)	(8,399)	(5,045)	(8,399)
Other receivables written off	(9,876)	(677)	(9,876)	(499)
	<u>(55,172)</u>	<u>(46,561)</u>	<u>(37,211)</u>	<u>(36,567)</u>
(Loss) before taxation	(296,493)	(269,620)	(130,248)	(165,655)
Provision for taxation	26 (2,292)	(1,497)	(1,211)	8,624
(Loss) after taxation	<u>(298,785)</u>	<u>(271,117)</u>	<u>(131,459)</u>	<u>(157,031)</u>
(Loss) per share				
- basic	27 (1.049)	(0.994)	(0.482)	(0.576)
-diluted	27 (1.049)	(0.952)	(0.482)	(0.551)

The annexed notes 1 to 32 form an integral part of these condensed interim consolidated financial statements.

Shaukat Ali
Director

Naveed Amin
Chief Executive Officer

	Six months period ended		Three months period ended	
	December 31, 2010	December 31, 2009	December 31, 2010	December 31, 2009

----- (Rupees in '000) -----

Loss for the period	(298,785)	(271,117)	(131,459)	(157,031)
Other comprehensive (loss) / income				
Unrealised (loss) / gain for the period on remeasurement of available-for-sale investments	(1,658)	11,296	-	14,235
Total comprehensive loss for the period	<u>(300,443)</u>	<u>(259,821)</u>	<u>(131,459)</u>	<u>(142,796)</u>

The annexed notes 1 to 32 form an integral part of these condensed interim consolidated financial statements.

Shaukat Ali
Director

Naveed Amin
Chief Executive Officer

Consolidated Condensed Interim Cash Flow
For six months period ended December 31, 2010 (Un-audited)



Six months period ended
December 31 December 31
2010 2009
----- (Rupees in '000) -----

CASH FLOWS FROM OPERATING ACTIVITIES

(Loss) before taxation	(296,493)	(269,620)
Adjustments for non cash charges and other items:		
Depreciation of property, plant and equipment	17,485	34,039
Amortization of intangible assets	1,699	2,086
Amortization of deferred revenue	-	(346)
Depreciation on assets leased out	42,972	-
Impairment loss against other lease receivables	-	(5,970)
(Reversal) / provision against other receivables	(1,500)	8,095
Doubtful lease receivables written off	422	1,945
Provision against doubtful finance lease receivable and lease rentals-net	34,457	25,078
Provision against long term / short term musharakah finances	7,077	1,791
Provision against long term loan / short term loan	4,840	-
Provision for gratuity	-	(513)
Dividend Income	-	(7,703)
Other receivables written off	9,876	677
Financial charges - net	228,717	278,442
Gain on disposal of fixed assets	(171)	(1,779)
Gain on sale of marketable securities	-	(24,645)
Unrealized gain on remeasurement of investments carried at fair value through profit or loss	(2,629)	(3,125)
Impairment loss in the value available-for-sale Investments	-	8,975
	343,245	317,047
Cash flow from operating activities before working capital changes	46,752	47,427
(Increase) / decrease in current assets		
Trade debts	108,613	85,217
Short-term investments	223,747	-
Short term musharakah finances - secured	23,419	23,783
Short term finances - secured	6,592	-
Assets acquired in satisfaction of finances	-	-
Ijarah rentals receivable	2,518	(5,437)
Advances, deposits, prepayments and other receivables	(827)	21,275
Stock in trade	(992)	20
	363,070	124,858
Increase / (decrease) in current liabilities		
Short term certificates of musharakah	(133,423)	20,290
Short term certificates of investments and deposits	(15,600)	47,182
Creditors, accrued and other liabilities	47,047	51,542
	(101,976)	119,014
Cash flow from operating activities after working capital changes	307,846	291,299
Financial charges paid	(163,086)	(315,996)
Gratuity paid	-	(513)
Income tax paid	(8,078)	(4,303)
	(171,164)	(320,812)
Net cash flow from operating activities	136,682	(29,513)

