

QUARTERLY REPORT
MARCH 31, 2020



INVEST CAPITAL INVESTMENT BANK LIMITED



Our Network

Registered Office - Karachi

501, 5th Floor, Al-Fatima Chambers, 149 AM,
Shambhu Nath Street, Shahrah-e-Iraq, Saddar,
Karachi.

Tel: 021-35654022

Website: www.icibl.com

Head Office - Lahore

2-H, Jail Road, Gulberg II,
Lahore.

Tel: 042-35777285 & 86

Islamabad

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

Tel: 0301-8651067

Peshawar

C/o Centre Gas (Pvt.) Limited,
Chughal Pura, G.T Road,
Peshawar.

Tel: 091-2262966 & 2262866

Faisalabad

20-Bilal Road, Civil Lines,
Faisalabad.

Tel: 041- 2409221

Gujranwala

50-H, Trust Plaza, G.T Road,
Gujranwala.

Tel: 055-3730308, 3730300

Fax: 055-3731108

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Company Information

Board of Directors

Mrs. Ayesha Shehryar	-Chairperson
Mr. Muhammad Asif	-Chief Executive
Mr. Muhammad Qasim	-Executive Director
Brig. (Retd.) Wali Muhammad	-Director
Ms. Fiza Zahid	-Director
Mr. Shahab Ud Din Khan	-Director
Mr. Ashar Saeed	-Director

Audit Committee

Brigadier (Retd.) Wali Muhammad	-Chairman
Mr. Shahab Ud Din Khan	-Member
Ms. Fiza Zahid	-Member

Human Resource Committee

Mr. Muhammad Qasim	-Chairman
Mr. Shahab Ud Din Khan	-Member
Mr. Muhammad Asif	-Member

Company Secretary

Mr. M. Naim Ashraf

Auditors

Deloitte Yousuf Adil
Chartered Accountants

Legal Advisors

Ahmad & Qazi

Share Registrar

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
JS Bank Limited

Registered Office

501, 5th Floor, Al-Fatima Chambers,
149-AM, Shambhu Nath Street,
Off Shahrah-e-Iraq, Saddar, Karachi.
Tel: 021-35654022
Website: www.icibl.com

Head Office

2-H, Jail Road, Gulberg II,
Lahore.
Tel: 042-3577285-86

National Tax Number

0656427-5

Directors' Review

On behalf of the Board of Directors of Invest Capital Investment Bank Limited ("the Company"), we are pleased to present to the members, the un-audited financial statements for the nine months period ending March 31, 2020.

The Review

During the period under review, the Company earned a profit of Rupees 67.12 million as compared to the profit of Rupees 28.63 million in the corresponding period of the last year. The earnings per share work out to Rupees 0.24 as against Rupees 0.10 for the period ending 31st March 2019. The profit has increased as compared to the corresponding period of last year due to better recoveries from non performing loans and leases and reversal of markup on settlement of liabilities during the period. The gross revenue including other income for the period amounted to Rupees 90.44 million as compared to Rupees 47.19 million of the corresponding period of the last year, the major increase being in other income due to the reasons mentioned above. The financial charges amounted to Rupees 15.24 million as against an amount of Rupees 15.63 million of the comparable period whereas reversal of markup amounted to Rs. 38.40 as against NIL in the comparative period of last year. The administrative and operating expenses stood at Rupees 16.96 as against Rupees 22.08 million of the corresponding period of the last year.

The total assets of the Company increased by Rs. 42.50 million basically due to fresh disbursements of leases / loans and stood at Rupees 992.60 million as at 31st March 2020 as compared to Rupees 950.10 million as at June 30, 2019. Whereas, the total liabilities of the Company reduced by Rupees 14.32 million and stood at Rupees 679.50 million as at 31st March 2020 due to payment of liabilities.

