



ANNUAL REPORT 2021



INVEST CAPITAL INVESTMENT BANK LIMITED

Vision Statement

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

Mission Statement

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

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Notice of 29th Annual General Meeting

Notice is hereby given that the 29th Annual General Meeting of the shareholders of INVEST CAPITAL INVESTMENT BANK LIMITED will be held at 11.30 a.m on Wednesday, 27th October, 2021 at ICMA Pakistan's Auditorium, Main Campus, Gulshan-e-Iqbal, Karachi to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the Annual General Meeting of the Shareholders held on 27th October 2020.
2. To receive, consider and adopt the audited financial statements together with the Directors' and Auditors' reports thereon for the year ended 30th June 2021. These audited financial statements will be placed on our website www.icibl.com.
3. To appoint auditors and fix their remuneration for the year ending 30th June, 2022. The present auditors M/s RSM Avasi Hyder Liaquat Nauman, Chartered Accountants, being eligible for reappointment have given their consent to act as external auditors of the Company for the year 2021-22.

OTHER BUSINESS

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

Lahore

October 06, 2021

By Order of the Board



M. Naim Ashraf
Company Secretary

NOTES:

1. The Members' Register will remain closed from 20th October 2021 to 27th October 2021 (both days inclusive). Transfers received in order at the office of the Share Registrar of the Company by the close of business on 19th October 2021 will be treated in time.
2. A Member entitled to attend and vote at the General Meeting of Members is entitled to appoint a proxy to attend and vote on his/her behalf.
3. In the light of COVID-19 situation, the Company has made arrangements for the safety of the members attending the meeting physically. The relevant SOPs shall be followed strictly.

The members who are willing to attend and participate at the AGM through Video-link are required to register their particulars by sending an email at naim.ashraf@icibl.com. Such Members are requested to register by providing their credentials as follows with subject "Registration for ICIBL's AGM":

Name of Shareholder	No. of shares held	Folio number / CDC Acct. No.	CNIC No. with scanned copy	Mobile No.	Email ID

Video-link and login details will be shared with only those members whose emails, containing all the required particulars are received at the given email at least 48 hours before the time of AGM.

4. The instrument appointing proxy and the power of attorney or other authority, under which it is signed or a notarially certified copy of the power of attorney must be deposited at the office of Share Registrar of the Company, M/S CorpTec Associates (Private) Limited, 503-E, Johar Town, LAHORE at least 48 hours before the meeting.
5. The CDC account holders will further have to follow the under mentioned guidelines as laid down by the Securities & Exchange Commission of Pakistan:

A- For attending the meeting:

- (i) In case of individuals, the account holders or sub-account holders and/or the persons whose shares are in group accounts and their registration details are uploaded as per CDC Regulations shall authenticate their identity by showing their original Computerized National Identity Cards (CNICs) or original passports at the time of attending meeting.
- (ii) In case of corporate entities, the Board of Directors resolution/ power of attorney with specimen signatures of the nominees shall be produced (unless it has been provided earlier) at the time of the meeting.

B- For appointing proxies:

- (i) In case of individuals, the account holders or sub-account holders and/or the persons whose shares are in group accounts and their registration details are uploaded as per CDC Regulations shall submit the proxy forms accordingly.
 - (ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
 - (iii) Attested copy of CNIC or the passport of the beneficial owner and the proxy shall be furnished with the proxy form.
 - (iv) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
 - (v) In case of corporate entities, the Board of Directors resolution/ power of attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
6. As per Section 72 of the Companies Act, 2017, every existing company is required to replace its physical shares with book-entry form within a period not exceeding four years from the commencement of the Act. In this regard, SECP through its letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021 has advised all the listed companies to pursue their shareholders who still hold shares in physical form, requiring them to convert their shares in book-entry form. Holding shares in book-entry form has numerous benefits including secure custody of shares, instantaneous transfer of ownership and no risk of damage, loss or forged or duplicate certificates. Therefore, shareholders having physical shares are requested to convert their shares into book-entry form by opening CDC sub account with any of the brokers or an Investor account directly with CDC. In this regard such shareholders may contact our Share Registrar also.
 7. Members are requested to notify any change in their addresses immediately to the Share Registrar of the Company.

Chairman's Review

The World has transformed substantially during FY 2020-2021 owing to COVID-19 pandemic; which has not only paralyzed the continents by disrupting the supply chains but has also resulted in loss of precious human lives. Cessation of the Global economic activities aggravated unemployment and the worst downturn since the Great Depression. Mankind was disproportionately affected, hence exposing growing foundational weaknesses in the society. Pakistan was similarly affected and the consequent lockdown caused economic hardships to general public as well as businesses, especially SMEs.

At the start of 2020, the Pakistan's economy was transitioning from stabilization to growth; however, the outburst of COVID-19 pandemic brought multifarious challenges.

Despite a dismal Global economic growth, Pakistan is emerging from one of its worst recessions faced over past decade and beginning a subdued recovery with the support of accommodative monetary policy and relief compendium by the State Bank of Pakistan and Securities and Exchange Commission of Pakistan. The refinancing schemes announced by the Central Bank have incentivized many firms to refinance and restructure their loan portfolios at concessional terms thereby mitigating the dampened demand for additional loans by companies to expand or meet working capital requirements owing to deep economic recession. Fiscal stimulus provided by the Government to lessen the detrimental effects of the pandemic have also supported the economy.

Our dedicated team tirelessly works for the operational efficiency with minimum resources to deliver quality services to our worthy customers.

The Board has exercised its powers and has performed its duties as stated in the Companies Act 2017 (previously Companies Ordinance 1984) and the Code of the Corporate Governance issued by the Securities and Exchange Commission of Pakistan. I wish to record my appreciation to the Board Members.

The Board during the year ended June 2021 played an effective role in managing the affairs of the company and achieving its objectives in the following manner:

- The Board has ensured that there is adequate representation of non-executive and independent directors on the Board and its committees as required under the Code of Corporate Governance.
- The Board has ensured that meetings of the Board and that of its committees were held with requisite quorum; the minutes of all the meetings (including committees) are appropriately recorded and maintained.
- The Board has ensured that the adequate system of internal control is in place.
- All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process.
- The Board actively participated in strategic planning process and policy development to cater the issues being faced by the company including utilization of available funds, recovery of non performing leases/loans, settlement of outstanding liabilities, investments in new lease business with minimum risk and operating cost reduction.

I would like to thank all members of the Board for their guidance, valuable inputs and giving their precious time for Board meetings. I would like to pay my gratitude to Invest Bank's management for their hard work, dedication and focused efforts. I would like to express my gratitude to the Securities and Exchange Commission of Pakistan, Pakistan Stock Exchange Limited, shareholders, lenders and all other stakeholders for their continued guidance and support during this difficult period.



Ayesha Shehryar
Chairperson
October 05, 2021

Directors' Report

The Directors of Invest Capital Investment Bank Limited (the 'Company') are pleased to present the twenty ninth annual report of the Company for the year ended June 30, 2021.

Financial Information

The operating results of the company are summarized below:

	----- Rupees in million -----	
Financial Highlights	2021	2020
Gross revenue	65.60	91.47
Administrative expenses	23.88	23.07
Financial charges (Net)	(8.81)	(17.16)
Provisions / (reversals) and write offs	(36.58)	52.98
Other income	3.97	36.32
Profit / (loss) for the year before taxation	91.08	68.89
Taxation – net	7.22	22.77
Profit / (loss) for the year after taxation	83.86	46.12
Earnings / (loss) per share – basic	0.29	0.16

Economic Review

During third wave of COVID-19 pandemic, effective vaccine rollout together with adaptation to pandemic lifestyle enabled higher-than-anticipated rebound despite subdued overall mobility and economic activity. International Monetary Fund (IMF) projects a strong global economic recovery of 6.0% for 2021 compared to contraction of 3.3% in 2020.

Pakistan's economy, despite facing challenges together with outbreak of new variants of Corona virus, witnessed a V-shaped recovery, while maintaining internal and external stability. According to IMF, Pakistan's Real GDP growth is projected at 1.5% in 2021 as compared to contraction of 0.4% in 2020.

Large Scale Manufacturing (LSM) registered growth by 14.85% during Jul-Jun 2020-21 as compared to reduction of 10.17% during corresponding period last year. Accommodative policies for export-oriented industries, duty exemption under China-Pak Free Trade Agreement-II and electricity and gas subsidy for the export-oriented industries led towards aforementioned surge in LSM.

Agriculture sector rose by 2.8% on the back of higher production volumes in wheat, maize, rice and sugarcane by 8.1%, 7.4%, 13.6% and 22.0% respectively.

Current account surplus accumulation during the first half of FY 2020-21 amounting to US\$1,247 million has been offset by subsequent higher trade deficit for both goods and services and lower current transfers. As a result, current account surplus turned into deficit of US\$ 1,852 million during FY Jul-Jun 2020-21 as compared to a deficit of US\$ 4,449 million during the corresponding period of last year.

Exports of goods and services increased by 13% during FY Jul-Jun 2020-21 to US\$ 31,567 million against US\$ 27,973 million in FY Jul-Jun 2019-20.

Consequent to economic growth redemption together with ascent in international oil prices, imports of goods and services stood at US\$ 61,597 million during FY Jul-Jun 2020-21; posting a growth of 18%.

Accordingly, trade deficit soared by 23% to record at US\$ 30,030 million during Jul-Jun 2020-21 as compared to US\$ 24,425 million during the corresponding period last year.

Owing to formalized banking channels opted amid Covid-19 restrictions and measures undertaken as part of anti-money laundering regulations in accordance with The Financial Action Task Force (FATF) recommendations, remittances posted a remarkable growth of 27%. Workers' Remittances stood at US\$ 29,370 million during FY Jul-Jun 2020-21 as compared to US\$ 23,131 million during FY Jul-Jun 2019-20.

Foreign Exchange (FX) Reserves with State bank of Pakistan stood at US\$ 17,298 million as at June 30, 2021. Total FX Reserves have been above US\$ 20 billion mark since November 2020 and stood at US\$ 24,397 million as on June 30, 2021.

On fiscal side, a considerable increase of 18.4% in tax collection and effective management of expenditures aided in containing the fiscal deficit. Primary balance continued to sustain in surplus and recorded at 0.9% of GDP.

Covid-19-induced measures halted the world economy and caused declines in international oil and food prices causing relatively lower CPI levels in Feb 2020. However, the base effect has partly reduced CPI Inflation to record at 9.7% in June 2021 after hitting a 14-month peak of 11.1% in April 2021.

Persisting positive growth momentum amid third wave of Covid-19 and vaccine rollout, together with upward revision in the FY21 growth forecast provided room to SBP to maintain the policy rate at 7% during the period under review.

Company Overview

The NBFI Sector remained resilient and performed well despite declining interest rate scenario, limited economic activity owing to implementation of safe workplace and social distancing measures and persistent decline in credit quality due to escalated business uncertainty amid new variants of Covid-19.

Your Company remained fully aware of the high down side risk to the economic and operating environment and pursued its strategy to maintain entity's growth.

By the grace of Almighty Allah, Company's financial and operational position has been stable for quite some time. The non-availability of credit lines from financial institutions and other fund raising activities continued to prevail during the year as well which remained the reason for not increasing business volumes substantially. Since the company is managing its business dynamics through internal cash flows which is not enough to grow the business volumes with higher pace. The non performing loan portfolio of the company is down to its most chronic market defaulters. However, your management is confident that the trend for the year's profit shall improve in coming years, if no major negative deviation in the economic condition occurs.

Operational Review

The company has earned an after tax profit of Rs. 83.86 million as compared to an after tax profit of Rs. 46.12 million of the previous year. The main reason for profit is reversal of income suspension and provisions for leases and loans due to sizable recoveries. The Gross revenue (including other income) of the Company amounted to Rs. 69.57 million as compared to Rs. 127.79 million of the previous year. Proactive monitoring and dedicated recovery efforts led to provision reversal against non-performing loans (NPL's) and investments. The administrative expenses increased slightly by Rs. 0.81 million. It is re-emphasized that in order to increase the operational profits adequate working capital is required which is not available to the company at present.

- **Settlement of Liabilities:-**

The management is pleased to inform you that up-till end of June 30, 2021 around 99.76% of

liabilities have been settled/restructured. The remaining 0.24% lenders are not in contact with us. The following table shows the comparative figures:

Description	Rs. in million
Total liabilities (Loans + Deposits) of Banks / FIs (As at June 30, 2011 prior to change of Management)	1,561.48
Amount settled / principally agreed for settlement / restructured as at June 30, 2021	1,557.77
Outstanding amount pending settlement	3.71

All out efforts have been made to settle the remaining outstanding liabilities but the TFC holders have not responded so far.

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

Managing the recoveries from NPLs was a difficult task to achieve due to overall depressing economic conditions. The outstanding portfolio is Rs. 1,175.12 million as at June 30, 2021 (June 2020 Rs. 1,244.20 million). The strong recovery efforts are reflected in reduction in the Company's non performing leases/loans. This year a sum of Rs. 294.74 million (June 2020 Rs. 155.37 million) was recovered from the lease / loan portfolio. The management is determined to continue its best efforts, energy, experience and skills in future also to improve the performance.

- **Reduction in Administrative Cost**

Reduction in the administrative cost without affecting the operational efficiency was a tough task. In the periods prior to July 2011, the operating cost was quite high as compared to the other competitors. The management took this issue seriously and executed Human Resource and Branch Network restructuring. The result of these efforts is that administrative and operating expenses had been reduced drastically.

- **Disposal of Non-Core Assets**

The management focused on disposal of its non-core assets and was able to dispose of all the non-core assets having book value of Rs. 567.88 million by June 30, 2018 (Since the change of management) against settlement of liabilities as well as cash. The Company has earned a capital gain of Rs. 102.74 million on this account and also saved the impact of depreciation. This has resulted in reduction of its liabilities and improvement in the liquidity and equity position of the Company.

- **New Financing Business**

The new financing business (leases and loans) undertaken by the Company has negligible infection level and most of the assets leased are motor vehicle, therefore, recovery is almost 100% of the billed amount. This has provided the most valuable support in repayment of the liabilities on timely basis. During the year finances amounting to Rs. 270.39 million were disbursed as against Rs. 309.80 million in the year 2020. Fresh business may further increase during the coming years as all the liabilities have been settled with the lenders.