Shaukat Ali
Director

Naveed Amin
Chief Executive Officer



Six months period ended
December 31 **December 31**
2010 **2009**

Note

----- (Rupees in '000) -----

CASH FLOWS FROM INVESTING ACTIVITIES

Fixed capital expenditure	(3,929)	(26,467)
Long term loans	14,132	5,216
Long term deposit	5,696	(6,807)
Long term musharakah finances	13,605	-
Investments	343,117	971,662
Assets acquired in satisfaction of finances	-	50,000
Dividend received	-	4,264
Sale proceeds from disposal of property, plant and equipment	6,290	9,624
Net cash flow from investing activities	378,911	1,007,492

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of liability against assets subject to finance lease	(4,064)	(9,650)
Short term borrowings	(256,485)	(867,049)
Receivable under reverse repurchase transaction	-	195,000
Deferred liability for staff gratuity	(12,062)	-
Security deposits from lessees	(165,713)	(245,673)
Long term certificates of musharakah	(46,040)	(59,915)
Certificates of investments and deposits	900	-
Long term musharakah and murabaha borrowings	(23,651)	(86,139)
Musharakah term finance certificates	(43,750)	(14,583)
Redeemable capital - Term Finance Certificates	-	(45,000)
Loan from director - unsecured	29,520	12,588
Deferred liabilities	(736)	-
Long-term loan	(53,601)	(33,373)
Net cash flow from financing activities	(575,682)	(1,153,794)

NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS	(60,089)	(175,815)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	75,318	(519,414)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	14	15,228
		(695,229)

The annexed notes 1 to 32 form an integral part of these condensed interim consolidated financial statements.

Shaukat Ali
Director

Naveed Amin
Chief Executive Officer

Consolidated Condensed Interim Changes in Equity
For six months period ended December 31, 2010 (Un-audited)



	Issued, subscribed and paid-up capital	Capital reserve on amalgamation	Surplus / (deficit) on revaluation of available for sale	Unappropriated profit / (Accumulated 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
Total comprehensive income for the period ended December 31, 2009						
Loss after taxation	-	-	-	(271,117)	-	(271,117)
Other comprehensive income						
Transfer of impairment in the value of investment classified as available-for-sale taken to profit and loss account	-	-	(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 charged for the period - released from surplus on revaluation of fixed asset	-	-	-	492	-	492
Balance as at December 31, 2009	2,727,669	(2,022,076)	12,866	(122,502)	121,000	716,957
Total comprehensive (loss) / income for the period ended June 30, 2010						
Loss after taxation	-	-	-	(490,004)	-	(490,004)
Other comprehensive loss						
Unrealised loss on remeasurement of investments classified as available-for-sale	-	-	(13,052)	-	-	(13,052)
	-	-	(13,052)	(490,004)	-	(503,056)
Transfer of impairment in the value of investment classified as available-for-sale taken to profit and loss account.	-	-	(1,613)	-	-	(1,613)
Incremental depreciation charged for the period - released from surplus on revaluation of fixed asset	-	-	-	186	-	186
Subordinated loan converted into share capital	121,000	-	-	-	(121,000)	-
Balance as at July 01 2010	2,848,669	(2,022,076)	(1,799)	(612,320)	-	212,474
Total comprehensive income for the period ended December 31, 2010						
Loss after taxation	-	-	-	(298,785)	-	(298,785)
Other comprehensive loss						
Unrealised loss on remeasurement of investments classified as available-for-sale	-	-	(1,658)	-	-	(1,658)
	-	-	(1,658)	(298,785)	-	(300,443)
Balance as at December 31, 2010	2,848,669	(2,022,076)	(3,457)	(911,105)	-	(87,969)

The annexed notes 1 to 32 form an integral part of these condensed interim consolidated financial statements.

Shaukat Ali
Director

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 in 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 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 March 27, 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.

1.3 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.

