Annual Report 2015

Invest Capital Investment Bank Limited

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Vision Statement

To build a world-class investment banking franchise through the creation of an organization based on trust, integrity and decision making process driven by client's best interest

Mission Statement

To provide our customers financial solutions while preserving wealth, ensuring quality service, efficient pricing and absolute transparency.

Company Information

Board of Directors

Ms. Fiza Zahid	-Chairperson
Mr. Muhammad Asif	-Chief Executive
Mr. Shahab Ud Din Khan	-Director
Mr. Muhammad Qasim	-Director
Ms. Ayesha Zahid	-Director
Mr. Shahbaz Haider Agha	-Director
Mr. Hasan Ahmed	-Director

Audit Committee

Mr. Shahab Ud Din Khan	-Chairman
Mr. Muhammad Qasim	-Member
Ms. Fiza Zahid	-Member

Human Resource Committee

Mr. Muhammad Qasim	-Chairman
Mr. Muhammad Asif	-Member
Ms. Ayesha Zahid	-Member

Chief Financial Officer & Company Secretary

Mr. M. Naim Ashraf

Auditors

Awais Haider Liaquat Nauman
Chartered Accountants

Legal Advisors

Ahmad & Qazi

Share Register

Corptec Associates (Private) Limited
503-E, Johar Town, Lahore.
Tel: 042-35170336-7
Fax: 042-35170338
E-mail: mimran.csbm@gmail.com

Bankers

Habib Metropolitan Bank Limited
MCB Bank Limited
Meezan Bank Limited
State Bank of Pakistan

Registered Office

A-603, 604, 6Th Floor, Lakson Square
Building No. 3, Sarwar Shaheed
Road, Karachi.
Tel: 021-35661968
Fax: 021-35654022
Website: www.icibl.com

Head Office

703-C, City Tower, 6-K Main
Boulevard, Gulberg II, Lahore.
Tel: 042-35770383-4
Fax: 042-3578871

National Tax Number

0656427-5

Notice of 23rd Annual General Meeting

Notice is hereby given that the 23rd Annual General Meeting of the shareholders of INVEST CAPITAL INVESTMENT BANK LIMITED will be held at 7:00 p.m. on Saturday, 31st October, 2015 at ICMA Pakistan's Auditorium, Main Campus, Gulshan-e-Iqbal, Karachi to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the 22nd Annual General Meeting of the Shareholders held on 31st October 2014.

2. To receive, consider and adopt the audited financial statements together with the Directors' and Auditors' reports for the year ended 30th June 2015.

3. To appoint auditors and fix their remuneration for the year ending 30th June, 2016.

4. To consider any other business with the permission of the Chair.

By Order of the Board

Lahore
October 10, 2015

M. Naim Ashraf
Company Secretary

NOTES:

1. The Members' Register will remain closed from 23rd October 2015 to 29th October 2015 (both days inclusive). Transfers received in order at the office of the Share Registrar of the Company by the close of business on 22nd October 2015 will be treated in time.

2. A Member entitled to attend and vote at the General Meeting of Members is entitled to appoint a proxy to attend and vote on his/her behalf.

3. The instrument appointing proxy and the power of attorney or other authority, under which it is signed or a notarially certified copy of the power of attorney must be deposited at the office of Share Registrar of the Company, M/S CorpTec Associates (Private) Limited, 503-E, Johar Town, LAHORE at least 48 hours before the meeting.

4. The CDC account holders will further have to follow the under mentioned guidelines as laid down by the Securities & Exchange Commission of Pakistan:

A- For attending the meeting:

(i) In case of individuals, the account holders or sub-account holders and/or the persons whose shares are in group accounts and their registration details are uploaded as per CDC Regulations shall authenticate their identity by showing their original Computerized National Identity Cards (CNICs) or original passports at the time of attending meeting.

(ii) In case of corporate entities, the Board of Directors resolution/ power of attorney with specimen signatures of the nominees shall be produced (unless it has been provided earlier) at the time of the meeting.

B- For appointing proxies :

(i) In case of individuals, the account holders or sub-account holders and/or the persons whose shares are in group accounts and their registration details are uploaded as per CDC Regulations shall submit the proxy forms accordingly.

(ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

(iii) Attested copy of CNIC or the passport of the beneficial owner and the proxy shall be furnished with the proxy form.

(iv) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.

(v) In case of corporate entities, the Board of Directors resolution/ power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

5. Members are requested to notify any change in their addresses immediately to the Share Registrar of the Company.

Directors' Report

On behalf of the Board of Directors of Invest Capital Investment Bank Limited (the 'Company'), I am pleased to present before members the audited financial statements of the Company for the year ended June 30, 2015 along with the Auditors' report thereon.

By the Grace of Almighty ALLAH the new management of the company has completed fourth year of successful operations. The new management team had formulated a revival plan in 2011, which has been meticulously implemented. The main focus areas of the plan were, settlement of outstanding financial obligations, disposal of non-core / non-earning assets, maximizing recoveries from NPL's and rationalization of administrative expenses.

Financial Overview

	--------- Rupess in million ---------	
Financial Highlights	**2015**	2014
Gross revenue	**63.86**	76.16
Administrative expenses	**38.32**	51.78
Other operating expenses	**19.31**	0
Financial charges (Net)	**(8.77)**	24.65
Provisions and write offs	**24.48**	(4.16)
Other income	**16.32**	96.69
Profit / (loss) for the year before taxation	**6.84**	100.57
Taxation - net	**(0.69)**	(1.84)
Profit / (loss) for the year after taxation	**6.16**	98.72
Earnings / (loss) per share - basic	**0.02**	0.35
Appropriations:		
Transfer to statutory reserves	**1.23**	19.75

Economic Review

Pakistan's economic indicators have shown improvement during the period under review on the back of a wide ranging reform program supported by the IMF. Primarily driven by historically low oil prices, inflation has remained favorable, reaching a low of 2.1% in April 2015 and averaging 4.6% for FY 15 compared to 8.6% in the previous fiscal year. GDP growth for FY15 improved to 4.2%, mainly supported by agriculture and services sector as slower growth in Large Scale Manufacturing dampened overall industrial growth. Despite the shirking current account deficit, the country's trade balance continued to widen on account of a sharp decline in export growth.

The positive macroeconomic developments, capital flows from privatization, and the strengthened external stability on the back of higher CSF flows, IMF disbursements and high remittances, resulted in foreign exchange reserves reaching a record high of USD 18.7 billion by June 2015. In May 2015, S& P upgraded its outlook on Pakistan from Neutral to Positive followed by Moody's upgrade of Pakistan's credit rating from Caa1 to B3. Improvement in external ratings and consequent increased investor interest in Pakistan has resulted in the KSE setting new records in 2015.

The macroeconomic stability provided a basis for the SBP to reduce its policy rate to 7.0%, a cumulative reduction of 300 bps since November 2014. Despite the reduction in policy rate credit to private sector failed to pick up, on the back drop of global market and increased government borrowing from schedule banks.

Company Overview

The Company is now on its path of stability but the macroeconomic factors still continue affecting its performance. The non-availability of funds/credit lines from financial institutions remained the reason for low business volumes and shrinking income levels during the year. The company is managing its business dynamics only through internal generation of funds through recoveries from existing portfolio which is however not enough to show an appreciable growth in the business volumes. However, your management is confident that the trend for the year's profit shall improve in coming years, if no major negative deviation in the economic condition occurs.

Operational Review

The revenue from leasing business has substantially reduced due to the continuous reduction in leasing / loan portfolio. The Gross revenue (including other income) of the Company amounted to Rs. 80.18 million as compared to Rs. 172.84 million of the last year. The management has substantially curtailed its administrative expenses by 26% as compared to year 2014. The major source of income during the last year has been the gain on settlement of liabilities against immovable properties, discount in principal repayments and waiver of related unpaid mark-up which is comparatively low this year since major settlements were made in the prior years. A bulk amount of fresh business is needed to raise the revenue of the Company which in turn depends upon availability of ample funds.

- **Settlement of Liabilities:-**

  The management is pleased to inform you that up-till end of June 30, 2015 around 93% of liabilities have been settled or restructured. The following table shows the comparative figures:

Description	**Rs. in million**
Total liabilities (Loans + Deposits) of Banks / FIs (As at June 30, 2011 prior to change of Management)	1,561.48
Amount settled / principally agreed for settlement / restructured as at June 30, 2015	1,457.51
Outstanding amount pending settlement	103.97

All out efforts are being made to settle the remaining outstanding liabilities at the earliest possible.

Another main concern was meeting the demands of the deposit holders and resolution of their reservations through workable solutions. Please note that the total amount of depositors as on June 30, 2011 was Rs. 602.84 million which has come down to Rs. 31.20 million as on balance sheet date. Category-wise detail is given below:

Category	**June 30,2015**	June 30,2014	June 30, 2013
Financial Institutions	**28.61**	52.44	24.10
Corporate	**0**	0	55.60
Individuals	**2.59**	15.89	55.41
Total	**31.20**	68.33	135.11

The Company has been satisfying the depositors, especially individual depositors, through repayment as desired by them. It is relevant to inform you that almost all categories of deposit holders cooperated with the Company enabling it to achieve the target of getting out of the default situation. At present no demand of any individual deposit holder is pending with us for payment and all maturities are met on due dates.

- **Management of Non-Performing loans (NPLs)**

Managing the recoveries from NPLs was a big task to achieve due to overall depressing economic conditions. The outstanding portfolio was Rs. 2,060.32 million as on June 30, 2011 when the new management took control, which as at June 30, 2015 stands at Rs. 1,334.97 million (2014 Rs.1,596.29 million). The management is determined to continue its best efforts, energy, experience and skills in future also to improve the performance.

- **Reduction in Administrative Cost**

Reduction in the administrative cost without affecting the operational efficiency was a tough task. In the periods prior to July 2011, the operating cost was quite high as compared to the other competitors. The management took this issue seriously and executed Human Resource and Branch Network restructuring and controlled un-necessary expenditures. The result of these efforts is that administrative and operating expenses reduced by 50% in the last year and further 26% as compared to year 2014.

- **Disposal of Non-Core Assets**

The management focused on disposal of its non-core assets and was able to dispose off properties having book value of Rs. 461.21 million up to June 30, 2015 (Since the change of management) against settlement of liabilities as well as cash. The Company has earned a capital gain of Rs.128.79 million on this account and also saved the impact of depreciation. This has resulted in reduction of its liabilities and improvement in the liquidity and equity position of the Company.

- **New Leasing Business**

The new lease business undertaken by the Company has negligible infection level and most of the assets leased are motor vehicle, therefore, recovery is 100% of the billed amount. This has provided the most valuable support in repayment of the liabilities on timely basis. The priority of the management is to meet its financial obligations and surplus funds are invested in the new lease portfolio. During the year a major cash settlement was made with a lender which affected the volume of fresh business, however, it hoped that in the next financial year the disbursements will increase and gain momentum.

Future Strategy

As disclosed in last year's report, the Management of the Company has chalked out a detailed plan on the basic premise to further consolidate the Company on sound footings and also enhance its value. This plan encompasses the following main outlines:

- Compliance of minimum equity requirement: SECP is in the process of introducing major reforms for the revival of NBF sector, which has been in deep crisis since the economic meltdown. One of the proposed reforms is to drastically reduce the minimum equity requirement for NBFCs and link it to their specific business activities. These reforms have been notified for public comments and it is hoped that these will be implemented in very near future.

  The Management is confident that with the implementation of above stated reforms, the Company will be equity compliant in the coming years.

- Settlement of Liabilities and Transfer of Brokerage Related Assets and Liabilities: Management is making hectic efforts to conclude these two areas at the earliest.

- Business: Keeping in view the present economic scenario and our expertise, the management has started investment in best performing scrips along with undertaking fresh lending business. The objective of the management is to diversify the investments and mitigate the single line business risk. Further, the Company would also focus on some risk free service based income. This will improve profitability and will also improve the equity position of the Company.

Corporate and financial reporting framework

The Board of Directors and the Company remain committed to the principles of good corporate governance practices with emphasis on transparency and disclosures. The Board and management are fully cognizant of their responsibilities and monitoring Company's operation and performance to enhance the accuracy, comprehensiveness and transparency of financial and non-financial information. The following statements are a manifestation of its commitment towards compliance with best practices of Code of Corporate Governance:

a) These financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity;

b) Proper books of accounts of the Company have been maintained as required by the Companies Ordinance, 1984;

c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;

d) International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and there is no departure therefrom;

e) The system of internal control is sound and has been effectively implemented and monitored;

f) There is material uncertainty related to events and conditions which may cast significant doubt about the Company's ability to continue as a going concern, however the management on the basis of factors discussed in note # 1.3 to the Financial Statements, is confident that the Company has ability to continue as going concern;

g) There has been no material departure from the best practices of the Corporate Governance as detailed in the Listing Regulations, except the matters discussed by auditors in their attached review report.

h) Information about outstanding taxes and other government levies are given in related note(s) to the accounts.

I) During the year under review, five (5) meetings of the Board of Directors were held. The attendance by each Director is as follows:

Name	Meetings attended	Remarks
Mr. Muhammad Asif (CEO)	5	
Mr. Muhammad Qasim	5	
Mr. Shahab Ud Din Khan	5	
Mr. Khawaja Mohammad Fawzi	0	Appointed during the year
Mr. Fazal Muhammad Mughal	0	Appointed during the year
Mr. Shaukat Ali	3	Resigned during the year
Mr. Ejaz Ahmed Khan	3	Resigned during the year
Ms. Fiza Zahid	4	
Ms. Ayesha Zahid	4	

No trading in shares was done by the Directors/CEO of the company during the year 2014-2015.

During the year under review, four (4) meetings of the Audit Committee were held. The attendance by each Director is as follows:

Name	Meetings attended	Remarks
Mr. Shaukat Ali	2	Resigned during the year
Mr. Ejaz Ahmed Khan	2	Resigned during the year
Mr. Muhammad Qasim	2	
Mr. Shahab Ud Din Khan	2	
Ms. Fiza Zahid	3	

Dividend

As discussed above the actions taken by the management have successfully resulted in a turnaround of the Company, however, the board of directors is committed to further strengthen its capital base, achieve further profitability and enhance the value of shareholders' investment. Therefore, no dividend has been declared for the year under review.

Credit Rating

JCR-VIS Credit Rating Company Limited has placed the entity rating of the Company in 'D' category since August 2010. Management is confident that the rating shall be up-graded to at least minimum investment grade as soon as the process of settlements of liabilities is concluded.

Auditors

The present auditors, M/s Avais Hyder Liaquat Nauman, Chartered Accountants have retired. The Board on recommendation of the Audit Committee has recommended the name of M/s Deloitte Yousuf Adil, Chartered Accountants, Faisalabad, as auditors of the Company for the year 2015-16.

The auditor's report includes emphasis of matter paragraphs on the going concern of the company and non compliance with some of the NBFC's regulations. The management feels that the company is a going concern as set forth in note 1.3 to the financial statements and also requested the SECP for relaxation of the rules and regulations referred to in note 1.4 to the financial statements. The management is hopeful that the requested relaxations will be granted.

Directors

During the year two directors of the Company Mr. Shaukat Ali and Mr. Ejaz Ahmed Khan resigned. The Board appointed Mr. Khawaja Mohammad Fawzi and Mr. Fazal Muhammad Mughal to fill in the casual vacancy. However, the SECP did not approve the same and asked to present some other persons having banking experience. In response to the directions of SECP the Board appointed Mr. Shahbaz Haider Agha and Mr. Hasan Ahmed as directors and submitted their names to the SECP for approval. Subsequent to the year end the SECP approved the appointment of these directors who are now directors of the Company instead of Mr. Khawaja and Mr. Mughal. The updated list of directors is provided in the Company information.

Pattern of Shareholding

The pattern of shareholding as of June 30, 2015 is enclosed herewith.

Acknowledgments

On behalf of the Board of Directors, I acknowledge with thanks the support and guidance provided by the Securities and Exchange Commission of Pakistan during the phase of difficulties and crisis which is now almost over. The Board is also thankful to all its depositors, lending institutions, clients and shareholders for their continued support and trust in the Company's ability to discharge its obligations. The Board also appreciates the staff members who kept up their morale during the difficult times and made concerted efforts for revival of the Company.

For and on behalf of the Board of Directors

Lahore
October 09, 2015

Muhammad Asif
Chief Executive Officer

Key Financial and Operating Data

....Rupees in thousand ....