Future Outlook

Looking ahead, Global economic recovery is gaining momentum. However, several downside risks of new delta variants of COVID-19 outbreaks along with shortage of vaccines weigh on the generally positive outlook. Effective vaccine rollout and implementation of economic reforms under a stabilization program are supporting broad based economic recovery in Pakistan.

Fiscal incentives granted to key construction and export industries together with subsidized credit offered to protect employment will stimulate growth. However, agriculture sector growth targeted at 3.5 percent in FY 2022 would remain contingent upon revival of cotton production, consistent availability of water, pest control and availability of farm credit.

During the period under review, the major issue being faced by the company was the liquidity problem which will continue in coming days as well, thus the focus would be on the recoveries from NPLs and investment in new lease business. The management of your company is confident that the bottom line of the company shall improve further in years to come.

Corporate and financial reporting framework

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

- a) The financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and changes in equity;
- b) Proper books of accounts of the Company have been maintained as required by the Companies Act 2017;
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
- d) International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and there is no departure there from;
- e) The system of internal control is sound and has been effectively implemented and monitored;
- f) There is material uncertainty related to events and conditions which may cast significant doubt about the Company's ability to continue as a going concern, however the management on the basis of factors discussed in note # 1.3 to the Financial Statements, is confident that the Company has ability to continue as a going concern;
- g) There has been no material departure from the best practices of the Corporate Governance issued by the SECP, except the matters discussed by auditors in their attached review report.
- h) Information about outstanding taxes and other government levies are given in related note(s) to the accounts.
- i) During the year under review, five (5) meetings of the Board of Directors were held. The attendance by each Director is as follows:

Name	Meetings attended
Mr. Muhammad Asif (CEO)	5
Mr. Muhammad Qasim	5
Mrs. Ayesha Shehryar	5
Mrs. Fiza Zahid	5
Mr. Shahab Ud Din Khan	5
Mr. Ashar Saeed	5
Mr. Zahir Qamar	1

No trading in shares was done by the Directors/CEO of the company during the financial year 2020-21, however, 500 shares of ICIBL were acquired by our new director Mr. Zahir Qamar.

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

Name	Meetings attended
Mr. Ashar Saeed	4
Mrs. Fiza Zahid	4
Mr. Zahir Qamar	1

Dividend

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

Auditors

The present auditors, M/s RSM Avas Hyder Liaquat Nauman, Chartered Accountants have retired and being eligible for re-appointment have consented to act as auditors of the Company for the financial year 2021-22 at a total fee of Rs. 1,000,000/= for the year.

The auditor's report includes emphasis of matter paragraph on the going concern issue of the company. However, the management feels that the company is a going concern as set forth in detail in note 1.3 to the financial statements.

Pattern of Shareholding

The pattern of shareholding as of June 30, 2021 is enclosed herewith.

Acknowledgments

On behalf of the Board of Directors, we would like to thank our valued customers for selecting Invest Capital Investment Bank Limited for their financing needs, shareholders of the company for their trust, State Bank of Pakistan, Securities and Exchange Commission of Pakistan and other regulatory bodies for their continued support and worthy employees for their dedicated services.

For and on behalf of the Board of Directors



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Chairperson

Lahore
October 05, 2021

ڈائریکٹرز کی رپورٹ

انویسٹ کیپیٹل انویسٹمنٹ بینک لمیٹڈ (کمپنی) کے ڈائریکٹرز، 30 جون 2021 کو اختتام پذیر سال پر اپنی اتیسویں (29th) سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

مالیاتی معلومات

کمپنی کے مالیاتی نتائج کا خلاصہ درج ذیل ہے:

----- روپے ملین میں -----

2020	2021	
91.47	65.60	کل مالگزارى (Revenues)
23.07	23.88	انتظامى اخراجات
(17.16)	(8.81)	مالى اخراجات (خالص)
52.98	(36.58)	قانونى استثنائات (Provisions) / (واپسى) اور منسوخی
36.32	3.97	دیگر آمدنى
68.89	91.08	سال کا نفع / (نقصان) قبل از محصول
22.77	7.22	محصول - خالص
46.12	83.86	نفع / (نقصان) بعد از محصول
0.16	0.29	آمدنى / (نقصان) فی حصص - بنیادی

معاشی جائزہ

کووڈ - ۱۹ کی عالمگیر وبا کی تیسری لہر کے دوران ویکسین کے مناسب فروغ اور اس کے ساتھ زندگی گزارنے کے اسلوب کو اختیار کرنے کے باعث معیشت میں محدود معاشی سرگرمیوں اور نفع و حاصل کے باوجود توقع سے زیادہ بحالی ہوئی۔ عالمی مالیاتی فنڈ (IMF) نے سال 2020 میں 3.3 فیصد سکڑاؤ کی نسبت سال 2021 کے لیے 6.0 فیصد کی مضبوط عالمی معاشی نمو کی توقعات کا اظہار کیا ہے۔

پاکستان کی معیشت میں مختلف چیلنجز سے نبرد آزما ہونے اور اس کے ساتھ ساتھ کرونا وائرس کی نئی شکلوں اور لہروں سے پیدا ہوئی معاشی ترقی میں ناہمواری اور نازک رجحانات کے باوجود وی شکل (عمودی) کی بحالی دیکھی گئی جبکہ اندرونی اور بیرونی صورت حال میں بھی استحکام آیا۔ آئی ایم ایف کے مطابق سال 2021 کے لیے پاکستان کے حقیقی جی ڈی پی کی نمو سال 2020 میں 0.4 فیصد سکڑاؤ کے مقابلے میں 1.5 فیصد پر تخمینہ کی گئی ہے۔

بڑے پیمانے کی صنعت گزشتہ سال کے مقابل عرصہ کے دوران 10.17 فیصد کی کمی کی نسبت مالی سال 2021 - 2020 کے جولائی تا جون کے عرصہ کے دوران 14.85 فیصد کی نمو کو درج کیا گیا۔ برآمدات پر منحصر اور متعلقہ صنعتوں کی مدد کے لیے مہم ہمانہ پالیسیوں،

پاک چین فری ٹریڈ معاہدے کے تحت محصول / ڈیوٹی کی چھوٹ، برآمدات پر منحصر اور متعلقہ صنعت کے لیے بجلی اور گیس کی امدادی قیمتوں کے اقدامات سے بڑے پیمانے کی صنعت کو مندرجہ بالا ترقی حاصل کرنے میں کامیابی ہوئی۔

زرعی شعبہ گندم، مکئی، چاول اور گنے کی بلترتیب 8.1 فیصد 7.4 فیصد 13.6 فیصد اور 22.0 فیصد کی نہایت مضبوط اور اضافی پیداوار کی بن پر 2.8 فیصد کی ترقی حاصل کر سکا۔

مالی سال 2020-2021 کی پہلی ششماہی کے دوران کرنٹ اکاؤنٹ سرپلس جو مجموعی طور 1,247 ملین امریکی ڈالر پر پہنچ چکا تھا بعد میں ہونے والے اشیاء اور خدمات دونوں کے بڑھتے ہوئے تجارتی خسارے اور کم کرنٹ ٹرانسفر / منتقلیوں کے باعث برابر ہو گیا۔ جس کے نتیجے میں کرنٹ کا سرپلس مالی سال 2020-2021 کے دوران 1,852 ملین ڈالر کے خسارے میں تبدیل ہو گیا جبکہ گزشتہ سال اسی ماثلی عرصہ میں یہ خسارہ 4,449 ملین ڈالر تھا۔

اشیاء اور خدمات کی برآمدات مالی سال 2019-2020 کے جولائی تا جون کی مدت کے دوران 27,973 ملین امریکی ڈالر کے مقابلے میں مالی سال 2020-2021 کے جولائی تا جون کے عرصہ میں 13 فیصد کے ساتھ 31,567 ملین امریکی ڈالر پر جب پہنچیں۔

معاشی نمو کے انفاک اور اس کے ساتھ تیل کی عالمی قیمتوں میں اضافے کی بدولت اشیاء اور خدمات کی درآمدات مالی سال 2020-2021 کے جولائی تا جون کے عرصہ میں 18 فیصد کی افزائش کو درج کرتے ہوئے 61,597 ملین امریکی ڈالر پر جب پہنچی۔

چنانچہ تجارتی خسارہ گزشتہ تین سال کے دوران 24,425 ملین امریکی ڈالر کے حجم سے 23 فیصد کے نمایاں اضافے کے ساتھ سال 2020-2021 کے جولائی تا جون کے عرصہ میں 30,030 ملین امریکی ڈالر پر ریکارڈ کیا گیا۔

کووڈ - ۱۹ کی پابندیوں اور فنانشل ایکشن ٹاسک فورس (ایف اے ٹی ایف) کی تباہی کی روشنی میں اینٹی منی لانڈرنگ ریگولیشنز کے ایک جزو کے طور پر اٹھائے گئے اقدامات کے مابین بینکنگ کے چینلز کو باضابطہ طور پر اختیار کرنے سے ترسیلات زر میں 27 فیصد کی شاندار نمو حاصل ہوئی۔ انفرادی ترسیلات زر 2019-2020 کے جولائی تا جون کے عرصہ کی 23,131 ملین ڈالر کی سطح کے مقابلے میں مالی سال 2020-2021 کے جولائی تا جون کے عرصہ کی مدت کے دوران 29,370 ملین امریکی ڈالر پر پہنچ گئیں۔

اسٹیٹ بینک آف پاکستان کے پاس غیر ملکی زرمبادلہ کے ذخائر 30 جون 2021 تک 17,298 ملین امریکی ڈالر تک جب پہنچے غیر ملکی زرمبادلہ کے کل ذخائر نومبر 2020 سے 20 ملین امریکی ڈالر سے بلند رہے ہیں اور 30 جون 2021 تک ان کا حجم 14,397 ملین امریکی ڈالر پر درج کیا گیا۔

مالیاتی حوالے سے ٹیکس کی وصولی میں 18.4 فیصد کی متاثرہ بڑھوتی ہوئی اور احسرا حبات کے موزوں انتظام کے باعث مالیاتی خسارہ محدود رکھا گیا۔

کووڈ - ۱۹ کے باعث اٹھائے گئے اقدامات سے دنیا کی معیشت ٹھہراؤ کا شکار رہی اور تیل کی عالمی قیمتوں اور اشیاء خورد و نوش کی قیمتوں میں کمی نے فروری 2020 میں سی پی آئی (CPI) کو قدرے نجلی سطح پر رکھا۔ تاہم اس بنیادی اثر کی جزوی طور پر کمی کے باعث سی پی آئی (CPI) انفرادی طور پر اپریل 2021 میں 11.1 فیصد کی 14 ماہ کی بلند ترین سطح تک جانے کے بعد جون 2021 میں 9.7 فیصد پر ریکارڈ ہوا۔

کووڈ - ۱۹ کی تیسری لہر اور ویکسین کی ترویج و دستیابی اور اس کے ساتھ مالی سال 2021 کے لئے نمو کی پیش بینی کی بلند شرح پر نظر ثانی جیسے عوام میں مسلسل مثبت نمو کی تحریک نے اسٹیٹ بینک آف پاکستان کو اس زیر تجزیہ عرصہ کے دوران پالیسی ریٹ کو 7 فیصد کی شرح پر برقرار رکھنے کا موقع منراہم کیا۔

کمپنی کا سرسری جائزہ

پاکستان کی نان بینکنگ فنانس انسٹی ٹیوشن (NBFI) کا شعبہ گرتے ہوئے انٹرسٹ ریٹ کی صورت حال، کام کی جگہ کو محفوظ رکھنے کے ضابطہ عمل کے نفاذ کے باعث محدود معاشی سرگرمی، سماجی فاصلوں کے اقدامات اور کوویڈ - ۱۹ کی نئی شکلوں سے متاثر کاروبار میں بڑھتی غیر یقینی کی وجہ سے قرض کے معیار میں مسلسل گراؤٹ کے باوجود اپنے کاروبار کو جاری رکھنے کی صلاحیتوں کو برقرار رکھے ہوئے ہے اور بہترین کارکردگی کا مظاہرہ کر رہا ہے۔

آپ کی کمپنی نے معیشت اور کاروباری ماحول میں اس تیز ترین تنزلی کے خدشات کا مکمل ادراک رکھتے ہوئے اپنی پائیدار اور مسلسل نمو کی حکمت عملی کو جاری رکھا۔

اللہ تعالیٰ کی مہربانی سے، کچھ عرصے سے کمپنی کے مالی اور آپریشن کی صورت حال میں استحکام آیا۔ سال کے دوران مالیاتی اداروں اور دیگر ذرائع سے قرضوں کی فراہمی کی عدم دستیابی کاروباری حجم میں معقول اضافہ حاصل نہ کرنے کی وجہ رہی۔ کیونکہ کمپنی اپنے اندرونی ذرائع سے کاروبار کو متحرک کر رہی ہے اس لیے کمپنی اپنے کاروبار میں تیزی سے بڑھتی نہیں کر سکی۔ کارکردگی نہ دکھانے والے قرضوں کے پورٹ فولیو میں منڈی کے نادہندگان کی صورت حال ابتر ہے۔ تاہم، آپ کی انتظامیہ کو اعتماد ہے کہ اگر معاشی صورت حال میں کوئی بڑا منفی انحراف نہ ہو تو آنے والے سالوں میں سال کے منافع کے رجحان میں بہتری آئے گی۔

آپریشن کا جائزہ

گزشتہ سال 46.12 ملین روپے کے منافع کے مقابلے میں اس سال کمپنی کو 83.86 ملین روپے کا منافع ہوا۔ منافع میں اضافہ کی بنیادی وجہ بہتر ریکوری کی وجہ سے معطل شدہ آمدن اور پرویزن کی واپسی (Reversal) ہے۔ کمپنی کی مجموعی مالگڈ اری (بشمول دیگر آمدنی) گزشتہ سال کے 127.79 ملین روپے کے مقابلے میں 69.57 ملین روپے رہی۔ زیر تجزیہ سال کے دوران فعال نگرانی اور وصولیابی کی مربوط کوششوں کی وجہ سے کارکردگی نہ دکھانے والے قرضہ جات اور لیزروں سے پرویزن کی واپسی ہوئی اس سال انتظامی انحرافات میں 0.81 ملین روپے کا معمولی اضافہ ہوا۔ اس بات پر دوبارہ زور دیا جاتا ہے کہ کمپنی کے کارکردگی منافع (Operating Profit) میں معقول اضافہ کے لئے سرمایہ درکار ہے جو کہ منلوقت کمپنی کو دستیاب نہیں ہے۔

• مالیاتی ذمہ داریوں کا تصفیہ

انتظامیہ یہ بتاتے ہوئے خوشی محسوس کرتی ہے کہ 30 جون 2021 کے اختتام تک تقریباً 99.76 فیصد مالیاتی ذمہ داریاں ادا کی جا چکی ہیں یا ادائیگیوں کے طریقہ کو نئے طور سے مرتب کر دیا گیا ہے۔ بقیہ 0.24 فیصد سرمایہ کاروں سے ہمارا رابطہ نہیں ہو رہا۔

درج ذیل جدول تقابلی اعداد و شمار کو ظاہر کرتا ہے!