A comparison of the current and previous period profit and loss figures is summarized hereunder:

	Rs. in million	
	March 31, 2020	March 31, 2019
Gross Revenue	55.68	43.66
Other Income	34.76	3.53
Administration & Operating expenses	(16.96)	(22.08)
Financial charges (net of reversals)	23.17	(15.52)
Profit / (loss) for the period before taxation	67.77	28.88
Taxation - net	(0.65)	(0.25)
Profit / (loss) for the period after taxation	67.12	28.63
Earnings per Share	0.236	0.101

As per the plan, the management continued focus on resolution of the outstanding issues to keep the company functional. Following key areas were focused during the period as well:

- Settlement/rescheduling of loans with lenders
- Disposal / transfer of brokerage related assets and liabilities
- Recovery of non-performing leases and loans portfolio
- Substantial reduction in administrative and other expenses
- New financing business

The focus on the above mentioned areas has enabled the company to overcome the financial and operational problems and improved the financial position of the Company. Considering management's plans and the results of the mitigating measures taken, the management is confident that the Company will continue as a going concern.

Effects of lockdown due to corona virus

As at 31st March 2020, the effect of lockdown was only on the shares held by the Company which amounted to a reduction of Rs. 19.32 million in the value of shares held for trading and those held for sale. However, if the lockdown continues for a longer period it may affect the profitability of the company and recovery from the lease / loan portfolios.

Acknowledgments

We are very thankful to the Securities and Exchange Commission of Pakistan for their guidance, the customers for their support, the lenders for their cooperation, and shareholders for their confidence and trust in the management of the Company. We are also thankful to all the staff members for their hard work and commitment to the betterment of the Company.

For and on behalf of the Board

Muhammad Asif
Chief Executive Officer

Ayesha Shehryar
Director

Lahore
April 20, 2020

ڈائریکٹر زکا جائزہ

انویسٹ کیپیٹل انویسٹمنٹ بینک لمیٹڈ (کمپنی) کے بورڈ آف ڈائریکٹرز کی جانب سے ہم انتہائی مسرت کے ساتھ 31 مارچ 2020 کو ختم ہونے والے نو ماہ کے عبوری مالیاتی گوشوارے ممبران کو پیش کرتے ہیں۔

جائزہ

اس زیر تجزیہ عرصہ کے دوران کمپنی نے 67.12 ملین روپے کا منافع حاصل کیا جبکہ اس کے مقابلے میں گذشتہ سال اسی مدت کا منافع 28.63 ملین روپے تھا۔ 31 مارچ 2019 کو آمدنی 0.10 روپے فی حصص تھی جو اب بڑھ کر 0.24 روپے فی حصص ہو گئی ہے۔ منافع میں اضافہ کی وجہ پچھلے سال کے مقابلے میں نادھندگان کے قرضوں اور لیزوں سے بہتر ریکوری اور دینداری کے تصفیہ پر مارک اپ کارپوریٹس ہے۔ زیر غور عرصہ میں کمپنی کی مجموعی آمدنی بشمول دیگر آمدنی 90.44 ملین روپے رہی جبکہ اسکے مقابلے میں گذشتہ سال اسی مدت کی آمدنی 47.19 ملین روپے تھی۔ اضافہ بنیادی طور پر متفرق آمدن میں ہوا جسکی وجوہات اوپر بیان کی گئیں۔ زیر غور عرصہ میں کمپنی کے مالیاتی اخراجات 15.24 ملین روپے ہیں جبکہ گذشتہ برس اسی عرصہ کے اخراجات 15.63 ملین روپے تھے جبکہ مارک اپ ریورسل گذشتہ سال کے اسی دورانیہ کے صفر کے مقابلے میں 38.40 ملین روپے رہا۔ کمپنی کے آپریٹنگ اور انتظامی اخراجات 16.96 ملین روپے رہے جبکہ گذشتہ سال اسی مدت کے آپریٹنگ اور انتظامی اخراجات 22.08 ملین روپے تھے۔

کمپنی کے کل اثاثہ جات 31 مارچ 2020 کو 42.50 ملین روپے بڑھ کر 992.60 ملین روپے ہو گئے جبکہ 30 جون 2019 کو ان کی مالیت 950.10 ملین روپے تھی۔ اس بڑھوت کی بنیادی وجہ نیا لیزنگ اور لون کا بزنس ہے۔ جبکہ کمپنی کی مالیاتی ذمہ داریاں 31 مارچ 2020 کو 14.32 ملین روپے کم ہو کر 679.50 ملین روپے رہیں جسکی بنیادی وجہ قرضوں کی ادائیگی ہے۔