Balance Sheet	**2015**	2014	2013	2012	2011	2010
Ordinary share capital	**2,848,669**	2,848,669	2,848,669	2,848,669	2,848,669	2,848,669
Equity	**183,229**	181,976	69,925	(290,305)	(297,995)	224,723
Net Investment in Lease	**319,693**	417,762	428,302	584,681	812,558	1,676,055
Musharakah/Finances	**300,273**	301,074	234,218	286,740	307,707	366,898
Total Assets	**1,212,833**	1,352,653	1,400,814	2,187,110	3,388,459	4,880,531
Profit & Loss Account						
Total Income	**80,182**	172,846	397,195	341,593	233,886	697,102
Finance & Other Charges	**(8,768)**	24,654	48,022	173,673	325,595	561,067
Admin & Operating Expense	**57,633**	51,782	144,057	156,938	228,676	612,798
Profit / (Loss) Before Tax	**6,843**	100,566	205,116	10,982	(524,837)	(704,625)
Profit / (Loss) After Tax	**6,155**	98,725	351,809	9,305	(525,548)	(748,874)
Break up Value of Share	**0.64**	0.64	0.25	(1.02)	(1.05)	0.79
Market Value per Share	**1.45**	2.00	1.56	0.81	0.32	0.85
Financial Ratios:						
Earning per share	**0.022**	0.350	1.237	0.033	(1.847)	(2.629)
Revenue Per Share	**0.281**	0.607	1.394	1.199	0.821	2.447

Pattern of Shareholding

As at June 30, 2015

No. of Shareholders	Shareholding From	Shareholding To	Total Shares held
1,221	1	100	46,628
3,546	101	500	788,721
532	501	1,000	382,586
2,654	1,001	5,000	5,348,428
373	5,001	10,000	2,665,391
127	10,001	15,000	1,599,285
79	15,001	20,000	1,395,522
48	20,001	25,000	1,102,651
47	25,001	30,000	1,308,373
20	30,001	35,000	666,420
12	35,001	40,000	448,889
14	40,001	45,000	587,472
17	45,001	50,000	826,297
10	50,001	55,000	522,429
11	55,001	60,000	643,951
6	60,001	65,000	376,038
5	65,001	70,000	339,834
4	70,001	75,000	291,001
5	75,001	80,000	389,436
2	85,001	90,000	175,500
2	90,001	95,000	189,236
14	95,001	100,000	1,388,156
3	100,001	105,000	305,912
1	105,001	110,000	105,063
2	110,001	115,000	226,590
3	120,001	125,000	369,739
3	125,001	130,000	382,600
2	130,001	135,000	264,156
3	145,001	150,000	450,000
1	155,001	160,000	159,500
2	160,001	165,000	328,708
1	165,001	170,000	169,322
1	175,001	180,000	175,137
1	180,001	185,000	181,000
2	185,001	190,000	379,500
3	195,001	200,000	595,190
2	205,001	210,000	411,560
1	215,001	220,000	218,000
1	220,001	225,000	221,000
1	225,001	230,000	229,348
1	230,001	235,000	230,222
1	240,001	245,000	242,340
1	245,001	250,000	247,000
1	255001	260000	259764
1	260001	265000	263000
1	270001	275000	270260
1	280,001	285,000	280,800
2	295,001	300,000	600,000
1	300,001	305,000	305,000
1	305,001	310,000	305,422
1	355,001	360,000	360,000
1	365,001	370,000	367,500
1	380,001	385,000	385,000
1	390,001	395,000	395,000
1	400,001	405,000	402,000
1	450,001	455,000	452,000
1	480,001	485,000	481,260
1	540,001	545,000	541,500
1	580,001	585,000	583,080
1	650,001	655,000	652,147
1	655,001	660,000	656,500
1	660,001	665,000	664,776
1	695,001	700,000	700,000
1	795,001	800,000	799,500
1	945,001	950,000	948,784
1	1,085,001	1,090,000	1,085,500
1	1,095,001	1,100,000	1,095,158
1	1,115,001	1,120,000	1,117,876
1	1,195,001	1,200,000	1,200,000
1	1,835,001	1,840,000	1,840,000
1	1,850,001	1,855,000	1,852,721
1	1,855,001	1,860,000	1,857,500
1	2,010,001	2,015,000	2,013,000
1	2,395,001	2,400,000	2,397,000
1	2,420,001	2,425,000	2,424,076
1	2,490,001	2,495,000	2,493,000
1	2,495,001	2,500,000	2,500,000
1	2,595,001	2,600,000	2,600,000
1	2,995,001	3,000,000	3,000,000
1	3,305,001	3,310,000	3,306,500
1	3,910,001	3,915,000	3,914,892
1	4,160,001	4,165,000	4,162,000
1	4,245,001	4,250,000	4,246,917
1	5,540,001	5,545,000	5,544,059
1	7,840,001	7,845,000	7,840,349
1	8,875,001	8,880,000	8,876,000
1	9,705,001	9,710,000	9,709,692
1	13,290,001	13,295,000	13,294,982
1	40,220,001	40,225,000	40,224,125
1	53,995,001	54,000,000	54,000,000
1	64,220,001	64,225,000	64,224,125
Total: 8,834			**284,866,896**

Pattern of Shareholding

As at June 30, 2015

Categories of Shareholders	Physical	CDC	Total	% age
Directors, Chief Executive Officer, Their Spouses and Minor Childern				
Chief Executive				
Mr. Muhammad Asif	-	500	500	0.00
Directors				
Ms. Ayesha Zahid	-	40,224,125	40,224,125	14.12
Ms. Fiza Zahid	-	64,224,125	64,224,125	22.55
Mr. Muhammad Qasim	-	1,000	1,000	0.00
Mr. Shahab-ud-din Khan	-	500	500	0.00
Subtotal	**-**	**104,450,250**	**104,450,250**	**36.67**
NIT & ICP (Name Wise Detail)				
Investment Corporation of Pakistan	105,913	-	105,913	0.04
National Dev. Finance Corp. (Investor)	-	26	26	0.00
National Development Fin. Corp. - (Investor A/c.)	348	-	348	0.00
National Development Finance Corp. - Investor	62,660	-	62,660	0.02
National Development Finance Corporation	390	-	390	0.00
Subtotal	**169,311**	**26**	**169,337**	**0.06**
Mutual Funds (Name Wise Detail)				
Growth Mutual Fund	96	-	96	0.00
Subtotal	**96**	**-**	**96**	**0.00**
Banks, NBFCs, DFIs, Takaful, Pension Funds	**47,629**	**4,519,829**	**4,567,458**	**1.60**
Modarabas	**603,738**	**-**	**603,738**	**0.21**
Insurance Companies	**100,672**	**2,446,176**	**2,546,848**	**0.89**
Other Companies				
Other Companies,Corporate Bodies, Trust etc.	**562,153**	**30,974,154**	**31,536,307**	**11.07**
General Public	**9,755,790**	**131,237,072**	**140,992,862**	**49.49**
Total	**11,239,389**	**273,627,507**	**284,866,896**	**100.00**
Shareholders having More Than 5.00%				
Ms. Fiza Zahid			64,224,125	22.55
Mr. Muhammad Zahid			54,000,000	18.96
Ms. Ayesha Zahid			40,224,125	14.12

Review Report to the Members

On Statement of Compliance with Best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with best practices contained in the Code of Corporate Governance (the Code) for the year ended June 30, 2015 prepared by the Board of Directors of Invest Capital Investment Bank Limited (the company) to comply with the Listing Regulation No. 35 of all the stock exchanges where the company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the company's compliance with the provisions of the Code and report if it does not. A review is limited primarily to inquiries of the company personnel and review of various documents prepared by the company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider wether the Board's statement on internal control covers all risks and controls, or to form an opinion on effectiveness of such internal controls, the company's corporate governance procedures and risks.

The Code requires the company to place before the Board of Directors for their consideration and approval of related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the Audit Committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the Board of Directors and placement of such transactions before the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

a) The internal audit department of the company comprise of only one person designated as head of internal audit who is not eleigible for appointment as head of internal audit of a listed company as per requirements of the Code. Moreover, copies of internal audit reports are not provided to us for our review.

b) As per clause (xi) of the Code, it is mandatory for all the directors of the company to have certification under any director's training programme by institutions (local or foreign) that meet the criteria specified by the Securities and Exchange Commission of Pakistan. A minumum of one director is required to acquire the said certification every year from June 30, 2012 to June 30, 2016. No director of the company has acquired the said certification to date.

c) The board has not put in place any mechanism for annual evaluation of its own performance and has not carried out the evaluation as required under clause v(e) of the code.

Based on our review, with the exception of the matters described in the preceding paragraphs (a) to (c), nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the company's compliance, in all material respects, with the best practices contained in the Code as applicable to the company for the year ended June 30, 2015.

Date: October 09, 2015
Place: Faisalabad

RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS
Engagement Partner: Inam ul Haque

Statement of Compliance

With Best Practices of Code of Corporate Governance

For the year ended June 30, 2015

This statement is being presented by the board of directors of Invest Capital Investment Bank Limited (the Company) to comply with the Code of Corporate Governance (the CCG) contained in Regulation No. 35 of listing regulations of all the Stock Exchanges in Pakistan for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of Corporate Governance.

The Company has applied the principles contained in the CCG in the following manner:

1. The Company encourages representation of independent Non-Executive Directors and Directors representing minority interests on its Board of Directors. At 30th June 2015 the Board includes the following:

Category	Names
Independent Directors	Mr. Khawaja Mohammad Fawzi Mr. Fazal Muhammad Mughal
Executive Directors	Mr. Muhammad Asif Ms. Ayesha Zahid
Non-Executive Directors	Mr. Muhammad Qasim Mr. Shahab Ud Din Khan Ms. Fiza Zahid

The independent Directors meet the criteria of independence under clause i (b) of the CCG.

2. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including the Company.

3. All the Directors of the Company are registered as taxpayers and no director has defaulted in payment of any loan to a banking company, a DFI or an NBFI.

4. During the year, two casual vacancies occurred on the board on February 27, 2015 which were duly filled up within the specified time period by the directors.

5. The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

6. The Board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies alongwith the dates on which these were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other Executive Director have been taken by the Board.

8. The meetings of the Board were presided over by the Chairman and, in his absence, by a Director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The Directors are aware of their duties and responsibilities under the relevant laws and regulations and they are regularly appraised with the amendments in the corporate and other laws, if any.

10. The appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment as recommended by the CEO, was approved by the board.

11. The Directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

13. The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

14. The Company has complied with all the corporate and financial reporting requirements of the CCG.

15. The Board has formed an Audit Committee. It comprises of three members which are Non-Executive Directors including Chairman of the Committee.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company as required by CCG. The term of reference of committee have been formed and advised to the committee for compliance.

17. The Board has formed an Human Resource and Remuneration Committee. It comprises of two Non- Executive directors and one Executive Director and chairman of the committee is a Non-Executive Director.

18. The Board has set up an effective internal audit function with an employee who is considered suitably qualified and experienced for the purpose and conversant with the policies and procedures of the Company.

19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ICAP) that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The related party transactions and pricing methods have been placed before the audit committee and approved by the Board of Directors. The transactions were made on terms equivalent to those that prevail in arm's length transactions.

22. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of the Company's securities, was determined and intimated to directors, employees and stock exchanges.

23. Material / price sensitive information has been disseminated among all market participants at once through stock exchanges.

24. We confirm that all other material principles enshrined in the CCG have been complied with.

For and on behalf of the Board of Directors

Muhammad Asif
Chief Executive Officer

Auditors' Report to the Members

We have audited the annexed balance sheet of Invest Capital Investment Bank Limited (the company) as at June 30, 2015 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

(a) in our opinion, proper books of account have been kept by the company as required by the Companies Ordinance, 1984;

(b) in our opinion:

  i. the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with the accounting policies consistently applied;

  ii. the expenditure incurred during the year was for the purpose of the company's business; and

  iii. the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2015 and of the profit, its comprehensive income, cash flows and changes in equity for the year then ended; and

(d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980.

Without qualifying our opinion, we draw attention towards:

i) Note 1.3 to the financial statements which indicates that the company has suffered operating losses in prior years and as at the balance sheet date, the accumulated loss of the company is Rs. 743.57 million (2014: Rs.748.50 million) and current liabilities of the company exceed its current assets by Rs. 171.70 million (2014: 151.58 million). These conditions, along with other matters, as set forth in Note 1.3 indicate the existence of a material uncertainty which may cast significant doubt about the company's ability to continue as a going concern; and

ii) Note 1.4 to the financial statements which indicates that the company has not complied with certain regulatory requirements applicable on the company as detailed in the said note.

Dated: October 09, 2015
Place: Faisalabad

RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS
Engagement Partner: - Inam ul Haque

Balance Sheet

As at June 30, 2015

	Note	**2015 Rupees**	2014 Rupees	2013 Rupees
ASSETS			Restated	Restated
Non-current assets				
Property, plant and equipment				
Operating assets	4	**153,986,523**	70,494,513	80,511,871
Intangible assets	5	**1,986,464**	2,837,804	3,711,149
Long term investments	6	**105,494,331**	109,323,280	74,719,200
Net investment in Ijarah finance / assets under Ijarah arrangements	7	**56,522,124**	185,764,111	198,327,537
Long term musharakah finances	8	-	-	16,658,032
Long term loans	9	**75,225,901**	73,544,479	10,654,216
Long term security deposits	10	**2,614,225**	2,863,225	2,948,225
Deferred tax asset	11	**150,000,000**	150,000,000	150,000,000
		545,829,568	594,827,412	537,530,230
Current assets				
Short term investments	12	**26,769,394**	19,857,275	34,903,415
Short term musharakah finances	13	**70,491,503**	70,506,503	73,185,784
Short term finances	14	**6,699,875**	8,480,523	8,954,453
Ijarah rentals receivables	7.2.2	**1,863,384**	1,977,679	2,427,377
Current portion of non-current assets	15	**411,024,486**	381,320,653	354,739,685
Advances, deposits, prepayments and other receivables	16	**37,877,411**	38,446,365	131,739,303
Cash and bank balances	17	**2,026,931**	10,932,682	11,450,823
Assets classified as held for sale	18.1	**110,250,611**	226,304,317	245,883,502
		667,003,595	757,825,997	863,284,342
TOTAL ASSETS		**1,212,833,163**	1,352,653,409	1,400,814,572

	Note	**2015 Rupees**	2014 Rupees	2013 Rupees
			Restated	Restated
EQUITY AND LIABILITIES				
Share Capital and Reserves				
Authorized capital				
485,000,000 ordinary shares of Rs. 10 each		**4,850,000,000**	4,850,000,000	4,850,000,000
Issued, subscribed and paid-up capital	19	**2,848,668,960**	2,848,668,960	2,848,668,960
Capital reserve				
Capital reserve on amalgamation		**(2,022,075,992)**	(2,022,075,992)	(2,022,075,992)
Statutory reserve	20	**93,204,727**	91,973,655	72,222,738
Unrealized gain / (loss) on remeasurement of available for sale investments		**7,005,080**	11,907,743	(1,417,707)
Revenue reserve				
Accumulated loss		**(743,574,052)**	(748,498,342)	(827,472,009)
		183,228,723	181,976,024	69,925,990
Non-current liabilities				
Subordinated loan from directors	21	**126,000,000**	126,000,000	126,000,000
Security deposits from lessees	22	**40,308,125**	91,770,437	71,937,653
Long term certificates of musharakah	23	**1,402,492**	9,448,323	13,908,327
Long term certificates of investments	24	**1,401,625**	3,501,625	9,201,625
Long term musharakah and murabaha borrowings	25	**12,043,697**	20,806,238	7,543,754
Long term loans	26	-	-	-
Deferred liability				
Mark up on long term musharakah	25.1	**9,747,000**	9,747,000	-
		190,902,939	261,273,623	228,591,359
Current liabilities				
Current portion of non-current liabilities	27	**188,007,844**	243,398,174	378,892,706
Short term certificates of musharakah	28	**13,280,000**	25,740,000	45,450,000
Short term certificates of investments	29	**11,400,000**	16,200,000	25,300,000
Loan from sponsor	30	**197,542,473**	197,542,473	197,542,473
Accrued and other liabilities	31	**140,532,091**	119,118,959	77,834,668
Profit / mark up payable	32	**180,036,614**	194,206,741	191,527,619
Liabilities directly associated with assets held for sale of discontinued operation	18.2	**107,902,479**	113,197,415	185,749,757
		838,701,501	909,403,762	1,102,297,223
TOTAL EQUITY AND LIABILITIES		**1,212,833,163**	1,352,653,409	1,400,814,572
CONTINGENCIES	33	-	-	-

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

Muhammad Asif
Chief Executive Officer

Ayesha Zahid
Director

Profit and Loss Account
For the Year Ended June 30, 2015

	Note	2015 Rupees	2014 Rupees
Income			
Income from leasing operations		**20,611,235**	41,956,076
Operating lease rentals		**6,771,317**	11,454,603
(Loss) / profit on musharakah investments		**(617,069)**	1,230,547
Income from investment and placement		**-**	28,544
Income from finances		**13,274,232**	7,118,619
Income on deposits with banks		**489,516**	385,920
Income from joint ventures		**9,067,272**	7,820,628
Dividend income		**2,147,430**	2,417,704
Net gain on sale of marketable securities		**8,905,491**	3,634,854
Unrealized gain on investment in marketable securities - net		**3,701,505**	109,699
		64,350,929	76,157,194
Expenses			
Administrative and operating expenses	34	**(38,323,009)**	(51,782,417)
Financial charges - net	35	**8,768,039**	(24,654,087)
Other operating expenses	36	**(19,309,965)**	-
		(48,864,935)	(76,436,504)
		15,485,994	(279,310)
Other income	37	**15,833,606**	96,688,693
		31,319,600	96,409,383
Provision (charged) / reversed on non-performing loans and write-offs			
Reversal / (provision) against:			
Finance lease receivable and rentals - net		**(15,537,525)**	12,137,562
Long term / short term musharakah finances		**150,334**	1,119,187
Long term / short term loans		**500,256**	7,708,747
Available for sale investment - at cost		**-**	198,999
Other receivables		**(2,908,078)**	(1,717,130)
Balances written off:			
Lease receivables		**(4,298,652)**	(15,026,000)
Other receivables		**(2,382,011)**	-
Loans		**-**	(264,307)
		(24,475,676)	4,157,058
Profit before taxation		**6,843,924**	100,566,441
Provision for taxation	38	**(688,562)**	(1,841,857)
Profit for the year		**6,155,362**	98,724,584
Earnings per share - Basic and Diluted	39	**0.022**	0.347

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

Muhammad Asif
Chief Executive Officer

Ayesha Zahid
Director

Statement of Comprehensive Income

For the Year Ended June 30, 2015

	2015 Rupees	2014 Rupees
Profit for the year	**6,155,362**	98,724,584
Other comprehensive (loss) / income		
Items that may be reclassified subsequently to profit or loss		
Unrealized (loss) / gain on remeasurement of available for sale investments	**(411,464)**	13,012,693
Other Items		
Un-realized (gain) / loss on available for sale investment reclassified to profit and loss account on disposal	**(4,491,199)**	312,757
	(4,902,663)	13,325,450
Total comprehensive Income for the year	**1,252,699**	112,050,034