تفصیلات	روپے ملین میں
بینک / مالیاتی اداروں کی کل مالی ذمہ داریاں (مترخصہ جات + ڈپازٹس) (30 جون 2011 پر انتظامیہ کی تبدیلی سے قبل)	1,561.48
30 جون 2021 پر تصفیہ کی رستم / اصولی طور پر طے شدہ تصفیہ کی رستم / تصفیہ کی نئی ترتیب	1,557.77
زیر تصفیہ بقایا رستم	3.71

باقی مالیاتی ذمہ داریوں کے جلد از جلد تصفیہ کی تمام ممکنہ کوششیں جاری ہیں لیکن ان TFC ہولڈرز نے ہم سے کوئی رابطہ نہیں کیا۔

• کارکردگی نہ دکھانے والے مترخصہ جات (NPL) کا انتظام

دباؤ کی شکار معاشی صورتحال کی وجہ سے NPLs کی وصولیابیوں کا حصول ایک مشکل کام تھا۔ باقی مترخصہ جات کا پورٹ فولیو 30 جون 2021 پر 1,175.12 ملین روپے ہے (2020 میں 1,244.20 ملین روپے تھا)۔ ہماری وصولیابی کی کوششوں کے اثرات کا نتیجہ کمپنی کے کارکردگی نہ دکھانے والی لیزز / مترخصہ جات میں کمی کی صورت میں نظر آتا ہے جس کی وجہ سے لیز اور مترخصہ کی مد میں اس سال 294.74 ملین روپے کی رستم وصول ہوئی جبکہ اس کے مقابلے میں گزشتہ سال اسی مدت میں اس مد میں 155.37 ملین روپے کی وصولی ہوئی تھی۔ انتظامیہ مستقبل میں اپنی کارکردگی کو بہتر بنانے کے لیے اپنی بہترین کوششیں، توانائی، تجربہ اور مہارتوں کو جاری رکھنے کے لیے پرعزم ہے۔

• انتظامی اخراجات میں کمی

آپریشن کی کارکردگی کی صلاحیت کو متاثر کیے بغیر انتظامی اخراجات میں کمی ایک مشکل کام تھا۔ جولائی 2011 سے پہلے کی مدت میں آپریشن کے اخراجات مابقت کاروں کے مقابلے میں بہت زیادہ تھے۔ کمپنی نے اس مسئلے کو سنجیدگی سے لیا اور انسانی وسائل اور برانچ کے نیٹ ورک کی ترتیب نو کے ذریعے غیر ضروری اخراجات پر متاثر ہو پایا۔ ان کاوشوں کے نتیجے میں انتظامی اور آپریشن کے اخراجات میں بہت زیادہ کمی آئی ہے۔

• غیر بنیادی اثاثہ جات کی فروخت (Disposal)

انتظامیہ کی توجہ (انتظامیہ کی تبدیلی کے بعد سے) غیر بنیادی اثاثہ جات سے دستبرداری پر رہی اور 30 جون 2018 تک اپنی تمام غیر بنیادی جائیدادوں جن کی کھاتوں میں درج مالیت 567.88 ملین روپے تھی، کو مالی ذمہ داریوں کے عوض تصفیہ کی مد کے ساتھ ساتھ نقد رستم کے عوض بھی فروخت کیا۔ کمپنی کو اس مد میں 102.74 ملین روپے کا سرمایہ کاری نفع ہوا، اور منہ سودگی (depreciation) کے اثرات کی بھی چھت ہوئی۔ اس کے نتیجے میں مالی ذمہ داریوں میں کمی اور سیالیت (liquidity) اور ملکیتی سرمایہ (equity) کی صورتحال میں بہتری آئی۔

• لیز کے نئے کاروبار

کمپنی نے سرمایہ کاری (لیز اور مترضہ جات) کا جو کاروبار نئے سرے سے شروع کیا اس میں نادرہنگی کی سطح معمولی ہے اور یہ زیادہ تر گاڑیاں ہیں اس لیے بل (bill) کیے جانے والی رقم کی وصولیابی 100 فیصد ہے۔ اس عمل نے مالی ذمہ داریوں کی بروقت ادائیگیوں کے سلسلے میں بہت اہم معاونت کی ہے۔ انتظامیہ کی ترجیح اپنی مالیاتی ذمہ داریوں کو پورا کرنا ہے اور اضافی سرمایہ سے نئے لیز پورٹ فولیو میں سرمایہ کاری کی جاتی ہے۔ سال کے دوران فراہم کردہ سرمائے کی مالیت 270.39 ملین روپے رہی جبکہ سال 2020 میں اس کی مالیت 309.80 ملین روپے تھی۔ مترض خواہوں کی بڑی مالی ذمہ داریوں کی ادائیگیاں کر چکنے کے بعد اب آنے والے سالوں میں نئے کاروبار میں مزید اضافہ ہوگا۔

مستقبل پر نظر

کورونائرس کے مریضوں میں حالیہ کمی اور لاک ڈاؤن میں نرمی کے ساتھ معاشی سرگرمیوں کا آہستہ آہستہ بحال ہونے کا امکان ہے شرح سود میں بہت زیادہ کمی سے بھی معاشی سرگرمیوں کی بحالی میں مدد ملے گی۔ آئندہ چند سہ ماہیوں کے دوران اثاثوں کے معیار کی نگرانی بہت ضروری ہے۔

زیر تجزیہ عرصہ میں، کمپنی کو درپیش بڑے معاملات میں سیالیت کا مسئلہ ہے جو آنے والے دنوں میں بھی جاری رہے گا، اس لیے اصل توجہ NPLs سے وصولیابیوں، باقی مالی ذمہ داریوں کے تصفیے اور نئے لیز کے کاروبار میں سرمایہ کاری پر رہے گی تاہم کورونائرس کے پھیلاؤ کی وجہ سے وصولیابیاں متاثر ہو سکتی ہیں آپ کی کمپنی کی انتظامیہ پر اعتماد ہے کہ آنے والے سالوں میں کمپنی کے منافع کی سطح (bottom line) میں مزید بہتری آئے گی۔

ادارائی اور مالیاتی رپورٹنگ کا ڈھانچہ

کمپنی اور اس کے بورڈ آف ڈائریکٹرز بہتر ادارائی نظم و ضبط کے اصولوں اور طریقوں پر عملدرآمد کرنے اور خاص طور پر شفافیت اور مناسب معلومات کے انکشافات کرنے کے لیے پرعزم ہیں۔ بورڈ اور انتظامیہ کمپنی کے آپریشن اور کارکردگی کی نگرانی کے سلسلے میں اپنی ذمہ داریوں سے بخوبی آگاہ ہیں تاکہ مالیاتی اور غیر مالیاتی معلومات کی درستگی، جامعیت اور شفافیت میں اضافہ کیا جائے۔ مندرجہ ذیل بیانات اس بات کا مظہر ہیں کہ کمپنی ادارائی نظم و ضبط کے بہترین طریقوں پر عملدرآمد کے لیے پرعزم ہے۔

a. کمپنی کی انتظامیہ کی تیار کردہ مالیاتی دستاویزات اس کے معاملات، آپریشن کے نتائج، کمیشن منلو اور ملکیتی

سرمایہ (equity) میں رد و بدل اس کے معاملات کی بہتر تصویر پیش کرتے ہیں۔

b. کمپنی کے کھاتوں کی کتابوں کو مناسب طور پر کمپنیز ایکٹ 2017 کے تقاضوں کے مطابق رکھا گیا۔

c. مالیاتی دستاویزات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو استعمال کیا گیا ہے۔ اکاؤنٹنگ تخمینوں کی بنیاد

مناسب اور محتاط اندازے ہیں۔

- d. مالیاتی دستاویزات کی تیاری میں بین الاقوامی اکاؤنٹنگ اسٹینڈرڈز، جو پاکستان میں لاگو ہوتے ہیں، ان پر عملدرآمد کیا گیا اور اس سے انحراف نہیں کیا گیا ہے۔
- e. اندرونی نگرانی کا نظام موجود ہے اور اس کا ڈیزائن مضبوط ہے اور اس کا موثر طور پر نفاذ کیا جا چکا ہے۔
- f. یہاں واقعات اور حالات سے متعلق کافی غیر یقینی موجود ہے جو کمپنی کے ایک جاری رہنے والے ادارے کے طور پر اس کی صلاحیت پر اہم شبہات ڈال سکتی ہے، تاہم مالیاتی دستاویزات کے نوٹ نمبر 1.3 میں بیان کردہ عوامل کی بنیاد پر کمپنی پر اعتماد ہے کہ اس کے پاس ایک جاری رہنے والے ادارے کے صلاحیت موجود ہے۔
- g. SECP کے جاری کئے گئے ادارتی نظم و ضبط کے طریقوں اور تجویز کردہ طریقہ کار سے انحراف نہیں کیا گیا ہے ماسوائے ان کے جو منسلک آڈٹ رپورٹ میں زیر بحث آئے ہیں۔
- h. ٹیکس اور حکومت کی دیگر لیویز کے بقایا حبات، گوشواروں کے متعلقہ نوٹ (س) میں دے دی گئیں ہیں۔
- i. زیر حبانہ سال کے دوران بورڈ آف ڈائریکٹرز کے پانچ (5) اجلاس ہوئے۔ ہر ڈائریکٹر کی حاضری کی تفصیل درج ذیل ہے۔

نام	اجلاس میں شرکت
جناب محمد آصف (CEO)	5
جناب محمد قاسم	5
محترمہ عائشہ شہریار	5
محترمہ فضاء زاہد	5
جناب شہاب الدین خان	5
جناب اشعر سعید	5
جناب ظہیر قمر	1

سال 2020-2021 کے دوران کمپنی کے ڈائریکٹر/CEO نے حصص کا کوئی لین دین نہیں کیا ماسوائے ہمارے نئے ڈائریکٹر جناب ظہیر قمر کی جانب سے 500 شیئرز کی خریداری کے۔

زیر حبانہ سال کے دوران آڈٹ کمیٹی کے چار (4) اجلاس ہوئے۔ ہر ڈائریکٹر کی حاضری کی تفصیل درج ذیل ہے۔

نام	اجلاس میں شرکت
جناب اشعر سعید	4
محترمہ فضاء زاہد	4
جناب ظہیر قمر	1

منقسمہ منافع (Dividend)

جیسا کہ اوپر بیان کیا گیا ہے کہ انتظامیہ کے کیے گئے امتدادات کے نتیجے میں کمپنی میں کامیابی سے مثبت تبدیلی آئی ہے، تاہم بورڈ آف ڈائریکٹرز سرمایہ کی بنیاد کو مستحکم کرنے، مزید منافع بخشی اور حصص یافتگان کے سرمایہ کی قدر میں اضافے کے لیے پُر عزم ہیں۔ اس لیے زیر حبانہ سال میں کسی منقسمہ منافع کا اعلان نہیں کیا گیا ہے۔

آڈیٹرز

موجودہ آڈیٹرز میسرز آریس ایم اولیس حیدر لیاقت نعمان ریٹائر ہو چکے ہیں اور دوبارہ انتخاب کے اہل ہونے کی وجہ سے انہوں نے سال 2021-22 کے لیے 1,000,000 روپے کی کل فیس کے عوض کمپنی کو اپنی خدمات پیش کرنے پر آمادگی ظاہر کی ہے۔

حصص رکھنے کا رجحان

30 جون 2021 پر حصص رکھنے کا رجحان منسلک ہے۔

اظہارِ تشکر

ہم بورڈ آف ڈائریکٹرز کی جانب سے اپنے، قابلِ تدریس صارفین کا شکریہ ادا کرنا چاہتے ہیں جنہوں نے اپنی مالیاتی ضرورتوں کے لیے انویسٹ کیپیٹل انویسٹمنٹ بینک لمیٹڈ کا انتخاب کیا۔ ہم اپنے حصص یافتگان کا ان کے اعتماد، بینک دولت پاکستان، سیکیورٹی اینڈ ایسچینج کمیشن آف پاکستان اور دیگر ضوابطی اداروں کا ان کے تعاون اور معزز ملازمین کی بے لوث خدمات پر انکے مشکور ہیں۔

