



Quarterly Report
March 31, 2021



INVEST CAPITAL INVESTMENT BANK LIMITED

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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, 2021.

The Review

During the period under review, the Company earned a net profit of Rupees 66.65 million as compared to the profit of Rupees 67.12 million in the corresponding period of the last year. The earnings per share works out to Rupees 0.234 as against Rupees 0.236 for the period ending 31st March 2020. The profit has remained almost the same as that of the corresponding period of last year. The gross revenue including other income for the period amounted to Rupees 50.61 million as compared to Rupees 90.44 million of the corresponding period of the last year. The administrative and operating expenses almost remained the same and stood at Rupees 16.60 as against Rupees 16.96 million of the corresponding period of the last year.

The total assets of the Company decreased by Rs. 32.47 million basically due to recoveries against loans and amounted to Rupees 935.92 million as at 31st March 2021 as compared to Rupees 968.39 million as at June 30, 2020. Whereas, the total liabilities of the Company reduced by Rupees 104.47 million and stood at Rupees 572.47 million as at 31st March 2021 as against Rs. 676.94 million as at 30th June 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, 2021	March 31, 2020
Gross Revenue	47.66	55.68
Other Income	2.95	34.76
Administration & Operating expenses	(16.60)	(16.96)
Financial charges (net of reversals)	(2.64)	23.17
Profit / (loss) for the period before taxation	58.70	67.77
Taxation – net	7.95	(0.65)
Profit / (loss) for the period after taxation	66.65	67.12
Earnings per Share	0.234	0.236

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
- Rationalization of 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 COVID-19

Up-till 31st March 2020, there was a strong lockdown which badly affected the economic activities in the country. However, since the imposition of smart lockdown in the affected areas only, the economic activities regained momentum and became almost normal. However, again with the upheaval of the 3rd wave of COVID-19 in the country especially in Punjab province the economic activities will come under stress.

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
Chairperson

Lahore
April 23, 2021

ڈائریکٹرز کا جائزہ

انویسٹ کیپیٹل انویسٹمنٹ بینک لمیٹڈ (کمپنی) کے بورڈ آف ڈائریکٹرز کی جانب سے ہم انتہائی مسرت کے ساتھ 31 مارچ 2021 کو ختم ہونے والے نو ماہ کے عبوری مالیاتی گوشوارے ممبران کو پیش کرتے ہیں۔

جائزہ

اس زیر تجزیہ عرصہ کے دوران کمپنی نے 66.65 ملین روپے کا منافع حاصل کیا جبکہ اس کے مقابلے میں گزشتہ سال اسی مدت کا منافع 67.12 ملین روپے تھا۔ 31 مارچ 2020 کو آمدنی 0.236 روپے فی حصص تھی جو اب 0.234 روپے فی حصص ہو گئی ہے۔ اس سال بھی منافع تقریباً گزشتہ سال کے برابر ہی رہا۔ زیر غور عرصہ میں کمپنی کی مجموعی آمدنی بشمول دیگر آمدنی 50.61 ملین روپے رہی جبکہ اس کے مقابلے میں گزشتہ سال اسی مدت کی آمدنی 90.44 ملین روپے تھی۔ کمپنی کے آپریٹنگ اور اختطائی اخراجات گزشتہ سال کے 16.96 ملین روپے کے تقریباً برابر ہی 16.60 ملین روپے رہے۔

کمپنی کے کل اثاثہ حبات 31 مارچ 2021 کو وصولیائیوں کی وجہ سے 32.47 ملین روپے کم ہو کر 935.92 ملین روپے ہو گئے جبکہ 30 جون 2020 کو ان کی مالیت 968.39 ملین روپے تھی۔ جبکہ کمپنی کی مالیاتی ذمہ داریاں 31 مارچ 2021 کو 104.47 ملین روپے کم ہو کر 572.47 ملین روپے رہیں جسکی بنیادی وجہ مقررہ کی ادا کی گئی ہے۔ 30 جون 2020 کو پر ممت 676.94 ملین روپے تھی۔