کمپنی کے موجودہ اور گذشتہ نفع اور نقصان کا تقابلی جائزہ درج ذیل ہے:

----- روپے ملین میں -----

31 مارچ 2019	31 مارچ 2020	مالیاتی سرخیاں
43.66	55.68	مجموعی آمدنی
3.53	34.76	دیگر آمدنی
(22.08)	(16.96)	انتظامی اور آپریٹنگ اخراجات
(15.52)	23.17	مالیاتی چارجز (کل)
28.88	67.77	ٹیکس سے پہلے نفع (نقصان)
(0.25)	(0.65)	ٹیکس
28.63	67.12	ٹیکس کے بعد نفع (نقصان)
0.101	0.236	آمدنی (نقصان) فی حصص

منصوبے کے مطابق، انتظامیہ نے اپنی توجہ کمپنی کے غیر حل شدہ معاملات کے حل پر رکھی تاکہ کمپنی کو عملی (functional) رکھے۔ کمپنی نے اس نوماہ میں بھی مندرجہ ذیل اہم نکات پر توجہ مرکوز رکھی:

- قرض خواہوں کے ساتھ قرضوں کا تصفیہ / ادائیگی کا نیا جدول (rescheduling)۔
- علیحدہ ہونے والے بروکروں ہاؤس سے متعلق اثاثہ جات اور مالیاتی ذمہ داریوں کا تصفیہ یا منتقلی
- کارکردگی نا دکھانے والی لیزز اور قرضوں کے پورٹ فولیو کی وصولیاتی
- انتظامی اور دیگر اخراجات میں بڑی کمی
- نئی فائینسنگ کا کاروبار

ان مذکورہ بالا معاملات پر توجہ دینے کی وجہ سے کمپنی کو مالیاتی اور آپریشنل مسائل پر قابو پانے میں مدد ملی اور اس کی وجہ سے کمپنی کی مالیاتی صورتحال میں بہتری آئے گی۔ کمپنی کے منصوبوں اور اس کے مسائل کو کم کرنے کے اقدامات کے نتائج کی بنیاد پر پر امید ہے کہ اس کا کاروبار جاری رہے گا۔

کردناتواؤرس کی وجہ سے لاک ڈاؤن کے اثرات :

31 مارچ 2020 کو لاک ڈاؤن کا اثر صرف کمپنی کے شیر ذرائع تجارت اور شیر ذرائع فروخت کی مالیت میں 19.32 بلین روپے کی کمی کی صورت میں تھا۔ لیکن اگر یہ لاک ڈاؤن طول پکڑتا ہے تو اس کے اثرات کمپنی کے منافع اور لیزولون پوز فولیو سے ریکوری پر پڑ سکتا ہے۔

اظہار تشکر :

ہم سیکوریٹی اینڈ ایکسچینج کمیشن آف پاکستان کی رہنمائی ، کاہلوں کی حمایت، قرض خواہوں کے تعاون کا اور حصص یافتگان کے کمپنی کی انتظامیہ پر اعتماد اور بھروسہ کرنے پر انتہائی شکر گزار ہیں۔ ہم تمام عملے کے ارکان کے کمپنی کی بہتری کے لیے کی جانے والی سخت محنت اور عزم کے بھی شکر گزار ہیں۔

منجانب ویرائے بورڈ آف ڈائریکٹرز

سید شہریار

عائشہ شہریار
ڈائریکٹر

محمد آصف

چیف ایگزیکٹو آفیسر

لاہور

20 اپریل 2020

Condensed Interim Statement of Financial Position (Un-audited)