مخائب و برائے بورڈ آف ڈائریکٹرز

عائشہ شہریار

چیرپرسن

محمد آصف

چیف ایگزیکٹو آفیسر

لاہور

05 اکتوبر 2021

Pattern of Shareholding

As at June 30, 2021

No. of Shareholders	Shareholding		Total Shares held	No. of Shareholders	Shareholding		Total Shares held
	From	To			From	To	
1,211	1	100	44,927	10,111	Brought forward		60,678,862
3,559	101	500	816,968	2	235,001	240,000	478,000
669	501	1,000	531,366	2	240,001	245,000	483,840
3,025	1,001	5,000	6,722,339	4	245,001	250,000	997,000
587	5,001	10,000	4,543,821	1	250,001	255,000	250,260
215	10,001	15,000	2,770,673	1	255,001	260,000	260,000
172	15,001	20,000	3,160,312	1	260,001	265,000	261,011
113	20,001	25,000	2,680,998	1	280,001	285,000	280,800
70	25,001	30,000	1,982,205	3	295,001	300,000	900,000
66	30,001	35,000	2,204,813	2	300,001	305,000	602,000
51	35,001	40,000	1,970,011	1	320,001	325,000	325,000
26	40,001	45,000	1,123,630	1	330,001	335,000	335,000
97	45,001	50,000	4,822,456	1	335,001	340,000	337,000
17	50,001	55,000	904,767	1	395,001	400,000	400,000
17	55,001	60,000	994,510	1	415,001	420,000	418,000
13	60,001	65,000	828,036	1	440,001	445,000	443,000
14	65,001	70,000	959,568	1	470,001	475,000	475,000
16	70,001	75,000	1,184,000	1	480,001	485,000	481,260
12	75,001	80,000	938,536	3	495,001	500,000	1,500,000
3	80,001	85,000	250,500	1	515,001	520,000	519,500
7	85,001	90,000	620,200	1	580,001	585,000	583,080
5	90,001	95,000	472,236	1	650,001	655,000	652,147
63	95,001	100,000	6,283,156	1	660,001	665,000	664,776
6	100,001	105,000	615,059	2	695,001	700,000	1,400,000
4	105,001	110,000	434,545	1	720,001	725,000	725,000
2	110,001	115,000	227,500	1	895,001	900,000	899,284
1	115,001	120,000	117,000	3	995,001	1,000,000	3,000,000
5	120,001	125,000	624,592	1	1,005,001	1,010,000	1,006,695
2	125,001	130,000	255,500	1	1,085,001	1,090,000	1,085,500
3	130,001	135,000	400,056	1	1,115,001	1,120,000	1,117,876
1	135,001	140,000	140,000	1	1,120,001	1,125,000	1,124,000
2	140,001	145,000	288,000	1	1,130,001	1,135,000	1,135,000
10	145,001	150,000	1,498,000	2	1,195,001	1,200,000	2,399,000
1	150,001	155,000	155,000	1	1,220,001	1,225,000	1,223,000
3	155,001	160,000	476,500	2	1,295,001	1,300,000	2,599,000
1	160,001	165,000	163,000	1	1,435,001	1,440,000	1,438,000
1	165,001	170,000	169,322	1	1,850,001	1,855,000	1,852,721
3	170,001	175,000	522,500	1	1,995,001	2,000,000	2,000,000
1	175,001	180,000	179,000	1	2,420,001	2,425,000	2,424,076
3	180,001	185,000	554,000	1	2,995,001	3,000,000	3,000,000
3	185,001	190,000	562,500	1	3,965,001	3,970,000	3,967,000
17	195,001	200,000	3,391,190	1	4,245,001	4,250,000	4,246,917
3	200,001	205,000	605,500	1	7,840,001	7,845,000	7,840,349
2	215,001	220,000	439,000	1	9,605,001	9,610,000	9,609,692
3	220,001	225,000	670,000	1	40,220,001	40,225,000	40,224,125
3	225,001	230,000	684,848	1	53,995,001	54,000,000	54,000,000
3	230,001	235,000	696,222	1	64,220,001	64,225,000	64,224,125
10,111	Carry forward		60,678,862 Total:	10,172	Grand Total		284,866,896

Pattern of Shareholding

As at June 30, 2021

Categories of Shareholder	Shares held	% age
Directors, Chief Executive Officer, their Spouses and Minor Children	104,450,750	36.67
Associated Companies, undertakings and related parties	-	-
NIT & ICP	9,609,692	3.37
Banks, Development Financial Institutions & Non Banking Financial Institutions	1,443,974	0.51
Insurance Companies	2,546,848	0.89
Modarabas and Mutual Funds	603,834	0.21
General Public a) Local	146,744,509	51.51
b) Foreign	-	-
Other Companies a) Local	19,454,058	6.83
b) Foreign	13,231	0.00
Total	284,866,896	100.00

Shareholders holding 10% and more

Mrs. Fiza Zahid (Director)	64,224,125	22.55
Mrs. Ayesha Shehryar (Director)	40,224,125	14.12
Mr. Muhammad Zahid (Major Shareholder)	54,000,000	18.96

Total	158,448,250	55.62
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Seven Years Key Financial and Operating Data

Balance Sheet	2021	2020	2019	2018	2017	2016	2016
Ordinary share capital	2,848,669	2,848,669	2,848,669	2,848,669	2,848,669	2,848,669	2,848,669
Equity	382,788	291,450	256,275	267,217	255,076	243,542	183,229
Liabilities	559,623	676,940	693,824		831,203		1,029,603
Net Investment in Lease	452,824	369,239	364,251	331,616	277,825	275,842	319,693
Musharakah/Finances	216,462	319,958	230,628	256,180	289,183	287,421	300,273
Total Assets	942,411	968,390	950,098	1,059,843	1,106,054	1,118,100	1,212,833
Profit & Loss Account							
Total Income	69,573	127,783	72,218	71,418	47,631	117,292	80,182
Financial charges-Net	(8,814)	(17,155)	9,419	7,501	28,510	16,092	(8,768)
Admin & Operating Expense	23,877	23,071	35,546	31,521	33,192	30,998	57,633
Profit / (Loss) Before Tax	91,080	68,888	36,531	9,206	(9,205)	39,191	6,843
Profit / (Loss) After Tax	83,858	46,123	(116,366)	8,601	(9,400)	40,257	6,155
Break up Value of Share	1.34	1.02	0.90	0.94	0.90	0.85	0.64
Market Value per Share	2.83	0.80	0.82	1.88	2.11	1.09	1.45
Financial Ratios:							
Earning per share	0.294	0.162	(0.408)	0.027	(0.033)	0.141	0.022
Revenue Per Share	0.244	0.449	0.254	0.251	0.167	0.412	0.281

Independent Auditor's Review Report

To the members of Invest Capital Investment Bank Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the listed companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Invest Capital Investment Bank Limited (the Company) for the year ended June 30, 2021 in accordance with the requirements of regulations 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the company's personnel and review of various documents prepared by the Company to comply with the Regulations.

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

The Regulations require the company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon the recommendations of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2021.

RSM Avais Hyder Liaquat Nauman
CHARTERED ACCOUNTANTS

Place: Lahore.

Date: October 05, 2021

Statement of Compliance

With Listed Companies (Code of Corporate Governance) Regulations, 2019
For the Year Ended June 30, 2021

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors is seven as per the following:

Gender	Number
Male	5
Female	2

2. The composition of Board is as follows:

Category	Names
Independent Directors	Mr. Ashar Saeed Mr. Zahir Qamar
Non-Executive Directors	Mrs. Ayesha Shehryar Mrs. Fiza Zahid Mr. Shahab Ud Din Khan
Executive Directors	Mr. Muhammad Asif Mr. Muhammad Qasim
Female Directors	Mrs. Ayesha Shehryar Mrs. Fiza Zahid

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures;
5. The board has developed a vision / mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the board / shareholders as empowered by the relevant provisions of the Act and these Regulations;
7. The meetings of the Board were presided over by the Chairperson and, in her absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board;
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Currently, one director is exempt from the directors training certification requirement by virtue of his experience as prescribed by listing regulations of Pakistan Stock Exchange. The company had planned to arrange DTP certification for the remaining directors over the period of two years but due to continuation of COVID-19 this could not be achieved.
10. The board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the board;

12. The board has formed Committees comprising of members given below:

a) Audit Committee

1) Mr. Ashar Saeed	Chairman
2) Mrs. Fiza Zahid	Member
3) Mr. Zahir Qamar	Member

b) HR and Remuneration Committee

1) Mr. Muhammed Qasim	Chairman
2) Mr. Muhammad Asif	Member
3) Mr. Zahir Qamar	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings quarterly/half yearly/yearly) of the committee were as per following:

a) Audit Committee: Four quarterly meetings

b) HR and Remuneration Committee: One annual meeting

15. The Board has set up an effective internal audit function/ or has outsourced the internal audit function to who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with the Audit Oversight Board of Pakistan, that they or all of their partners are with compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and he partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of the regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with; and

19. We confirm that all the requirements, other than regulation 9 have been duly complied. During the year also due to continuation of COVID-19 no director could get the DTP certification. The company will arrange DTP certification for the remaining directors as soon as the COVID-19 comes under control.

The 1/3rd number of independent directors as per regulation 6 of the code of corporate governance 2019 works out to 2.33. As per the rounding norms any fraction more than 0.50 is rounded off to one and less than 0.50 is ignored. Accordingly, the company opted for 2 independent directors.

For and on behalf of the Board of Directors


Ayesha Shehryar
Chairperson


Muhammad Asif
Chief Executive Officer

Independent Auditor's Report

To the members of Invest Capital Investment Bank Limited

Opinion

We have audited the annexed financial statements of Invest Capital Investment Bank Limited (the Company), which comprise the statement of financial position as at June 30, 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the profit and comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan, The ICAP Code of Ethics for Chartered Accountants (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty relating to Going Concern

We draw attention to Note 1.3 in the financial statements, which indicates that the Company has suffered operating losses in prior years, and as at the statement of financial position date, the accumulated loss of the company is Rs. 694.42 million. The events or conditions, along with other matters as set forth in Note 1.3, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following is the Key audit matter:

Sr. No.	Key Audit Matter	How our audit addressed the key audit matter
1)	<p>Regulatory Provisions against Non-Performing assets</p> <p>Refer to Note # 8, 9, 10, 12, 13, 14, and 16 to the Statement of financial position; management has made provisions for non-performing net investment in finance lease long term musharika finances, long term loans, short term musharika finances, short term finances, Ijarah rental receivables, advances and other receivables in accordance with NBFC and Notified Entities Regulations 2008 that require significant judgments including estimates of Forced Sale Value of assets held as collateral.</p>	<p>Our key audit procedures in respect of provision against non-performing assets, amongst others, include the following:</p> <p>We assessed whether all assets are classified appropriately among regular, sub-standard, doubtful and loss category based on period since which they are outstanding.</p> <p>For non-performing receivables eligible for Forced Sale Value benefit of mortgaged properties held as security, we evaluated whether valuation reports are available and valid.</p> <p>We examined that reversal of provision has been made as per specified conditions in the NBFC and Notified Entities Regulations 2008.</p> <p>We inspected mortgage deeds to substantiate existence of leased assets held as collateral.</p>

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's

ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of directors is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are

therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business; and
- d) no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Other Matter

The financial statements of the Company for the year ended June 30, 2020, were audited by another firm of chartered accountants who expressed an unqualified opinion on those financial statements on October 05, 2020.

The engagement partner on the audit resulting in this independent auditor's report is Syed Ali Adnan Tirmizey.

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**RSM AVAIS HYDER LIAQUAT NAUMAN
CHARTERED ACCOUNTANTS**

Place: Lahore

Date: October 05, 2021

Statement of Financial Position

As at June 30, 2021

	Note	2021 Rupees	2020 Rupees
ASSETS			
Non-current assets			
Property and equipment	4	65,798,617	68,511,387
Intangible assets	5	233,705	333,865
Investment accounted for using equity method	6	134,774,868	139,774,290
Financial assets at fair value through other comprehensive income	7	29,434,623	21,954,233
Net investment in finance lease	8	217,620,005	149,915,235
Long term musharakah finances	9	-	-
Long term loans	10	28,747,608	38,051,515
Long term security deposits	11	2,280,225	2,331,225
		478,889,651	420,871,750
Current assets			
Short term musharakah finances	12	42,853,443	43,019,683
Short term finances	13	14,650,000	111,790,216
Ijarah rentals receivables	14	1,301,386	1,314,988
Current portion of non-current assets	15	365,408,448	346,420,135
Advances, deposits, prepayments and other receivables	16	12,808,349	22,575,106
Financial assets at fair value through profit or loss	17	16,822,305	11,448,968
Bank balances	18	9,676,974	10,949,517
		463,520,905	547,518,613
TOTAL ASSETS		942,410,556	968,390,363

	Note	2021 Rupees	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	19	2,848,668,960	2,848,668,960
Loan from directors	20	126,000,000	126,000,000
Capital reserves			
Capital reserve on amalgamation		(2,022,075,992)	(2,022,075,992)
Revenue reserves			
General reserve	21	102,976,444	102,976,444
Accumulated loss		(694,424,922)	(778,282,771)
Fair value reserve		21,643,823	14,163,433
		382,788,313	291,450,074
Non-current liabilities			
Loan from sponsor	22	66,392,473	116,392,473
Security deposits from lessees	23	73,277,390	56,677,099
Redeemable capital	24	5,100,000	11,400,000
Liability related to outgoing group	25	22,680,000	25,920,000
		167,449,863	210,389,572
Current liabilities			
Current portion of non-current liabilities	27	38,374,709	63,747,430
Short term loan from sponsor	28	-	31,000,000
Accrued and other liabilities	29	142,052,107	141,994,165
Profit / mark up payable	30	189,752,015	200,968,195
Unclaimed dividend		6,053,456	6,053,456
Provision for taxation - income tax	36	15,940,093	22,787,471
		392,172,380	466,550,717
TOTAL EQUITY AND LIABILITIES	31	942,410,556	968,390,363
CONTINGENCIES AND COMMITMENT			
		-	-

The annexed notes 1 to 45 form an integral part of these financial statements.



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Chairperson



Akmal Ali
Chief Financial officer

Statement of Profit or Loss

For the Year Ended June 30, 2021

	Note	2021 Rupees	2020 Rupees
Income			
Income from leasing operations		42,461,434	35,586,636
Operating lease rentals		802,364	5,909,195
Profit on musharakah investments		238,565	23,349,993
Income from finances		19,456,311	20,008,024
Income on deposits with banks		2,354,657	1,747,219
(Loss) / Income from joint ventures		(4,999,422)	9,410,275
Dividend income		2,569,024	2,136,365
Net gain / (loss) on sale of marketable securities		2,141,753	(54,965)
Unrealized gain / (loss) on financial assets at fair value - net		572,961	(6,626,127)
		65,597,647	91,466,615
Expenses			
Administrative and operating expenses	32	(23,877,183)	(23,071,839)
Financial charges	33	(9,851,468)	(21,246,345)
Mark up waived off on settlement of loans	34	18,662,365	38,401,681
		(15,066,286)	(5,916,503)
		50,531,361	85,550,112
Other income	35	3,969,991	36,316,828
		54,501,352	121,866,940
Provision reversed / (charged) on non-performing loans and write-offs			
Reversal / (provision) against:			
Finance lease receivable and rentals - net		18,290,277	10,056,545
Long term / short term musharakah finances		262,921	150,000
Long term / short term loans		3,728,271	(43,051,181)
Other receivables		18,323,937	(13,345,142)
Balances (written off):			
Lease receivables		(3,215,040)	(3,308,960)
Other receivables		(811,011)	(3,480,373)
		36,579,355	(52,979,111)
Profit before taxation		91,080,707	68,887,829
Provision for taxation	36	(7,222,858)	(22,765,008)
Profit for the year		83,857,849	46,122,821
Earnings per share - Basic and Diluted			
	37	0.294	0.162

The annexed notes 1 to 45 form an integral part of these financial statements.