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

Muhammad Asif
Chief Executive Officer

Ayesha Zahid
Director

Cash Flow Statement

For the Year Ended June 30, 2015

	2015 Rupees	2014 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	**6,843,924**	100,566,441
Adjustments for non cash charges and other items:		
Depreciation of property, plant and equipment	**7,419,008**	8,204,357
Amortization of intangible assets	**851,340**	1,173,345
Depreciation on assets leased out	**209,513**	3,122,491
(Reversal) / provision against:		
Long term / short term musharakah finances	**(150,334)**	(1,119,187)
Long term / short term loans	**(500,256)**	(7,708,747)
Other receivables	**2,908,078**	1,717,130
Finance lease receivable and rentals - net	**15,537,525**	(12,137,562)
Balances written off		
Doubtful lease receivables	**4,298,652**	15,026,000
Other receivables	**2,382,011**	-
Loans	**-**	264,307
Impairment loss on long term investment in TFCs	**1,188,864**	-
(Gain) / loss on disposal of:		
Operating assets	**(915,649)**	(567,468)
Non current assets held for sale	**11,818**	-
Unrealised (gain) on investments in marketable securities	**(3,701,505)**	(109,699)
Financial charges - net	**(8,768,039)**	24,654,087
Gain on settlement of liabilities	**(10,980,500)**	(74,155,915)
	9,790,526	(41,636,861)
Cash flow from operating activities before working capital changes	**16,634,450**	58,929,580
Changes in working capital		
(Increase) / decrease in current assets		
Short term investments	**(6,912,119)**	15,155,839
Short term musharakah finances	**15,000**	2,682,564
Short term finances	**2,036,788**	4,783,930
Ijarah rentals receivables	**114,295**	449,698
Advances, deposits, prepayments and other receivables	**(6,247,596)**	90,324,030
Assets classified as held for sale - net	**116,053,707**	18,981,185
(Decrease) / increase in current liabilities		
Short term certificates of musharakah	**(12,460,000)**	(19,710,000)
Short term certificates of investments	**(4,800,000)**	(9,100,000)
Accrued and other liabilities	**21,413,132**	15,535,977
Liabilities directly associated with assets held for sale of discontinued operation	**(5,294,936)**	(71,954,342)
Cash generated from operations	**103,918,271**	47,148,881
Financial charges paid	**(5,401,742)**	(12,227,965)
Income tax paid	**(351,566)**	(590,079)
Net cash generated from operations	**114,799,413**	93,260,417

	2015 Rupees	2014 Rupees
b) CASH FLOWS FROM INVESTING ACTIVITIES		
Additions in:		
Operating assets	**(91,322,669)**	(141,000)
Intangible assets	**-**	(300,000)
Recovery of / (investment in) :		
Long term investments	**2,640,085**	4,469,684
Net investment in Ijarah finance / assets under Ijarah	**66,248,135**	4,414,230
Long term musharakah finances	**3,999,999**	2,156,347
Long term loans	**(4,748,795)**	4,035,977
Long term security deposits	**249,000**	85,000
Proceeds from disposal of operating assets	**1,327,300**	2,521,469
Net cash (used in) / generated from investing activities	**(21,606,945)**	17,241,707
c) CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of :		
Redeemable capital	**(4,539,500)**	(18,928,750)
Long term certificates of musharakah	**(14,170,835)**	(34,970,008)
Long term certificates of investments	**(5,700,000)**	(2,998,375)
Long term musharakah and murabaha borrowings	**(37,560,734)**	(13,397,895)
Musharakah term finance certificates	**-**	(38,923,611)
Long term loan	**(40,127,149)**	(1,801,626)
Net cash (used in) financing activities	**(102,098,218)**	(111,020,265)
Net (decrease) in cash and cash equivalents	**(8,905,751)**	(518,141)
Cash and cash equivalents at the beginning of the year	**10,932,682**	11,450,823
Cash and cash equivalents at the end of the year	**2,026,931**	10,932,682

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

Muhammad Asif
Chief Executive Officer

Ayesha Zahid
Director

Statement of Changes in Equity

For the Year Ended June 30, 2015

	Issued, subscribed and paid-up capital	Capital Reserves: Capital reserve on amalgamation	Capital Reserves: Statutory reserve	Capital Reserves: (Loss) / gain on remeasurement of available for sale investments	Capital Reserves: Sub total	Revenue Reserve: Accumulated loss	Total
				Rupees			
Balance as at July 01, 2013 - as previously reported	2,848,668,960	(2,022,075,992)	-	(1,417,707)	(2,023,493,699)	(755,249,271)	69,925,990
Effect of rectification of error							
Transferred to statutory reserve	-	-	72,222,738	-	72,222,738	(72,222,738)	-
Balance as at July 01, 2013 - as restated	2,848,668,960	(2,022,075,992)	72,222,738	(1,417,707)	(1,951,270,961)	(827,472,009)	69,925,990
Total comprehensive income for the year							
Profit for the year	-	-	-	-	-	98,724,584	98,724,584
Other comprehensive income							
Items that may be reclassified subsequently to profit or loss							
Unrealized gain on remeasurement of available for sale investments	-	-	-	13,012,693	13,012,693	-	13,012,693
Other items							
Un-realized loss on available for sale investment reclassified to profit and loss account on disposal	-	-	-	312,757	312,757	-	312,757
Transferred to statutory reserve	-	-	19,750,917	-	19,750,917	(19,750,917)	-
	-	-	19,750,917	13,325,450	33,076,367	78,973,667	112,050,034
Balance as at June 30, 2014	2,848,668,960	(2,022,075,992)	91,973,655	11,907,743	(1,918,194,594)	(748,498,342)	181,976,024
Total comprehensive income for the year							
Profit for the year	-	-	-	-	-	6,155,362	6,155,362
Other comprehensive loss							
Items that may be reclassified subsequently to profit or loss							
Unrealized (loss) on remeasurement of available for sale investments	-	-	-	(411,464)	(411,464)	-	(411,464)
Other items							
Un-realized (gain) on available for sale investment reclassified to profit and loss account on disposal	-	-	-	(4,491,199)	(4,491,199)	-	(4,491,199)
Transferred to statutory reserve	-	-	1,231,072	-	1,231,072	(1,231,072)	-
	-	-	1,231,072	(4,902,663)	(3,671,591)	4,924,290	1,252,699
Balance as at June 30, 2015	**2,848,668,960**	**(2,022,075,992)**	**93,204,727**	**7,005,080**	**(1,921,866,185)**	**(743,574,052)**	**183,228,723**

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

Muhammad Asif
Chief Executive Officer

Ayesha Zahid
Director

Notes to the Financial Statements
For the year ended June 30, 2015

1. LEGAL STATUS AND OPERATIONS

1.1 Invest Capital Investment Bank Limited ('the Company') is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984. The Company is engaged in the business of leasing and investment finance activities as a Non-Banking Finance Company (NBFC) and is regulated by the Securities and Exchange Commission of Pakistan (SECP). The Company is listed on all the stock exchanges of Pakistan. The registered office of the Company is situated at A-603, 604, 6th floor, Lakson Square Building No 3, Sarwar Shaheed Road,Karachi in the province of Sindh.

1.2 In 2009, the Company entered in a scheme of arrangement for the amalgamation by way of merger of Al-Zamin Leasing Corporation Limited (AZLCL) and Al-Zamin Leasing Modaraba (AZLM) with and into Invest Capital Investment Bank Limited. All the assets, liabilities and reserves of AZLCL and AZLM were vested with and assumed by the Company. The Honorable High Court of Sindh approved the amalgamation by way of merger through order dated December 08, 2009 effective from June 30, 2009 (close of business).

1.3 The Company suffered financial and operational difficulties from 2009 to 2011. These financial and operational difficulties resulted as under:

- the Company suffered huge operating loss till 2011 and, as at the balance sheet date, the accumulated loss is Rs. 743.57 million (2014: Rs. 748.50 million) and the current liabilities of the Company exceed its current assets by Rs. 171.70 million (2014: Rs. 151.58 million).

- The Company has been unable to comply with certain prudential regulations as stipulated under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Notified Entities Regulations, 2008 (the NBFC Regulations) (Refer Note 1.4).

- the Company has been unable to comply with the terms of certain loan agreements as explained in detail in the relevant notes to the financial statements.

- the Company has been facing difficulty in recovery of its leases and loans portfolio.

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

- The Company is defending a suit for winding up of the Company filed by a creditor of the Company having a stake of 2.06% (2014: 1.68%) of the total liabilities as at June 30, 2015 amounting to Rs. 21.18 million (2014 : 19.29 million).

There has been material uncertainty related to events and conditions which may cast significant doubt about the Company's ability to continue as a going concern and, therefore the Company may not be able to realize its assets and discharge its liabilities in the normal course of business.

However, the management implemented its multi-facet plan which resulted in improvement in the financial and operational condition of the Company. The plan and efforts and their impact on the financial and operational conditions of the Company are discussed below:

(a) Substantial reduction in administrative and other expenses

The management of the Company has curtailed its administrative and other operating expenses as reflected in the profit and loss account to minimum possible level without affecting the operational efficiency of the Company. This has resulted in improving the operating results and equity position of the Company.

(b) Commencement of new leasing business

The Company recommenced leasing business from September 2011 after a considerable gap. The Company is mainly carrying out car leasing business at a very attractive IRR and reasonable deposit margin. During the year leases amounting to Rs. 29.05 million (2014 : Rs. 123.38 million) have been disbursed. The decrease in leases during the year is basically due to substantial cash settlemets with banks during the current year. Improvement is expected in future as majority of liabilities have been settled to date. Leasing business will result in improving the operating results and equity position of the Company.

(c) Settlement / rescheduling of loans / finances with lenders

Management has made considerable progress in settlement / rescheduling of outstanding loans with various banks / financial institutions through transfer of the Company's lease / loan portfolio and immovable properties / shares / other assets with waiver of mark-up. During the year liabilities amounting to Rs. 102.55 million (2014: Rs. 93.39 million) have been settled / rescheduled, the percentage of liabilities settled to date is 93.34% (2014: 86.77%). Advanced stage negotiations are in process for the remaining amounts. Best efforts are being made to settle the remaining outstanding liabilities.

(d) Disposal of non-core assets

The management is commited to dispose off non core assets. Certain non core assets held for sale are reclassified due to non materialization of negotiations with lenders for disposal against settlement of liabilities. The management has executed agreements with the buyers to dispose off these non core assets except DA Country and Golf Club membership seats. Five DA seats have been dispose off subsequently and negotiations for disposal of remaining seats are in process. Disposal of these assets will result in improvement in the liquidity and equity position of the Company.

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

The Company is in the process of transfer of brokerage business related assets and liabilities to the outgoing group as explained in detail in Note 18. During the year, net assets amounting to Rs. 5.29 million (2014 : 0.59 million) have been transferred to the outgoing group against payment / settlement of equivalent borrowings of brokerage business by the outgoing group. This transaction on completion will result in net saving of approximately Rs. 74.88 million for the Company and, therefore, will result in improvement in financial performance and equity position of the Company.

(f) Improved recovery of leases and loans portfolio

Recovery from leases and loans portfolio has been substantially improved. Net recovery during the year is Rs. 122.06 million (2014: Rs. 170.50 million). This amount has been utilized in the new leasing business, as well as, in meeting the obligations towards depositors and other lenders.

The above mentioned plans / efforts have helped to overcome the financial and operational problems to a great extent and will result in further improvement of financial and operational position of the Company. Considering management's plans and the results of the mitigating actions as discussed in para (a) to (f) above, management is confident that the Company will be able to continue as a going concern.

1.4 As at June 30, 2015, the Company could not meet the regulatory requirements of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Notified Entities Regulations, 2008 (the NBFC Regulations) mentioned as under:

- SRO 764 (I)/2009 dated September 02, 2009 issued by SECP : The aggregate minimum equity requirement as per NBFC Regulations, 2008 for leasing and investment finance companies has been set at Rs. 1,700 million. The aggregate equity of the Company as at June 30, 2015 is Rs. 309.23 million (2014: Rs. 307.98 million) inclusive of subordinated loan of Rs. 126 million (2014: Rs. 126 million).

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

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

The Company requested to SECP, in 2012, to allow relaxation of the above-mentioned regulatory requirements and compliance of minimum equity requirement for a period of four years in view of the operational and financial difficulties faced by the Company. The Company's request will be considered by SECP after finalization of new regulatory framework for NBFCs which is under process.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the requirements of the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), the directives issued by the Securities and Exchange Commission of Pakistan (SECP) and approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Accounting / Financial Reporting Standards (IASs / IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984. Wherever the requirements of the Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations or the directives issued by SECP differ with the requirements of IASs / IFRSs, requirements of the Companies Ordinance, 1984, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.

SECP has deferred the applicability of IAS 39, 'Financial Instruments: Recognition and Measurement' and IAS 40, 'Investment Property' through Circular No. 19 dated August 13, 2003 and IFRS 7, 'Financial Instruments: Disclosures' through SRO 411(1)/2008 dated April 28, 2008 for NBFCs providing investment finance services, discounting services and housing finance services.

2.2 Basis of measurement

These financial statements have been prepared under the 'historical cost convention' except:

- Investments at fair value through profit and loss and Investments available for sale are stated at fair value.

- Non-current assets held for sale are stated at lower of carrying amount and fair value less costs to sell.

2.3 Functional and presentation currency

These financial statements have been prepared in Pakistani Rupee which is the functional and presentation currency of the Company. Figures have been rounded off to the nearest Rupee.

2.4 Accounting estimates and judgments

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 estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which estimates are revised.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in the financial statements are as under:

- Property, plant and equipment (Note 4)
- Intangible assets (Note 5)
- Net investment in Ijarah finance / assets under Ijarah arrangements (Note 7)
- Ijarah rentals receivables (Note 7.2.2)
- Long term musharakah finances (Note 8)
- Long term loans (Note 9)
- Deferred tax asset (Note 11)
- Short term musharakah finances (Note 13)
- Short term finances (Note 14)

2.5 Application of new and revised International Financial Reporting Standards (IFRSs)

2.5.1 Standards, amendments to standards and interpretations becoming effective in current year

The following standards, amendments to standards and interpretations have been effective and are mandatory for financial statements of the Company for the periods beginning on or after July 01, 2014 and therefore, have been applied in preparing these financial statements.

- **The amendments to IFRS 10**

Define an investment entity and require a reporting entity that meets the definition of an investment entity not to consolidate its subsidiaries but instead to measure its subsidiaries at fair value through profit or loss in its consolidated and separate financial statements.

Consequential amendments have been made to IFRS 12 and IAS 27 to introduce new disclosure requirements for investment entities.

As the Company is not an investment entity the application of the amendments has no impact on the Company's financial statements.

- **Amendments to IAS 19 Defined Benefit Plans : Employee Contributions**

The amendments to IAS 19 clarify how an entity should account for contributions made by employees or third parties to defined benefit plans, based on whether those contributions are dependent on the number of years of service provided by the employee.

For contributions that are independent of the number of years of service, the entity may either recognise the contributions as a reduction in the service cost in the period in which the related service is rendered, or to attribute them to the employees' periods of service using the projected unit credit method; whereas for contributions that are dependent on the number of years of service, the entity is required to attribute them to the employees' periods of service.

The application of these amendments has no material impact on the Company's financial statements.

Amendments to IAS 32 Offsetting Financial Assets and Financial Liabilities

The amendments to IAS 32 clarify the requirements relating to the offset of financial assets and financial liabilities.

The application of these amendments has no material impact on Company's financial statements.

- **Amendments to IAS 36 Recoverable Amount Disclosures for Non-Financial Assets**

The amendments remove the requirement to disclose the recoverable amount of a cash-generating unit (CGU) to which goodwill or other intangible assets with indefinite useful lives had been allocated when there has been no impairment or reversal of impairment of the related CGU. Furthermore, the amendments introduce additional disclosure requirements applicable when the recoverable amount of an asset or a CGU is measured at fair value less costs of disposal.

The application of these amendments has no material impact on the disclosures in the Company's financial statements.

- **IFRIC 21 Levies**

IFRIC 21 addresses the issue as to when to recognise a liability to pay a levy imposed by a government. The Interpretation defines a levy, and specifies that the obligating event that gives rise to the liability is the activity that triggers the payment of the levy, as identified by legislation. The Interpretation provides guidance on how different levy arrangements should be accounted for.

The application of these amendments has no material impact on the Company's financial statements.

Annual Improvements to IFRSs 2010-2012 Cycle

The Annual Improvements to IFRSs 2010-2012 Cycle include a number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 2 (i) change the definitions of 'vesting condition' and 'market condition'; and (ii) add definitions for 'performance condition' and 'service condition' which were previously included within the definition of 'vesting condition'. The amendments to IFRS 2 are effective for share-based payment transactions for which the grant date is on or after 1 July 2014.

The amendments to IFRS 3 clarify that contingent consideration that is classified as an asset or a liability should be measured at fair value at each reporting date, irrespective of whether the contingent consideration is a financial instrument within the scope of IFRS 9 or IAS 39 or a non-financial asset or liability. Changes in fair value (other than measurement period adjustments) should be recognised in profit or loss. The amendments to IFRS 3 are effective for business combinations for which the acquisition date is on or after 1 July 2014.

The amendments to IFRS 8 (i) require an entity to disclose the judgements made by management in applying the aggregation criteria to operating segments, including a description of the operating segments aggregated and the economic indicators assessed in determining whether the operating segments have 'similar economic characteristics'; and (ii) clarify that a reconciliation of the total of the reportable segments' assets to the entity's assets should only be provided if the segment assets are regularly provided to the chief operating decision-maker.

