



**QUARTERLY REPORT  
SEPTEMBER 30, 2020**



**INVEST CAPITAL INVESTMENT BANK LIMITED**

## Contents

Director's Report	01
Director's Report (Urdu)	02-03
Condensed Interim Statement of Financial Position (Un-Audited)	04-05
Condensed Interim Statement of Profit or Loss (Un-Audited)	06
Condensed Interim Statement of Comprehensive Income (Un-Audited)	07
Condensed Interim Statement of Cash Flows (Un-Audited)	08-09
Condensed Interim Statement of Changes in Equity (Un-Audited)	10
Selected Explanatory Notes to the Condensed Interim Financial Statements (Un-Audited)	11-15
Company Information	16
Our Network	

# Directors' Review

The Board of Directors of Invest Capital Investment Bank Limited (the "Company"), is pleased to present the unaudited financial statements for the first quarter ended September 30, 2020.

## The Review

During the period under review, the Company posted a net profit of Rupees 21.74 million as compared to a net profit of Rupees 22.84 million for the quarter ended September 2019. The earnings per share worked out to Rupees 0.076 (September 2019 Rupees 0.080). The gross revenue including other income for the period amounted to Rupees 27.55 million as compared to Rupees 37.10 million for corresponding period of the last year. The financial charges decreased despite increase in interest rates due to repayments and stood at Rupees 4.40 million as against Rupees 5.30 million of the corresponding period of last year. The administrative and operating expenses however showed a slight increase and amounted to Rupees 5.52 million from Rupees 5.48 million of the comparable period.

The total assets of the Company increased by Rupees 1.89 million and amounted to Rupees 970.28 million as at 30th September 2020 as compared to Rupees 968.39 million as at June 30, 2020. Similarly the total liabilities of the Company stood at Rupees 657.08 million as against Rupees 676.94 million of 30th June 2020.

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

	Rs. in million	
	September 30, 2020	September 30, 2019
Gross Revenue	26.59	36.20
Other Income	0.97	0.90
Administration & Operating expenses	(5.52)	(5.48)
Financial charges (net of reversals)	(2.53)	(5.30)
Profit / (loss) for the period before taxation	22.74	23.34
Taxation - net	(1.00)	(0.50)
Profit / (loss) for the period after taxation	21.74	22.84
Earnings per Share	0.076	0.080

The management continued focus on resolution of the outstanding issues. The following key areas remained in focus during the period under review:

- Settlement/rescheduling of loans with lenders
- Disposal of non-core assets (all disposed off)
- Disposal / transfer of brokerage related assets and liabilities (completed)
- Recovery of non-performing leases and loans portfolio
- Substantial reduction in administrative and other expenses
- Fresh leasing / financing business

The focus on the above mentioned areas has enabled the company to overcome the financial and operational problems and will further result in improvement of 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.

## Acknowledgments

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

For and on behalf of the Board



**Muhammad Asif**  
Chief Executive Officer



**Ayesha Shehryar**  
Chairperson

**Lahore**  
October 23, 2020

## ڈاڑھیکٹرز کا جائزہ

ہم 30 ستمبر 2020 کو ختم ہونے والے تین ماہ کے غیر آٹھ شدہ گوشوارے انویسٹ کمپنیل انویسٹمنٹ بینک لمیٹڈ (کمپنی) کے بورڈ آف ڈاڑھیکٹرز کی جانب سے ممبران کو پیش کرتے ہوئے خوشی محسوس کرتے ہیں۔