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Chairperson



Akmal Ali
Chief Financial officer

Statement of Comprehensive Income

For the Year Ended June 30, 2021

	2021 Rupees	2020 Rupees
Profit for the year	83,857,849	46,122,821
Other comprehensive Income / (loss)		
Items that will not be subsequently reclassified to profit or loss		
Changes in the fair value of equity investments at fair value through other comprehensive income	7,480,390	(10,947,508)
Total comprehensive Income for the year	<u>91,338,239</u>	<u>35,175,313</u>

The annexed notes 1 to 45 form an integral part of these financial statements.



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Chairperson



Akmal Ali
Chief Financial officer

Statement of Cash Flows

For the Year Ended June 30, 2021

	2021 Rupees	2020 Rupees
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	91,080,707	68,887,829
Adjustments for non cash charges and other items:		
Depreciation of property and equipment	2,762,770	2,970,280
Amortization of intangible assets	100,160	143,085
(Reversal) / provision against:		
Finance lease receivable and rentals - net	(18,290,277)	(10,056,545)
Long term / short term musharakah finances	(262,921)	(150,000)
Long term / short term loans	(3,728,271)	43,051,181
Other receivables	(18,323,937)	13,345,142
Balances written off		
lease receivables	3,215,040	3,308,960
Other receivables	811,011	3,480,373
(Gain) on disposal of operating assets	-	(2,602)
Unrealised loss on financial assets at fair value	(572,961)	6,626,127
(Loss) / Income from joint ventures	4,999,422	(9,410,275)
Dividend income	(2,569,024)	(2,136,365)
Financial charges	9,851,468	21,246,345
Mark up waived off on settlement of loans	(18,662,365)	(38,401,681)
(Gain) on settlement of liabilities	-	(32,000,000)
Balances written back	-	(613,750)
	(40,669,885)	1,400,275
Cash flow from operating activities before working capital changes	50,410,822	70,288,104
Changes in working capital		
Decrease / (Increase) in current assets		
Short term musharakah finances	166,240	16,900,000
Short term finances	97,140,216	(105,110,341)
Ijarah rentals receivables	13,602	115,351
Advances, deposits, prepayments and other receivables	22,219,626	35,163,856
	119,539,684	(52,931,134)
Increase in current liabilities		
Accrued and other liabilities	57,942	6,595,038
Cash generated from operations	170,008,448	23,952,008
Financial charges paid	(2,405,283)	(2,295,973)
Income tax paid	(9,007,608)	(1,938,814)
Dividend paid	-	(142)
Net cash generated from operations	158,595,557	19,717,079

	2021 Rupees	2020 Rupees
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b) CASH FLOWS FROM INVESTING ACTIVITIES

(Additions) / deletion in:		
Property and equipment	(50,000)	-
Recovery of / (investment in) :		
Net investment in finance lease	(63,217,621)	12,526,253
Long term musharakah finances	302,921	150,000
Long term loans	9,884,524	(44,174,661)
Long term security deposits	51,000	22,000
Financial assets at fair value through profit or loss	(4,800,376)	(2,762,015)
Proceeds from disposal of operating assets	-	150,000
Dividend received	2,566,452	2,144,983
Net cash (used in) investing activities	(55,263,100)	(31,943,440)

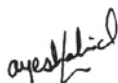
c) CASH FLOWS FROM FINANCING ACTIVITIES

(Repayment of) / Receipts from:		
Long term loan from sponsors	(50,000,000)	(25,000,000)
Short term loan from sponsors	(31,000,000)	31,000,000
Redeemable capital	(20,365,000)	(4,330,000)
Liability related to outgoing group	(3,240,000)	(3,240,000)
Net cash (used in) financing activities	(104,605,000)	(1,570,000)
Net (decrease) in cash and cash equivalents (a+b+c)	(1,272,543)	(13,796,361)
Cash and cash equivalents at the beginning of the year	10,949,517	24,745,878
Cash and cash equivalents at the end of the year	9,676,974	10,949,517

The annexed notes 1 to 45 form an integral part of these financial statements.



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Chairperson



Akmal Ali
Chief Financial officer

Statement of Changes in Equity

For the Year Ended June 30, 2021

Issued, subscribed and paid-up capital	Loan from directors	Capital Reserves				Revenue Reserve		Fair value reserve	Total
		Capital reserve on amalgamation	Statutory reserve	Equity portion of Subordinated loan from directors	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 - (1,919,099,548) - (824,405,592) 25,110,941 256,274,761

Total comprehensive income for the year

Profit for the year	-	-	-	-	-	-	46,122,821	-	46,122,821
Other comprehensive income									
Items that will not be subsequently reclassified to profit or loss									
Changes in the fair value of equity investments at fair value through other comprehensive income	-	-	-	-	-	-	-	(10,947,508)	(10,947,508)
Transferred from statutory reserve to General reserve	-	-	-	(102,976,444)	-	(102,976,444)	102,976,444	-	-
Total comprehensive income for the year	-	-	-	(102,976,444)	-	(102,976,444)	102,976,444	46,122,821	35,175,313
Balance as at June 30, 2020	2,848,668,960	126,000,000	(2,022,075,992)	-	-	(2,022,075,992)	102,976,444	(778,282,771)	291,450,074

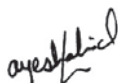
Total comprehensive income for the year

Profit for the year	-	-	-	-	-	-	83,857,849	-	83,857,849
Other comprehensive income									
Items that will not be subsequently reclassified to profit or loss									
Changes in the fair value of equity investments at fair value through other comprehensive income	-	-	-	-	-	-	-	7,480,390	7,480,390
Total comprehensive income for the year	-	-	-	-	-	-	83,857,849	7,480,390	91,338,239
Balance as at June 30, 2021	2,848,668,960	126,000,000	(2,022,075,992)	-	-	(2,022,075,992)	102,976,444	(694,424,922)	382,788,313

The annexed notes 1 to 45 form an integral part of these financial statements.



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Chairperson



Akmal Ali
Chief Financial officer

Notes to the Financial Statements

For the Year Ended June 30, 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, 1st 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.694.42 million (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.
- 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 year leases and finances amounting to Rs. 270.39 million (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 (2020: Rs. 30.03 million) have been settled / rescheduled, the percentage of liabilities settled to date is 99.76% (2020: 98.86%).

(d) Disposal of non-core assets

The management was committed to dispose off non core assets, during the year 2019 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 year is Rs. 294.74 million (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.
- Investment in joint venture at equity method.

2.3 Functional and presentation currency

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

2.4 Accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards as applicable in Pakistan, requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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

- Property and equipment (Note 4)
- Intangible assets (Note 5)

- Net investment in finance lease (Note 8)
- Ijarah rentals receivables (Note 14)
- Long term musharakah finances (Note 9)
- Long term loans (Note 10)
- Short term musharakah finances (Note 12)
- Short term finances (Note 13)

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

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

The following standards, amendments to standards and interpretations have been effective and are mandatory for financial statements of the Company for the periods beginning on or after July 01, 2020 and therefore, have been applied in preparing these financial statements.

Amendments to IAS 1 and IAS 8 - Definition of Material

The amendments are made to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The concept of "obscuring" material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from "Could influence" to "Could reasonably be expected to influence".

The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

The amendments have no material impact on the disclosures or on the amounts reported in the company's financial statements.

Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform

The amendments include a number of reliefs, which apply to all hedging relationships that are directly affected by the interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

The amendments also introduce specific disclosure requirements for hedging relationships to which the reliefs are applied.

The amendments have no material impact on the disclosures or on the amounts reported in the company's financial statements.

Amendments to IFRS 16 Leases: - Covid – 19 related rent concessions

These amendments make it easier for lessees to account for covid-19-related rent concessions such as rent holidays and temporary rent reductions.

The amendment exempts lessees from having to consider individual lease contracts to determine whether rent concessions occurring as a direct consequence of the covid-19 pandemic are lease modifications and allows lessees to account for such rent concessions as if they were not lease modifications. It applies to covid-19 related rent concessions that reduce lease payments due on or before 30 June 2021.

The amendments have no material impact on the disclosure or on the amounts reported in the company's financial statements.

The Amendments to References to the Conceptual Framework for Financial Reporting

The Company has adopted amendments to References to the conceptual framework in IFRS,s. The amendments are intended to replace reference to a previous version of the IASB,s conceptual framework with a reference to the current version.

The amendments have no material impact on the disclosures or on the amounts reported in the company's financial statements.

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

There are certain amendments to standards that became effective during the year and are mandatory for accounting periods of the Company beginning on or after July 01, 2020 but are considered not to be relevant to the Company's operations and are, therefore, not disclosed in these financial statements.

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

There are certain standards, amendments to the IFRS and interpretations that are mandatory for companies having accounting periods beginning on or after July 1, 2021 but are considered not to be relevant or to have any significant effect on the Company's operations and are, therefore, not detailed in these financial statements, except for the following:

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 - Interest Rate Benchmark Reform

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate is replaced with an alternative nearly risk-free interest rate.

The amendments include a practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest.

Any other changes made at the same time, such as a change in the credit spread or maturity date, are assessed. If they are substantial, the instrument is derecognized. If they are not substantial, the updated effective interest rate is used to recalculate the carrying amount of the financial instrument, with any modification gain or loss recognized in profit or loss.

The amendments are effective for the annual periods beginning on or after January 01, 2021

The amendments are not expected to have any material impact on company's financial statements.

Amendments to IFRS 16 - Covid-19-Related Rent Concessions beyond 30 June 2021

The relief of covid related rent concessions was originally limited to reduction in lease payments that were due on or before 30 June 2021. However, the IASB subsequently extended this date to 30 June 2022 in another amendment to IFRS 16 (the 2021 amendment). If a lessee already applied the original practical expedient, it is required to continue to apply it consistently, to all lease contracts with similar characteristics and in similar circumstances, using the subsequent amendment. If a lessee did not apply the original practical expedient to eligible lease concessions, it is prohibited from applying the expedient in the 2021 amendment.

The 2021 amendment is effective for annual reporting periods beginning on or after April 01, 2021.

The amendments are not expected to have any material impact on the company's financial statements.

Amendments to IAS 16 - Property, Plant and Equipment

The amendment prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds of the sale of items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendments are effective for the annual periods beginning on or after January 01, 2022.

The amendments are not expected to have any material impact on company's financial statements.

Amendments to IAS 37 - Onerous Contracts – Costs of Fulfilling a Contract

The amendments apply a 'directly related cost approach'. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities - General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments.

The amendments are effective for the annual periods beginning on or after January 01, 2022.

The amendments are not expected to have any material impact on company's financial statements.

Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments deal with situation where there is a sale or contribution of assets between investor and its associate or joint venture.

The amendments clarify that a full gain or loss is recognized when a transfer to an associate or joint venture involves a business as defined in IFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognized only to the extent of unrelated investors' interests in the associate or joint venture.

The effective date of the amendments have yet to be set by the Board, however earlier application of the amendments is permitted. The amendments are not expected to have any material impact on the company's financial statements

Amendments to IAS 1 - Classification of Liabilities as Current or Noncurrent

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are effective for the annual periods beginning on or after January 01, 2023.

The amendments are not expected to have any material impact on the company's financial statements.

Amendments to IAS 1 - Disclosure of Accounting Policies

In February 2021, the Board issued amendments to IAS 1 the amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures

The amendments are effective for the annual periods beginning on or after January 01, 2023.

The amendments are not expected to have any material impact on the company's financial statements.

Amendments to IAS 8 - Definition of Accounting Estimates

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for the annual periods beginning on or after January 01, 2023.

The amendments are not expected to have any material impact on the company's financial statements.

Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgment (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgment is important in determining whether any temporary differences exist on initial recognition of the asset and liability.

The amendments are effective for the annual periods beginning on or after January 01, 2023.

The amendments are not expected to have any material impact on the company's financial statements.

Annual improvements to IFRS – 2018 – 2020

- IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported in the parent's consolidated financial statements, based on the parent's date of transition to IFRS, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

- IFRS 9 Financial Instruments

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

The amendments are not expected to have any material impact on the company's financial statements.

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

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Significant accounting policies

3.1.1 Property and equipment

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

Depreciation is charged to income applying the reducing balance method over the

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

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

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

Any revaluation increase arising on an item of property, plant and equipment is recognised in other comprehensive income and presented as a separate component of equity as "Revaluation surplus on property, plant and equipment", except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously charged. Any decrease in carrying amount arising on the revaluation of an item of property, plant and equipment improvements is charged to profit or loss to the extent that it exceeds the balance, if any, held in the revaluation surplus on property, plant and equipment relating to a previous revaluation of that asset. The revaluation reserve is not available for distribution to the Company's shareholders. The surplus on revaluation of property, plant and equipment improvements to the extent of incremental depreciation charged is transferred to unappropriated profit.

3.1.2 Intangible assets

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

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

3.1.3 Impairment

Financial assets

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

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

All impairment losses are recognised in the statement of profit or loss.

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

The policy for impairment of investments (note 7 and 17) is disclosed in 3.1.5.

Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each

statement of financial position date to determine whether there is any indication of impairment. If such indications exist, the asset's recoverable amount is estimated in order to determine the extent of impairment loss, if any. Impairment losses are recognised as expense in statement of profit or loss. The recoverable amount is the higher of an asset's fair value less cost to sell and value in use.

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

3.1.4 Borrowing costs

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

All other borrowing costs are recognised in statement of profit or loss in the period in which these are incurred.