The amendments to the basis for conclusions of IFRS 13 clarify that the issue of IFRS 13 and consequential amendments to IAS 39 and IFRS 9 did not remove the ability to measure short-term receivables and payables with no stated interest rate at their invoice amounts without discounting, if the effect of discounting is immaterial. As the amendments do not contain any effective date, they are considered to be immediately effective.

The amendments to IAS 16 and IAS 38 remove perceived inconsistencies in the accounting for accumulated depreciation/ amortisation when an item of property, plant and equipment or an intangible asset is revalued. The amended standards clarify that the gross carrying amount is adjusted in a manner consistent with the revaluation of the carrying amount of the asset and that accumulated depreciation/amortisation is the difference between the gross carrying amount and the carrying amount after taking into account accumulated impairment losses.

The amendments to IAS 24 clarify that a management entity providing key management personnel services to a reporting entity is a related party of the reporting entity. Consequently, the reporting entity should disclose as related party transactions the amounts incurred for the service paid or payable to the management entity for the provision of key management personnel services. However, disclosure of the components of such compensation is not required.

The application of these amendments has no material impact on the Company's financial statements.

Annual Improvements to IFRSs 2011-2013 Cycle

The Annual Improvements to IFRSs 2011-2013 Cycle include a number of amendments to various IFRSs, which are summarised below.

The amendments to IFRS 3 clarify that the standard does not apply to the accounting for the formation of all types of joint arrangement in the financial statements of the joint arrangement it self.

The amendments to IFRS 13 clarify that the scope of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

The amendments to IAS 40 clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required. Consequently, an entity acquiring investment property must determine whether:

(a) The property meets the definition of investment property in terms of IAS 40; and

(b) The transaction meets the definition of a business combination under IFRS 3.

The application of these amendments has no material impact on the Company's financial statements.

2.5.2 Standards, amendments to standards and interpretations becoming effective in current year but not relevant.

There are certain amendments to standards that became effective during the year and are mandatory for accounting periods of the Company beginning on or after July 01, 2014 but are considered not to be relevant to the Company's operations and are, therefore, not disclosed in these financial statements.

2.5.3 Standards, amendments to standards and interpretations becoming effective in future periods

The following standards, amendments to standards and interpretations have been published and are mandatory for the Company's accounting periods beginning on or after their respective effective dates:

- **IFRS 9 Financial Instruments (2014)** : IFRS 9 contains accounting requirements for financial instruments in the areas of classification and measurement, impairments, hedge accounting, de-recognition:

All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at Fair Value Through Other Comprehensive Income. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods.

With regard to the measurement of financial liabilities designated as at fair value through profit or loss, standard requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss.

In relation to the impairment of financial assets, standard requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39.

The new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The standard is effective for accounting period beginning on or after January 01, 2018. The management of the Company is reviewing the changes to evaluate the impact of application of standard on the Company's financial statements.

- **IFRS 11, 'Joint arrangements**

The standard provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. There are two types of joint arrangement: joint operations and joint ventures. Joint operations arise where a joint operator has rights to the assets and obligations relating to the arrangement and hence accounts for its interest in assets, liabilities, revenue and expenses. Joint ventures arise where the joint operator has rights to the net assets of the arrangement and hence equity accounts for its interest. Proportional consolidation of joint ventures is no longer allowed. The standard is effective for annual reporting periods beginning on or after January 01, 2015. The standard is not expected to have any significant impact on the Company's financial statements.

- **IFRS 12, 'Disclosures of Interests in Other Entities**

  The standard includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off-balance-sheet vehicles. The standard is effective for annual reporting periods beginning on or after January 01, 2015. The standard is not expected to have any significant impact on the Company's financial statements.

- **IFRS 13 Fair Value Measurement**

  The standard replaces the guidance on fair value measurement in existing IFRS accounting literature with a single standard and requires certain additional disclosures about fair value measurement. The standard is effective for annual reporting periods beginning on or after January 01, 2015. The standard is not expected to have any significant impact on the Company's financial statements.

- **IFRS 15 Revenue from Contracts with Customers :** IFRS 15 provides a single, principles based five-step model to be applied to all contracts with customers

  Guidance is provided on topics such as the point in which revenue is recognised, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced. The standard is effective for accounting periods beginning on or after January 01, 2017. The Management is in the process of evaluating the impact of application of the standard on the Company's financial statements.

- **Amendment s to IAS 1 Disclosure Initiative**

  These amendments are intended to assist entities in applying judgment when meeting the presentation and disclosure requirements in IFRS, and do not affect recognition and measurement.

  These amendments are as part of the IASB initiative to improve presentation and disclosure in financial reports. The amendments are effective for annual periods beginning on or after 1 January 2016, The management of the Company is reviewing the impact on the disclosure requirements of financial statements.

- **Amendment to IAS 16 "Property Plant and Equipment" and IAS 38 "Intangible Assets":**

  In this amendment it is clarified that the use of revenue based methods to calculate the depreciation of an asset is not appropriate because revenue generated by an activity that includes the use of an asset generally reflects factors other than the consumption of the economic benefits embodied in the asset. It is clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. The amendment is effective for accounting periods beginning on or after January 01, 2016. The application of amendment is not expected to have any material impact on the Company's financial statements.

- **Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants**

  The amendments define a bearer plant and require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16, instead of IAS 41. The produce growing on bearer plants continues to be accounted for in accordance with IAS 41.

  The amendment is effective for annual periods beginning on or after 1 January 2016. The application of amendment is not expected to have any impact on the Company's financial statements.

- **Equity Method in Separate Financial Statements – Amendments to IAS 27**

  These amendments allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements.

The amendments are effective for annual periods beginning on or after 1 January 2016.The application of amendment is not expected to have any impact on the Company's financial statements.

- **Amendments to IFRS 11 "Joint Arrangements"**

  This amendment adds new guidance on how to account for the acquisition of an interest in a joint operation that constitutes a business. The amendments specify the appropriate accounting treatment for such acquisitions. The amendments are effective for accounting periods beginning on or after January 01, 2016. The application of amendment is not expected to have any material impact on the Company's financial statements.

- **Annual improvements 2014**

  These set of amendments impacts 4 standards:

  - IFRS 5, 'Non-current assets held for sale and discontinued operations' regarding methods of disposal

  - IFRS 7, 'Financial instruments: Disclosures', (with consequential amendments to IFRS 1) regarding servicing contracts.

  - IAS 19, 'Employee benefits' regarding discount rates.

  - IAS 34, 'Interim financial reporting' regarding disclosure of information. Further details see In brief INT2014-12.

    The application of amendments is not expected to have any material impact on the Company's financial statements

2.5.4 Standards, amendments to standards and interpretations becoming effective in future period but not relevant.

There are certain new standards, amendments to standards and interpretations that are effective from different future periods but are considered not to be relevant to the Company's operations, therefore, not disclosed in these financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Significant accounting policies

3.1.1 Property, plant and equipment

Owned assets

Property, plant and equipment, except freehold land are stated at cost less accumulated depreciation and accumulated impairment losses (if any). Freehold land is carried at cost less impairment in value, if any.

Depreciation is charged to income applying the reducing balance method over the estimated useful life of related assets at the rates specified in Note 4 to the financial statements. Depreciation on additions during the year is charged from the month in which an asset is acquired or capitalised, while no depreciation is charged for the month in which an asset is disposed off. The assets' residual values and useful lives are reviewed at each financial year end and adjusted if impact on depreciation is significant.

Normal repairs and maintenance are charged to income as and when incurred. Major renewals and improvements are capitalized.

Gains and losses on disposal of property, plant and equipment are included in current income.

Surplus arising on revaluation of an item of property, plant and equipment is credited to surplus on revaluation of property, plant and equipment, except to the extent of reversal of deficit previously charged to income, in which case that portion of the surplus is recognised in income. Deficit on revaluation of an item of property, plant and equipment is charged to surplus on revaluation of that asset to the extent of surplus and any excess deficit is charged to income.

On subsequent sale or retirement of revalued item of property, plant and equipment, the attributable balance of surplus is transferred to accumulated loss through statement of comprehensive income. The surplus on revaluation of property, plant and equipment to the extent of incremental depreciation charged on the related assets is transferred to accumulated loss through statement of comprehensive income.

Leased assets

Leases are classified as finance lease whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Asset held under finance lease is recognised as asset of the Company at its fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as liability against asset subject to finance lease. The liability is classified as current and non current depending upon the timing of payment. Lease payments are apportioned between finance charges and reduction of the liability against asset subject to finance lease so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit and loss account, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs.

3.1.2 Intangible assets

Intangible assets are recognized as assets if it is probable that future economic benefits will flow to the Company and the cost of such assets can be measured reliably. These are stated at cost less any accumulated amortization and accumulated impairment losses, if any.

The intangible assets of the Company comprise of computer softwares which are being amortized applying the reducing balance method over the estimated useful life of related assets at the rate specified in Note 5 to the financial statements. Amortization on additions during the year is charged from the month in which an asset is acquired or capitalised, while no amortization is charged for the month in which the asset is disposed off.

3.1.3 Impairment

Financial assets

A financial asset is assessed at each balance sheet date to determine whether there is any objective evidence that it is impaired in accordance with the requirements of relevant accounting standards and guideline of NBFC Regulations. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows from the asset.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate.

All impairment losses are recognised in the profit and loss account.

Where impairment loss subsequently reverses, impairment loss is reversed to the extent that the remaining impairment loss is in accordance with the requirements of relevant accounting standards and guideline of NBFC Regulations and the carrying value of the assets represent the estimated net future cash flows from the assets.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indications exist, the asset's recoverable amount is estimated in order to determine the extent of impairment loss, if any. Impairment losses are recognised as expense in profit and loss account. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

Where impairment loss subsequently reverses, the carrying amounts of the assets are increased to the revised recoverable amounts but limited to the carrying amounts that would have been determined had no impairment loss been recognised for the assets in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant assets are carried at revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

3.1.4 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. Investment income earned on temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit and loss account in the period in which these are incurred.

3.1.5 Investments

All investments are initially recognised at cost, being the fair value of the consideration given including the transaction cost associated with the investments except in case of held for trading investments, in which case transaction cost is charged to profit and loss account. All purchases and sales of investments are recognised / derecognised on the trade date. After initial recognition, these are categorised and accounted for as follow:

3.1.5.1 Investments at fair value through profit or loss

These are the investments which are classified as held for trading and are acquired principally for the purpose of generating profit from short term fluctuation in price or are part of the portfolio in which there is recent actual pattern of short term profit taking. Investments designated at fair value through profit or loss upon initial recognition also include those group of investments which are managed and their performance evaluated on fair value basis in accordance with the Company's documented investment strategy.

After initial recognition, such investments are remeasured at fair value determined with reference to the year end quoted rates (equity shares and investments in units of closed end funds at respective stock exchange rates, while the units of open end funds at their declared net asset value per unit). Gains or losses on remeasurments of these investments are recognised in the profit and loss account.

3.1.5.2 Held-to-maturity

Investments with fixed maturity, where management has both intention and the ability to hold to maturity, are classified as held to maturity. These investments are initially recorded at cost. Such investments are subsequently measured at amortized cost. Amortized cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity. Any gain / loss arising on derecognition / impairment in value of such investments, is recognised in profit and loss account.

3.1.5.3 Available-for-sale

Investments which do not fall under the above categories and which may be sold in response to the need for liquidity or changes in market rates are classified as available for sale. These are initially measured at cost, being fair value of the consideration given. After initial recognition, the above investments are remeasured at fair value determined with reference to the year end quoted rates (equity shares and investments in units of closed end funds at their declared net asset value per unit). Any resultant gain or loss is taken directly to equity, until the investments are sold or until the investments are determined to be impaired, at which time the cumulative gain or loss previously reported in the equity is included in the current year's profit and loss account.

Fair value of unquoted investment is estimated based on appropriate valuation method, if it is practicable to determine the fair value.

3.1.5.4 **Investments in joint ventures**

These investments are accounted for using equity method of accounting. Under the equity method, an interest in a jointly controlled entity is initially recorded at cost and adjusted thereafter for the post acquisition changes in equity of the joint venturer and dividend received during the year.

3.1.6 **Net investment in Ijarah finance / assets under Ijarah arrangements, musharakah finance, long term and short term loans / finances**

Ijarah agreements commenced on or before June 30, 2008 and after July 01, 2011 are accounted for as finance lease and are included in the financial statements as 'Net investment in Ijarah finance' at an amount equal to the present value of the lease payments, including estimated residual value (net of allowance for non-operating lease).

Ijarah agreements commenced between July 01, 2008 and June 30, 2011 are stated at cost less accumulated depreciation and impairment losses, if any in accordance with the Islamic Financial Accounting Standard 2 'Ijarah'. Depreciation is charged on these assets by using straight line method over the period of the lease. Gains and losses on disposals are determined by comparing amount of the corresponding assets.

Other lending arrangements comprising of musharakah finance, long term and short term loans / finances are stated net of impairment losses, if any.

Allowance against non-performing balance is made in accordance with Prudential Regulations for NBFC's issued by SECP and is charged to profit and loss account currently.

3.1.7 **Assets acquired in satisfaction of finances**

These are initially stated at lower of recoverable amount or the original claim of the Company. Difference between the above two is charged to profit and loss account. Subsequently, these are stated at carrying value less impairment loss, if any.

3.1.8 **Receivable from terminated / matured contracts**

These are stated net of impairment losses, if any. Impairment loss is recognised for doubtful receivables on the basis of Prudential Regulations for NBFCs issued by SECP or based on the judgment of management, whichever is higher. Bad debts are written off when identified.

3.1.9 **Trade debts and other receivables**

Trade debts are carried at original invoice amount less an estimate made for doubtful receivables based on the review of outstanding amounts at the year end. Balances considered bad are written off when identified. Other receivables are recognised at nominal amount which is fair value of the consideration to be received in future.

3.1.10 **Cash and cash equivalents**

Cash and cash equivalents for the purpose of cash flow statement comprise cash in hand, cash at banks and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

3.1.11 **Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the assets are available for immediate sale in their present condition.

Non-current assets held for sale are measured at the lower of their previous carrying amounts and fair value less costs to sell.

Non-current assets held for sale that no longer meet the criteria of classification as held for sale are transferred to non-current assets at the lower of :

- Their carrying amounts before the assets were classified as held for sale, adjusted for any depreciation, amortisation or revaluation that would have been recognised had the assets not been classified as held for sale, and

- Their recoverable amounts at the date of the subsequent decision not to sell.

Gains and losses on disposal / transfers are included in current income.

3.1.12 Staff retirement benefits

Defined contribution plan

The Company operates a defined contribution plan i.e. recognized provident fund scheme for all its eligible employees in accordance with the trust deed and rules made there under. Equal monthly contributions are made by the Company and the employees to the fund at the rate of 10% of basic salary.

3.1.13 Murabaha borrowings and financing

In accordance with the requirements of Islamic Financial Accounting Standards 1 'Murabaha', issued by the Institute of Chartered Accountants of Pakistan, the Company accounts for murabaha as follows:

Funds disbursed for purchase of goods are recorded as 'Advance for murabahas'. On the culmination of murabaha i.e. on sale of goods to customers, murabaha financing are recorded at the deferred sale price net of profit.

Goods purchased but remaining unsold at the balance sheet date are recorded as inventories.

Profit on murabaha is recognised on accrual basis. However, profit for the period from the date of disbursement to the date of culmination of murabaha is recognised immediately at the time of culmination.

Funds received against sale of goods are recorded as 'murabaha payables'. On the culmination of murabaha i.e. on purchase of goods from the counter party, murabaha payables are recorded at the deferred purchase price net of expenses.

Expenses on murabaha are recognised on accrual basis. However, expenses for the period from the date of receipt to the date of culmination of murabaha are recognised immediately at the time of culmination.

3.1.14 Gain on sale and lease back transaction

This is amortised over the period of the related lease obligation.

3.1.15 Securities purchased / sold under resale / repurchase agreements (repo borrowings and reverse repo lendings)

Securities sold under repurchase agreements (repo) are retained in books as investments and its counter-part liability is included in repurchase agreement borrowings. The difference between sale and repurchase price is treated as mark-up expense and recognised over the period of contract.

Securities purchased under agreements to resell (reverse repo) are included in lending to financial institutions. The difference between purchase and resale price is treated as mark-up income and recognised over the period of the contract.

3.1.16 Trade and other payables

Liabilities for trade and other payables are carried at cost which is the fair value of the consideration to be paid in future for goods and services received, whether billed to the Company or not.

3.1.17 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events and it is probable that an out flow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. However, provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.1.18 Provision for taxation

Current

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account available tax credits and rebates and charge / credit for prior years or minimum tax payable under the Income Tax Ordinance, 2001, whichever is higher.

Deferred

Deferred tax is recognised using the balance sheet liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and their tax base on the basis of expected manner of realization or settlement of carrying amount of assets and liabilities using the tax rates enacted or substantially enacted at the balance sheet date. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reduced, if it is no longer probable that the related tax benefit will be realized. The Company also recognises deferred tax asset / liability on deficit / surplus on revaluation of securities / fixed assets adjusted against the related deficit / surplus in accordance with requirements of International Accounting Standards (IAS-12) - Income Taxes.

Deferred income tax relating to items recognised directly in equity is recognised in equity and not in profit and loss account.

3.1.19 Foreign currency transactions

Foreign currency transactions are translated into Pakistani Rupee at exchange rates prevailing on the dates of transactions. Monetary assets and liabilities in foreign currencies are translated into Pakistani Rupee at the exchange rates prevailing at the balance sheet date. Exchange differences are taken to profit and loss account.

3.1.20 Financial instruments

All the financial assets and financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when the Company loses control of the contractual rights that comprises the financial assets. Financial liabilities are derecognised when these are extinguished, that is, when the obligation specified in the contract is discharged, cancelled or expires. Any gain or loss on derecognition of the financial assets and financial liabilities is taken to the current income.