1.4 The group incurred net loss of Rs. 298.785 million for the six months period ended December 31, 2010, and the accumulated loss as at balance sheet date was Rs. 911.105 million. The group's current liabilities exceed its current assets by Rs. 192.396 million. The equity of the group is below the minimum equity requirement as per NBFC Regulations, 2008. Further, the leasing and investment finance services' licenses of the group were not renewed after December 08, 2010 and February 29, 2011 respectively. Furthermore, the group has not complied with certain loan agreements.

The group is making strenuous efforts to liquidate its assets, restructure/reschedule borrowings, defer accrued and future mark up, reduce its operating costs and increase equity. SECP has accorded its approval to the different arrangements proposed by the new management to improve the liquidity position of the group. The management is confident that it will be successful in its efforts and hence the group will be able to continue as a going concern.

2. BASIS OF CONSOLIDATION

The condensed interim consolidated financial statements include the financial statements of Invest Capital Investment Bank Limited and its subsidiary Invest Capital Markets Limited. The financial statements of the parent and subsidiary company are combined on a line by line basis.

All intra-company balances, transactions and resulting unrealised profits, if any, are eliminated.

3. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

3.1 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.

3.2 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 June 30, 2010.

3.3 Functional and presentation currency

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The Company has adopted the following amended IFRS and related interpretations which became effective during the period:

- IAS 32 - Financial Instruments: Presentation - Classification of Rights Issues (Amendment)
- IFRIC 19 - Extinguishing Financial Liabilities with Equity Instruments

In April 2009, International Accounting Standards Board issued amendments to various standards primarily with a view to removing inconsistencies and clarifying wording. These improvements are listed below:

- IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations
- IFRS 8 – Operating Segments
- IAS 1 – Presentation of Financial Statements
- IAS 7 – Statement of Cash Flows
- IAS 17 – Leases
- IAS 36 – Impairment of Assets
- IAS 38 – Intangible Assets
- IAS 39 – Financial Instruments: Recognition and measurement

The adoption of the above standards, amendments / improvements and interpretations did / will not have any material effect on these condensed interim financial statements.

5. ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

- 5.1 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 judgments 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 June 30, 2010.

- 5.2 Risk management policies and procedures are consistent with those disclosed in the financial statements for the year ended June 30, 2010.

December 31,	June 30,
2010	2010
----- (Rupees in '000) -----	

6. PROPERTY, PLANT AND EQUIPMENT

Operating assets	432,104	451,553
Capital work in progress	11,616	11,856
	<u>443,720</u>	<u>463,409</u>

Six months period ended			
December 31, 2010		December 31, 2009	
Additions	Disposals	Additions	Disposals
----- (Rupees in '000) -----			

6.1 Acquisitions and disposals of operating assets - at cost

Owned - cost

Office renovation	-	-	196	-
Furniture and fixtures	-	170	470	51
Office equipments	766	-	992	267
Vehicles	2,719	5,369	21,798	13,506
Generator	-	-	218	-
	<u>3,485</u>	<u>5,539</u>	<u>23,674</u>	<u>13,824</u>

Leased - cost

Vehicles	-	-	-	1,360
	<u>3,485</u>	<u>5,539</u>	<u>23,674</u>	<u>15,184</u>

December 31, June 30,
2010 2010
----- (Rupees in '000) -----

7. INTANGIBLE ASSETS

34,040 35,389

Six months period ended

December 31,

2010 2009

----- (Rupees in '000) -----

7.1 Acquisition of Intangible assets - at cost

Computer softwares		<u>351</u>	<u>2,793</u>
--------------------	--	------------	--------------

December 31, June 30,
2010 2010
----- (Rupees in '000) -----

8. LONG TERM INVESTMENTS

Investment in related parties - at cost	8.1	79,794	80,344
Available for sale investments:			
- Ordinary shares and certificates of listed and unlisted entities		29,807	30,786
- Mutual funds		8,493	10,588
- Term finance certificates		6,613	6,826
		<u>124,707</u>	<u>128,543</u>