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

----- روپے ملین میں -----

مالیاتی سرخیاں	31 مارچ 2021	31 مارچ 2020
مجموعی آمدنی	47.66	55.68
دیگر آمدنی	2.95	34.76
اختطائی اور آپریٹنگ اخراجات	(16.60)	(16.96)
مالیاتی چارجز (کل)	(2.64)	23.17
ٹیکس سے پہلے نفع / (نقصان)	58.70	67.77
ٹیکس	7.95	(0.65)
ٹیکس کے بعد نفع / (نقصان)	66.65	67.12
آمدنی / (نقصان) فی حصص	0.234	0.236

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 نومہ ماہ میں بھی مندرجہ ذیل اہم نکات پر توجہ مرکوز رکھی:

- فترض خواہوں کے ساتھ فترضوں کا تصفیہ / ادائیگی کا نیا جدول (rescheduling)۔
- علیحدہ ہونے والے بروکریج ہاؤس سے متعلق اثاثہ حیات اور مالیاتی ذمہ داریوں کا تصفیہ یا منتقلی
- کارکردگی نا دکھانے والی لیزرز اور فترضوں کے پورٹ فولیو کی وصولیاتی
- انتظامی اور دیگر احراجات میں کمی
- نئی فنانسنگ کا کاروبار

ان مذکورہ بالا معاملات پر توجہ دینے کی وجہ سے کمپنی کو مالیاتی اور آپریشنل مسائل پر متاثر 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 پرامید ہے کہ اس کا کاروبار جاری رہے گا۔

کر ونا وائرس کی وجہ سے لاک ڈاؤن کے اثرات :

گزشتہ سال 31 مارچ 2020 کو کافی سخت لاک ڈاؤن تھا جس نے ملک کی مالیاتی سرگرمیوں کو بری طرح متاثر کیا۔ لیکن پھر صرف متاثرہ علاقوں میں اسمارٹ لاک ڈاؤن کے نفاذ سے معاشی سرگرمیوں میں تسلسل آیا اور حالات تدریجاً معمول پر آ گئے۔ لیکن اب کر ونا کی تیسری لہر کے سر اٹھانے کی وجہ سے بالخصوص صوبہ پنجاب میں معاشی سرگرمیوں پر برے اثرات آرہے ہیں۔

اظہارِ تشکر:

ہم سیکورٹی اینڈ انکسٹریٹیشن آف پاکستان کی رہنمائی، کاغذوں کی حمایت، فترض خواہوں کے تعاون کا اور حصہ یانٹگان 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۔

مخائبہ و برائے بورڈ آف ڈائریکٹرز

عائشہ شہریار
چیئر پرسن

محمد آصف
چیف ایگزیکٹو آفیسر

لاہور

23 اپریل 2021

Condensed Interim Statement of Financial Position (Un-audited)

As at March 31, 2021

	Note	Un-audited March 2021	Audited June 2020
.....Rupees.....			
ASSETS			
Non-current assets			
Property, plant and equipment			
Operating assets	3	66,440,248	68,511,387
Intangible assets		258,745	333,865
Investment accounted for using equity method		133,569,230	139,774,290
Financial assets at fair value through other comprehensive income		27,302,166	21,954,233
Net investment in finance lease	4	209,535,957	149,915,235
Long term musharakah finances	5	-	-
Long term loans	6	30,873,692	38,051,515
Long term security deposits	7	2,280,225	2,331,225
		470,260,263	420,871,750
Current assets			
Short term musharakah finances	8	43,019,683	43,019,683
Short term finances	9	14,791,968	111,790,216
Ijarah rentals receivables	10	1,301,386	1,314,988
Current portion of non-current assets	11	376,824,325	346,420,135
Advances, deposits, prepayments and other receivables		9,789,275	22,575,106
Financial assets at fair value through profit or loss		14,871,594	11,448,968
Bank balances		5,057,206	10,949,517
		465,655,437	547,518,613
TOTAL ASSETS			
		935,915,700	968,390,363