3.1.21 Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if the Company has a legal enforceable right to set off the transaction and also intends either to settle on a net basis or to realize the asset and settle the liability simultaneously. Income and expenses arising from such assets and liabilities are also accordingly offset.

3.1.22 Revenue recognition

3.1.22.1 Finance lease / Ijarah income

The Company follows finance method for recognising income on Ijarah contracts and accounted for as finance leases. Under this method the unearned income i.e. the excess of aggregate Ijarah rentals (including residual value) over the cost of the asset under the Ijarah facility is deferred and then amortized over the term of the Ijarah, so as to produce the constant rate of return on net investment in the Ijarah.

For Ijarah arrangements & Ijarah rentals are recognised as income on accrual basis, as and when the rentals become due.

Documentation charges, front-end fee and other Ijarah income is recognised as income on receipt basis. Unrealized lease income pertaining to non-performing leases is held in suspense account, where necessary, in accordance with the requirements of the Prudential Regulations.

Leases in which a significant portion of the risk and reward is retained by the Company are classified as operating lease. Rental income from operating leases is recognised on a straight line under the time proportion basis.

3.1.22.2 Income on debt investment securities, bank deposits, long term loans and balances receivable under reverse repurchase agreement, murabaha and musharkaha investments and finances

Income on above assets is recognised on a time proportion basis under the effective yield method.

3.1.22.3 Dividend income

Dividend income from investments is recognised when the right to receive the same is established.

3.1.22.4 Unrealised income on non-performing assets

Unrealised income is suspended, where necessary (on non-performing assets including the non-performing lease / Ijarah portfolio, musharakah, murabaha, and other loans and landings), in accordance with the requirements of the Prudential Regulations for NBFCs issued by SECP. The unrealised suspended income is recognised in income on receipt basis.

3.1.22.5 Sale of CNG / Diesel

Income from sale of CNG / Diesel is recognised on filling of vehicles.

3.1.23 Earning per share

Basic EPS is calculated by dividing the profit or loss attributable to ordinary share holders of the Company by weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares.

3.1.24 Segment reporting

An operating segment is a distinguishable component of the Company that is engaged in business activities in which it earns revenue and incurs expenses, whose operating results are regularly reviewed by the management in decision making and for which discrete financial information is available. The Company's primary format of reporting is based on following operating segments.

Investments / financing

It consists of capital market, money market investments and financing functions. The activities include profit on bank deposits, term deposit receipts, capital gains on equity and debt securities, mark-up income on term finance certificates and sukuks and dividend income.

Leasing / Ijarah

It include all types of leases viz operating lease, finance lease and Ijarah and is a major source of revenue for the Company.

Other operations

It consists of advisory, consultancy function, musharakah, murabaha and all other functions not included in other segments.

Geographical segments

The Company operates in Pakistan only.

4. **Property, plant and equipment**

Operating assets

	The Company Owned							Assets held for operating lease	Total
	Land	Buildings	Office premises	Furniture and fixture	Office equipment	Vehicles	Sub total		
At July 01, 2013									
Cost	-	-	-	24,497,823	37,723,877	14,639,991	76,861,691	66,830,636	143,692,327
Accumulated depreciation	-	-	-	(9,082,296)	(26,743,531)	(8,815,940)	(44,641,767)	(18,538,689)	(63,180,456)
Written down value	-	-	-	15,415,527	10,980,346	5,824,051	32,219,924	48,291,947	80,511,871
Reconciliation of written down value at June 30, 2014									
Written down value as at July 01, 2013	-	-	-	15,415,527	10,980,346	5,824,051	32,219,924	48,291,947	80,511,871
Additions	-	-	-	21,000	120,000	-	141,000	-	141,000
Less: Disposals									
Cost	-	-	-	961,639	501,680	3,595,684	5,059,003	-	5,059,003
Accumulated depreciation	-	-	-	(356,995)	(264,629)	(2,483,378)	(3,105,002)	-	(3,105,002)
	-	-	-	604,644	237,051	1,112,306	1,954,001	-	1,954,001
Less: Depreciation	-	-	-	1,505,448	1,312,610	1,042,308	3,860,366	4,343,991	8,204,357
Written down value as at June 30, 2014	-	-	-	13,326,435	9,550,685	3,669,437	26,546,557	43,947,956	70,494,513
At June 30, 2014									
Cost	-	-	-	23,557,184	37,342,197	11,044,307	71,943,688	66,830,636	138,774,324
Accumulated depreciation	-	-	-	(10,230,749)	(27,791,512)	(7,374,870)	(45,397,131)	(22,882,680)	(68,279,811)
Written down value	-	-	-	13,326,435	9,550,685	3,669,437	26,546,557	43,947,956	70,494,513
Reconciliation of written down value at June 30, 2015									
Written down value as at July 01, 2014	-	-	-	13,326,435	9,550,685	3,669,437	26,546,557	43,947,956	70,494,513
Additions	-	-	-	-	35,000	-	35,000	-	35,000
Transferred from non current assets classified as held for sale (Note 18.4)	32,627,350	44,251,140	14,409,179	-	-	-	91,287,669	-	91,287,669
Less: Disposals									
Cost	-	-	-	31,788	150,788	1,736,554	1,919,130	-	1,919,130
Accumulated depreciation	-	-	-	(24,516)	(110,834)	(1,372,129)	(1,507,479)	-	(1,507,479)
	-	-	-	7,272	39,954	364,425	411,651	-	411,651
Less: Depreciation	-	-	-	1,331,916	1,124,049	692,119	3,148,084	4,270,924	7,419,008
Written down value as at June 30, 2015	32,627,350	44,251,140	14,409,179	11,987,247	8,421,682	2,612,893	114,309,491	39,677,032	153,986,523
At June 30, 2015									
Cost	**32,627,350**	**44,251,140**	**14,409,179**	**23,525,396**	**37,226,409**	**9,307,753**	**161,347,227**	**66,830,636**	**228,177,863**
Accumulated depreciation	-	-	-	**(11,538,149)**	**(28,804,727)**	**(6,694,860)**	**(47,037,736)**	**(27,153,604)**	**(74,191,340)**
Written down value	**32,627,350**	**44,251,140**	**14,409,179**	**11,987,247**	**8,421,682**	**2,612,893**	**114,309,491**	**39,677,032**	**153,986,523**
Rate (%)		5	5	10	10 , 30	20		10	

4.1 Disposal of operating assets

The following is a statement of assets disposed off during the year:

Particulars of asset	Cost	Accumulated depreciation	Written down value	Sale proceeds	Particulars of buyers	Mode of disposal
	———	——— Rupees	———	———		
Office equipment	150,788	(110,834)	39,954	34,000	WDV of the asset is below Rs. 50,000 so particulars of buyers are not required.	Through Bidding
Furniture and fixture	31,788	(24,516)	7,272	16,800	WDV of the asset is below Rs. 50,000 so particulars of buyers are not required.	Through negotiation
Vehicles						
	58,500	(55,673)	2,827	17,000	WDV of the asset is below Rs. 50,000 so particulars of buyers are not required.	Through Bidding
	58,500	(56,481)	2,019	17,000	WDV of the asset is below Rs. 50,000 so particulars of buyers are not required.	Through Bidding
	50,900	(41,244)	9,656	25,000	WDV of the asset is below Rs. 50,000 so particulars of buyers are not required.	Through negotiation
	66,000	(43,712)	22,288	16,000	WDV of the asset is below Rs. 50,000 so particulars of buyers are not required.	Through negotiation
	879,000	(738,207)	140,793	780,000	Mr. Imran Khan, House No. A-50-II, Street No. 14, South, DHA, Karachi.	Through Bidding
	499,000	(345,537)	153,463	210,000	Mr. Abdul Majeed House No.SN-317, Mohalla Dhode Kala Khan, Rawalpindi.	Through Bidding
	124,654	(91,275)	33,379	211,500	EFU Insurance Limited, Karachi	Insurance Claim
	1,736,554	(1,372,129)	364,425	1,276,500		
2015	**1,919,130**	**(1,507,479)**	**411,651**	**1,327,300**		
2014	5,059,003	(3,105,002)	1,954,001	2,521,466		

	2015 Rupees	2014 Rupees
5. INTANGIBLE ASSETS		
At June 30, 2015		
Cost	**12,800,000**	12,800,000
Accumulated amortisation	**(10,813,536)**	(9,962,196)
Written down value	**1,986,464**	2,837,804

5.1 Reconciliation of written down value :

	2015 Rupees	2014 Rupees
Opening balance	**2,837,804**	3,711,149
Additions	-	300,000
Amortisation	**(851,340)**	(1,173,345)
Closing balance	**1,986,464**	2,837,804
Rate (%)	**30%**	30%

	Note	2015 Rupees	2014 Rupees
6. LONG TERM INVESTMENTS			
Investment in joint ventures	6.1	**87,260,850**	78,193,578
Available for sale investments			
- At fair value	6.2	**17,580,000**	28,887,357
- At cost	6.3	**653,481**	2,242,345
		105,494,331	109,323,280

6.1 Investment in joint ventures

This represents investment in CNG filling stations. The latest available audited financial statements of joint ventures as on June 30, 2015 have been used for the purpose of application of equity method.

	Note	2015 Rupees	2014 Rupees
- Centre Gas (Private) Limited	6.1.1 & 6.1.3	**68,981,854**	59,053,415
- Ameen Enterprises	6.1.2 & 6.1.3	**18,278,996**	19,140,163
		87,260,850	78,193,578

6.1.1 Centre Gas (Private) Limited

The movement in the Company's share of net assets of Centre Gas (Private) Limited (CGL) is as under:

	2015 Rupees	2014 Rupees
Cost		
(2500 Shares of Rs. 1,000/- each) Shareholding 50%	**34,535,703**	34,535,703
Cumulative share of profit of joint venture	**34,446,151**	24,517,712
Dividend received	-	-
	68,981,854	59,053,415

CGL's paid-up share capital is Rs. 5 million comprising of 5,000 ordinary shares of Rs. 1,000 each. The equity as at June 30, 2015 is Rs 115.21 million (2014:Rs. 93.79 million) including share deposit money of Rs.13.42 million (2014: Rs. 13.42 million). Profit and loss is shared equally.

	2015 Rupees	2014 Rupees
6.1.2 Ameen Enterprises		
The movement in the Company's share of net assets of Ameen Enterprises (AE) is as under:		
Opening capital	**19,140,163**	20,262,872
Share of (loss) of joint venture for the year	**(861,167)**	(623,311)
Drawings during the year	-	(499,398)
	18,278,996	19,140,163

The Company entered in a partnership agreement under which the Company provided equipments for the CNG station and beared 50% of the cost of construction whereas the other partner provided land for the CNG station and beared remaining 50% of the cost of construction. Profit and loss is shared equally.

6.1.3 **Summarized financial information of the joint ventures is given below;**

	2015		2014	
	CGL	AE	CGL	AE
	Rupees			
As at June 30, 2015				
Current Liabilities	**(7,465,820)**	**(1,445,077)**	(6,233,131)	(1,987,603)
Cash and cash equivalents	**2,265,522**	**38,508**	4,693,121	716,700
Current assets	**109,571,751**	**1,688,414**	87,648,393	2,665,301
Non current assets	**13,099,665**	**33,561,846**	14,380,312	34,999,818
For the year ended June 30, 2015				
Revenue	**102,911,592**	**3,995,216**	93,345,990	11,888,137
Operating profit / (loss)	**19,856,878**	**(1,872,333)**	16,887,877	(1,246,622)
Depreciation	**(833,791)**	**(1,653,541)**	(446,855)	(1,823,144)
Income tax expense	**(2,261,889)**	**(72,629)**	(2,155,117)	(223,122)

6.2 Available for sale investments in Ordinary shares / Term Finance Certificates - at fair value

Number of shares / certificates 2014	2015	Name of company	2015 Rupees	2014 Rupees
		Listed		
112,000	**112,000**	English Leasing Limited	-	-
135,000	**135,000**	Zeal Pak Cement Factory Limited	-	-
642,226	**400,000**	Bank Al-Habib Limited	**17,580,000**	28,887,357
		Un-Listed		
1,140	**1,140**	Innovative Investment Bank Limited	-	-
890,366	**648,140**		**17,580,000**	28,887,357
		Cost	**10,575,476**	16,979,614

6.3 Available for sale investments in Term Finance Certificates

Number of certificates 2014	2015	Name of company	Note	2015 Rupees	2014 Rupees
		Listed			
1,000	**1,000**	Saudi Pak Leasing Corporation Limited	6.3.1	-	1,188,864
1,551	**1,551**	Trust Investment Bank Limited	6.3.2	**653,481**	1,053,481
2,551	**2,551**			**653,481**	2,242,345

6.3.1 The principal is receivable in 63 stepped-up unequal installments commenced from January 2012 and ending on March 2017. These carry mark up at the rate of 6% per annum for first three years and 1 month KIBOR for the remaining period. Outstanding markup as of December 2011 and mark-up for first two years will be deferred and will be paid in three equal annual installments commenced from December 2014 and ending on December 2016. Considering the financial difficulties being faced by investee, the Company has made a provision of Rs. 2.76 million (2014 : Rs. 1.57 million) against these TFCs. These were carried at cost as the trading in these Term Finance Certificates (TFCs) is suspended.

6.3.2 The principal amount of Rs. 1.45 million was receivable in monthly installments of Rs. 0.20 million with last installment of balance amount of Rs. 0.25 million, commenced from May 2014 and ended on November 2014. These are carried at cost as the trading in these Term Finance Certificates (TFCs) is suspended.

	Note	2015 Rupees	2014 Rupees
7. NET INVESTMENT IN IJARAH FINANCE / ASSETS UNDER IJARAH ARRANGEMENTS			
Contracts accounted for as finance lease under IAS 17	7.1	**319,692,313**	417,761,620
Contracts accounted for under IFAS 2	7.2	-	777,310
		319,692,313	418,538,930
Less : Current portion	15	**(263,170,189)**	(232,774,819)
		56,522,124	185,764,111

7.1 Net investment in Ijarah finar

Following is a statement of lease receivables accounted for under IAS 1

	2015			2014		
	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			Rupees		
Minimum lease payments receivable	**823,765,655**	**42,638,314**	**866,403,969**	836,371,013	117,928,632	954,299,645
Residual value of leased assets	**52,305,612**	**40,308,125**	**92,613,737**	12,957,796	91,770,437	104,728,233
Lease contracts receivable	**876,071,267**	**82,946,439**	**959,017,706**	849,328,809	209,699,069	1,059,027,878
Unearned lease income (including suspended income)	**(153,059,321)**	**(10,837,920)**	**(163,897,241)**	(164,396,847)	(16,978,784)	(181,375,631)
Provision for potential lease losses	**(459,841,757)**	**(15,586,395)**	**(475,428,152)**	(452,157,143)	(7,733,484)	(459,890,627)
	(612,901,078)	**(26,424,315)**	**(639,325,393)**	(616,553,990)	(24,712,268)	(641,266,258)
	263,170,189	**56,522,124**	**319,692,313**	232,774,819	184,986,801	417,761,620

7.1.1 These finances carry profit rates ranging from 14.16% to 27.03 % per annum (2014: 10.00% to 27.03% per annum). These agreements usually are for three to five years period and are generally secured against leased assets, personal / corporate guarantees and promissory notes given by the lessees and other collaterals.

7.1.2 The above net investment in finance lease includes non-performing lease portfolio of Rs. 602.05 million (2014: Rs. 595.33 million). Detail of non performing leases is as follows:

Category of classification	2015			2014		
	Principal outstanding	**Provision required**	**Provision held**	Principal outstanding	Provision required	Provision held
	Rupees			Rupees		
Substandard	**806,107**	**201,527**	**201,527**	4,027,971	1,006,993	1,006,993
Doubtful	**23,751,700**	**11,751,902**	**11,751,902**	32,943,859	16,316,750	16,316,750
Loss	**577,496,121**	**463,474,723**	**463,474,723**	558,353,344	442,566,884	442,566,884
	602,053,928	**475,428,152**	**475,428,152**	595,325,174	459,890,627	459,890,627

7.2 Assets under Ijarah arrangement

Following is a statement of assets leased out and accounted for under IFAS 2:

	2015						
	Cost			**Depreciation**			**Net carrying value as at June 30, 2015**
	As at July 01, 2014	**Additions / (disposals)**	**As at June 30, 2015**	**As at July 01, 2014**	**For the year / (adjustment on disposals)**	**As at June 30, 2015**	
	Rupees						
Equipment	**1,000,000**	**-**	**-**	**786,650**	**13,353**	**-**	**-**
		(1,000,000)			**(800,003)**		
Vehicles	**1,839,000**	**-**	**-**	**1,275,040**	**196,160**	**-**	**-**
		(1,839,000)			**(1,471,200)**		
	2,839,000	**-**	**-**	**2,061,690**	**209,513**	**-**	**-**
		(2,839,000)			**(2,271,203)**		

	2014						
	Cost			Depreciation			Net carrying value as at June 30, 2014
	As at July 01, 2013	Additions / (disposals)	As at June 30, 2014	As at July 01, 2013	For the year / (adjustment on disposals)	As at June 30, 2014	
	Rupees						
Plant and machinery	6,815,640	-	-	5,733,108	-	-	-
		(6,815,640)			(5,733,108)		
Equipment	60,598,103	-	1,000,000	43,520,351	1,725,681	786,650	213,350
		(59,598,103)			(44,459,382)		
Vehicles	14,953,150	-	1,839,000	9,661,272	1,396,810	1,275,040	563,960
		(13,114,150)			(9,783,042)		
	82,366,893	-	2,839,000	58,914,731	3,122,491	2,061,690	777,310
		(79,527,893)			(59,975,532)		

7.2.1 Above Ijarah arrangements carry profit rates ranging from 16.51 to 27.41% per annum (2014: 21.00% to 21.14% per annum).