As at March 31, 2020

	Note	Un-audited March 2020 Rupees	Audited June 2019 Rupees
ASSETS			
Non-current assets			
Property, plant and equipment			
Operating assets	3	69,257,774	71,629,065
Intangible assets		369,636	476,950
Investment accounted for using equity method		132,882,969	130,364,015
Financial assets at fair value through other comprehensive income		22,613,279	32,901,741
Net investment in finance lease	4	192,060,665	170,803,593
Long term musharakah finances	5	-	-
Long term loans	6	28,646,459	5,133,616
Long term security deposits		2,353,225	2,353,225
		448,184,007	413,662,205
Current assets			
Short term musharakah finances		43,019,683	59,919,683
Short term finances		76,456,386	6,679,875
Ijarah rentals receivables		1,430,027	1,430,339
Current portion of non-current assets	7	349,518,084	352,338,655
Advances, deposits, prepayments and other receivables		55,919,370	76,008,510
Financial assets at fair value through profit or loss		15,162,048	15,313,080
Bank balances		2,912,779	24,745,878
		544,418,377	536,436,020
TOTAL ASSETS		<u>992,602,383</u>	<u>950,098,225</u>

	Note	Un-audited March 2020 Rupees	Audited June 2019 Rupees
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized capital 485,000,000 ordinary shares of Rs. 10 each		<u>4,850,000,000</u>	<u>4,850,000,000</u>
Issued, subscribed and paid-up capital		<u>2,848,668,960</u>	<u>2,848,668,960</u>
Loan from directors		<u>126,000,000</u>	<u>126,000,000</u>
Capital reserve			
Capital reserve on amalgamation		<u>(2,022,075,992)</u>	<u>(2,022,075,992)</u>
Statutory reserve		<u>102,976,444</u>	<u>102,976,444</u>
Revenue reserve			
Accumulated loss		<u>(757,286,701)</u>	<u>(824,405,592)</u>
Fair value reserve		<u>14,822,479</u>	<u>25,110,941</u>
		<u>313,105,190</u>	<u>256,274,761</u>
Non-current liabilities			
Loan from sponsor		<u>116,392,473</u>	<u>141,392,473</u>
Security deposits from lessees		<u>77,513,080</u>	<u>57,287,409</u>
Liability related to outgoing group		<u>26,730,000</u>	<u>-</u>
		<u>220,635,553</u>	<u>198,679,882</u>
Current liabilities			
Current portion of non-current liabilities	8	<u>42,221,915</u>	<u>72,860,910</u>
Short term borrowing		<u>45,000,000</u>	<u>-</u>
Accrued and other liabilities		<u>167,692,944</u>	<u>192,912,877</u>
Profit / mark up payable		<u>197,248,325</u>	<u>220,419,504</u>
Unclaimed dividend		<u>6,053,456</u>	<u>6,053,598</u>
Provision for taxation - income tax		<u>645,000</u>	<u>2,896,693</u>
		<u>458,861,640</u>	<u>495,143,582</u>
TOTAL EQUITY AND LIABILITIES		<u><u>992,602,383</u></u>	<u><u>950,098,225</u></u>
CONTINGENCIES & COMMITMENT			
		-	-

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



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Director



Akmal Ali
Chief Financial officer

Condensed Interim Statement of Profit or Loss (Un-audited)

For the nine months period ended March 31, 2020

	Nine months ended March 31		Quarter ended March 31	
	2020	2019	2020	2019
	Rupees	Rupees	Rupees	Rupees
Income				
Income from leasing operations	27,805,990	18,703,306	10,732,526	5,482,624
Operating lease rentals	24,234	576,846	-	100,074
Profit on musharakah investments	23,349,994	3,149,968	(4)	3,149,968
Income from finances	6,055,112	873,144	3,509,872	(579,792)
Income on deposits with banks	1,555,190	1,264,581	291,978	502,157
Income from joint ventures	2,518,954	17,798,294	-	5,000,000
Dividend income	2,027,782	864,625	1,601,713	742,000
Net gain on sale of marketable securities	1,382,587	430,617	1,114,683	460,921
Unrealized (loss) on financial assets at fair value - net	(9,035,636)	-	(8,109,911)	852,527
	55,684,207	43,661,380	9,140,857	15,710,478
Expenses				
Administrative and operating expenses	(16,960,550)	(22,076,105)	(5,415,031)	(8,687,994)
Financial charges - net	(15,235,225)	(15,628,079)	(4,948,291)	(5,378,257)
	(32,195,775)	(37,704,184)	(10,363,322)	(14,066,251)
	23,488,432	5,957,196	(1,222,465)	1,644,227
Waiver of financial charges	38,401,681	106,177	-	106,177
	61,890,113	6,063,373	(1,222,465)	1,750,404
Other income	34,757,223	3,533,445	928,420	610,024
	96,647,336	9,596,818	(294,045)	2,360,428
Provision reversed / (charged) on non-performing loans and write-offs				
Reversal / (provision) against:				
Finance lease receivable and rentals - net	1,538,664	18,928,809	3,229,647	(21,071)
Long term / short term musharakah finances	75,000	-	25,000	-
Long term / short term loans	(43,051,181)	(507,876)	-	(687,830)
Other receivables	12,860,012	3,035,254	4,097,742	3,035,254
Balances written off:				
Lease receivables	(305,940)	(2,169,170)	(305,940)	(1,880,600)
Other receivables	-	-	-	-
Musharaka finance receivable	-	-	-	-
	(28,883,445)	19,287,017	7,046,449	445,753
Profit before taxation	67,763,891	28,883,835	6,752,404	2,806,181
Provision for taxation	(645,000)	(258,205)	28,000	-
Profit for the period	67,118,891	28,625,630	6,780,404	2,806,181
Earnings per share - Basic and Diluted	0.236	0.100	0.024	0.010