	Note	Un-audited March 2021	Audited June 2020
.....Rupees.....			
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
Issued, subscribed and paid-up capital		2,848,668,960	2,848,668,960
Loan from directors		126,000,000	126,000,000
Capital reserves			
Capital reserve on amalgamation		(2,022,075,992)	(2,022,075,992)
Statutory reserve		-	-
Revenue reserves			
General reserve		102,976,444	102,976,444
Accumulated loss		(711,632,900)	(778,282,771)
Fair value reserve		19,511,366	14,163,433
		363,447,878	291,450,074
Non-current liabilities			
Loan from sponsor		66,392,473	116,392,473
Security deposits from lessees		73,195,704	56,677,099
Redeemable capital		6,675,000	11,400,000
Liability related to outgoing group		23,490,000	25,920,000
Deferred liability		-	-
Mark up on long term musharakah		-	-
		169,753,177	210,389,572
Current liabilities			
Current portion of non-current liabilities	12	53,318,285	63,747,430
Short term loan from sponsor		-	31,000,000
Accrued and other liabilities		141,368,568	141,994,165
Profit / mark up payable		201,205,336	200,968,195
Unclaimed dividend		6,053,456	6,053,456
Provision for taxation - income tax		769,000	22,787,471
		402,714,645	466,550,717
TOTAL EQUITY AND LIABILITIES		935,915,700	968,390,363
CONTINGENCIES AND COMMITMENT			
		-	-

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 nine months period ended March 31, 2021

	Nine months ended March 31		Quarter ended March 31	
	2021	2020	2021	2020
.....Rupees.....				
Income				
Income from leasing operations	29,408,015	27,805,990	9,655,563	10,732,526
Operating lease rentals	782,364	24,234	26,455	-
Profit on musharakah investments	4,800	23,349,994	1,163	(4)
Income from finances	17,677,543	6,055,112	2,270,884	3,509,872
Income on deposits with banks	2,219,350	1,555,190	221,524	291,978
Income from joint ventures	(6,205,000)	2,518,954	-	-
Dividend income	1,972,641	2,027,782	1,933,988	1,601,713
Net (loss) / gain on sale of marketable securities	1,959,542	1,382,587	350,258	1,114,683
Unrealized (loss) on financial assets at fair value - net	(165,457)	(9,035,636)	(2,943,276)	(8,109,911)
	47,653,798	55,684,207	11,516,559	9,140,857
Expenses				
Administrative and operating expenses	(16,598,416)	(16,960,550)	(5,403,988)	(5,415,031)
Financial charges	(8,397,810)	(15,235,225)	(1,341,036)	(4,948,291)
Mark up waived off on settlement of loans	5,759,214	38,401,681	-	-
	(19,237,012)	6,205,906	(6,745,024)	(10,363,322)
Other income	28,416,786	61,890,113	4,771,535	(1,222,465)
	2,952,729	34,757,223	992,691	928,420
	31,369,515	96,647,336	5,764,226	(294,045)
Provision reversed / (charged) on non-performing loans and write-offs				
Reversal / (provision) against:				
Finance lease receivable and rentals - net	13,231,722	1,538,664	5,464,230	3,229,647
Long term / short term musharakah finances	187,923	75,000	66,560	25,000
Long term / short term loans	576,222	(43,051,181)	289,769	-
Other receivables	13,741,634	12,860,012	6,407,076	4,097,742
Balances written off:				
Lease receivables	(405,380)	(305,940)	-	(305,940)
Other receivables	-	-	-	-
	27,332,121	(28,883,445)	12,227,635	7,046,449
	58,701,636	67,763,891	17,991,861	6,752,404
Profit before taxation				
Provision for taxation				
- For the period	(769,000)	(645,000)	-	28,000
- For prior period	8,717,235	-	-	-
Profit / (Loss) for the period	66,649,871	67,118,891	17,991,861	6,780,404
Earnings / (loss) per share - Basic and Diluted	0.234	0.236	0.063	0.024

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 nine months period ended March 31, 2021

	Nine months ended March 31		Quarter ended March 31	
	2021	2020	2021	2020
.....Rupees.....				
Profit for the period	66,649,871	67,118,891	17,991,871	6,779,519
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	5,347,933	(10,288,462)	(1,914,175)	(9,356,784)
Total comprehensive Income for the period	<u>71,997,804</u>	<u>56,830,429</u>	<u>16,077,696</u>	<u>(2,577,265)</u>

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 nine months period ended March 31, 2021