### جائزہ

زیرِ خور عرصہ میں کمپنی نے 21.74 ملین روپے کا مبالغہ کیا جبکہ اس کے مقابلے میں گذشتہ سال ستمبر 2019 کی سہ ماہی میں 22.84 ملین روپے کا مبالغہ ہوا تھا۔ 30 ستمبر 2019 کو آمدی 0.080 روپے فی حصہ تھی جو اب 0.076 روپے فی حصہ ہو گئی ہے۔ مجموعی مالکداری (Revenues) بیشول دیگر آمدی 27.55 ملین روپے رہی۔ جبکہ گذشتہ سال اسی مدت کے دوران یہ آمدی 37.10 ملین روپے تھی۔ شرح حسود میں اضافہ کے باوجود قرضوں کی ادائیگی کی وجہ سے مالی اخراجات کم ہو کر 4.40 ملین روپے ہو گئے۔ جبکہ اس کے مقابلے میں گذشتہ سال اسی مدت کے دوران اسکی مالیت 5.30 ملین روپے تھی۔ انتظامی اور آپریٹنگ اخراجات معمولی اضافہ کے بعد 5.52 ملین روپے ہو گئے جبکہ گذشتہ سال اسی مدت کے دوران یہ اخراجات 5.48 ملین روپے تھے۔

کمپنی کے کل بیانات 30 جون 2020 کے 968.39 ملین روپے کے مقابلے میں 30 ستمبر 2020 پر 970.28 ملین روپے رہے، جبکہ کل مالیاتی ذمہ داریوں کی مالیت 30 ستمبر 2020 کو 657.05 ملین روپے رہی جو کہ 30 جون 2020 کو 676.94 ملین روپے تھی۔

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

----- روپے ملین میں -----

ستمبر 30		
2019	2020	
36.20	26.59	کل مالکداری (Revenues)
0.90	0.97	دیگر آمدی
(5.48)	(5.52)	انتظامی اور آپریٹنگ اخراجات
(5.30)	(2.53)	مالی اخراجات (خاص)
23.34	22.74	نفع (نقصان) قبل از محصول
(0.50)	(1.00)	محصول - خاص
22.84	21.74	نفع (نقصان) بعد از محصول
0.080	0.076	آمدی فی حصہ

انتظامی نے اپنی توجہ کمپنی کے غیر حل شدہ معاملات کے حل پر کھلی ہوئی ہے۔ اس مدت کے دوران بھی مندرجہ ذیل اہم نکات پر توجہ مرکوز رہی۔

• قرض خواہوں کے ساتھ قرضوں کا تخفیفیہ / ادائیگی کا نیا جدول (rescheduling)۔

- غیر اہم اٹاٹ جات کی فروخت (تمام فروخت ہو گئے)
- علیحدہ ہونے والے برداشتی ہاؤس سے متعلق اٹاٹ جات اور مالیاتی ذمہ داریوں کا تفصیل یا منتقلی (کمل ہو گیا)
- کارکردگی نا دکھانے والی لیزز اور قرضوں کے پورٹ فولیو کی وصولیاں
- نئی لیزگنک / مالیاتی کاروبار

ان مذکورہ بالا معاملات پر توجہ دینے کی وجہ سے کمپنی کو مالیاتی اور آپریشنل مسائک پر قابو پانے میں مدد ملی اور اس کی وجہ سے کمپنی کی مالیاتی صورتحال میں بہتری آئے گی انتظامیہ کے منصوبوں اور اقدامات کے متانگ کو دیکھتے ہوئے انتظامیہ کو یقین ہے کہ اس کا کاروبار جاری رہے گا۔

اطہمہر شکر

ہم سیکیورٹی آئیڈ ایچیجن کمپنی اف پاکستان کی رہنمائی، صارفین کے اعتبار، قرض خواہوں کے تعاون اور حصص یافتگان کے کمپنی کی انتظامیہ پر بھروسہ کرنے پر انتہائی شکر گزار ہیں۔ ہم تمام عملے کے ارکان کے کمپنی کی بہتری کے لیے کی جانے والی ختنت محنت اور عزم کے بھی شکر گزار ہیں۔