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



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Director



Akmal Ali
Chief Financial officer

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the nine months period ended March 31, 2020

	Nine months ended March 31		Quarter ended March 31	
	2020 Rupees	2019 Rupees	2020 Rupees	2019 Rupees
Profit for the period	67,118,891	28,625,630	6,779,519	2,806,182
Other comprehensive income / (loss)				
Items that may be reclassified to profit or loss				
Un-realized profit on remeasurement of available for sale investments	-	(2,510,000)	-	-
Items that may not be reclassified to profit or loss				
Changes in the fair value of equity investments at fair value through other comprehensive	(10,288,462)	-	(9,356,784)	-
Un-realized loss on available for sale investment reclassified to profit and loss account on disposal	-	-	-	-
Total comprehensive Income / (loss) for the period	<u>56,830,429</u>	<u>26,115,630</u>	<u>(2,577,265)</u>	<u>2,806,182</u>

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



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Director



Akmal Ali
Chief Financial officer

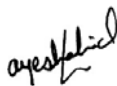
Condensed Interim Statement of Cash Flows (Un-audited)

For the nine months period ended March 31, 2020

	Nine months ended March 31	
	2020	2019
	Rupees	Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	67,763,891	28,883,835
Adjustments for non cash charges and other items:		
Depreciation of property, plant and equipment	2,300,935	5,315,221
Amortization of intangible assets	35,772	153,306
(Reversal) / provision against:		
Long term / short term musharakah finances	(75,000)	-
Long term / short term loans	43,051,181	507,876
Other receivables	(12,860,012)	(3,035,254)
Finance lease receivable and rentals - net	(1,538,664)	(18,928,809)
Balances written off		
lease receivables	305,940	2,169,170
Musharakah receivables	-	-
Other receivables	-	-
Loss / (gain) on disposal of operating assets	(2,602)	(1,820,016)
Unrealised loss on financial assets at fair value	9,035,636	-
Income from joint ventures	(2,518,954)	(17,798,294)
Gain on sale of long term investment	-	-
Financial charges - net	15,235,225	15,628,079
Waiver of financial charges	(38,401,681)	-
(Gain) on settlement of liabilities	(32,000,000)	(13,188,093)
	(17,432,224)	(30,996,814)
Cash flow from operating activities before working capital changes	50,331,667	(2,112,979)
Changes in working capital		
Decrease / (increase) in current assets		
Financial assets at fair value through profit or loss	(8,884,604)	(17,219,931)
Short term musharakah finances	16,900,000	5,860,000
Short term finances	(69,776,511)	-
Ijarah rentals receivables	312	21,992
Advances, deposits, prepayments and other receivables	34,458,081	1,462,095
	(27,302,723)	(9,875,844)
Increase in current liabilities		
Short term borrowing	45,000,000	-
Accrued and other liabilities	(25,219,933)	14,556,717
Cash generated from operations	42,809,012	2,567,894
Financial charges paid	(4,723)	(114,088)
Income tax paid	(1,508,929)	(1,224,711)
Dividend paid	(142)	-
Net cash generated from operations	41,295,218	1,229,094