8.1 INVESTMENTS IN RELATED PARTIES

Joint ventures			
CNG / Diesel filling stations			
- Centre Gas (Private) Limited		32,131	32,111
- UMA Enterprises		27,160	26,776
- Ameen Enterprises		20,503	21,457
		<u>79,794</u>	<u>80,344</u>

	Note	December 31, 2010	June 30, 2010
----- (Rupees in '000) -----			
9. NET INVESTMENT IN IJARAH FINANCE / ASSETS UNDER IJARAH ARRANGEMENTS			
Ijarah contracts commenced on or before June 30, 2008 accounted for as finance leases	9.1	993,928	1,358,715
Ijarah contracts commenced on or after July 01, 2008 accounted for under IFAS 2	9.2	264,995	317,340
		<u>1,258,923</u>	<u>1,676,055</u>
Current portion of net investment in Ijarah finance	13	<u>(883,416)</u>	<u>(1,051,709)</u>
		<u>375,507</u>	<u>624,346</u>

9.1 Net investment in Ijarah finance

	December 31, 2010			June 30, 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	1,121,411	108,466	1,229,877	1,169,540	271,622	1,441,162
Residual value of leased assets	258,573	75,691	334,264	343,414	154,532	497,946
Lease contracts receivable	<u>1,379,984</u>	<u>184,157</u>	<u>1,564,141</u>	1,512,954	426,154	1,939,108
Unearned lease income (including suspended income)	<u>(170,783)</u>	<u>(50,802)</u>	<u>(221,585)</u>	(204,363)	(56,953)	(261,316)
Provision for potential lease losses	<u>(325,785)</u>	<u>(22,843)</u>	<u>(348,628)</u>	(256,883)	(62,194)	(319,077)
	<u>(496,568)</u>	<u>(73,645)</u>	<u>(570,213)</u>	(461,246)	(119,147)	(580,393)
	<u>883,416</u>	<u>110,512</u>	<u>993,928</u>	1,051,708	307,007	1,358,715

	Note	December 31, 2010	June 30, 2010
----- (Rupees in '000) -----			
9.2 Contractual rentals receivables			
Due within one year		100,559	156,501
Due after one year but within five years		113,047	158,922
		<u>213,606</u>	<u>315,423</u>

10. LONG TERM MUSHARAKAH FINANCE - SECURED

Companies (non-financial institutions)		115,267	120,690
Individuals		111,074	114,603
		<u>226,341</u>	<u>235,293</u>
Receivable within one year shown under current assets	13	<u>(112,861)</u>	<u>(125,685)</u>
		<u>113,480</u>	<u>109,608</u>
Provision against impaired balances		<u>(36,148)</u>	<u>(31,495)</u>
		<u>77,332</u>	<u>78,113</u>

10.1 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 13.5 % to 27 % (June 30, 2010: 13.5% to 27%). These are payable in monthly / quarterly instalments.

11. DEFERRED TAX ASSET

Net deferred tax asset amounting to Rs. 852 million (June 30, 2010: Rs 459 million) has not been recognised as a matter of prudence.

	Note	December 31, 2010	June 30, 2010
		----- (Rupees in '000) -----	
12. SHORT-TERM INVESTMENTS			
12.1 Investments at fair value through profit or loss			
Quoted securities			
- Ordinary shares		582	30,118
- Preference shares - cumulative		577	611
- Mutual funds		54,289	67,274
		55,448	98,003
12.2 Available-for-sale			
Government securities		-	182,561
Other quoted securities			
- Term finance certificates		84	84
- Ordinary shares		5,030	1,185
- Mutual funds		9,194	10,700
		14,308	11,969
Un-quoted securities			
Dawood Family Takaful Limited		1,000	1,000
		70,756	293,533
13. CURRENT MATURITY OF NON-CURRENT ASSETS			
Net investment in Ijarah finance / assets under Ijarah arrangements	9	883,416	1,051,708
Musharakah receivables	10	112,861	125,684
Long term loans		60,339	72,638
		1,056,616	1,250,030
14. CASH AND BANK BALANCES			
Balance with banks in:			
Current accounts in local currency with:			
- State Bank of Pakistan		328	922
- Commercial Banks		3,679	16,776
		4,007	17,698
Term deposit accounts - local currency		-	19,000
Deposit accounts - local currency	14.1	10,264	38,088
		10,264	57,088
		14,271	74,786
Cash in hand in local currency		957	532
		15,228	75,318
14.1	These bank accounts carry mark-up ranging from 5% to 10.50% per annum (June 30, 2010: 5% to 10.50% per annum).		