	2015 Rupees	2014 Rupees
7.2.2 Ijarah rentals receivable		
Ijarah rentals receivable - Due within one year	**82,485,326**	89,027,920
Less : Provision against Ijarah rentals receivable	**(80,621,942)**	(87,050,241)
	1,863,384	1,977,679

7.2.2.1 Provision against Ijarah rentals receivable

	2015			2014		
	Rental receivable	**Suspension required**	**Suspension held**	Rental receivable	Suspension required	Suspension held
	Rupees			Rupees		
Category of classification						
Doubtful	-	-	-	4,875,051	4,875,051	4,875,051
Loss	**80,621,942**	**80,621,942**	**80,621,942**	82,175,190	82,175,190	82,175,190
	80,621,942	**80,621,942**	**80,621,942**	87,050,241	87,050,241	87,050,241

	Note	2015 Rupees	2014 Rupees
8. LONG TERM MUSHARAKAH FINANCES			
Secured			
Considered doubtful			
Companies (non-financial institutions)		**83,932,685**	84,083,022
Individuals		**91,530,125**	95,530,121
		175,462,810	179,613,143
Provision against doubtful balances		**(45,550,272)**	(45,700,606)
		129,912,538	133,912,537
Less: Current portion	15	**(129,912,538)**	(133,912,537)
		-	-

8.1 These represent investments under musharakah basis for working capital and project financing. These are secured against mortgage of properties, musharakah finance (borrowing), demand promissory notes and personal guarantee of their sponsor directors. Profit rates ranges from 16.00% to 30.00% per annum (2014: 16.00% to 30.00% per annum). These are payable in monthly / quarterly / semi-annual installments and in lump sum on maturity.

	Note	2015 Rupees	2014 Rupees
9. LONG TERM LOANS			
Considered good			
Ex-employee		-	557,175
Customers	9.1	**7,836,333**	742,349
Outgoing group	9.2	**71,954,665**	71,954,665
		79,790,998	73,254,189
Considered doubtful			
Customers	9.1	**45,430,245**	47,749,809
Ex-employee		**528,523**	-
Provision against doubtful balances		**(32,582,106)**	(32,826,222)
		13,376,662	14,923,587
		93,167,660	88,177,776
Less: Current portion	15	**(17,941,759)**	(14,633,297)
		75,225,901	73,544,479

9.1 These carry mark-up at the rate ranging from 10.49% to 22.01% per annum (2014: from 10.49% to 25.0% per annum). These are secured against registered charge over different assets of customers, pledge / hypothecation of stocks and collateral in certain cases.

9.2 Rs. 24.58 million is receivable in 08 unequal quarterly installments commencing from December 31, 2016 and ending on September 30, 2018, and balance amount of Rs. 47.37 million is receivable in lump sum on December 31, 2018. It is subject to mark up at the rate of six months KIBOR plus 2% per annum. Effective markup rate charged during the3 year ranges from 11.63% to 12.17% per annum (2014 : 11.06% to 12.15% per annum)

	Note	2015 Rupees	2014 Rupees
10. LONG TERM SECURITY DEPOSITS	10.1	**2,614,225**	2,863,225

10.1 These represent deposits for utilities, office premises etc.

		2015 Rupees	2014 Rupees
11. DEFERRED TAX ASSET	11.1	**150,000,000**	150,000,000

11.1 As at June 30, 2015 net deferred tax asset works out to Rs. 660.20 million (2014: Rs. 699.53 million) out of which deferred tax asset to the extent of Rs.150 million has been recognized in the financial statements in view of expected future taxable profits. Total net deferred tax asset comprises of :

	Note	2015 Rupees	2014 Rupees
Deferred tax liability:			
Difference in tax and accounting bases of assets		**(77,296,980)**	(77,249,553)
Deferred tax assets:			
Provisions in respect of non performing receivables		**250,660,663**	252,621,454
Carry forward tax losses		**486,834,398**	524,155,900
		660,198,081	699,527,801

	Note	2015 Rupees	2014 Rupees

12. SHORT TERM INVESTMENTS

Investments at fair value through profit or loss			
Quoted securities	12.1	**26,769,394**	19,857,275

12.1 Investments at fair value through profit or loss

2014 Number	2015 Number	Name of company	2015 Rupees	2014 Rupees
-	**10,000**	Engro Corporation Ltd.	**2,968,000**	-
-	**35,000**	Fauji Fertilizer Company Bin Qasim	**1,936,200**	-
-	**55,000**	Habib Metropolitan Bank	**1,650,000**	-
-	**52,000**	Engro Fertilizer Limited	**4,611,880**	-
-	**20,000**	Cherat Cement Company	**1,740,600**	-
-	**500,000**	K-Electric Limited	**4,210,000**	-
-	**120**	Shahzad Textile Mills	**2,896**	-
-	**25,000**	Engro Powergen Qadir	**977,000**	-
-	**10,000**	Mughal Iron and Steel	**562,400**	-
-	**50,000**	TPL Trankker Limited	**793,000**	-
-	**130,000**	JS Bank Limited	**959,400**	-
75,000	**75,000**	Pakgen Power Ltd.	**2,250,750**	1,353,000
1,600	**1,600**	Siemens Pakistan Ltd.	**2,038,768**	2,011,200
-	**25,000**	Pakistan Electronics Limited	**2,068,500**	-
10,000	-	Pakistan Petroleum Ltd.	-	2,243,400
10,000	-	Nishat Mills Ltd.	-	1,119,200
25,000	-	Nishat Chunian Ltd.	-	1,059,750
50,000	-	Qucie Foods Ltd.	-	400,500
50,000	-	Hub Power Company Ltd.	-	2,937,000
5,000	-	Oil & Gas Development Co. Ltd.	-	1,306,400
25,000	-	Engro Polymer Ltd.	-	338,250
15,500	-	Maple Leaf Cement Ltd.	-	465,775
100,000	-	Lafrage Pakistan Cement Ltd.	-	1,598,000
500,000	-	Bank of Punjab	-	4,550,000
20,000	-	Kohinoor Textile Mills Ltd.	-	474,800
887,100	**988,720**		**26,769,394**	19,857,275
		Cost	**25,661,678**	22,451,063

	2015 Rupees	2014 Rupees

13. SHORT TERM MUSHARAKAH FINANCES

Secured		
Considered doubtful	**129,010,182**	129,025,182
Provision against doubtful balances	**(58,518,679)**	(58,518,679)
	70,491,503	70,506,503

13.1 These represent finances disbursed to different companies for working capital purposes for the periods ranging between 92 to 365 days and are secured against mortgaged properties, demand promissory notes and personal guarantee of their sponsor directors. These carry profit at the rates ranging from 10.0% to 34.69% per annum (2014 : 10.0% to 34.69% per annum).

	2015 Rupees	2014 Rupees

14. SHORT TERM FINANCES

Secured		
Considered doubtful	**8,482,742**	10,519,530
Provision against doubtful balances	**(1,782,867)**	(2,039,007)
	6,699,875	8,480,523

14.1 These represent finances receivable within a year. These are secured against registered charge over assets of the customers, pledge / hypothecation of stocks and collateral in certain cases. These carry mark-up at the rates ranging from 15.29% to 22.0% per annum (2014 : 13.97% to 25.0% per annum).

	Note	2015 Rupees	2014 Rupees
15. CURRENT PORTION OF NON-CURRENT ASSETS			
Net investment in lease finance / assets under Ijarah arrangements	7	**263,170,189**	232,774,819
Long term musharakah finances	8	**129,912,538**	133,912,537
Long term loans	9	**17,941,759**	14,633,297
		411,024,486	381,320,653
16. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Unsecured			
Considered good			
Advances			
- against purchases and expenses		**51,620**	165,092
- to staff		**25,602**	15,279
- Income tax - net		**6,223,843**	6,560,838
Prepayments		**32,026**	30,867
Other receivables	16	**31,544,320**	31,674,289
		37,877,411	38,446,365
Considered doubtful			
Advances			
- against purchases and expenses		**5,350,757**	5,285,097
- to ex-staff		**484,616**	484,616
Deposit with Privatization Commission	16	**10,000,000**	10,000,000
Other receivables	16.1	**153,617,124**	150,774,705
		169,452,497	166,544,418
Provision against doubtful balances		**(169,452,497)**	(166,544,418)
		37,877,411	38,446,365

	2015 Rupees	2014 Rupees
16.1 Other receivables		
Unsecured		
Considered good		
Accrued mark up / interest on		
Loans and advances	**28,851**	6,590,489
Musharakah investment	**17,590**	655,906
Long term loan - outgoing group	**16,911,317**	6,027,317
Insurance claims receivable	-	785,000
Other terminated lease / musharakah receivable	-	3,710,928
Operating lease rentals receivable	**11,089,824**	9,793,911
Others	**3,496,738**	4,110,738
	31,544,320	31,674,289
Considered doubtful		
Insurance claims receivable	**12,987,760**	11,739,351
Net receivable against terminated leases	**100,578,339**	97,450,795
Others	**40,051,025**	41,584,559
	153,617,124	150,774,705
	185,161,444	182,448,994

16.2 This represents amount deposited with the Privatization Commission, Government of Pakistan, on behalf of a consortium for the acquisition of 51% shares of First Women Bank Limited. The Company has 9% share in the consortium. The above balance was provided for in the year 2003, in view of the fact that the arrangement with consortium did not materialize.

	Note	2015 Rupees	2014 Rupees
17. CASH AND BANK BALANCES			
Balance with banks in local currency:			
In current accounts with:			
- State bank of Pakistan		**44,694**	44,694
- Commercial banks		**1,226,945**	-
		1,271,639	44,694
In deposit accounts with commercial banks	17.1	**755,292**	10,887,988
		2,026,931	10,932,682

17.1 These bank accounts carry profit at the rates ranging from 4.0% to 5.0% per annum (2014: 5.0% to 7.0% per annum).

18. ASSETS CLASSIFIED AS HELD FOR SALE

The assets classified as held for sale of discontinued operation (Refer Note 18.1) and liabilities directly associated with such assets (Refer Note 18.2) and other non-current assets classified as held for sale (Refer Note 18.1) in their respective categories are summarized hereunder:

		Note	**2015 Rupees**	2014 Rupees
18.1	Assets held for sale of discontinued operation	18.3		
	Trade debts - unsecured		**25,249,831**	25,249,831
	Advances, deposits, prepayments and other receivables		**31,772,189**	37,067,125
			57,022,020	62,316,956
	Non-current assets held for sale	18.4	**53,228,591**	163,987,361
	Total assets classified as held for sale		**110,250,611**	226,304,317
18.2	Liabilities directly associated with assets held for sale of discontinued operation	18.3		
	Long term loan		-	5,294,936
	Short term borrowings		**107,902,479**	107,902,479
			107,902,479	113,197,415

18.3 The Company had received sale consideration of Rs. 24 million (Refer Note 31) and had transferred major assets (including shares in the wholly owned subsidiary Invest Capital Market Limited) and liabilities to the outgoing group on completion of sale conditions as specified in the agreement. Remaining assets and liabilities will be transferred to the outgoing group on completion of other sale conditions as stipulated in the agreement on or before extended date of December 31, 2016.

		Note	**2015 Rupees**	2014 Rupees
18.4	**Non-current assets held for sale**			
	Properties	18.4.1	**110,368,953**	110,368,953
	Petrol / diesel filing station related assets		**40,000,000**	40,000,000
	Assets acquired in satisfaction of finances 9 (2014: 10) DA Country and Golf Club Membership Seats and related deposits		**12,256,590**	13,618,408
			162,625,543	163,987,361
	Less : properties transferred to operating assets	4	**(109,396,953)**	-
			53,228,590	163,987,361

18.4.1 Properties

	2015	2014
Office premises		
Property no. 2	**18,457,500**	18,457,500
Property no. 3	**400,000**	400,000
	18,857,500	18,857,500
Buildings		
Property no. 8	**53,685,744**	53,685,744
Property no. 9	**4,226,359**	4,226,359
Property no. 13	**972,000**	972,000
	58,884,103	58,884,103
Land		
Property no. 10	**28,500,000**	28,500,000
Property no. 11	**4,127,350**	4,127,350
	32,627,350	32,627,350
	110,368,953	110,368,953

18.4.2 The negotiations with lenders for settlement of liabilities against transfer of property No. 2,3,8,9,10 & 11 have not been materialized, therefore, these properties have been reclassified as "non current assets". Property No. 13 and petrol / diesel filling station related assets are being disposed off as per terms of relevant agreements. Five DA seats have been dispose off subsequently and negotiations for disposal of remaining seats are in process.

	Note	2015 Rupees	2014 Rupees
19. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL			
86,742,370 (2014: 86,742,370) Ordinary of Rs. 10 each fully paid in cash		**867,423,700**	867,423,700
198,124,526 (2014: 198,124,526) Ordinary of Rs. 10 each issued as fully paid under scheme of arrangement for amalgamation		**1,981,245,260**	1,981,245,260
		2,848,668,960	2,848,668,960
20. STATUTORY RESERVE	20.1	**93,204,727**	91,973,655

20.1 In prior years, the Company has not created a statutory reserve and has not transferred 20% of profit for the year to the reserve as required under regulation No. 16 of Non Banking Finance Companies and Notified Entities Regulations, 2008. The error has been corrected retrospectively in accordance with the requirements of IAS-8 "Accounting Policies, Changes in Accounting Estimates and Errors".

Had the error not been corrected, statutory reserve and accumulated loss would have been lower by Rs. 91.97 million (2014 : Rs 91.97 million).

	Note	2015 Rupees	2014 Rupees
21. SUBORDINATED LOAN FROM DIRECTORS	21.1	**126,000,000**	126,000,000

21 It is interest free. It will not be repaid before clearance of overdue deposits and creditors, upgradation of the Company's rating to investment grade and compliance of minimum equity requirements.

	Note	2015 Rupees	2014 Rupees
22. SECURITY DEPOSITS FROM LESSEES			
Security deposits under lease contracts	22.1	**92,613,737**	105,296,033
Less: Current portion	27	**(52,305,612)**	(13,525,596)
		40,308,125	91,770,437

22.1 These represent security deposits received against finance lease and Ijarah contracts and are repayable / adjustable on the expiry of lease periods.

	Note	2015 Rupees	2014 Rupees
23. LONG TERM CERTIFICATES OF MUSHARAKAH			
Unsecured	23.1	**3,017,492**	17,188,327
Less: Current portion	27	**(1,615,000)**	(7,740,004)
		1,402,492	9,448,323

23.1 These certificates carry profit rates ranging from 0% to 13.00% per annum (2014: 0% to 13.75% per annum).These certificates except certificates of Rs. 0.702 million (2014: Rs. 6.83 million) are repayable in lump sum on different dates commenced from May 2013 and ending in February 2018. Certificates of Rs. 0.702 million (2014: Rs. 6.83 million) are repayable in monthly installments over different periods commenced from July 2012 and ending in November 2017.

	Note	2015 Rupees	2014 Rupees
24. LONG TERM CERTIFICATES OF INVESTMENTS			
Unsecured			
For one year or more	24.1	**3,501,625**	9,201,625
Less: Current portion	27	**(2,100,000)**	(5,700,000)
		1,401,625	3,501,625

24.1 Certificates of Rs. 5.9 million (2014: Rs. 5.9 million) are repayable in 34 monthly installments commenced from May 2014 and ending on February 2017. These are not subject to mark up.

	Note	2015 Rupees	2014 Rupees
25. LONG TERM MUSHARAKAH AND MURABAHA BORROWINGS			
Secured			
Musharakah borrowings			
From commercial banks	25.1	**17,810,402**	23,171,284
Murabaha borrowings			
From commercial banks	25.3 , 25.5 & 25.6	**8,627,234**	39,327,086
From financial institutions	25.4	**15,831,253**	17,331,253
	25.2 & 25.5	**24,458,487**	56,658,339
		42,268,889	79,829,623
Less: Current portion	27	**(30,225,192)**	(59,023,385)
		12,043,697	20,806,238

25.1 As per terms of the agreement, the Company has paid 10% of the principal amount as down payment and the remaining principal amount of Rs. 30 million along with mark up will be paid in 16 equal quarterly installments commenced from September 30, 2013 and ending on June 30, 2017. Markup outstanding as at October 07, 2013 amounting to Rs. 9.74 million has been deferred and will be repaid in 08 un-equal installments commencing from September 30, 2017 and ending on March 30, 2019. It is subject to mark up at fixed rate of 6.78% per annum (2014 : 6.78% per annum).

	2015 Rupees	2014 Rupees
25.2 Murabaha borrowings		
Murabaha payable - gross	**33,694,075**	85,027,220
Mark up payable	**(9,235,588)**	(28,368,882)
Murabaha payable	**24,458,487**	56,658,338

25.3 These finances are secured against floating charge on all present and future leased assets and associated lease receivables. Murabaha finance of Rs. 7.38 million (2014: 36.88 million) is subject to mark up at the rate of 06 months KIBOR plus 3% per annum and was payable till June 2012. Murabaha finance amounting to Rs. 1.25 million (2014: 2.45 million) is not subject to markup and is payable in 12 (2014 : 24) monthly installements till June 2016.

25.4 These are secured against floating charge on all present and future leased assets and associated lease receivables. These finances except syndicated murahaba of Rs. 3.59 million (2014: Rs. 5.09 million) carry mark up at the rate of six months KIBOR plus 3.0% per annum, no markup is payable on syndicated murahaba finance. These finances except syndicated murahaba of Rs. 3.59 million (2014: Rs. 5.09 million) were payable in monthly installments till June 2012. The syndicated murabaha finance amounting to Rs. 3.59 million (2014: 5.09 million) is repayable in monthly and quarterly installments commenced from April 2012 and ending on March 2017. A financial institution has filed a winding up petition with the claim of overdues against the Company in the Honorable Sindh High Court. The related outstanding murabaha borrowing is Rs. 12.24 million (2014: Rs. 12.24 million) alongwith mark up of Rs. 8.94 million (2014: Rs. 7.05 million).