3.1.5 Investments

The Company classifies its investments as disclosed in note 7 and 17 at fair value through other comprehensive income and fair value through profit or loss respectively on the basis of the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

- Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are held within a business model whose objective is both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

- Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are those financial assets which are either designated in this category or not classified in any of the other categories. A gain or loss on investment that is subsequently measured at fair value through profit or loss is recognised in profit or loss in the period in which it arises.

Dividends from such investments continue to be recognised in profit or loss when the Company's right to receive payment is established. Where an election is made to present fair value gains and losses on equity instruments in other comprehensive income there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

The Company assesses on a forward looking basis the expected credit losses associated with these financial assets carried at amortised cost and fair value through other comprehensive income. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Company recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.

- Investments in joint ventures

These investments are accounted for using equity method of accounting. Under the equity method, an interest in a jointly controlled entity is initially recorded at cost and adjusted

thereafter for the post acquisition changes in equity of the joint venturer and dividend received during the year.

3.1.6 Financial liabilities

Financial liabilities are recognised at the time when the Company becomes a party to the contractual provisions of the instrument. All financial liabilities are recognised initially at fair value less directly attributable transactions costs, if any, and subsequently measured at amortised cost using effective interest method.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of original liability and recognition of a new liability and the difference in respective carrying amounts is recognised in the statement of profit or loss.

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

Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

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

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

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

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

3.1.8 Assets acquired in satisfaction of finances

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

3.1.9 Receivable from terminated / matured contracts

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

3.1.10 Trade debts and other receivables

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

3.1.11 Cash and cash equivalents

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

3.1.12 Staff retirement benefits

Defined contribution plan

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

3.1.13 Gain on sale and lease back transaction

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

3.1.14 Trade and other payables

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

3.1.15 Provisions

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

3.1.16 Provision for taxation

Current

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

Deferred

Deferred tax is recognised using the statement of financial position liability method in respect of all temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and their tax base on the basis of expected manner of realization or settlement of carrying amount of assets and liabilities using the tax rates enacted or substantially enacted at the statement of financial position date. Deferred tax assets are recognised to the extent that it is probable that future

taxable profit will be available against which the deductible temporary differences can be utilized. Deferred tax assets are reduced, if it is no longer probable that the related tax benefit will be realized. The Company also recognises deferred tax asset / liability on deficit / surplus on revaluation of securities / fixed assets adjusted against the related deficit / surplus in accordance with requirements of International Accounting Standards (IAS-12) - Income Taxes.

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

3.1.17 Foreign currency transactions

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

3.1.18 Financial instruments

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

3.1.19 Offsetting of financial assets and liabilities

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

3.1.20 Revenue recognition

The company is following the financing method in accounting for recognition of finance lease contract. Under this method, the unearned income i.e., the excess of aggregated lease rentals and the estimated residual value over the cost of the lease asset is deferred and amortised over the term of lease applying the annuity method, so as to produce a constant rate of return on net investment in the finance lease. Front end fee, documentation charge gain / loss on the termination of the lease contract, commitment fee and other commission, if any are taken to income when earned. Revenue from finance lease is not accrued when rent is past due by ninety days or more.

- Mark up / interest on long term finances, Mortgage finance, long term loans, lease and murabaha finance are recognised on a time proportion basis except that mark up / interest / return on classified, loan and investment are recognised on receipt basis.
- Reversal of provision is recognised as per requirement of NBFC regulations.
- Dividend income from the investment is recognised when the right to receive the dividend is established.
- Gain / loss on the sale of investment is taken to income in the period in which it arises
- Unrealized gain / loss arising on the remeasurement of the securities classified as financial asset at fair value through profit or loss are included in the statement of profit and loss in the period in which they arise.
- Income on bank deposit are recognised on accrual basis.
- Rental income on investment property is recognised on accrual basis.

- Consultancy, corporate advisory, trusteeship and custodian fee are recognised as and when services are provided.

3.1.21 Earning per share

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

3.1.22 Segment reporting

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

Investments / financing

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

Leasing

It include all types of leases viz operating lease and finance lease are major source of revenue for the Company.

Other operations

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

Geographical segments

The Company operates in Pakistan only.

4. Property and equipment

	Land (note 4.1)	Buildings	Office premises	Furniture and fixture	Office equipment	Vehicles	Total
	Rupees						
At July 01, 2019							
Cost	19,377,350	44,251,140	14,042,407	2,131,698	12,702,301	4,460,675	96,955,571
Accumulated depreciation	-	(8,208,310)	(2,604,779)	(1,255,002)	(10,100,708)	(3,167,707)	(25,336,506)
Written down value	19,377,350	36,042,830	11,437,628	876,696	2,601,593	1,292,968	71,629,065
Reconciliation of written down value at June 30, 2020							
Written down value as at July 01, 2019	19,377,350	36,042,830	11,437,628	876,696	2,601,593	1,292,968	71,629,065
Less: Disposals							
Cost	-	-	-	110,030	804,392	-	914,422
Accumulated depreciation	-	-	-	(72,944)	(694,080)	-	(757,024)
Less: Depreciation	-	-	-	37,086	110,312	-	147,398
	-	1,802,142	571,881	85,112	252,551	258,594	2,970,280
Written down value as at June 30, 2020	19,377,350	34,240,688	10,865,747	754,498	2,238,730	1,034,374	68,511,387
At June 30, 2020							
Cost	19,377,350	44,251,140	14,042,407	2,021,668	11,897,909	4,460,675	96,051,149
Accumulated depreciation	-	(10,010,452)	(3,176,660)	(1,267,170)	(9,659,179)	(3,426,301)	(27,539,762)
Written down value	19,377,350	34,240,688	10,865,747	754,498	2,238,730	1,034,374	68,511,387
Reconciliation of written down value at June 30, 2021							
Written down value as at July 01, 2020	19,377,350	34,240,688	10,865,747	754,498	2,238,730	1,034,374	68,511,387
Additions	-	-	-	-	50,000	-	50,000
Less: Depreciation	-	1,712,035	543,287	75,450	225,123	206,875	2,762,770
Written down value as at June 30, 2021	19,377,350	32,528,653	10,322,460	679,048	2,063,607	827,499	65,798,617
At June 30, 2021							
Cost	19,377,350	44,251,140	14,042,407	2,021,668	11,947,909	4,460,675	96,101,149
Accumulated depreciation	-	(11,722,487)	(3,719,947)	(1,342,620)	(9,884,302)	(3,633,176)	(30,302,532)
Written down value	19,377,350	32,528,653	10,322,460	679,048	2,063,607	827,499	65,798,617
Rate (%)		5	5	10	10	20	

4.1 Lands of the Company are located at Karachi with an area of 240 square yards and Haripur with an area of 3,025 square yards.

4.2 Disposal of operating assets

No asset was disposed off during the year ended June 30, 2021, following is the statement of asset disposed off during the year ended June,30 2020:

Particulars of asset	Cost	Accumulated depreciation	Written down value	Sale proceeds	Gain/(loss)	Particulars of buyers	Mode of disposal
Rupees							
Furniture and fixture	110,030	(72,944)	37,086	37,741	655	Mr. Muhammad Rizwan, Karachi	Through Negotiation
Office equipment	804,392	(694,080)	110,312	112,259	1,947	Mr. Muhammad Rizwan, Karachi	Through Negotiation
	<u>914,422</u>	<u>(767,024)</u>	<u>147,398</u>	<u>150,000</u>	<u>2,602</u>		

	Note	2021 Rupees	2020 Rupees
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5. INTANGIBLE ASSETS

Computer Software

At June 30,

Cost

12,800,000

12,800,000

Accumulated amortization

(12,566,295)

(12,466,135)

Written down value

233,705

333,865

5.1 Reconciliation of written down value :

Opening balance

333,865

476,950

Amortisation

(100,160)

(143,085)

Closing balance

233,705

333,865

Rate (%)

30%

30%

6. INVESTMENT ACCOUNTED FOR USING EQUITY METHOD

Investment in joint venture

6.1

134,774,868

139,774,290

6.1 Investment in joint venture

This represents investment in a CNG filling station. The latest available audited financial statements of joint venture as on June 30, 2021 have been used for the purpose of application of equity method.

- Centre Gas (Private) Limited

6.1.1 & 6.1.2

134,774,868

139,774,290

6.1.1 Centre Gas (Private) Limited

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

Cost

(2,500 Shares of Rs. 1,000/- each) Shareholding 50%

34,535,703

34,535,703

Cumulative share of profit of joint venture

100,239,165

105,238,587

134,774,868

139,774,290

CGL's paid-up share capital is Rs. 5 million comprising of 5,000 ordinary shares of Rs. 1,000 each. The equity as at June 30, 2021 is Rs 233.37 million (2020: Rs. 243.37 million) . Profit or loss is shared equally.

6.1.2 Summarized financial information of the joint venture is given below;

	2021 CGL	2020 CGL
	Rupees	
As at June 30,		
Current Liabilities	(9,696,736)	(13,626,919)
Cash and cash equivalents	1,399,261	2,043,543
Current assets	206,259,756	220,650,276
Non current assets	36,805,894	36,344,401
For the year ended June 30,		
Revenue	106,250,319	150,063,180
(Loss) / profit for the year	(9,998,844)	18,820,550
Depreciation	(894,035)	(950,103)
Income tax expense	(4,643,007)	(7,687,267)

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in equity instruments	7.1	29,434,623	21,954,233
Investments in term finance certificate	7.2	-	-
		<u>29,434,623</u>	<u>21,954,233</u>

7.1 Investments in equity instruments

Number of shares 2021	2020	Name of company	Note	2021 Rupees	2020 Rupees
		Listed			
112,000	112,000	English Leasing Limited		-	-
135,000	135,000	Zeal Pak Cement Factory Limited		-	-
419,775	419,775	Bank Al-Habib Limited		29,434,623	21,954,233
		Un-Listed			
1,140	1,140	Innovative Investment Bank Limited		-	-
<u>667,915</u>	<u>667,915</u>			<u>29,434,623</u>	<u>21,954,233</u>
		Cost		<u>7,791,357</u>	<u>7,791,357</u>

7.1.1 These investments are valued on the basis of quoted prices in active market for identical instruments (Level 1 hierarchy).

7.2 Investments in term finance certificate

Number of certificates 2021	2020	Name of company	Note	2021 Rupees	2020 Rupees
		Saudi Pak Leasing Corporation Limited	7.2.1	-	-
<u>1,000</u>	<u>1,000</u>				

7.2.1 These investments are fully impaired.

8. NET INVESTMENT IN FINANCE LEASE

Contracts accounted for as finance lease under IFRS 16	8.1	452,824,044	369,238,615
Less : Current portion	15	(235,204,039)	(219,323,380)
		<u>217,620,005</u>	<u>149,915,235</u>

8.1 Net investment in finance lease

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

	2021			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		
Minimum lease payments receivable	817,417,277	167,735,908	985,153,185	800,528,872	112,736,297	913,265,169
Residual value of leased assets	15,382,709	73,277,390	88,660,099	26,690,430	56,677,099	83,367,529
Lease contracts receivable	832,799,986	241,013,298	1,073,813,284	827,219,302	169,413,396	996,632,698
Unearned lease income (including suspended income)	(165,656,256)	(23,393,293)	(189,049,549)	(159,778,253)	(17,385,862)	(177,164,115)
Provision for potential lease losses	(431,939,691)	-	(431,939,691)	(448,117,669)	(2,112,299)	(450,229,968)
	(597,595,947)	(23,393,293)	(620,989,240)	(607,895,922)	(19,498,161)	(627,394,083)
	235,204,039	217,620,005	452,824,044	219,323,380	149,915,235	369,238,615

8.1.1 These finances carry profit rates ranging from 12.60% to 22.00 % per annum (2020 12.36% 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.

8.1.2 The above net investment in finance lease includes non-performing lease portfolio of Rs. 532.90 million (2020: Rs. 549.81 million). Detail of non performing leases is as follows:

Category of classification	2021			2020		
	Principal outstanding	Provision required	Provision held	Principal outstanding	Provision required	Provision held
	Rupees			Rupees		
Substandard	-	-	-	8,449,197	2,112,299	2,112,299
Loss	532,898,132	431,939,691	431,939,691	549,808,220	448,117,669	448,117,669
	532,898,132	431,939,691	431,939,691	558,257,417	450,229,968	450,229,968

	Note	2021 Rupees	2020 Rupees
9. LONG TERM MUSHARAKAH FINANCES			
Secured			
Considered doubtful		83,030,975	83,293,891
Companies (non-financial institutions)		43,223,923	43,263,928
Individuals		126,254,898	126,557,819
		(24,793,805)	(25,056,726)
Provision against doubtful balances		101,461,093	101,501,093
	15	(101,461,093)	(101,501,093)
Less: Current portion		-	-

9.1 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 (2020: 16.00% to 30.00% per annum). These were receivable in monthly / quarterly / semi-annual installments and in lump sum on maturity.

	Note	2021 Rupees	2020 Rupees
10. LONG TERM LOANS			
Secured			
Considered good			
Customers	10.1	44,823,819	51,099,856
Considered doubtful			
Customers	10.1	15,947,722	19,556,209
Outgoing group	10.2	71,954,665	71,954,665
Ex-employee		528,523	528,523
		88,430,910	92,039,397
Provision against doubtful balances		(75,763,805)	(79,492,076)
		12,667,105	12,547,321
		57,490,924	63,647,177
Less: Current portion	15	(28,743,316)	(25,595,662)
		28,747,608	38,051,515

10.1 These carry mark-up at the rate ranging from 11.00% to 25.00% per annum (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.

10.2 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. Mark-up amounting to Rs 36.04 million is also outstanding. It was subject to mark up at the rate of six month KIBOR plus 2% per annum. Effective markup rate charged was 9.04% per annum till maturity December 31, 2018.

	Note	2021 Rupees	2020 Rupees
11. LONG TERM SECURITY DEPOSITS			
	11.1	2,280,225	2,331,225

11.1 These represent deposits for utilities, office premises etc.

	Note	2021 Rupees	2020 Rupees
12. SHORT TERM MUSHARAKAH FINANCES			
Secured			
Considered doubtful		99,660,848	99,827,088
Provision against doubtful balances		(56,807,405)	(56,807,405)
		42,853,443	43,019,683

12.1 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 (2020 : 10.00% to 34.69% per annum).