	Note	December 31, 2010	June 30, 2010
		----- (Rupees in '000) -----	
15. LONG TERM CERTIFICATES OF MUSHARAKAH - UNSECURED			
Certificate of musharakah			
Associated undertakings		6,550	6,580
Others		<u>156,940</u>	<u>202,950</u>
		<u>163,490</u>	<u>209,530</u>
Payable within one year shown under current liabilities	21	<u>(23,320)</u>	<u>(119,005)</u>
		<u>140,170</u>	<u>90,525</u>
15.1	These represent the mobilization of funds under the scheme of certificates of musharakah. These carry profit rates ranging between 13.00% to 19.5% per annum (June 30, 2010: 13.00% to 19.5% per annum) and are due for repayment between January 04, 2011 and January 10, 2016 (June 30, 2010: July 28, 2010 to June 30, 2015).		
	Note	December 31, 2010	June 30, 2010
		----- (Rupees in '000) -----	
16. CERTIFICATES OF INVESTMENTS AND DEPOSITS - UNSECURED			
Long term			
For one year or more		8,135	7,235
Payable within one year shown under current liabilities	21	<u>(790)</u>	<u>(790)</u>
		<u>7,345</u>	<u>6,445</u>
16.1	The term of COIs / CODs ranges from one year to five years and return thereon ranges from 11.5% to 15% per annum (30 June 2010: 11.5% to 15% per annum).		
	Note	December 31, 2010	June 30, 2010
		----- (Rupees in '000) -----	
17. LONG TERM MUSHARAKAH AND MURABAHA BORROWINGS - SECURED			
Musharakah borrowings			
From commercial banks	17.1	33,333	33,333
Murabaha borrowings from:			
Commercial banks	17.2	<u>152,763</u>	<u>169,907</u>
Other financial institutions	17.3	<u>62,709</u>	<u>69,216</u>
		<u>215,472</u>	<u>239,123</u>
		<u>248,805</u>	<u>272,456</u>
Payable within one year shown under current maturity	21	<u>(149,167)</u>	<u>(145,000)</u>
		<u>99,638</u>	<u>127,456</u>
17.1	These finances carry profit rate of 3 months KIBOR plus 1.5% per annum and are payable in quarterly installments. These are secured against first pari passu floating charge over all present and future leased assets and associated lease receivables. The principal repayment commenced from September 12, 2009 on quarterly basis. The maturity date was June 11, 2011. The Company's applications for the restructuring of the borrowings are pending with the lenders. As a result, borrowings of Rs. 16.667 million alongwith mark up of Rs. 2.292 million were due but not paid as at the balance sheet date.		
17.2	These finances carry profit rates ranging from six months KIBOR plus 3% per annum and three months KIBOR plus 1.9% to 2.75% per annum payable in monthly and quarterly installments. These are secured against floating charge on all present and future leased assets and associated lease receivables and corporate guarantee by the management		

company of AZLM. These finances are payable from July 28, 2010 to June 28, 2012. The Company's applications for the restructuring of the borrowings are pending with the lenders. As a result, borrowings of Rs. 10.532 million alongwith mark up of Rs. 3.432 million were due but not paid as at the balance sheet date.