	Nine months ended March 31	
	2021	2020
Rupees.....	
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	58,701,636	67,763,891
Adjustments for non cash charges and other items:		
Depreciation of property, plant and equipment	2,071,139	2,300,935
Amortization of intangible assets	75,120	35,772
(Reversal) / provision against:		
Finance lease receivable and rentals - net	(13,231,722)	(1,538,664)
Long term / short term musharakah finances	(187,923)	(75,000)
Long term / short term loans	(576,222)	43,051,181
Other receivables	(13,741,634)	(12,860,012)
Balances written off		
lease receivables	405,380	305,940
Other receivables	-	-
(Gain) on disposal of operating assets	-	(2,602)
Unrealised loss on financial assets at fair value	165,457	9,035,636
Income from joint ventures	6,205,000	(2,518,954)
Financial charges	8,397,810	15,235,225
Mark up waived off on settlement of loans	(5,759,214)	(38,401,681)
(Gain) on settlement of liabilities	-	(32,000,000)
	(16,176,809)	(17,432,224)
Cash flow from operating activities before working capital changes	42,524,827	50,331,667
Changes in working capital		
Decrease / (Increase) in current assets		
Financial assets at fair value through profit or loss	(3,422,626)	(8,884,604)
Short term musharakah finances	-	16,900,000
Short term finances	96,998,248	(69,776,511)
Ijarah rentals receivables	13,602	312
Advances, deposits, prepayments and other receivables	(2,704,082)	34,458,081
	90,885,143	(27,302,723)
Increase in current liabilities		
Short term borrowing	-	45,000,000
Accrued and other liabilities	22,836,218	(25,219,933)
Cash generated from operations	156,246,188	42,809,012
Financial charges paid	(2,401,455)	(4,723)
Income tax paid	(2,038,265)	(1,508,929)
Dividend paid	-	(142)
Net cash generated from operations	151,806,467	41,295,218

Nine months ended March 31
2021 2020

.....Rupees.....

b) CASH FLOWS FROM INVESTING ACTIVITIES

(Additions) / deletion in:		
Property, plant and equipment	-	(5,500)
Net investment in finance lease	(60,515,860)	(3,378,441)
Long term musharakah finances	227,921	-
Long term loans	4,386,244	(34,834,375)
Long term security deposits	51,000	-
Financial assets at fair value through profit or loss	(3,588,083)	-
Proceeds from disposal of operating assets	-	150,000
Net cash (used in) investing activities	(59,438,778)	(38,068,316)

c) CASH FLOWS FROM FINANCING ACTIVITIES

Receipts from / (Repayment of) :		
Long term loan from sponsors	(50,000,000)	(25,000,000)
Short term loan from sponsors	(31,000,000)	-
Redeemable capital	(15,640,000)	(30,030,000)
Liability related to outgoing group	(1,620,000)	29,970,000
Long term musharakah and murabaha borrowings	-	-
Net cash (used in) financing activities	(98,260,000)	(25,060,000)
Net (decrease) / Increase in cash and cash equivalents (a+b+c)	(5,892,311)	(21,833,099)
Cash and cash equivalents at the beginning of the year	10,949,517	24,745,878
Cash and cash equivalents at the end of half year	5,057,206	2,912,779

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 nine months period ended March 31, 2021

Issued, subscribed and paid-up capital	Loan from directors	Capital Reserves			Revenue Reserve		Fair value reserve	Total
		Capital reserve on amalgamation	Statutory reserve	Sub total	General reserve	Accumulated loss		

.....Rupees.....

Balance as at July 01, 2019 2,848,668,960 126,000,000 (2,022,075,992) 102,976,444 (1,919,089,548) - (824,405,592) 25,110,941 256,274,761

Total comprehensive income for the period

Profit for the period

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

Equity portion of loan to directors

Loan from directors

-	-	-	-	-	-	67,118,891	-	67,118,891
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	(10,288,462)	(10,288,462)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-

Balance as at March 31, 2020 2,848,668,960 126,000,000 (2,022,075,992) 102,976,444 (1,919,089,548) - (757,286,701) 14,822,479 313,105,190

Balance as at July 01, 2020 2,848,668,960 126,000,000 (2,022,075,992) - (2,022,075,992) 102,976,444 (778,282,771) 14,163,433 291,450,074

Total comprehensive income for the period

Profit for the year

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

Transferred from Statutory reserve to General reserve

-	-	-	-	-	-	66,649,871	-	66,649,871
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	5,347,933	5,347,933
-	-	-	-	-	-	-	-	-