25.5 During the year, the Company has repaid finances amounting to Rs. 32.20 million (2014: Rs. 3.23 million). As at the balance sheet date, finances amounting to Rs. 12.24 million (2014: Rs 49.11 million) along with related unpaid mark up of Rs. 8.95 million (2014: Rs. 28.37 million) are overdue.

25.6 During the year, a final settlement agreement has been executed with the lender in respect of murabaha borrowing of Rs. 36.88 million and related mark up of Rs. 19.44 million. As per terms of the agreement, the outstanding mark up has been waived off and principal amount along with cost of funds will be repaid in five equal quarterly installements commenced from September 19, 2014 and ending on September 19, 2015. In case of delay in payment of installements, mark up will be charged at the rate of 13% per annum instead of cost of funds.

	Note	2015 Rupees	2014 Rupees
26. LONG TERM LOANS			
Secured			
From banking companies			
Facility I	26.1 & 26.3	**7,604,611**	38,022,287
Facility II & IV	26.2 & 26.3	**2,427,429**	12,136,902
		10,032,040	50,159,189
Less : Current portion	27	**(10,032,040)**	(50,159,189)
		-	-

26.1 This facility was repayable in monthly installments from January 13, 2007 to January 13, 2011 and carried mark-up at the rate of six months KIBOR plus 2.0% per annum. It is secured by joint pari-passu charge on all present and future leased assets and related lease receivables. As at the balance sheet date, the loan along with related mark-up of Rs. 1.47 million (2014: Rs. Rs. 17.51 million) were overdue.

26.2 This facility carried mark-up at the rate of six months KIBOR plus 2.0% per annum and was payable in monthly installments from June 30, 2007 to December 31, 2010. These are secured by joint pari passu charge on all present and future leased assets and related lease receivables. The loan along with related mark-up amounting to Rs. 0.47 million (2014: Rs.7.59 million) is overdue.

26.3 During the year, an agreement has been executed with the lender in respect of these loans and related mark up of Rs. 25.10 million. As per terms of the agreement, the outstanding mark up has been waived off and principal amount along with cost of funds will be repaid in five equal quarterly installements commenced from September 19, 2014 and ending on September 19, 2015. In case of delay in payment of installements, mark up will be charged at the rate of 13% per annum instead of cost of funds.

	Note	**2015 Rupees**	2014 Rupees
27. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Security deposit from lessees	22	**52,305,612**	13,525,596
Long term certificates of musharakah	23	**1,615,000**	7,740,004
Long term certificates of investments	24	**2,100,000**	5,700,000
Long term musharakah and murabaha borrowings	25	**30,225,192**	59,023,385
Long term loans	26	**10,032,040**	50,159,189
Redeemable capital	27.1	**91,730,000**	107,250,000
		188,007,844	243,398,174

27.1 These certificates alongwith related mark up of Rs. 55.22 million (2014 : Rs. 47.67 million) are over due. The Company is negotiating with TFC holders for rescheduling / settlement of over due balances.

	2015 Rupees	2014 Rupees
28. SHORT TERM CERTIFICATES OF MUSHARAKAH		
Unsecured		
Individuals	**280,000**	1,940,000
Others	**13,000,000**	23,800,000
	13,280,000	25,740,000

28.1 These finances have been obtained for 90 to 365 days at mark up rates ranging between 8.75% to 11% per annum (2014: 0% to 11% per annum).

28.2 Under the Regulation No. 14 of NBFC Regulations, a NBFC can raise funds from general public under the scheme of certificates of deposits. The above funds were generated under an approved scheme of Al-Zamin Leasing Modaraba (now merged with the Company Refer Note 1.2).

28.3 During the year certificates amounting to Rs. 12.46 million (2014: Rs. 19.71 million) have been repaid.

	Note	**2015 Rupees**	2014 Rupees
29. SHORT TERM CERTIFICATES OF INVESTMENTS			
Unsecured	29.1	**11,400,000**	16,200,000

29.1 This represents the scheme of registered certificate of Investments (COIs) for resource mobilization. The term of COIs is one year and these are not subject to markup.

	Note	**2015 Rupees**	2014 Rupees
30. LOAN FROM SPONSOR	30.1	**197,542,473**	197,542,473

30.1 It carries mark up at the rate of six month KIBOR. Effective markup rate charged during the year ranges from 7.99% to 10.21% per annum (2014: 9.52% to 10.18% per annum).

	Note	2015 Rupees	2014 Rupees
31. ACCRUED AND OTHER LIABILITIES			
Accrued expenses		**2,732,163**	2,662,399
Auditors' remuneration payable		**1,440,000**	2,809,999
Advance against termination of leases		**434,018**	484,018
Unclaimed dividend		**6,067,901**	6,068,753
Advance against non current assets held for sale			
Discontinued operation	18.2	**24,000,000**	24,000,000
Other assets-held for sale		**27,640,128**	16,412,402
Due to joint venture		**37,913,814**	25,748,314
Other liabilities		**40,304,067**	40,933,074
		140,532,091	119,118,959
32. PROFIT / MARK UP PAYABLE			
Profit / mark-up payable on:			
- Certificates of musharakah / investments		**2,357,324**	966,997
- Long term musharakah and murabaha borrowings		**9,316,606**	26,491,676
- Redeemable capital		**55,217,062**	47,667,481
- Long term loans		**110,203**	25,105,960
- Loan from sponsor		**113,035,419**	93,974,627
		180,036,614	194,206,741
33. CONTINGENCIES			
Liability for alternative corporate tax not acknowledged in view of petition filed by the Company. The Company is claiming exemption from charge of alternative corporate tax.		**9,727,514**	-
Demand of income tax not acknowledged in view of pending appeal.		**1,141,501**	-

	Note	2015 Rupees	2014 Rupees
34. ADMINISTRATIVE AND OPERATING EXPENSES			
Directors' remuneration		**3,159,996**	4,332,230
Staff salaries, allowances and other benefits	34.1	**12,614,661**	18,406,923
Traveling, conveyance and vehicle running expenses		**630,924**	811,298
Office rent		**2,730,973**	3,474,021
Utility charges		**522,107**	957,578
Postage, telephone and telegram		**538,919**	813,068
Repairs and maintenance		**1,673,051**	2,021,381
Insurance		**290,422**	708,862
Depreciation	4	**7,419,008**	8,204,357
Depreciation on assets leased out	7.2	**209,513**	3,122,491
Amortization	5	**851,340**	1,173,345
Fees and subscriptions		**922,887**	1,445,442
Entertainment		**216,604**	357,643
Newspapers and periodicals		**9,970**	13,369
Printing and stationery		**231,077**	427,414
Legal and professional charges		**4,226,626**	3,288,502
Auditors' remuneration	34.2	**1,040,000**	1,040,000
Advertisement		**248,467**	120,598
Brokerage and commission		**513,143**	827,464
Other		**273,321**	236,431
		38,323,009	51,782,417

34.1 This includes retirement benefits of Rs. 0.71 million (2014: Rs. 1.05 million) in respect of contribution to the employees' provident fund.

	2015 Rupees	2014 Rupees
34.2 Auditors' remuneration		
Annual audit fee	**750,000**	750,000
Sundry services	**290,000**	290,000
	1,040,000	1,040,000

	Note	2015 Rupees	2014 Rupees
35. FINANCIAL CHARGES			
Profit / mark up on :			
- Certificates of musharakah		**2,184,678**	4,623,735
- Certificates of investments		**109,721**	2,146,342
- Long term musharakah and murabaha borrowings		**4,701,578**	7,539,085
- Musharakah term finance certificates		-	5,044,288
- Redeemable capital		**14,451,597**	16,773,431
- Long term loans		**1,936,998**	5,873,322
- Loan from sponsors		**19,060,792**	19,155,991
		42,445,364	61,156,194
Bank charges		**239,485**	269,590
		42,684,849	61,425,784
Less: mark-up waived off on settlement of loans	35.1	**(51,452,888)**	(36,771,697)
		(8,768,039)	24,654,087

35.1 Mark up waived off on settlement of loans:

	2015 Rupees	2014 Rupees
Certificates of investments	-	7,399,422
Long term musharakah and murabaha borrowings	**19,444,911**	7,689,941
Long term loans	**25,105,961**	-
Musharakah term finance certificates	-	20,448,181
Redeemable capital	**6,902,016**	1,234,153
	51,452,888	36,771,697

	Note	2015 Rupees	2014 Rupees
36. OTHER OPERATING EXPENSES			
Loss on disposal of non-current assets held for sale		**11,818**	-
Impairment loss on long term investment in TFCs		**1,188,864**	-
Impairment loss charged on reclassification of assets		**18,109,283**	
		19,309,965	-
37. OTHER INCOME			
From non financial assets :			
Gain on disposal of operating assets		**915,649**	567,465
Gain on disposal of non-current assets held for sale		-	38,159
Commission and fee		**94,327**	354,696
Gain on settlement of liabilities		**10,980,500**	94,459,859
Balances written back		**2,719,700**	-
Others	37.1	**1,123,430**	1,268,514
		15,833,606	96,688,693

37.1 It includes mark up income on deferred payments against agreement of sale of petrol / diesel filing station related assets.

	Note	2015 Rupees	2014 Rupees
38. PROVISION FOR TAXATION			
Current			
For the year		**1,529,106**	2,065,349
For prior year		**(840,544)**	(223,492)
		688,562	1,841,857

38.1 Relationship between tax expense and accounting profit

Relationship between tax expense and accounting profit has not been presented in these financial statements as the income of the Company is either subject to minimum tax, special rate of tax or final tax under various provisions of the Income Tax Ordinance, 2001.

		2015	2014
39. EARNINGS PER SHARE - BASIC AND DILUTED			
Profit after taxation for the year	Rupees	**6,155,362**	98,724,584
Weighted average number of ordinary shares	Number	**284,866,896**	284,866,896
Earnings per share - Basic and Diluted	Rupees	**0.022**	0.347

40. REMUNERATION TO CHIEF EXECUTIVE, DIRECTOR AND EXECUTIVES

	2015			2014		
	Chief Executive Officer	**Director**	**Executives**	Chief Executive Officer	Director	Executives
	Rupees					
Managerial remuneration	**2,692,800**	**300,000**	**3,591,000**	3,325,750	795,150	4,603,000
Retirement benefits	**167,196**	**-**	**195,784**	184,664	26,666	266,580
	2,859,996	**300,000**	**3,786,784**	3,510,414	821,816	4,869,580
Number of persons	**1**	**1**	**5**	1	1	6

40.1 The Chief Executive Officer and certain Executives are entitled to free use of Company maintained car and other perquisites. The monetary value of these benefits approximates Rs. 979,600/- (2014: Rs. 1,729,900/-). Some of the directors have waived off their meeting fee, meeting fee paid to other directors during the year is Rs. 120,000/- (2014: Rs. 320,000/-).

41. RELATED PARTY TRANSACTIONS

Related parties comprise of major shareholders, associated undertakings, provident fund, directors, other key management personnel and their close family members. Contributions to the provident fund, loans to employees and remuneration of key management personnel are made / paid in accordance with the terms of their employment. Other transactions with related parties are entered into at agreed rates.

The balances due from and due to related parties have been disclosed in the relevant notes to the financial statements. Detail of transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Nature of relationship	Nature of transaction	**2015 Rupees**	2014 Rupees
Major shareholder	Mark up / interest on loan from sponsor	**19,060,792**	19,155,991
Joint venture	Amount received during the year	**12,165,500**	8,277,926
Provident fund	Contribution made during the year	**717,147**	1,050,549

42. NUMBER OF EMPLOYEES

	2015	2014
Total number of employees as at June 30,	**23**	34
Average number of employees during the year	**27**	35

43. DISCLOSURE WITH REGARD TO PROVIDENT FUND

The following information is based on audited financial statements of the fund as at June 30, 2015.

		2015	2014
Size of the fund	(Rupees)	**5,913,966**	6,907,968
Cost of investments made	(Rupees)	**4,057,500**	5,168,451
Percentage of investments made	(% age)	**69%**	75%
Fair value of investments	(Rupees)	**5,459,924**	6,440,908

43.1 Breakup of investments

	2015		2014	
	Amount Rupees	**%age**	Amount Rupees	%age
Defence saving certificates	**2,338,938**	**42.84%**	2,125,793	33.00%
Certificate of Investments	**3,120,986**	**57.16%**	4,204,164	65.27%
Investment in shares	**-**	**0.00%**	110,952	1.72%
	5,459,924	**100.00%**	6,440,909	100.00%

43.2 Investments out of provident fund have been made in accordance with the provisions of section 227 of the Ordinance and the rules formulated for this purposes.

44. FINANCIAL RISK MANAGEMENT

44.1 Financial risk factors

The Company's activities expose it to a variety of financial risks, including:
- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

44.2 Credit risk

Credit risk is the risk of financial loss to the Company if a counter party to a financial instrument fails to meet its contractual obligation, and arises principally from the Company's receivables from customers and investments. The Company has established procedures to manage credit exposure including credit approvals, credit limits, collateral and guarantee requirements. These procedures incorporate both internal guidelines and requirements of NBFC Rules and Regulations. The Company also manages risk through an independent credit department which evaluates customers' credit worthiness and obtains adequate securities where applicable.

All investing transactions are settled / paid upon delivery. The Company's policy is to enter into financial instrument contract by following internal guidelines such as approving counterparties and approving credits. The credit quality of the Company's bank balances and investments portfolio are assessed with reference to external credit ratings.

Concentration of credit risk arises when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have similar economic features that would cause their ability to meet contractual obligation to be similarly affected by the changes in economic, political and other conditions. Concentration of credit risk indicates the relative sensitivity of the Company's performance to developments affecting a particular industry or geographical location. The maximum exposure to credit risk at the reporting date was:

	2015 Rupees	2014 Rupees
Long term investments	**653,481**	2,242,345
Net investment in Ijarah finance / assets under Ijarah arrangements	**227,078,576**	313,242,897
Long term musharakah finances	**129,912,538**	133,912,537
Long term loans	**93,167,660**	88,177,776
Deposits	**2,614,225**	2,863,225
Short term musharakah finances	**70,491,503**	70,506,503
Short term finances - secured	**6,699,875**	8,480,523
Ijarah rentals receivable	**1,863,384**	1,977,679
Advances and other receivables	**31,544,320**	31,854,660
Bank balances	**2,026,931**	10,932,682
	566,052,493	664,190,827

44.2.1 Past due balances and impairment losses

The age analysis of financial assets except bank balances and impairment loss recognized thereon were as follows:

	2015		2014	
	Gross	**Impairment loss recognised**	Gross	Impairment loss recognised
	Rupees			
Past due 91 days - 180 days	**29,430,064**	-	13,347,673	-
Past due 181 days to one year	**3,202,832**	**238,754**	10,703,573	1,309,639
Past due one year to two years	**52,545,859**	**14,968,130**	43,820,483	26,264,276
More than two years	**1,268,394,476**	**995,356,918**	1,302,236,129	969,878,607
	1,353,573,231	**1,010,563,802**	1,370,107,858	997,452,522
Not past due	**451,495,983**	-	519,428,756	-
Total	**1,805,069,214**	**1,010,563,802**	1,889,536,614	997,452,522

Impairment is recognized by the Company on the basis of provision requirements of Prudential regulations for NBFCs issued by SECP which includes the subjective evaluation of the portfolio carried by the Company on an ongoing basis. Based on the past experience, consideration of financial position, past track records and recoveries, the Company believes that additional provision against past due balances is not required.

Below are the differences between the balances as per balance sheet and maximum exposure. These differences are due to the fact that these are not exposed to credit risk.

	2015 Rupees	2014 Rupees
Long term investments	**104,840,850**	107,080,935
Net investments in Ijarah/ assets under Ijarah arrangements	**92,613,737**	105,296,033
Short term investments	**26,769,394**	19,857,275
Advances and other receivables	**6,255,869**	6,591,705
	230,479,850	238,825,948

44.3 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when due. The Company's approach to manage the liquidity risk is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. To guard against the risk, the Company has diversified funding sources and assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents and readily marketable securities. The maturity profile is monitored to ensure adequate liquidity is maintained.

The table below summaries the maturity profile of the Company's financial liabilities. The contractual maturities of financial liabilities at the year end have been determined on the basis of the remaining period at the balance sheet date to the contractual maturity date. Contractual interest payments are required to be paid on respective contractual maturity at the rates disclosed in respective liabilities notes and are included in this maturity profile (in contractual cash flows).