- 17.3 These finances carry profit rates ranging from six months KIBOR plus 3% per annum payable in monthly installments. These are secured against floating charge on all present and future leased assets and associated lease receivables and corporate guarantee by the management Company of AZLM. These finances are payable from July 28, 2010 to June 28, 2012. The Company's applications for the restructuring of the borrowings are pending with the lenders. As a result, borrowings of Rs. 6.968 million alongwith mark up of Rs. 2.270 million were due but not paid as at the balance sheet date.

	Note	December 31, 2010	June 30, 2010
----- (Rupees in '000) -----			
18. MUSHARAKAH TERM FINANCE CERTIFICATES (TFCs - privately placed) - secured			
Commercial banks		273,125	294,687
Other financial institutions		241,458	260,521
Individuals		39,583	42,708
		<u>554,166</u>	<u>597,916</u>
Current maturity	21	<u>(175,000)</u>	<u>(175,000)</u>
		379,166	422,916
Total initial transaction cost		7,400	7,400
Amortization to date		(4,979)	(4,497)
		<u>2,421</u>	<u>2,903</u>
		<u>376,745</u>	<u>420,013</u>

- 18.1 These finances carry profit rate of 6 months KIBOR plus 1.9% per annum and are payable in half yearly installments. At the period end profit rate was 15.13% per annum (June 30, 2010: 14.12% per annum). These are secured against first pari passu charge of specific leased assets and associated lease receivables of the Company. The principal repayment has commenced from November 12, 2009 on monthly basis in equal installments. The maturity date is December 11, 2013. The Company's applications for the restructuring of the borrowings are pending with the lenders. As a result, borrowings of Rs. 43.750 million alongwith mark up of Rs. 19.047 million were due but not paid as at the balance sheet date.

	Note	December 31, 2010	June 30, 2010
----- (Rupees in '000) -----			
19. REDEEMABLE CAPITAL			
Term Finance Certificates (TFCs)	19.1	128,380	128,380
		<u>128,380</u>	<u>128,380</u>
Current maturity	21	<u>-</u>	<u>(128,380)</u>
		128,380	-
Total initial transaction cost		-	10,384
Amortization to date		-	(10,384)
		<u>-</u>	<u>-</u>
		<u>128,380</u>	<u>-</u>

- 19.1 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. On 5 September 2010 none of the TFC holders sent the put option to the Company hence the same is continued for further 3 years as per terms of their issuance.

	Note	December 31, 2010	June 30, 2010
----- (Rupees in '000) -----			
20. LONG TERM LOAN -secured			
Facility I	20.1	38,447	44,855
Facility II	20.2	50,248	60,298
Facility III	20.2	12,562	15,074
Facility IV	20.3	6,281	7,537
Facility V	20.4	25,045	43,795
Facility VI	20.4	14,625	29,250
		<u>147,208</u>	<u>200,809</u>
Current maturity	21	<u>(147,208)</u>	<u>(200,809)</u>
		<u>-</u>	<u>-</u>
20.1	This finance carries mark-up rate of 14.07% per annum (June 30, 2010: 14.35% per annum) and is payable in equal monthly installments commenced from January 13, 2007. It is secured by joint pari-passu charge on all present and future leased assets and related receivables of the company. The maturity date is January 13, 2011.		
20.2	These finances carry mark-up rate of 14.60% per annum (June 30, 2010: 14.43% per annum) and are payable in equal monthly instalments commenced from June 29, 2007. These are secured by joint pari-passu charge on all present and future leased assets and related receivables of the Company. The maturity date is June 29, 2011.		
20.3	This represents the long term loan obtained by the Company from a commercial bank repayable in 24 equal monthly instalments commenced from July 2009. The loan carries mark-up of 3 months KIBOR plus 3% per annum (June 30, 2010: 3 months KIBOR plus 2% per annum) with no floor and cap. The facility is secured against the pledge of shares of listed companies. The maturity date is June 11, 2011.		
20.4	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% per annum with no floor or cap. The facility is secured against the equitable mortgage of a specific property of the Company. The maturity date is June 08, 2011.		
	Note	December 31, 2010	June 30, 2010
----- (Rupees in '000) -----			
21. CURRENT PORTION OF LONG TERM LIABILITIES			
Security deposit from lessees		236,906	342,904
Certificates of musharakah	15	23,320	119,005
Certificates of investments and deposits	16	790	790
Liabilities under finance lease arrangements		8,856	8,386
Long term musharakah	17	149,167	145,000
Musharakah Term Finance Certificates	18	175,000	175,000
Term Finance Certificates	19	-	128,380
Long term loan	20	147,208	200,809
		<u>741,247</u>	<u>1,120,274</u>
22. SHORT TERM CERTIFICATES OF MUSHARAKAH - unsecured		<u>514,677</u>	<u>648,100</u>
22.1	These musharakah certificates are for periods, ranging between 90 to 365 days and carry expected profit rates ranging from 11% to 17.25% per annum.		