Balance as at March 31, 2021 2,848,668,960 126,000,000 (2,022,075,992) - (2,022,075,992) 102,976,444 (711,632,900) 19,511,366 363,447,878

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



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Chairperson



Akmal Ali
Chief Financial officer

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

For the nine months period ended March 31, 2021

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.711.63 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 attractive rates and reasonable deposit margin. During the nine months leases and finances amounting to Rs. 203.59 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. 14.07 million (June 2020: Rs. 30.03 million) have been settled / rescheduled, the percentage of liabilities settled to date is 99.76% (June 2020: 98.86%). Negotiations are in process for the settlement of the outstanding amount of Rs. 3.71 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 period is Rs. 140.01 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.

	Un-audited March, 2021	Audited June 2020
Note	Rupees.....	

3. PROPERTY, PLANT AND EQUIPMENT

Operating assets	66,440,248	68,511,387
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3.1 Operating assets

Book value at beginning of the period / year	68,511,387	71,629,065
Additions during the period / year	-	-
Disposals during the period / year	-	(147,398)
Depreciation charged during the period / year	(2,071,139)	(2,970,280)
	66,440,248	68,511,387

4. NET INVESTMENT IN FINANCE LEASE

Contracts accounted for as finance lease under IFRS 16	4.1	455,935,726	369,238,615
Less : Current portion		(246,399,769)	(219,323,380)
		209,535,957	149,915,235

4.1 Net investment in finance lease

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

	Un-audited March 2021			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.....					
Minimum lease payments receivable	818,629,515	159,350,618	977,980,133	800,528,872	112,736,297	913,265,169
Residual value of leased assets	30,326,285	73,195,704	103,521,989	26,690,430	56,677,099	83,367,529
Lease contracts receivable	848,955,800	232,546,322	1,081,502,122	827,219,302	169,413,396	996,632,698
Unearned lease income (including suspended income)	(165,557,785)	(23,010,365)	(188,568,150)	(159,778,253)	(17,385,862)	(177,164,115)
Provision for potential lease losses	(436,998,246)	-	(436,998,246)	(448,117,669)	(2,112,299)	(450,229,968)
	(602,556,031)	(23,010,365)	(625,566,396)	(607,895,922)	(19,498,161)	(627,394,083)
	246,399,769	209,535,957	455,935,726	219,323,380	149,915,235	369,238,615

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. 551.36 million (June 2020: Rs. 558.26 million). Detail of non performing leases is as follows:

Category of classification	Un-audited March 2021			Audited June 2020		
	Principal outstanding	Provision required	Provision held	Principal outstanding	Provision required	Provision held
	Rupees					
Substandard	-	-	-	8,449,197	2,112,299	2,112,299
Loss	551,355,010	436,998,246	436,998,246	549,808,220	448,117,669	448,117,669
	<u>551,355,010</u>	<u>436,998,246</u>	<u>436,998,246</u>	<u>558,257,417</u>	<u>450,229,968</u>	<u>450,229,968</u>

	Un-audited March 2021	Audited June 2020
Note	Rupees	

5. LONG TERM MUSHARAKAH FINANCES

Secured		
Considered doubtful		
Companies (non-financial institutions)	83,065,970	83,065,970
Individuals	43,263,928	43,263,928
	<u>126,329,898</u>	<u>126,329,898</u>
Provision against doubtful balances	(24,868,805)	(24,868,805)
	<u>101,461,093</u>	<u>101,461,093</u>
Less: Current portion	<u>(101,461,093)</u>	<u>(101,461,093)</u>
	-	-

- 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.

	Un-audited March 2021	Audited June 2020
Note	Rupees	

6. LONG TERM LOANS

Secured			
Considered good			
Customers	6.1	47,170,052	51,099,856
Considered doubtful			
Customers	6.1	19,099,769	19,556,209
Outgoing group	6.2	71,954,665	71,954,665
Ex-employee		528,523	528,523
		91,582,957	92,039,397
Provision against doubtful balances		(78,915,854)	(79,492,076)
		12,667,103	12,547,321
		59,837,155	63,647,177
Less: Current portion		(28,963,463)	(25,595,662)
		30,873,692	38,051,515

- 6.1 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.

- 6.2 Rs. 24.58 million was receivable in Q8 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, 2021. 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.