	2015				
	Carrying amount	**Contractual cash flows**	**Up to three months**	**Over three months to one year**	**Over one year**
	Rupees				
Certificates of musharakah	**16,297,492**	**16,419,011**	**3,284,750**	**8,289,750**	**4,844,511**
Certificates of investments	**14,901,625**	**14,901,625**	**11,925,000**	**1,575,000**	**1,401,625**
Musharakah and murabaha borrowings	**42,268,889**	**51,585,495**	**31,510,601**	**8,031,197**	**12,043,698**
Redeemable capital	**91,730,000**	**98,953,738**	**98,953,738**	-	-
Deferred mark up on long term musharakah	**9,747,000**	**9,747,000**	-	-	**9,747,000**
Loan from sponsor	**197,542,473**	**201,488,384**	**201,488,384**	-	-
Subordinated loan from directors	**126,000,000**	**126,000,000**	-	-	**126,000,000**
Long term loans	**10,032,040**	**10,462,243**	**10,462,243**	-	-
Accrued and other liabilities	**140,532,091**	**140,532,091**	**140,532,091**	-	-
Profit / mark up payable	**180,036,614**	**180,036,614**	**180,036,614**	-	-
	829,088,224	**850,126,201**	**678,193,420**	**17,895,947**	**154,036,834**

	2014				
	Carrying amount	Contractual cash flows	Up to three months	Over three months to one year	Over one year
	Rupees				
Certificates of musharakah	42,928,327	48,491,547	1,008,880	36,845,932	10,636,735
Certificates of investments	25,401,625	25,512,584	20,435,959	1,575,000	3,501,625
Musharakah and murabaha borrowings	79,829,623	90,002,423	59,453,670	8,500,000	22,048,753
Redeemable capital	107,250,000	115,695,938	115,695,938	-	-
Deferred mark up on long term musharakah	9,747,000	9,747,000	-	-	9,747,000
Loan from sponsor	197,542,473	202,569,929	202,569,929	-	-
Subordinated loan from directors	126,000,000	126,000,000	-	-	126,000,000
Long term loans	50,159,189	56,173,423	56,173,423	-	-
Accrued and other liabilities	93,370,645	93,370,645	93,370,645	-	-
Profit / mark up payable	194,206,741	194,206,741	194,206,741	-	-
	926,435,623	961,770,229	742,915,184	46,920,932	171,934,113

44.4 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposure within acceptable parameters, while optimizing the return. The Company is exposed to interest rate risk and equity rate risk only.

44.4.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. At the reporting date, the interest rate profile of the Company's interest bearing financial instruments and the periods in which these will mature are as follows:

	2015								
	Profit / mark-up bearing				Non- profit/mark-up bearing				Total
	Upto three months	Three months to one year	More than one year	Sub-total	Upto three months	Three months to one year	More than one year	Subtotal	
	Rupees								
Financial assets									
Long term investments	653,481	-	-	653,481	-	-	104,840,850	104,840,850	105,494,331
Net investment in Ijarah / assets under Ijarah arrangements	125,042,722	120,012,249	74,637,342	319,692,313	-	-	-	-	319,692,313
Long term musharakah finances	129,912,538	-	-	129,912,538	-	-	-	-	129,912,538
Long term loans	7,281,701	10,660,058	75,225,901	93,167,660	-	-	-	-	93,167,660
Deposits	-	-	-	-	-	-	2,614,225	2,614,225	2,614,225
Short term investments	-	-	-	-	26,769,394	-	-	26,769,394	26,769,394
Short term musharakah finances	70,491,503	-	-	70,491,503	-	-	-	-	70,491,503
Short term finances	6,699,875	-	-	6,699,875	-	-	-	-	6,699,875
Ijarah rentals receivables	1,863,384	-	-	1,863,384	-	-	-	-	1,863,384
Advances, deposits, prepayments and other receivables	-	-	-	-	31,544,320	-	-	31,544,320	31,544,320
Cash and bank balances	755,292	-	-	755,292	1,271,639	-	-	1,271,639	2,026,931
	342,700,496	130,672,307	149,863,243	623,236,046	59,585,353	-	107,455,075	167,040,428	790,276,474
Financial liabilities									
Subordinated loan from directors	-	-	-	-	-	-	126,000,000	126,000,000	126,000,000
Certificates of musharakah	300,000	115,000	15,882,492	16,297,492	-	-	-	-	16,297,492
Certificates of investments	-	-	-	-	11,925,000	1,575,000	1,401,625	14,901,625	14,901,625
Long term musharakah and murabaha borrowings	22,193,994	8,031,197	12,043,698	42,268,889	-	-	-	-	42,268,889
Redeemable capital	91,730,000	-	-	91,730,000	-	-	-	-	91,730,000
Deferred mark up on long term musharakah	-	-	-	-	-	-	9,747,000	9,747,000	9,747,000
Loan from sponsor	197,542,473	-	-	197,542,473	-	-	-	-	197,542,473
Long term loans	10,032,040	-	-	10,032,040	-	-	-	-	10,032,040
Security deposits from lessees	-	-	-	-	2,886,930	49,418,682	40,308,125	92,613,737	92,613,737
Creditors, accrued and other liabilitie	-	-	-	-	140,532,091	-	-	140,532,091	140,532,091
Profit / mark up payable	-	-	-	-	180,036,614	-	-	180,036,614	180,036,614
	321,798,507	8,146,197	27,926,190	357,870,894	335,380,635	50,993,682	177,456,750	563,831,067	921,701,961
On balance sheet gap 2015	20,901,989	122,526,110	121,937,053	265,365,152	(275,795,282)	(50,993,682)	(70,001,675)	(396,790,639)	(131,425,486)

	2014								
	Profit / mark-up bearing				Non- profit/mark-up bearing				
	Upto three months	Three months to one year	More than one year	Sub-total	Upto three months	Three months to one year	More than one year	Subtotal	Total
	Rupees								
Financial assets									
Long term investments	-	-	2,242,345	2,242,345	-	-	81,332,621	81,332,621	83,574,966
Net investment in Ijarah / assets under Ijarah arrangements	128,477,340	104,297,479	184,986,801	417,761,620	-	-	-	-	417,761,620
Long term musharakah finances	119,583,518	14,329,019	-	133,912,537	-	-	-	-	133,912,537
Long term loans	605,175	14,028,122	73,544,479	88,177,776	-	-	-	-	88,177,776
Deposits	-	-	-	-	-	-	2,863,225	2,863,225	2,863,225
Short term investments	-	-	-	-	19,857,275	-	-	19,857,275	19,857,275
Short term musharakah finances	70,506,503	-	-	70,506,503	-	-	-	-	70,506,503
Short term finances	6,741,255	1,739,268	-	8,480,523	-	-	-	-	8,480,523
Ijarah rentals receivables	1,977,679	-	-	1,977,679	-	-	-	-	1,977,679
Advances, deposits, prepayments and other receivables	-	-	-	-	31,674,289	-	-	31,674,289	31,674,289
Cash and bank balances	10,887,988	-	-	10,887,988	44,694	-	-	44,694	10,932,682
	338,779,458	134,393,888	260,773,625	733,946,971	51,576,258	-	84,195,846	135,772,104	869,719,075
Financial liabilities									
Subordinated loan from directors	-	-	-	-	-	-	126,000,000	126,000,000	126,000,000
Certificates of musharakah	500,000	27,878,443	4,615,000	32,993,443	9,934,884	-	-	9,934,884	42,928,327
Certificates of investments	3,600,000	-	-	3,600,000	13,223,375	1,575,000	3,501,625	18,300,000	21,900,000
Long term musharakah and murabaha borrowings	48,635,870	6,450,000	17,200,000	72,285,870	7,543,753	-	-	7,543,753	79,829,623
Musharakah term finance certificate	-	-	-	-				-	-
Redeemable Capital	107,250,000	-	-	107,250,000				-	107,250,000
Deferred mark up on long term								-	-
musharakah	-	-	-	-			9,747,000	9,747,000	9,747,000
Loan from sponsor	197,542,473			197,542,473				-	197,542,473
Long term loans	50,159,189.00	-	-	50,159,189				-	50,159,189
Security deposits from lessees	-	-	-	-	2,056,006	11,469,590	91,770,437	105,296,033	105,296,033
liabilities	-	-	-	-	93,370,645			93,370,645	93,370,645
Creditors, accrued and other liabilitie	-	-	-	-				-	-
Profit / mark up payable	-	-	-	-	194,206,741			194,206,741	194,206,741
	407,687,532	34,328,443	21,815,000	463,830,975	320,335,404	13,044,590	231,019,062	564,399,056	1,028,230,031
On balance sheet gap 2014	(68,908,074)	100,065,445	238,958,625	270,115,996	(268,759,146)	(13,044,590)	(146,823,216)	(428,626,952)	(158,510,956)

Fair value sensitivity analysis for fixed rate financial assets instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at reporting date would not affect profit and loss account. At June 30, 2015, financial assets of Rs. 550.63 million (2014: Rs. 657.77 million) and financial liabilities of Rs 16.30 million (2014: Rs 36.59 million) carried fixed interest.

Cash flow sensitivity analysis for variable rate financial liabilities instruments

An estimated change of 100 basis points in interest rates at the reporting date would have resulted in the increase / decrease of profit for the year and decrease / increase in equity by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as performed for 2014.

	Effect on profit before tax	Carrying value
	Rupees	
As at 30 June 2015		
Cash flow sensitivity-variable rate financial liabilities	(3,415,734)	(341,573,402)
Cash flow sensitivity-variable rate financial assets	726,081	72,608,146
As at 30 June 2014		
Cash flow sensitivity-variable rate financial liabilities	(4,272,375)	(427,237,532)
Cash flow sensitivity-variable rate financial assets	741,970	74,197,010

The sensitivity analysis prepared is not necessarily indicative of the effects on profit for the year and assets / liabilities of the Company.

44.4.2 Equity price risk

Equity price risk is the risk of unfavorable changes in the fair value of the equity securities as a result of changes in the levels of Stock Exchange indexes and the value of individual shares (including the units of mutual funds). The equity price risk exposure arises from the Company's investments in equity securities for which prices in the future are uncertain. The Company's policies to manage price risk through diversification and selection of securities within specified limits set by the internal risk management guidelines and NBFC regulations.

As at June 30, 2015, the fair value of equity securities exposed to price risk was Rs. 44.35 million (2014: Rs. 48.7 million).

An increase or decrease of 10% in the fair values of the Company's equity securities, with all other variables held constant, would have been resulted in increase / decrease of profit for the year by Rs. 2.68 million (2014: Rs. 1.99 million) and equity by Rs. 4.43 (2014: Rs. 4.87 million). This level of change is considered to be reasonably possible based on observation of current market conditions.

44.5 Fair value of financial instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Consequently, differences may arise between the carrying values and fair values. The carrying values of financial assets and financial liabilities approximate their fair values.

Underlying the definition of fair value is the presumption that the Company is a going concern with out any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

44.6 Capital risk management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the sustained development of its businesses.

The Company manages its capital structure which comprises capital and reserves by monitoring return on net assets and makes adjustments to it in the light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, appropriation of amounts to capital reserves or / and issue of new shares.

Capital requirement applicable to the Company are set and regulated by the Securities and Exchange Commission of Pakistan. These requirements are put in place to ensure sufficient solvency margins. The Company manages its capital requirements by assessing its capital structure against the required level on a regular basis. Pursuant to SRO 764 (I)/2009 dated September 02, 2009 issued by SECP, the aggregate minimum equity requirements as per NBFC Regulations, 2008 for leasing and investment finance companies has been set at Rs. 1,700 million. The Company is exposed to capital risk as the equity of the Company as at June 30, 2015 is Rs. 309.23 million (2014 : Rs. 307.98 million). In view of financial problems being faced by the Company, The Company has requested SECP to relax equity requirements for the Company for a period of four years (Refer Note 1.4).

45. SEGMENT INFORMATION

	2015				2014			
	Investment / financing activities	Leasing / Ijarah activities	Other operations	Total	Investment / financing activities	Leasing / Ijarah activities	Other operations	Total
	Rupees				Rupees			
Information about reportable segment profit or loss, assets and liabilities								
Revenue from external customers	27,411,589	27,382,552	9,556,788	64,350,929	14,539,967	53,410,679	8,206,548	76,157,194
Interest expense - net	4,386,343	4,381,696	-	8,768,039	(5,275,441)	(19,378,646)	-	(24,654,087)
Depreciation and amortization	4,137,365	4,132,983	-	8,270,348	2,006,625	7,371,077	-	9,377,702
Impairment of assets	(2,257,488)	(19,836,177)	(2,382,011)	(24,475,676)	7,045,496	(2,888,438)	-	4,157,058
Reportable segment profit / (loss)	33,677,809	16,061,054	7,174,777	56,913,640	18,316,647	38,514,672	8,206,548	65,037,867
Reportable segment assets	781,026,856	333,812,286	97,994,021	1,212,833,163	680,084,170	434,135,016	212,685,909	1,326,905,095
Reportable segment liabilities	(828,654,206)	(93,047,755)	(107,902,479)	(1,029,604,440)	(925,951,605)	(105,780,051)	(113,197,415)	(1,144,929,071)

	2015 Rupees	2014 Rupees
Reconciliation of profit		
Total profit from reportable segments	**49,738,863**	56,831,319
Profit from other operations	**7,174,777**	8,206,548
	56,913,640	65,037,867
Unallocated amounts:		
Other administrative and operating expenses	**(46,593,357)**	(61,160,119)
Other operating expenses	**(19,309,965)**	-
Other income	**15,833,606**	96,688,693
Profit before tax	**6,843,924**	100,566,441
Reconciliation of assets and liabilities		
Assets		
Total assets of reportable segments	**1,114,839,143**	1,114,219,186
Assets of other operations	**97,994,020**	212,685,909
Total assets	**1,212,833,163**	1,326,905,095
Liabilities		
Total liabilities of reportable segments	**(921,701,961)**	(1,031,731,656)
Liabilities of other operations	**(107,902,479)**	(113,197,415)
Total liabilities	**(1,029,604,440)**	(1,144,929,071)

46. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 09, 2015 by the Board of Directors of the Company.

47. GENERAL

47.1 NOMENCLATURE

Nomenclature of "Other terminated lease / musharakah receivable" has been changed to "Net receivable against terminated leases" for better presentation.

47.2 REARRANGEMENTS

Prior year figures have been rearranged where ever considered necessary for the purpose of better presentation. Significant rearrangements made in these financial statements are as under;

- Cumulative funds received from Centre Gas (Private) Limited (Joint venture) amounting to Rs. 25.75 million were disclosed as a reduction of investement. The amount is payable to the joint venture, hence, included under the head of "accrued and other liabilities".

- Accrued mark up / interest on long term loan to outgoing group amounting to Rs. 6.03 million was previously included in "others" under the head of "Other receivables". This is now presented as a separate line item under the same head.

- Net receivable against terminated leases amounting to Rs. 32.11 million were presented as "Repossessed assets (against terminated leases)" under the head of other receivables. These are added in the line item of "Net receivable against terminated leases" under the same head.

Muhammad Asif	**Ayesha Zahid**
Chief Executive Officer	Director

Proxy Form

INVEST CAPITAL INVESTMENT BANK LIMITED

A-603-604, Lakson Square Building No: 3, Sarwar Shaheed Road, Karachi

I, ____ S/o, W/o, D/o

____

a member of **Invest Capital Investment Bank Limited** and holder of ____________ shares as per Registered Folio No.__________________ and / or CDC participant I.D. No. _________________ and Sub Account No._________________ do hereby appoint____ of____ (full address) or failing him/her____ of ____ (full address) as my/our proxy to attend, act and vote for me/us and on my/our behalf at the Annual General Meeting of the Shareholders to be held at 7: 00 p.m. on Saturday, October 31, 2015 and at any adjournment thereof.

Signed this __________________ day of _________________ 2015.

Signature and or Seal of Member________________

Please affix Rs.5/- Revenue Stamp

In the presence of

Signature : ____________________________	Signature : ____________________________
Name : ____________________________	Name : ____________________________
Address : ____________________________	Address : ____________________________
CNIC No : ____________________________	CNIC No : ____________________________

Notes:

1. A member entitled to attend and vote at the above meeting may appoint any other person as his/her proxy. The instrument appointing a proxy should be signed by the member or his/her attorney dully authorized in writing. If a member is a corporation, either its common seal be affixed to the proxy form or the Board of Director's resolution /power of attorney along with specimen signature of the nominee shall be submitted with the proxy form. The proxy shall have a right to attend, speak and vote in place of the member.
2. Proxies in order to be effective must be received at the office of Share Registrar of the Company, M/s CorpTec Associates (Private) Limited, 503-E, Johar Town, LAHORE at least 48 hours before the meeting and must be dully stamped, signed and witnessed.
3. A proxy need not be a Member of the Company.
4. Beneficial owner of the shares registered in the name of Central Depository Company of Pakistan Limited (CDC) and/or their proxies are required to produce their original Computerized National Identity Card (CNIC) or original passport, Account, Sub-Account number and Participant's number in Central Depository System for identification purpose at the time of attending the meeting. The form of proxy must be submitted with the company with in stipulated time, duly witnessed by two persons whose name, address and NIC number must be mentioned on the form, along with attested copies of CNIC or the passport of the beneficial owner and the proxy.

   In case of corporate entity, the Board of Director's resolution/power of attorney with specimen signature of the nominee shall be submitted along with proxy form to the company.

Second Fold

Affix
Revenue
Stamp

The Company Secretary
Invest Capital Investment Bank Limited
703-C, 7th Floor, City Tower, 6-K
Main Boulevard, Gulberg II, Lahore.
Tel : 042 - 3577 0383 - 84
Fax : 042 - 3578 8711

First Fold

Third Fold and Tuck In

Our Network

Registered Office - Karachi
A-603, 604, 6Th Floor, Lakson Square
Building No. 3, Sarwar Shaheed
Road, Karachi.
Tel: 021-35661968
Fax: 021-35654022
Website: www.icibl.com

Head Office - Lahore
703-C, City Tower, 6-K Main
Boulevard, Gulberg II, Lahore.
Tel: 042-35770383-4
Fax: 042-35788711

Islamabad
Office No. 02, Ground Floor,
Rahim Plaza,
Main Muree Road, Saddar,
Rawalpindi Cantt.

Peshawar
Centre Gas (Pvt.) Limited,
Chughal Pura, G.T Road,
Peshawar.
Tel: 091-2262966 & 2262866

Faislalabad
20-Bilal Road, Civil Lines,
Faisalabad.
Tel: 041-2626418, 2620010

Gujranwala
50-H, Trust Plaza, G.T Road,
Gujranwala.
Tel: 055-3730308, 3730300
Fax: 055-3731108

INVEST CAPITAL INVESTMENT BANK LIMITED

Registered Office:
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