		December 31,	June 30,
		2010	2010
		----- (Rupees in '000) -----	
23.	SHORT TERM BORROWINGS		
	Secured		
	Payable under repurchase transactions	23.1	41,768
	From commercial banks	23.2	713,697
	Unsecured		
	Clean borrowings	23.3	410,000
	From non-banking finance companies	23.4	3,000
		<u>1,168,465</u>	<u>1,423,950</u>
23.1	These are funds borrowed in the local inter bank market against pledge of securities at rates ranging from 12% to 12.45% per annum for the periods ranging from 14 days to 30 days.		
23.2	The aggregate facilities amounting to Rs. 1,015 million have been obtained from commercial banks which are secured against pledge of shares of companies, hypothecation charges over present and future receivables and pari passu charges over leased assets and associated lease receivables. These are subject to mark up rates at 1 month KIBOR plus 3.00% per annum to 3 months KIBOR plus 2.25% to 3.00% per annum.		
23.3	Money at call and short notices carries mark-up rates ranging from 13.5% to 14.5% per annum for the periods ranging from 7 days to 91 days.		
23.4	This represents finance facilities carrying mark-up at the rate of 22% per annum. The maturity date is January 20, 2011 (June 30, 2010: July 15,2010).		
		December 31,	June 30,
		2010	2010
		----- (Rupees in '000) -----	
24.	SHORT TERM MUSHARAKAH BORROWINGS - unsecured		
	Leasing Companies and Modarabas	24.1	4,000
24.1	These finances have been obtained for 90 days (2010: 92 days) at a profit rate of 13% per annum and is due for repayment on March 01, 2011 (2010: July 31, 2010).		5,000
25.	CONTINGENCIES AND COMMITMENTS		
25.1	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).		
		December 31,	June 30,
		2010	2010
		----- (Rupees in '000) -----	
26.	TAXATION		
	Current	2,292	17,682
	Prior year	-	5,635
	Deferred	-	20,932
		<u>2,292</u>	<u>44,249</u>

	December 31, 2010	June 30, 2010
	----- (Rupees in '000) -----	
26.1 Reconciliation of tax charge for the year		
(Loss) before taxation	<u>(298,785)</u>	<u>(704,625)</u>
Tax at the applicable tax rate of 35%	<u>(104,575)</u>	(246,619)
Reversal due to final tax regime	<u>104,575</u>	246,619
Tax effect under final tax regime	<u>2,292</u>	17,682
Tax effect of amount relating to prior year	-	5,635
Others	<u>-</u>	<u>20,932</u>
	<u><u>2,292</u></u>	<u><u>44,249</u></u>

27. LOSS PER SHARE - BASIC AND DILUTED

	Six months period ended December 31,		Three months period ended December 31,	
	2010	2009	2010	2009
	----- (Rupees in '000) -----			
Loss after taxation (both for the purpose of basic and diluted loss per share)	<u>(298,785)</u>	<u>(271,117)</u>	<u>(131,459)</u>	<u>(157,031)</u>
	----- (Number of shares in '000) -----			
Weighted average number of ordinary shares for the purpose of basic loss per share	<u>284,867</u>	272,767	<u>272,767</u>	272,767
Effect of diluted potential ordinary shares	-	12,100	-	12,100
Weighted average number of ordinary shares for the purpose of diluted loss per share	<u>284,867</u>	<u>284,867</u>	<u>272,767</u>	<u>284,867</u>
	----- (Rupees per share) -----			
Loss per share - basic	<u>(1.049)</u>	<u>(0.994)</u>	<u>(0.482)</u>	<u>(0.576)</u>
Loss per share - diluted	<u>(1.049)</u>	<u>(0.952)</u>	<u>(0.482)</u>	<u>(0.551)</u>