	Un-audited March 2021	Audited June 2020
Rupees.....	

7. LONG TERM SECURITY DEPOSITS	2,280,225	2,331,225
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7.1 These represent deposits for utilities, office premises etc.

	Un-audited March 2021	Audited June 2020
Rupees.....	

8. SHORT TERM MUSHARAKAH FINANCES

Secured		
Considered doubtful	99,827,088	99,827,088
Provision against doubtful balances	(56,807,405)	(56,807,405)
	<u>43,019,683</u>	<u>43,019,683</u>

8.1 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 10.00% to 34.69% per annum (June 2020 : 10.00% to 34.69% per annum).

	Un-audited March 2021	Audited June 2020
NoteRupees.....	

9. SHORT TERM FINANCES

Secured		
Considered good	8,441,968	5,675,000
Considered doubtful	8,132,867	7,898,083
Provision against doubtful balances	(1,782,867)	(1,782,867)
	<u>6,350,000</u>	<u>6,115,216</u>
Un secured		
Considered good		
OMC - Company	-	100,000,000
	<u>14,791,968</u>	<u>111,790,216</u>

9.1 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).

	Un-audited March 2021	Audited June 2020
NoteRupees.....	

10. IJARAH RENTALS RECEIVABLE

Ijarah rentals receivable - Due within one year	49,763,721	50,559,687
Less : Provision against Ijarah rentals receivable	(48,462,335)	(49,244,699)
	<u>1,301,386</u>	<u>1,314,988</u>

10.1 Provision against Ijarah rentals receivable

Un-audited March 2021			Audited June 2020		
Principal outstanding	Provision required	Provision held	Principal outstanding	Provision required	Provision held
.....Rupees.....					

Category of classification						
Loss	48,462,335	48,462,335	48,462,335	49,244,699	49,244,699	49,244,699

	Un-audited March 2021	Audited June 2020
NoteRupees.....	

11. CURRENT PORTION OF NON-CURRENT ASSETS

Net investment in finance lease	4	246,399,769	219,323,380
Long term musharakah finances	5	101,461,093	101,501,093
Long term loans	6	28,963,463	25,595,662
		<u>376,824,325</u>	<u>346,420,135</u>

12. CURRENT PORTION OF NON-CURRENT LIABILITIES

Security deposit from lessees	30,326,285	26,690,430
Liability related to outgoing group	3,240,000	3,240,000
Deferred liability	9,747,000	9,747,000
Redeemable capital	10,005,000	24,070,000
	<u>53,318,285</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	Mar-21	Mar-20
			Rupees	Rupees
Mr. Muhammad Zahid	Major shareholder 18.96% (June 2020 : 18.96%)	Mark up / interest on long term loan from sponsor	6,450,725	11,512,283
		Partial repayment of sponsors loan	50,000,000	-
				-
Key Management	Employees	Amount paid during the period	5,487,547	5,479,447
Invest Capital Investment Bank Limited Staff Provident Fund	Provident fund	Contribution made during the period	388,458	391,709

14. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on April 23, 2021 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 Gasim	-Executive Director
Mrs. Fiza Zahid	-Director
Mr. Shahab Ud Din Khan	-Director
Mr. Ashar Saeed	-Director
Mr. Zahir Qamar	-Director

Audit Committee

Mr. Ashar Saeed	-Chairman
Mrs. Fiza Zahid	-Member
Mr. Zahir Qamar	-Member

Human Resource Committee

Mr. Muhammad Gasim	-Chairman
Mr. Muhammad Asif	-Member
Mr. Zahir Qamar	-Member

Company Secretary

Mr. M. Naim Ashraf

Auditors

RSM Avais Hyder Liaquat Nauman
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
Meezan Bank Limited
JS Bank Limited

Registered Office

Flat No. 2, First Floor, Plot No. 38-C,
22nd Commercial Street, Phase II Ext.
DHA, Karachi.
Telephone: 021-35894022
Website: www.icibl.com

Head Office

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

National Tax Number

0656427-5

Our Network

Registered Office - Karachi

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Karachi.

Tel: 021-35894022

Website: www.icibl.com

Head Office - Lahore

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

Tel: 042-35777285 & 86

Islamabad

Office No. 02, Ground Floor,
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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