من جانب وبراے پورڈ آف ڈائریکٹرز

اللہ علیہ السلام

محمد آصف

چیف ایگزیکیوٹیو آفیسر

عائش شہریار

پیسٹر پرن

لارور

23 اکتوبر 2020

## Condensed Interim Statement of Financial Position (Un-audited)

As at September 30, 2020

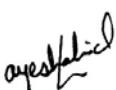
	Note	Un-audited September 2020 Rupees	Audited June 2020 Rupees
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3	<b>67,821,008</b>	68,511,387
Operating assets		<b>308,825</b>	333,865
Intangible assets		<b>141,774,290</b>	139,774,290
Investment accounted for using equity method		<b>21,954,233</b>	21,954,233
Financial assets at fair value through other comprehensive income		<b>151,112,432</b>	149,915,235
Net investment in finance lease	4	-	-
Long term musharakah finances	5	<b>36,812,688</b>	38,051,515
Long term loans	6	<b>2,280,225</b>	2,331,225
Long term security deposits	7	<b>422,063,701</b>	420,871,750
<b>Current assets</b>			
Short term musharakah finances	8	<b>43,019,683</b>	43,019,683
Short term finances	9	<b>10,799,997</b>	111,790,216
Ijarah rentals receivables	10	<b>1,310,842</b>	1,314,988
Current portion of non-current assets	11	<b>355,894,404</b>	346,420,135
Advances, deposits, prepayments and other receivables		<b>14,774,807</b>	22,575,106
Financial assets at fair value through profit or loss		<b>16,684,456</b>	11,448,968
Bank balances		<b>105,729,593</b>	10,949,517
		<b>548,213,782</b>	547,518,613
<b>TOTAL ASSETS</b>		<b><u>970,277,483</u></b>	<b><u>968,390,363</u></b>

Note	Un-audited		Audited June 2020 Rupees	
	September 2020 Rupees			
<b>EQUITY AND LIABILITIES</b>				
<b>Share Capital and Reserves</b>				
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	<b>2,848,668,960</b>		<b>2,848,668,960</b>	
Loan from directors	<b>126,000,000</b>		<b>126,000,000</b>	
Capital reserves	<b>(2,022,075,992)</b>		<b>(2,022,075,992)</b>	
Capital reserve on amalgamation				
Statutory reserve				
Revenue reserves	<b>102,976,444</b>		<b>102,976,444</b>	
General reserve	<b>(756,533,945)</b>		<b>(778,282,771)</b>	
Accumulated loss	<b>14,163,433</b>		<b>14,163,433</b>	
Fair value reserve	<b>313,198,900</b>		<b>291,450,074</b>	
<b>Non-current liabilities</b>				
Loan from sponsor	<b>116,392,473</b>		<b>116,392,473</b>	
Security deposits from lessees	<b>55,355,674</b>		<b>56,677,099</b>	
Redeemable capital	<b>9,825,000</b>		<b>11,400,000</b>	
Liability related to outgoing group	<b>25,110,000</b>		<b>25,920,000</b>	
Deferred liability				
Mark up on long term musharakah	<b>-</b>		<b>210,389,572</b>	
<b>Current liabilities</b>	<b>206,683,147</b>			
Current portion of non-current liabilities		12		
Short term loan from sponsor	<b>52,392,430</b>		<b>63,747,430</b>	
Accrued and other liabilities	<b>25,000,000</b>		<b>31,000,000</b>	
Profit / mark up payable	<b>140,997,132</b>		<b>141,994,165</b>	
Unclaimed dividend	<b>202,164,947</b>		<b>200,968,195</b>	
Provision for taxation - income tax	<b>6,053,456</b>		<b>6,053,456</b>	
	<b>23,787,471</b>		<b>22,787,471</b>	
	<b>450,395,436</b>		<b>466,550,717</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>970,277,483</b>		<b>968,390,363</b>	
<b>CONTINGENCIES AND COMMITMENT</b>				