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Director



Akmal Ali
Chief Financial officer

Nine months ended March 31
2020 2019
Rupees Rupees

b) CASH FLOWS FROM INVESTING ACTIVITIES

Additions in:		
Operating assets	(5,500)	(41,000)
Financial assets at fair value through other comprehensive income	-	-
Net investment in finance lease	(3,378,441)	11,679,374
Long term musharakah finances	-	-
Long term loans	(34,834,375)	3,041,959
Long term security deposits	-	(150,000)
Proceeds from disposal of operating assets	150,000	17,011,456
Net cash generated from investing activities	(38,068,316)	31,541,789

c) CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of :		
Loan from sponsors	(25,000,000)	(4,000,000)
Redeemable capital	(30,030,000)	(90,000)
Liability related to outgoing group	29,970,000	-
Long term musharakah and murabaha borrowings	-	(2,740,264)
Net cash (used in) financing activities	(25,060,000)	(6,830,264)
Net increase / (decrease) in cash and cash equivalents	(21,833,099)	25,940,619
Cash and cash equivalents at the beginning of the year	24,745,878	10,161,122
Cash and cash equivalents at the end of the period	<u>2,912,779</u>	<u>36,101,741</u>

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



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Director



Akmal Ali
Chief Financial officer

Condensed Interim Statement of Changes in Equity (Un-audited)

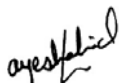
For the nine months period ended March 31, 2020

	Issued, subscribed and paid-up capital	Loan from directors	Capital Reserves				Revenue Reserve		Fair value reserve	Total
			Capital reserve on amalgamation	Statutory reserve	(Loss) / gain on remeasurement of available for sale investments	Equity portion of Subordinated loan from directors	Sub total	Accumulated loss		
Rupees										
Balance as at July 01, 2018 (restated)	2,848,668,960	-	(2,022,075,992)	102,976,444	21,759,811	20,387,414	(1,898,712,134)	(708,039,709)	25,299,506	287,216,623
Total comprehensive income for the period										
Profit / (loss) for the period	-	-	-	-	-	-	-	25,819,449	-	25,819,449
Other comprehensive income										
Items that may not be reclassified to profit or loss										
Changes in the fair value of equity investments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	-
Other items										
Un-realized loss on available for sale investment reclassified to profit and loss account on disposal	-	-	-	-	(2,510,000)	-	(2,510,000)	-	-	(2,510,000)
Equity portion of loan from directors	-	20,387,414	-	-	-	(20,387,414)	-	-	-	-
Loan from directors	-	105,612,586	-	-	-	-	-	-	-	105,612,586
Transferred to statutory reserve	-	-	-	-	-	-	-	-	-	-
	-	126,000,000	-	-	(2,510,000)	(20,387,414)	(22,897,414)	25,819,449	-	128,922,035
Balance as at March 31, 2019 (restated)	2,848,668,960	-	(2,022,075,992)	102,976,444	19,249,811	-	(1,921,609,548)	(682,220,260)	25,299,506	270,138,658
Balance as at July 01, 2019	2,848,668,960	126,000,000	(2,022,075,992)	102,976,444	-	-	(1,919,099,548)	(824,405,592)	25,110,941	256,274,761
Total comprehensive income for the period										
Profit / (loss) for the period	-	-	-	-	-	-	-	67,118,891	-	67,118,891
Other comprehensive income										
Items that may not be reclassified to profit or loss										
Changes in the fair value of equity investments at fair value through other comprehensive income	-	-	-	-	-	-	-	-	(10,288,462)	(10,288,462)
	-	-	-	-	-	-	-	67,118,891	(10,288,462)	56,830,429
Balance as at March 31, 2020	<u>2,848,668,960</u>	<u>126,000,000</u>	<u>(2,022,075,992)</u>	<u>102,976,444</u>	<u>19,249,811</u>	<u>-</u>	<u>(1,919,099,548)</u>	<u>(757,286,701)</u>	<u>14,822,479</u>	<u>313,105,190</u>