	Note	2021 Rupees	2020 Rupees
13. SHORT TERM FINANCES			
Secured			
Considered good		8,300,000	5,675,000
Considered doubtful		8,132,867	7,898,083
Provision against doubtful balances		(1,782,867)	(1,782,867)
		6,350,000	6,115,216
	13.1	14,650,000	11,790,216
Un secured			
Considered good			
OMC - Company	13.2	-	100,000,000
		14,650,000	111,790,216

13.1 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 (2020 : 15.29% to 27.00% per annum).

13.2 It was unsecured and subject to profit at the rate 52% per annum.

	Note	2021 Rupees	2020 Rupees
14. IJARAH RENTALS RECEIVABLE			
Ijarah rentals receivable - Due within one year		49,743,721	50,559,687
Less : Provision against Ijarah rentals receivable	14.1	(48,442,335)	(49,244,699)
		1,301,386	1,314,988

14.1 Provision against Ijarah rentals receivable

	2021			2020		
	Rental receivable	Suspension required	Suspension held	Rental receivable	Suspension required	Suspension held
Category of classification						
Loss	48,442,335	48,442,335	48,442,335	49,244,699	49,244,699	49,244,699

	Note	2021 Rupees	2020 Rupees
15. CURRENT PORTION OF NON-CURRENT ASSETS			
Net investment in finance lease	8	235,204,039	219,323,380
Long term musharakah finances	9	101,461,093	101,501,093
Long term loans	10	28,743,316	25,595,662
		<u>365,408,448</u>	<u>346,420,135</u>
16. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Unsecured			
Considered good			
Advances			
- against purchases and expenses		142,218	141,897
- Income tax		6,316,404	1,938,814
Prepayments		578,170	770,364
Other receivables	16.1	5,771,557	19,724,031
		<u>12,808,349</u>	<u>22,575,106</u>
Considered doubtful			
Advances			
- against purchases and expenses		350,000	350,000
Deposit with Privatization Commission	16.2	10,000,000	10,000,000
Other receivables	16.1	189,430,045	207,753,982
		<u>199,780,045</u>	<u>218,103,982</u>
Suspension against doubtful income		(35,759,626)	(35,759,626)
Provision against doubtful balances		(164,020,419)	(182,344,356)
		<u>12,808,349</u>	<u>22,575,106</u>
16.1 Other receivables			
Unsecured			
Considered good			
Accrued mark up / interest on			
Loans and advances		11,894	9,322
Income tax refund		-	9,440,219
Others		5,759,663	10,274,490
		<u>5,771,557</u>	<u>19,724,031</u>
Considered doubtful			
Accrued mark up / interest on			
Long term loan - outgoing group		35,759,626	35,759,626
Operating lease rentals receivable		7,174,104	7,174,104
Insurance claims receivable		12,987,760	12,987,760
Net receivable against terminated leases		62,517,849	78,750,571
Outgoing group		32,400,000	32,400,000
Others		38,590,706	40,681,921
		<u>189,430,045</u>	<u>207,753,982</u>
		<u>195,201,602</u>	<u>227,478,013</u>

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

	Note	2021 Rupees	2020 Rupees
17. Financial assets at fair value through profit or loss			
Investments at fair value through profit or loss			
Quoted securities	17.1	<u>16,822,305</u>	<u>11,448,968</u>

17.1 Investments at fair value through profit or loss

2021 Number of shares	2020 Number of shares	Name of company	2021 Rupees	2020 Rupees
25,000	-	Hub Power Company Limited	1,991,750	-
10,000	-	Dera Khan Cement Factory Limited	1,179,200	-
350,000	408,000	Faysal Bank Limited	5,939,500	5,683,440
10,000	-	Avanceon Limited	916,800	-
500,000	150,000	The Bank of Punjab	4,200,000	1,260,000
10,000	-	Amreli Steel Limited	434,400	-
10,000	-	Bank Al-Habib Limited	701,200	-
127,000	400,000	Bank Islami Pakistan Limited	1,427,480	3,024,000
-	72,000	Kot Addu Power Co. Limited	-	1,450,800
-	4,841	Trust Investment Bank Limited	-	-
127	127	Askari Bank Limited	2,887	1,741
56	56	Engro Corporation Limited	16,498	16,404
145	145	Pakistan Petroleum Limited	12,590	12,583
2,763	2,763	Taj textile Mills Limited	-	-
<u>1,045,091</u>	<u>1,037,932</u>		<u>16,822,305</u>	<u>11,448,968</u>

17.2 These investments are valued on the basis of quoted prices in active market for identical instruments (Level 1 hierarchy).

	Note	2021 Rupees	2020 Rupees
18. BANK BALANCES			
Balance with banks in local currency:			
In current accounts with:			
- State Bank of Pakistan		44,694	44,694
- In PLS accounts with Commercial banks	18.1	<u>9,632,280</u>	<u>10,904,823</u>
		<u>9,676,974</u>	<u>10,949,517</u>

18.1 PLS bank accounts carry profit at the rates ranging from 2.70% to 6.70% per annum (2020: 3.25% to 13.50% per annum).

19. ISSUED, SUBSCRIBED AND PAID-UP CAPITAL

2021 Number of shares	2020 Number of shares	Note	2021 Rupees	2020 Rupees
86,742,370	86,742,370	Ordinary shares of Rs. 10 each fully paid in cash	867,423,700	867,423,700
198,124,526	198,124,526	Ordinary shares of Rs. 10 each issued as fully paid under scheme of arrangement for amalgamation	1,981,245,260	1,981,245,260
<u>284,866,896</u>	<u>284,866,896</u>		<u>2,848,668,960</u>	<u>2,848,668,960</u>

20. LOAN FROM DIRECTORS	20.1	<u>126,000,000</u>	<u>126,000,000</u>
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20.1 These loans are accounted for under Technical Release -32 "Accounting Directors Loan" issued by the Institute of Chartered Accountants of Pakistan effective for the financial statements for the period beginning on or after January 01, 2016.

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

	Note	2021 Rupees	2020 Rupees
21. GENERAL RESERVE			
Transferred from statutory reserve	21.1	<u>102,976,444</u>	<u>102,976,444</u>

21.1 It is available for distribution to shareholders.

22. LOAN FROM SPONSOR

Loan from sponsor	22.1	<u>66,392,473</u>	<u>116,392,473</u>
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22.1 During the period the loan of Rs. 50 million has been prepaid and the remaining amount of Rs. 66.39 million is payable in full in November 2023. Effective markup rate charged during the year ranges from 7.29% to 11.08% (2020: 11.16% to 13.92%) per annum.

	Note	2021 Rupees	2020 Rupees
23. SECURITY DEPOSITS FROM LESSEES			
Security deposits under lease contracts	23.1	88,660,099	83,367,529
Less: Current portion	27	<u>(15,382,709)</u>	<u>(26,690,430)</u>
		<u>73,277,390</u>	<u>56,677,099</u>

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

	Note	2021 Rupees	2020 Rupees
24. REDEEMABLE CAPITAL			
Secured			
Term finance certificates	24.1 & 24.2	3,705,000	17,770,000
Less: Current portion	27	<u>(3,705,000)</u>	<u>(17,770,000)</u>
		<u>-</u>	<u>-</u>
Restructured			
Term finance certificates	24.3	11,400,000	17,700,000
Less: Current portion	27	<u>(6,300,000)</u>	<u>(6,300,000)</u>
		<u>5,100,000</u>	<u>11,400,000</u>

24.1 Term finance certificates (TFCs) were issued by the Company on September 05, 2002. These were subject to markup at 5 year PIB plus 275 bps. Markup was payable semi-annually. These were matured in September 05, 2013.

24.2 As a result of Company's request to the TFC holders for restructuring / settlement of principal and markup during the year, four agreements have been executed with TFC holders. As per terms of the agreement, principal of Rs. 14.06 million (2020: Rs. 8.00 million) along with mark up of Rs. 18.66 million (2020: Rs. 38.40 million) has been waived off. Company's request to the remaining TFC holders for restructuring / settlement of principal and markup is under their consideration.

24.3 This represents the amount repayable in installments as a result of settlement.

	Balance	Number of Installments		Payment Rests	Commencement Date	Ending Date
		Total	Balance			
TFC I	8,700,000	50	29	Monthly	10 - Oct -19	10 -Nov -23
TFC II	2,700,000	41	12	Monthly	31 - Mar -19	30 -Jun -22

	Note	2021 Rupees	2020 Rupees
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25. LIABILITY RELATED TO OUTGOING GROUP

Liability related to outgoing group	25.1	25,920,000	29,160,000
Less: Current portion	27	(3,240,000)	(3,240,000)
		<u>22,680,000</u>	<u>25,920,000</u>

25.1 This represents the liability payable to Bank Islami on behalf of outgoing group.

Balance	Number of Installments		Payment Rests	Commencement Date	Ending Date
	Total	Balance			
25,920,000	40	32	Quarterly	27-Sep-19	27-Jun-29

	Note	2021 Rupees	2020 Rupees
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26. DEFERRED LIABILITY

Mark up on long term musharakah	26.1	9,747,000	9,747,000
Less: Current portion	27	(9,747,000)	(9,747,000)
		<u>-</u>	<u>-</u>

26.1 Principal amount has been paid as per terms of agreement. Outstanding markup as at October 07, 2013 amounting to Rs. 9.75 million has been deferred and will be repaid in 08 equal quarterly installments commencing from September 30, 2017 and ending on June 30, 2019. The Company is in a process of negotiation for the waiver of mark up with the lender.

	Note	2021 Rupees	2020 Rupees
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27. CURRENT PORTION OF NON-CURRENT LIABILITIES

Security deposit from lessees	23	15,382,709	26,690,430
Liability related to outgoing group	25	3,240,000	3,240,000
Deferred liability	26	9,747,000	9,747,000
Redeemable capital	24 & 27.1	10,005,000	24,070,000
		<u>38,374,709</u>	<u>63,747,430</u>

27.1 These certificates alongwith related mark up of Rs. 5.73 million (2020 : Rs. 24.71 million) are outstanding (Refer Note 30).

	Note	2021 Rupees	2020 Rupees
28. SHORT TERM LOAN FROM SPONSOR	28.1	-	31,000,000

28.1 This was unsecured and repayable on demand. It was subject to markup at the rate of six month kibar plus 3%. Effective markup rate charged during the year ranges from 10.35% to 13.21% per annum (2020: 13.21% to 15.34% per annum). It was obtained for the purpose of short term investment placement.

	Note	2021 Rupees	2020 Rupees
29. ACCRUED AND OTHER LIABILITIES			
Accrued expenses			
Auditors' remuneration payable		330,659	194,870
Due to joint venture		1,567,000	1,233,500
Other liabilities		101,737,824	101,737,824
		38,416,624	38,827,971
		142,052,107	141,994,165

30. PROFIT / MARK UP PAYABLE

Profit / mark-up payable on:

- Redeemable capital	27.1	5,734,636	24,705,889
- Loan from sponsor		184,017,379	176,262,306
		189,752,015	200,968,195

31. CONTINGENCIES AND COMMITMENT

31.1 Contingencies

Income Tax

The company filed a petition in the High Court of Sindh, Karachi, on February 19, 2015, claiming exemption from charge of alternative corporate tax. The honorable High Court of Sindh issued stay order on this petition on 14th April 2015. Currently the liability is not acknowledged in view of petition filed by the Company.

	Note	2021 Rupees	2020 Rupees
31.2 Commitment			
Under lease financing contracts committed but not executed		23,121,500	10,143,000

	Note	2021 Rupees	2020 Rupees
32. ADMINISTRATIVE AND OPERATING EXPENSES			
Directors' remuneration		5,354,700	5,208,150
Staff salaries, allowances and other benefits	32.1	8,357,503	7,675,540
Traveling, conveyance and vehicle running expenses		228,396	164,523
Rent ,Rates and taxes		848,932	745,366
Utility charges		63,991	98,842
Postage, telephone and telegram		288,883	248,497
Repairs and maintenance		510,937	479,770
Insurance		80,058	122,366
Depreciation	4	2,762,770	2,970,280
Amortization	5	100,160	143,085
Fees and subscriptions		1,470,171	1,560,380
Entertainment		206,093	194,741
Newspapers and periodicals		-	5,947
Printing and stationery		342,550	278,092
Legal and professional charges		1,663,389	1,836,647
Auditors' remuneration	32.2	1,233,500	1,233,500
Advertisement		72,200	16,500
Brokerage and commission		25,000	-
Other		267,950	89,613
		<u>23,877,183</u>	<u>23,071,839</u>

32.1 This includes retirement benefits of Rs.0.54 million (2020: Rs. 0.51 million) in respect of contribution to the employees' provident fund.

	Note	2021 Rupees	2020 Rupees
32.2 Auditors' remuneration			
Annual audit fee		945,000	945,000
Review of half yearly financial information		173,000	173,000
Review of Code of Corporate Governance		52,500	52,500
Other certifications		63,000	63,000
		<u>1,233,500</u>	<u>1,233,500</u>

33. FINANCIAL CHARGES

Profit / mark up on :			
- Redeemable capital		691,112	4,199,636
- Long term loan from sponsor		7,755,073	14,750,736
- Short term loan from sponsor		1,394,045	2,289,626
		<u>9,840,230</u>	<u>21,239,998</u>
Bank charges		11,238	6,347
		<u>9,851,468</u>	<u>21,246,345</u>

34. Mark up waived off on settlement of loans:

Redeemable capital	24.2	<u>18,662,365</u>	<u>38,401,681</u>
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	Note	2021 Rupees	2020 Rupees
35. OTHER INCOME			
From non financial assets :			
Gain on disposal of operating assets		-	2,602
Gain on settlement of liabilities	35.1	-	32,000,000
Balances written back		-	613,750
Rental Income		3,956,636	3,691,897
Others		13,355	8,579
		3,969,991	36,316,828

35.1 Gain on settlement of liabilities:

Redeemable capital	-	8,000,000
Liability related to outgoing group	-	24,000,000
	-	32,000,000

36. PROVISION FOR TAXATION

Current			
For the year		15,940,093	21,645,970
For prior year	35.1	(8,717,235)	1,119,038
		7,222,858	22,765,008

	2021 Rupees
36.1 Relationship between tax expense and accounting profit	
Profit before taxation	91,080,707
Profit attributable to final tax regime	(2,569,024)
	88,511,683
Tax on accounting profit at the applicable tax rate of 29%	25,668,388
Tax on Inadmissible Expense / Admissible income	27,300,172
Tax on Inadmissible Income / Admissible Expense	(37,028,467)
	15,940,093

36.2 Deferred Tax

As at June 30, 2021 net deferred tax asset works out to Rs.529.79 million (2020: Rs. 537.82 million) not recognized due to uncertain future results.