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



**Muhammad Asif**  
Chief Executive Officer



**Ayesha Shehryar**  
Chairperson



**Akmal Ali**  
Chief Financial officer

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

For the Quarter Ended September 30, 2020

	Note	Un-audited September 2020 Rupees	Un-audited September 2019 Rupees
<b>Income</b>			
Income from leasing operations		9,473,266	7,252,479
Operating lease rentals		163,909	24,234
Profit on musharakah investments		-	23,349,998
Income from finances		13,112,069	765,448
Income on deposits with banks		438,928	626,379
Income from joint ventures		2,000,000	4,000,000
Dividend income		-	108,000
Net (loss) / gain on sale of marketable securities		1,399,621	71,775
Unrealized (loss) on financial assets at fair value - net		-	-
		<b>26,587,793</b>	<b>36,198,313</b>
<b>Expenses</b>			
Administrative and operating expenses		(5,523,414)	(5,483,288)
Financial charges		(4,411,905)	(5,298,784)
Mark up waived off on settlement of loans		1,883,877	-
		<b>(8,051,442)</b>	<b>(10,782,072)</b>
Other income		18,536,351	25,416,241
		967,490	901,872
		<b>19,503,841</b>	<b>26,318,113</b>
<b>Provision reversed / (charged) on non-performing loans and write-offs</b>			
Reversal / (provision) against:			
Finance lease receivable and rentals - net		3,169,985	(2,224,755)
Long term / short term musharakah finances		75,000	-
Long term / short term loans		-	(4,019,943)
Other receivables		-	3,267,004
Balances written off:			
Lease receivables		-	-
Other receivables		-	-
		<b>3,244,985</b>	<b>(2,977,694)</b>
<b>Profit before taxation</b>			
Provision for taxation		22,748,826	23,340,419
<b>Profit / (Loss) for the quarter</b>		<b>(1,000,000)</b>	<b>(500,000)</b>
<b>Earnings / (loss) per share - Basic and Diluted</b>		<b>21,748,826</b>	<b>22,840,419</b>
		<b>0.076</b>	<b>0.080</b>

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

**Muhammad Asif**  
Chief Executive Officer

**Ayesha Shehryar**  
Chairperson

**Akmal Ali**  
Chief Financial officer

## Condensed Interim Statement of Comprehensive Income (Un-audited)

For the Quarter Ended September 30, 2020

	Un-audited September 2020 Rupees	Un-audited September 2019 Rupees
Profit / (Loss) for the quarter	<b>21,748,826</b>	22,840,419
Other comprehensive (loss)		
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		
Total comprehensive Income / (loss) for the quarter	<b><u>21,748,826</u></b>	<b><u>22,840,419</u></b>

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



**Muhammad Asif**  
Chief Executive Officer



**Ayesha Shehryar**  
Chairperson



**Akmal Ali**  
Chief Financial officer

## Condensed Interim Statement of Cash Flows (Un-audited)

For the Quarter Ended September 30, 2020

	Un-audited September 2020 Rupees	Un-audited September 2019 Rupees
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	22,748,826	23,340,419
Adjustments for non cash charges and other items:		
Depreciation of property, plant and equipment	690,379	745,111
Amortization of intangible assets	25,042	35,772
(Reversal) / provision against:		
Finance lease receivable and rentals - net	(3,169,985)	2,224,755
Long term / short term musharakah finances	(75,000)	-
Long term / short term loans	-	4,019,943
Other receivables	-	(3,267,004)
Balances written off		
lease receivables	-	-
Other receivables	-	-
(Gain) on disposal of operating assets	-	-
Unrealised loss on financial assets at fair value	-	-
Income from joint ventures	-	-
Financial charges	4,411,905	5,298,784
Mark up waived off on settlement of loans	(1,883,877)	-
(Gain) on settlement of liabilities	-	-
Balances written back	-	-
	<b>(2,001,536)</b>	<b>5,057,361</b>
Cash flow from operating activities before working capital changes	<b>20,747,290</b>	<b>28,397,780</b>
Changes in working capital		
Decrease / (Increase) in current assets		
Short term musharakah finances	-	16,650,000
Short term finances	100,990,219	312
Ijarah rentals receivables	4,146	17,491,733
Advances, deposits, prepayments and other receivables	<b>(11,652,397)</b>	<b>34,142,045</b>
	<b>89,341,968</b>	
Increase in current liabilities		
Accrued and other liabilities	(997,033)	5,938,304
Cash generated from operations	<b>109,092,225</b>	<b>68,478,129</b>
Financial charges paid	(1,331,276)	(348)
Income tax paid	(436,880)	(215,699)
Dividend paid	-	-
Net cash generated from operations	<b>107,324,069</b>	<b>68,262,082</b>