	December 31, 2010	June 30, 2010
	----- (Rupees in '000) -----	
28. CASH AND CASH EQUIVALENTS		
Cash and bank balances	<u>15,228</u>	176,841
Short term running finance	<u>-</u>	<u>(872,070)</u>
	<u><u>15,228</u></u>	<u><u>(695,229)</u></u>

29. 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 advice. 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.

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

	Six months period ended December 31,	
	2010	2010
	----- (Rupees in '000) -----	
Transactions during the year		
Brokerage and advisory income earned from related parties	-	529
Contribution to staff retirement fund	<u>1,557</u>	<u>3,291</u>
Key management remuneration	<u>12,400</u>	<u>64,957</u>
	December 31,	June 30,
	2010	2010
	----- (Rupees in '000) -----	
Balances		
Loans to executives	<u>1,846</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>6,960</u>	<u>6,960</u>
Investment in shares of Invest Capital Markets Limited	<u>150,000</u>	<u>150,000</u>
Certificate of Musharakah borrowing from UMA Enterprises	<u>-</u>	<u>1,000</u>
Loan from a director	<u>197,543</u>	<u>168,022</u>
Receivable from Ameen Enterprises	<u>3,969</u>	<u>4,369</u>

30. SEGMENT INFORMATION

	Investment activities	Leasing / Ijarah	Other operations	Total
	----- (Rupees in '000) -----			
Information about reportable segment profit or loss, assets and liabilities				
Revenues from external customers	35,291	103,405	2,352	141,048
Interest expense	(97,211)	(125,194)	-	(222,405)
Depreciation and amortisation	(1,155)	(52,101)	-	(53,256)
Impairment of assets	(7,077)	(38,219)	(9,876)	(55,172)
Reportable segment profit	<u>(70,152)</u>	<u>(112,109)</u>	<u>(7,524)</u>	<u>(189,785)</u>
Reportable segment assets	<u>1,680,483</u>	<u>1,411,838</u>	<u>921,078</u>	<u>4,013,399</u>
Reportable segment liabilities	<u>(1,772,343)</u>	<u>(2,274,651)</u>	<u>(7,897)</u>	<u>(4,054,891)</u>

Reconciliations of reportable segment profit or loss, assets and liabilities

Profit or loss	----- (Rupees in '000) -----
Total profit or loss for reportable segments	(182,261)
Other profit or loss	<u>(7,524)</u>
	(189,785)
Unallocated amounts:	
Other administrative and operating expenses	(87,267)
Other income	<u>5,533</u>
Loss before income tax expense	<u><u>(271,519)</u></u>
Assets	
Total assets for reportable segments	3,092,321
Other assets	<u>921,078</u>
Entity's assets	<u><u>4,013,399</u></u>
Liabilities	
Total liabilities for reportable segments	(4,046,994)
Other liabilities	<u>(7,897)</u>
Entity's liabilities	<u><u>(4,054,891)</u></u>

31. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim consolidated financial statements were authorised for issue by the Board of Directors of the Company in their meeting held on 14th October 2011.

32. GENERAL

32.1 RECLASSIFICATIONS

Amortisation of leased out assets amounting to Rs. 33,891,000/- was disclosed as a separate line item on the face of condensed interim consolidated profit and loss account. It has now been grouped under the head of 'Administrative and operating expenses' to reflect better presentation.

Shaukat Ali
Director

Naveed Amin
Chief Executive Officer

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