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



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Director



Akmal Ali
Chief Financial officer

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

For the nine months period ended March 31, 2020

1. LEGAL STATUS AND OPERATIONS

- 1.1 Invest Capital Investment Bank Limited ('the Company') is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017). 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 Pakistan Stock Exchange Limited. The registered office of the Company is situated at 501, 5th Floor, Al-Fatima Chambers, 149-AM, Shambhu Nath Street, Off Shahrah-e-Iraq, Saddar, Karachi in the province of Sindh. The branches of the company are located at Lahore, Islamabad, Peshawar, Faisalabad and Gujranwala.
- 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 statement of financial position date, the accumulated loss is Rs. 757.29 million (June 2019: Rs. 824.41 million).
 - the Company has been unable to comply with the terms of certain loan agreements as explained in detail in the relevant notes to the annual audited financial statements as at 30th June 2019.
 - the Company has been facing difficulty in recovery of its leases and loans portfolio.

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 to minimum possible level over the years, without affecting the operational efficiency of the Company.

(b) Leasing business

The Company is mainly carrying out car leasing business at very attractive rates and reasonable deposit margin. During the period leases / loans amounting to Rs. 264.14 million (June 2019 : Rs. 182.04 million) have been disbursed. Management is hopeful that leasing business will contribute in improving the operating results and equity position of the Company.

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

The Management has settled the outstanding loans with various banks / financial institutions through cash payment / transfer of the Company's lease / loan portfolios and immovable properties / shares / other assets with waiver of mark-up. During the period liabilities amounting to Rs. 30.03 million (June 2019: Rs. 10.09 million) have been settled / rescheduled, the percentage of liabilities settled to date is 98.86% (June 2019: 96.94%). Negotiations are in process for the settlement of the outstanding amount of Rs. 17.77 million against TFCs issued by the company.

(d) Improved recovery of leases and loans portfolio

The Company has been putting all its efforts for recovery from leases and loans portfolio. Net recovery during the period is Rs. 108.52 million (June 2019: Rs. 127.41 million). This amount has been utilized in the new leasing business, as well as, in meeting the obligations of the lenders.

The above mentioned plans / efforts have helped to overcome the financial and operational problems of the Company. Considering management's plans and the positive results of the mitigating actions as discussed in para (a) to (e) above, management is confident that the Company will continue as a going concern.

2. BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the requirements of the Companies Act, 2017, 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 Act, 2017. Wherever the requirements of the Companies Act, 2017, the NBFC Rules, the NBFC Regulations or the directives issued by SECP differ with the requirements of IASs / IFRSs, requirements of the Companies Act, 2017, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.

2.2 Basis of measurement

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

- Investments at fair value through statement of profit or loss and Investments are stated at fair value through other comprehensive income.
- 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 the same as disclosed in the published audited financial statements for the year ended 30th June 2019.

	Note	Un-audited March 2020 Rupees	Audited June 2019 Rupees
3. PROPERTY, PLANT AND EQUIPMENT			
Operating Assets		69,257,774	71,629,065
3.1 Operating assets			
Book value at the beginning of the period / year		71,629,065	116,101,846
Additions during the period / year		5,500	111,000
Disposals during the period / year		(147,398)	(37,756,025)
Depreciation charged during the period / year		(2,229,393)	(6,827,756)
		69,257,774	71,629,065
4. NET INVESTMENT IN FINANCE LEASE			
Contracts accounted for as finance lease under IAS 17	4.1	414,417,224	364,251,074
Less : Current portion	7	(22,356,559)	(193,447,481)
		192,060,665	170,803,593

4.1 Net investment in finance lease

Following is a statement of lease receivables accounted for under IAS 17:

	March 2020 (Unaudited)			June 2019 (Audited)		
	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	831,327,993	142,997,317	974,325,310	797,964,031	139,293,780	937,257,811
Residual value of leased assets	11,464,915	77,513,080	88,977,995	15,313,910	57,040,009	72,353,919
Lease contracts receivable	842,792,908	220,510,397	1,063,303,305	813,277,941	196,333,789	1,009,611,730
Unearned lease income						
(including suspended income)	(166,669,567)	(23,468,645)	(190,138,232)	(162,189,961)	(22,884,162)	(185,074,143)
Provision for potential lease losses	(453,766,762)	(4,981,087)	(458,747,849)	(457,640,479)	(2,646,034)	(460,286,513)
	(620,436,349)	(28,449,732)	(648,886,081)	(619,830,460)	(25,530,196)	(645,360,656)
	222,356,559	192,060,665	414,417,224	193,447,481	170,803,593	364,251,074

4.1.1 These finances carry profit rates ranging from 12.36% to 21.00 % per annum (June 2019: 12.04% to 22.00% 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.

4.1.2 The above net investment in finance lease includes non-performing lease portfolio of Rs. 565.74 million (June 2019: Rs. 570.35 million). Detail of non performing lease portfolio is as follows:

Category of classification	March 2020 (Unaudited)			June 2019		
	Principal outstanding	Provision required	Provision held	Principal outstanding	Provision required	Provision held
	Rupees			Rupees		
Substandard	-	-	-	10,584,137	2,646,034	2,646,034
Doubtful	9,962,174	4,981,087	4,981,087	-	-	-
Loss	555,782,313	453,766,762	453,766,762	559,767,411	457,640,479	457,640,479
	565,744,487	458,747,849	458,747,849	570,351,548	460,286,513	460,286,513

Note	Un-audited March 2020 Rupees	Audited June 2019 Rupees
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5. LONG TERM MUSHARAKAH FINANCES

Secured

Considered doubtful

Companies (non-financial institutions)
Individuals

83,443,891

83,443,891

43,188,928

43,263,928

126,632,819

126,707,819

Provision against doubtful balances

(25,131,726)

(25,206,726)

101,501,093

101,501,093

Less: Current portion

7

(101,501,093)

(101,501,093)

5.1 These represent investments under musharakah basis for working capital and project financing. These are secured against mortgage of properties, demand promissory notes and personal guarantee of their sponsor directors. Profit rates ranges from 16.00% to 30.00% per annum (June 2019: 16.00% to 30.00% per annum). These are receivable in monthly / quarterly / semi-annual installments and in lump sum on maturity.

Note	Un-audited March 2020 Rupees	Audited June 2019 Rupees
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6. LONG TERM LOANS

Secured

Considered good

Customers

41,639,791

6,622,231

Considered doubtful

Customers

19,675,988

19,859,173

Outgoing group

71,954,665

71,954,665

Ex-employee

528,523

528,523

92,159,176

92,342,361

Provision against doubtful balances

(79,492,076)

(36,440,895)

12,667,100

55,901,466

54,306,891

62,523,697

Less: Current portion

7

(25,660,432)

(57,390,081)

28,646,459

5,133,616

	Note	Un-audited March 2020 Rupees	Audited June 2019 Rupees
7. CURRENT PORTION OF NON-CURRENT ASSETS			
Net investment in finance lease	4	222,356,559	193,447,481
Long term musharakah finances	5	101,501,093	101,501,093
Long term loans	6	25,660,432	57,390,081
		<u>349,518,084</u>	<u>352,338,655</u>

8. CURRENT PORTION OF NON-CURRENT LIABILITIES

Security deposit from lessees		11,464,915	15,313,910
Liability related to outgoing group		3,240,000	-
Deferred liability		9,747,000	9,747,000
Redeemable capital		17,770,000	47,800,000
		<u>42,221,915</u>	<u>72,860,910</u>

9. 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.

Detail of transactions for the period with related parties, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

Name of the related party	Relationship and percentage shareholding	Transaction during the period and period end balances	(Unaudited) March 2020 Rupees	(Unaudited) March 2019 Rupees
			11,512,283	8,776,870
Mr. Muhammad Zahid	Major shareholder 18.96% (June 2019 : 18.96%)	Mark up / interest on loan from sponsor		
Key Management	Employees	Amount paid during the period	5,479,447	5,219,847
Provident fund	Employees	Contribution made during the period	391,709	413,802

10. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on April 20, 2020 by the Board of Directors of the Company.



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Director



Akmal Ali
Chief Financial officer



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