	Un-audited September 2020 Rupees	Un-audited September 2019 Rupees
--	--	--

**b) CASH FLOWS FROM INVESTING ACTIVITIES**

(Additions) / deletion in:

Property, plant and equipment  
Net investment in finance lease  
Long term musharakah finances  
Long term loans  
Long term security deposits  
Financial assets at fair value through profit or loss  
Proceeds from disposal of operating assets  
Net cash (used in) investing activities

4,619,037	-	(17,321,792)
75,000	-	-
101,458	(28,415,101)	-
51,000	-	-
(5,235,488)	(2,822,943)	-
-	(388,993)	(48,559,836)

**c) CASH FLOWS FROM FINANCING ACTIVITIES**

Receipts from / (Repayment of) :

Long term loan from sponsors  
Short term loan from sponsors  
Redeemable capital  
Liability related to outgoing group  
Long term musharakah and murabaha borrowings  
Net cash (used in) financing activities

-	(25,000,000)	-
-	-	-
(11,345,000)	-	-
(810,000)	-	-
-	(12,155,000)	(25,000,000)
<hr/> 94,780,076	<hr/> (5,297,754)	<hr/>
10,949,517	24,745,878	<hr/>
<hr/> <u>105,729,593</u>	<hr/> <u>19,448,124</u>	<hr/>

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



**Muhammad Asif**  
Chief Executive Officer



**Ayesha Shehryar**  
Chairperson



**Akmal Ali**  
Chief Financial officer

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

For the Quarter Ended September 30, 2020

Issued, subscribed and paid-up capital	Loan from directors	Capital Reserves	Statutory reserve	Sub total	General reserve	Accumulated loss	Fair value reserve	Total
<b>Balance as at July 01, 2019</b>								
2,818,668,960	126,000,000	(2,022,075,982)	102,976,444	(1,919,099,548)	-	(624,405,582)	25,110,941	256,274,761
<b>Total comprehensive income for the year*</b>								
Profit for the period						22,890,419	-	22,890,419
Other comprehensive income						-	-	-
Items that will not be reclassified subsequently to profit or loss						-	-	-
Changes in the fair value of equity investments at fair value through other comprehensive income						-	-	-
Entity portion of loan to directors						-	-	-
Loan from directors						-	-	-
Balance as at September 30, 2019	2,849,668,960	(126,000,000)	(2,022,075,982)	(1,291,976,444)	(1,919,099,548)	22,890,419	161,155,173	251,103,941
<b>Balance as at July 01, 2020</b>								
2,849,668,960	126,000,000	(2,022,075,982)	-	(2,022,075,982)	102,976,444	(778,982,771)	14,163,433	291,450,074
<b>Total comprehensive income for the year*</b>								
Profit for the year						21,748,826	-	21,748,826
Other comprehensive income						-	-	-
Items that may not be reclassified subsequently to profit or loss						-	-	-
Changes in the fair value of equity investments at fair value through other comprehensive income						-	-	-
Transferred from Statutory reserve to General reserve						-	-	-
Balance as at September 30, 2020	2,849,668,960	126,000,000	(2,022,075,982)	-	(2,022,075,982)	102,976,444	(65,533,935)	21,748,826
The annexed notes form an integral part of these financial statements.								21,748,826

**Akmal Ali**

Chief Financial officer

**Ayesha Shehryar**  
Chairperson

**Muhammad Asif**  
Chief Executive Officer

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

For the Quarter Ended September 30, 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 Flat No. 2, First Floor, Plot No. 38-C, 22nd Commercial Street, Phase II Ext., DHA, 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. 756.53 million (June 2020: Rs. 778.28 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 financial statements as at 30th June 2020.
- 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 / financing business**

The Company is mainly carrying out car leasing business at very attractive rates and reasonable deposit margin. During the first quarter leases and finances amounting to Rs. 47.71 million (June 2020 : Rs. 309.80 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. 11.36 million (June 2020: Rs. 30.03 million) have been settled / rescheduled, the percentage of liabilities settled to date is 99.59% (June 2020: 98.86%). Negotiations are in process for the settlement of the outstanding amount of Rs. 6.41 million against TFCs issued by the company.

### **(d) Disposal of non-core assets**

The management was committed to dispose off non core assets, during the year 2018 the management had disposed off all non-core assets. Disposal of non core assets has resulted in improvement in the liquidity position of the Company.

### **(e) 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 quarter is Rs. 40.93 million (June 2020: Rs. 155.37 million). This

amount has been utilized in the new leasing business, as well as, in meeting the obligations towards the remaining 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 stated at fair value through other comprehensive income.

### **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 2020.

	<b>Un-audited September, 2020 Rupees</b>	<b>Audited June 2020 Rupees</b>
<b>3. PROPERTY, PLANT AND EQUIPMENT</b>		
Operating assets	<b><u>67,821,008</u></b>	<b><u>68,511,387</u></b>
<b>3.1 Operating assets</b>		
Book value at beginning of the period / year	<b>68,511,387</b>	71,629,065
Additions during the period / year	-	
Disposals during the period / year	-	(147,398)
Depreciation charged during the period / year	<b>(690,379)</b>	(2,970,280)
	<b><u>67,821,008</u></b>	<b><u>68,511,387</u></b>

Un-audited  
Note September, 2020  
Rupees

Audited  
June 2020  
Rupees

#### 4. NET INVESTMENT IN FINANCE LEASE

Contracts accounted for as finance lease under IFRS 16	4.1	378,772,712	369,238,615
Less : Current portion		(227,660,280)	(219,323,380)
		<u>151,112,432</u>	<u>149,915,235</u>

##### 4.1 Net investment in finance lease

Following is a statement of lease receivables accounted for under IFRS 16:

	Un-audited September 2020			Audited June 2020		
	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		Rupees	Rupees	
Minimum lease payments receivable	805,209,390	116,098,544	921,307,934	800,528,872	112,736,297	913,265,169
Residual value of leased assets	28,464,905	53,581,199	82,046,104	26,690,430	56,677,099	83,367,529
Lease contracts receivable	<u>833,674,295</u>	<u>169,679,743</u>	<u>1,003,354,038</u>	<u>827,219,302</u>	<u>169,413,396</u>	<u>996,632,698</u>
Unearned lease income (including suspended income)	(160,752,433)	(16,768,910)	(177,521,343)	(159,778,253)	(17,385,862)	(177,164,115)
Provision for potential lease losses	(445,261,582)	(1,798,401)	(447,059,983)	(448,117,669)	(2,112,295)	(450,229,968)
	<u>(606,014,015)</u>	<u>(18,567,311)</u>	<u>(624,581,326)</u>	<u>(807,895,922)</u>	<u>(19,498,161)</u>	<u>(827,394,083)</u>
	<u>227,660,280</u>	<u>151,112,432</u>	<u>378,772,712</u>	<u>219,323,380</u>	<u>149,915,235</u>	<u>369,238,615</u>

**4.1.1** These finances carry profit rates ranging from 12.36% to 22.00 % per annum (June 2020 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. 554.12 million (June 2020: Rs. 558.26 million). Detail of non performing leases is as follows:

Category of classification	Un-audited September 2020			Audited June 2020		
	Principal outstanding	Provision required	Provision held	Principal outstanding	Provision required	Provision held
	—Rupees—	—Rupees—	—Rupees—	—Rupees—	—Rupees—	—Rupees—
Substandard	7,193,603	1,788,401	1,788,401	8,449,197	2,112,299	2,112,299
Loss	546,926,138	445,261,582	445,261,582	549,808,220	448,117,669	448,117,669
	<u>554,119,741</u>	<u>447,059,983</u>	<u>447,059,983</u>	<u>558,227,417</u>	<u>450,229,968</u>	<u>450,229,968</u>

Un-audited  
September, 2020  
Rupees

Audited  
June 2020  
Rupees

#### 5. LONG TERM MUSHARAKAH FINANCES

Secured			
Considered doubtful			
Companies (non-financial institutions)	83,218,891		83,293,891
Individuals	43,263,928		43,263,928
	<u>126,482,819</u>		<u>126,557,819</u>
Provision against doubtful balances	(24,981,726)		(25,206,726)
	<u>101,501,093</u>		<u>101,501,093</u>
Less: Current portion		(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 2020: 16.00% to 30.00% per annum). These were receivable in monthly / quarterly / semi-annual installments and in lump sum on maturity.

	Note	Un-audited September, 2020 Rupees	Audited June 2020 Rupees
<b>6. LONG TERM LOANS</b>			
Secured			
Considered good			
Customers	6.1	<b>50,344,551</b>	<b>51,099,856</b>
Considered doubtful			
Customers	6.1	<b>20,210,056</b>	<b>19,556,209</b>
Outgoing group	6.2	<b>71,954,665</b>	<b>71,954,665</b>
Ex-employee		<b>528,523</b>	<b>528,523</b>
Provision against doubtful balances		<b>92,693,244</b>	<b>92,039,397</b>
		<b>(79,492,076)</b>	<b>(79,492,076)</b>
		<b>13,201,168</b>	<b>12,547,321</b>
		<b>63,545,719</b>	<b>63,647,177</b>
Less: Current portion		<b>(26,733,031)</b>	<b>(25,595,662)</b>
		<b>36,812,688</b>	<b>38,051,515</b>
<b>6.1</b>	These carry mark-up at the rate ranging from 11.00% to 25.00% per annum (June 2020: from 11.00% to 25.00% per annum). These are secured against registered charge over different assets of customers, pledge / hypothecation of stocks and collateral in certain cases.		
<b>6.2</b>	Rs. 24.58 million was receivable in 08 unequal quarterly installments commenced from December 31, 2016 and ended on September 30, 2018, and balance amount of Rs. 47.37 million was receivable in lump sum on December 31, 2018. The Company intends to revise loan agreement and extend repayment period till December 31, 2020. Mark-up amounting to Rs 36.04 million was also outstanding. It is subject to mark up at the rate of six month KIBOR plus 2% per annum. Effective markup rate charged was 9.04% per annum last year.		
<b>7. LONG TERM SECURITY DEPOSITS</b>			
	7.1	<b>2,280,225</b>	<b>2,331,225</b>
<b>7.1</b>	These represent deposits for utilities, office premises etc.		
<b>8. SHORT TERM MUSHARAKAH FINANCES</b>			
Secured			
Considered doubtful		<b>99,827,088</b>	<b>99,827,088</b>
Provision against doubtful balances		<b>(56,807,405)</b>	<b>(56,807,405)</b>
		<b>43,019,683</b>	<b>43,019,683</b>
<b>8.1</b>	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 10.00% to 34.69% per annum (June 2020 : 10.00% to 34.69% per annum).		
<b>9. SHORT TERM FINANCES</b>			
Secured			
Considered good		<b>5,675,000</b>	<b>5,675,000</b>
Considered doubtful		<b>6,907,864</b>	<b>7,898,083</b>
Provision against doubtful balances		<b>(1,782,867)</b>	<b>(1,782,867)</b>
		<b>5,124,997</b>	<b>6,115,216</b>
	9.1	<b>10,799,997</b>	<b>11,790,216</b>
Un secured			
Considered good		-	<b>100,000,000</b>
OMC - Company			<b>111,790,216</b>
		<b>10,799,997</b>	<b>111,790,216</b>
<b>9.1</b>	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 27.00% per annum (June 2020: 15.29% to 27.00% per annum).		
<b>10. IJARAH RENTALS RECEIVABLE</b>			
Ijarah rentals receivable - Due within one year		<b>50,391,632</b>	<b>50,559,687</b>
Less : Provision against ijarah rentals receivable		<b>(49,080,790)</b>	<b>(49,244,699)</b>
		<b>1,310,842</b>	<b>1,314,988</b>

#### 10.1 Provision against Ijarah rentals receivable

Category of classification	Un-audited September 2020			Audited June			
	Rental receivable	Suspension required	Suspension held	Rental receivable	Suspension required	Suspension held	
	Rupees			Rupees			
Loss	49,080,790	49,080,790	49,080,790	49,244,699	49,244,699	49,244,699	
			Note	Un-audited September, 2020		Audited June 2020	
				Rupees		Rupees	

#### 11. CURRENT PORTION OF NON-CURRENT ASSETS

Net investment in finance lease	4	227,660,280	219,323,380
Long term musharakah finances	5	101,501,093	101,501,093
Long term loans	6	26,733,031	25,595,662
		<u>355,894,404</u>	<u>346,420,135</u>

#### 12. CURRENT PORTION OF NON-CURRENT LIABILITIES

Security deposit from lessees	26,690,430	26,690,430
Liability related to outgoing group	3,240,000	3,240,000
Deferred liability	9,747,000	9,747,000
Redeemable capital	12,715,000	24,070,000
	<u>52,392,430</u>	<u>63,747,430</u>

#### 13. 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:

Name of the related party	Relationship and percentage shareholding	Transaction during the period and period end balances	Sep-20	Sep-19
			Rupees	Rupees
Mr. Muhammad Zahid	Major shareholder 18.96% (June 2020 : 18.96%)	Long term loan from sponsor repaid	-	-
		Mark up / interest on long term loan from	<u>3,274,040</u>	3,400,844
		Short term loan received from sponsor	-	-
		Mark up / interest on short term loan from	<u>880,183</u>	-
Key Management	Employees	Amount paid during the quarter	<u>1,957,549</u>	1,785,099
Al-Zamir Leasing Modaraba Staff Provident Fund	Provident fund	Contribution made during the quarter	<u>129,126</u>	138,389

#### 14. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 23, 2020 by the Board of Directors of the Company.



**Muhammad Asif**  
Chief Executive Officer



**Ayesha Shehryar**  
Chairperson



**Akmal Ali**  
Chief Financial officer

# Company Information

## Board of Directors

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

## Share Registrar

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

## Audit Committee

Mr. Ashar Saeed	-Chairman
Brig. (Retd.) Wali Muhammad	-Member
Mrs. Fiza Zahid	-Member

## Bankers

Habib Metropolitan Bank Limited  
Meezan Bank Limited  
JS Bank Limited

## Human Resource Committee

Mr. Muhammad Qasim	-Chairman
Brig. (Retd.) Wali Muhammad	-Member
Mr. Muhammad Asif	-Member

## Registered Office

Flat No. 2, First Floor, Plot No. 38-C,  
22nd Commercial Street, Phase II Ext.  
DHA, Karachi.  
021-35894022

Website: [www.icibl.com](http://www.icibl.com)

## Company Secretary

Mr. M. Naim Ashraf

## Head Office

2-H, Jail Road, Gulberg II,  
Lahore.  
Tel: 042-35777285-86

## Auditors

Deloitte Yousuf Adil  
Chartered Accountants

## National Tax Number

0656427-5

## Legal Advisors

Ahmad & Qazi

## Our Network

### **Registered Office - Karachi**

Flat No. 2, 1st Floor, Plot No. 38-C,  
Phase II Ext., DHA,  
Karachi.  
Tel: 021-35894022  
Website: [www.icibl.com](http://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



## INVEST CAPITAL INVESTMENT BANK LIMITED

**Registered Office:**

Flat No. 2, 1st Floor, Plot No. 38-C,  
Phase II Ext., DHA,  
Karachi.  
Tel: 021-35894022  
Website: [www.icibl.com](http://www.icibl.com)

**Head Office:**

2-H, Jail Road,  
Gulberg II, Lahore.  
Tel: +92 42 35777285-86