		2021 Rupees	2020 Rupees
37. EARNINGS PER SHARE - BASIC AND DILUTED			
Profit after taxation for the year	Rupees	83,857,849	46,122,821
Weighted average number of ordinary shares	Number	284,866,896	284,866,896
Earnings per share - Basic and Diluted	Rupees	0.294	0.162

37.1 There is no dilutive effect on the basic earning per share of the Company.

38. REMUNERATION TO CHIEF EXECUTIVE AND DIRECTOR

	2021			2020		
	Chief Executive Officer	Director	Total	Chief Executive Officer	Director	Total
————— Rupees —————						
Managerial remuneration	2,775,000	1,800,000	4,575,000	2,700,000	1,800,000	4,500,000
Contribution to provident fund	185,000	-	185,000	180,000	-	180,000
Bonus	175,000	-	175,000	112,500	-	112,500
Retirement benefits	7,800	-	7,800	7,800	-	7,800
Reimbursable expenses	411,900	-	411,900	407,850	-	407,850
	<u>3,554,700</u>	<u>1,800,000</u>	<u>5,354,700</u>	<u>3,408,150</u>	<u>1,800,000</u>	<u>5,208,150</u>
Number of persons	<u>1</u>	<u>1</u>	<u>2</u>	<u>1</u>	<u>1</u>	<u>2</u>

38.1 The Chief Executive Officer is entitled to free use of Company maintained car and other perquisites. The monetary value of these benefits approximates Rs. 230,114/- (2020: Rs. 414,265/-). Directors have waived off their meeting fee.

39. 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 year and year end balances	2021	2020
			Rupees	Rupees
Mr. Muhammad Zahid	Major shareholder 18.96% (2020 : 18.96%)	Long term loan from sponsor repaid	50,000,000	25,000,000
		Mark up / interest on long term loan from sponsor	7,755,073	14,750,736
		Short term loan repaid to sponsor	31,000,000	31,000,000
		Mark up / interest on short term loan from sponsor	1,394,045	2,289,626
Centre Gas (Private) Limited	Joint venture	Amount received during the year	-	10,705,000
ICIBL Staff P. Fund	Provident fund	Contribution made during the year	535,005	516,836

Note	2021 Rupees	2020 Rupees
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40. NUMBER OF EMPLOYEES

Total number of employees as at June 30,	11	12
Average number of employees during the year	11	13

41. DISCLOSURE WITH REGARD TO PROVIDENT FUND

The following information is based on unaudited financial statements of the fund as at June 30, 2021.

		2021 Rupees	2020 Rupees
Size of the fund	(Rupees)	7,918,666	6,914,290
Cost of investments made	(Rupees)	-	2,400,000
Percentage of investments made	(% age)	0%	35%
Fair value of investments	(Rupees)	-	2,433,387

41.1 Breakup of investments

	2021		2020	
	Amount Rupees	%age	Amount Rupees	%age
Certificate of Investments	-	0.00%	2,433,387	100.00%

41.2 Investments out of provident fund have been made in accordance with the provisions of section 218 of the Companies Act, 2017 and the conditions specified thereunder.

42. FINANCIAL RISK MANAGEMENT

42.1 Financial risk factors

The Company's activities expose it to a variety of financial risks, including:

- Credit risk
- Liquidity risk
- Market risk

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

42.2 Credit risk

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

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

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

	Note	2021 Rupees	2020 Rupees
Net investment in finance lease		364,163,945	285,871,086
Long term musharakah finances		101,461,093	101,501,093
Long term loans		57,490,924	63,647,177
Deposits		2,280,225	2,331,225
Short term musharakah finances		42,853,443	43,019,683
Short term finances - secured		14,650,000	111,790,216
Ijarah rentals receivable		1,301,386	1,314,988
Advances and other receivables		5,771,557	19,865,928
Bank balances		9,676,974	10,949,517
		<u>599,649,547</u>	<u>640,290,913</u>

42.2.1 Past due balances and impairment losses

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

	2021		2020	
	Gross	Impairment loss recognised	Gross	Impairment loss recognised
	Rupees			
Past due 91 days - 180 days	-	-	58,006,933	152,437
Past due 181 days to one year	3,390,024	-	9,606,946	3,270,048
More than two years	1,254,398,704	973,198,550	1,249,093,402	1,014,949,929
	1,257,788,728	973,198,550	1,316,707,281	1,018,372,414
Not past due	575,074,290	-	590,260,727	-
Total	<u>1,832,863,018</u>	<u>973,198,550</u>	<u>1,906,968,008</u>	<u>1,018,372,414</u>

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

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

	Note	2021 Rupees	2020 Rupees
Investment accounted for using equity method		134,774,868	139,774,290
Financial assets at fair value through other comprehensive income		29,434,623	21,954,233
Net investments in finance lease		88,660,099	83,367,529
Financial assets at fair value through profit or loss		16,822,305	11,448,968
Advances and other receivables		(9,045,519)	(10,638,074)
		<u>260,646,376</u>	<u>245,906,946</u>

42.3 Liquidity risk

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

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

	2021				
	Carrying amount	Contractual cash flows	Up to three months	Over three months to one year	Over one year
	Rupees				
Loan from directors	126,000,000	126,000,000	-	-	126,000,000
Redeemable capital	15,105,000	27,139,636	11,014,636	4,725,000	11,400,000
Liability related to outgoing group	25,920,000	25,920,000	810,000	2,430,000	22,680,000
Deferred mark up on long term musharakah	9,747,000	9,747,000	9,747,000	-	-
Loan from sponsor	66,392,473	250,409,852	-	-	250,409,852
Accrued and other liabilities	142,052,107	142,052,107	6,284,526	135,767,581	-
Profit / mark up payable	189,752,015	189,752,015	5,734,636	-	184,017,379
	574,968,595	771,020,610	33,590,798	142,922,581	594,507,231

	2020				
	Carrying amount	Contractual cash flows	Up to three months	Over three months to one year	Over one year
	Rupees				
Loan from directors	126,000,000	126,000,000	-	-	126,000,000
Redeemable capital	35,470,000	60,175,889	44,050,889	4,725,000	11,400,000
Liability related to outgoing group	29,160,000	29,160,000	810,000	2,430,000	25,920,000
Deferred mark up on long term musharakah	9,747,000	9,747,000	9,747,000	-	-
Loan from sponsor	116,392,473	292,654,779	-	-	292,654,779
Short term loan from sponsor	31,000,000	31,000,000	-	-	-
Accrued and other liabilities	141,994,165	141,994,165	1,254,870	140,739,295	-
Profit / mark up payable	200,968,195	200,968,195	24,705,889	-	176,262,306
	690,731,833	891,700,028	80,568,648	147,894,295	632,237,085

42.4 Market risk

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

42.4.1 Interest rate risk

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

	2021								
	Profit / mark-up bearing			Non- profit/mark-up bearing				Total	
	Upto three months	Three months to one year	More than one year	Sub-total	Upto three months	Three months to one year	More than one year		Sub-total
Rupees									
Financial assets									
Investment accounted for using equity method									
Financial assets at fair value through other comprehensive income	-	-	-	-	-	-	-	134,774,868	134,774,868
Net investment in finance lease	-	-	-	-	-	-	-	29,434,623	29,434,623
Long term musharakah finances	115,805,289	86,054,092	250,964,663	452,824,044	-	-	-	-	452,824,044
Long term musharakah finances	101,461,093	-	-	101,461,093	-	-	-	-	101,461,093
Long term loans	-	12,667,105	44,823,819	57,490,924	-	-	-	-	57,490,924
Deposits	-	-	-	-	-	-	-	2,280,225	2,280,225
Financial assets at fair value through profit or loss	-	-	-	-	16,822,305	-	-	16,822,305	16,822,305
Short term musharakah finances	42,853,443	-	-	42,853,443	-	-	-	-	42,853,443
Short term finances	14,650,000	-	-	14,650,000	-	-	-	-	14,650,000
Ijarah rentals receivables	1,301,386	-	-	1,301,386	-	-	-	-	1,301,386
Advances, deposits, prepayments and other receivables	-	-	-	-	512,648	3,390,024	-	3,902,672	3,902,672
Bank balances	9,632,280	-	-	9,632,280	44,694	-	-	44,694	9,676,974
	285,703,491	98,721,197	295,788,482	680,213,170	17,379,647	3,390,024	166,489,716	187,259,387	867,472,557
Financial liabilities									
Loan from directors	-	-	-	-	-	-	-	126,000,000	126,000,000
Loan from sponsor	-	-	66,392,473	66,392,473	-	-	-	-	66,392,473
Security deposits from lessees	-	-	-	-	5,185,025	10,959,284	72,515,790	88,660,099	88,660,099
Redeemable capital	3,705,000	-	-	3,705,000	1,575,000	4,725,000	11,400,000	17,700,000	21,405,000
Deferred mark up on long term musharakah	-	-	-	-	9,747,000	-	-	9,747,000	9,747,000
Accrued and other liabilities	-	-	-	-	6,284,526	135,767,581	-	142,052,107	142,052,107
Profit / mark up payable	-	-	-	-	5,734,636	-	184,017,379	189,752,015	189,752,015
	3,705,000	-	66,392,473	70,097,473	28,526,187	151,451,865	393,933,169	573,911,221	644,008,694
On balance sheet gap 2021	281,998,491	98,721,197	229,396,009	610,115,697	[11,146,540]	[148,061,841]	[227,443,453]	[386,651,834]	223,463,863

	2020								
	Profit / mark-up bearing		Non- profit/mark-up bearing						
	Upto three months	Three months to one year	More than one year	Sub-total	Upto three months	Three months to one year	More than one year	Sub-total	Total
Rupees									
Financial assets									
Investment accounted for using equity method									
Financial assets at fair value through other comprehensive income									
Net investment in finance lease									
Long term musharakah finances	119,677,732	60,306,965	189,253,918	369,238,615	-	-	-	21,954,233	21,954,233
Long term musharakah finances	101,501,093	-	-	101,501,093	-	-	-	-	-
Long term loans	-	14,872,749	48,774,428	63,647,177	-	-	-	-	-
Deposits	-	-	-	-	-	-	-	2,331,225	2,331,225
Financial assets at fair value through profit or loss									
Short term musharakah finances	43,019,683	-	-	43,019,683	-	-	-	-	-
Short term finances	111,790,216	-	-	111,790,216	-	-	-	-	-
ijarah rentals receivables	1,314,988	-	-	1,314,988	-	-	-	-	-
Advances, deposits, prepayments and other receivables	-	-	-	-	10,283,812	-	-	10,283,812	10,283,812
Bank balances	10,904,823	-	-	10,904,823	44,694	-	-	44,694	10,949,517
	388,208,535	75,179,714	238,028,346	701,416,595	21,777,474	-	164,059,748	185,837,222	887,253,817
Financial liabilities									
Loan from directors	-	-	-	-	-	-	-	126,000,000	126,000,000
Loan from sponsor	-	-	116,392,473	116,392,473	-	-	-	-	116,392,473
Security deposits from lessees	-	-	-	-	1,969,325	26,584,305	54,813,899	83,367,529	83,367,529
Redeemable capital	17,770,000	-	-	17,770,000	1,575,000	4,725,000	11,400,000	17,700,000	35,470,000
Deferred mark up on long term musharakah	-	-	-	-	9,747,000	-	-	9,747,000	9,747,000
Accrued and other liabilities	-	-	-	-	1,254,870	140,739,295	-	141,994,165	141,994,165
Profit / mark up payable	-	-	-	-	24,705,889	-	176,262,306	200,968,195	200,968,195
	17,770,000	-	116,392,473	134,162,473	39,252,084	172,048,600	368,476,205	579,776,889	713,939,362
On balance sheet gap 2020	370,438,535	75,179,714	121,635,873	567,254,122	(17,474,610)	(172,048,600)	(204,416,457)	(393,939,667)	173,314,455

Fair value sensitivity analysis for fixed rate financial assets instruments

The Company does not account for any fixed rate financial assets and liabilities at fair value through profit and loss. Therefore, a change in interest rates at reporting date would not affect profit and loss account. At June 30, 2021, financial assets of Rs. 608.26 million (2020: Rs. 549.05 million) .No financial liabilities carried at fixed rate.

Cash flow sensitivity analysis for variable rate financial liabilities instruments

An estimated change of 100 basis points in interest rates at the reporting date would have resulted in the increase / decrease of profit for the year and decrease / increase in equity by the amounts shown below. This analysis assumes that all other variables remain constant. The analysis is performed on the same basis as performed for 2020.

	Effect on profit / (loss) before tax	Carrying value
As at 30 June 2021		
Cash flow sensitivity-variable rate financial liabilities	(700,975)	(70,097,473)
Cash flow sensitivity-variable rate financial assets	719,547	71,954,665
As at 30 June 2020		
Cash flow sensitivity-variable rate financial liabilities	(1,341,625)	(134,162,473)
Cash flow sensitivity-variable rate financial assets	719,547	71,954,665

42.4.2 Equity price risk

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

As at June 30, 2021, the fair value of equity securities exposed to price risk was Rs.46.26 million (2020: Rs. 33.40 million).

An increase or decrease of 10% in the fair values of the Company's equity securities, with all other variables held constant, would result in decrease / increase of profit for the year by Rs.1.68 million (2020: Rs. 1.14 million) and equity by Rs.2.94million (2020: Rs. 2.2 million). This level of change is considered to be reasonably possible based on observation of current market conditions.

42.5 Fair value of financial instruments

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

Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms.

42.6 Capital risk management

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

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

43. SEGMENT INFORMATION

	2021				2020			
	Investment / financing activities	Leasing activities	Other operations	Total	Investment / financing activities	Leasing activities	Other operations	Total
	Rupees				Rupees			
Information about reportable segment profit or loss, assets and liabilities								
Revenue from external customers	24,978,614	43,263,798	(2,644,765)	65,597,647	38,813,290	41,495,831	11,157,494	91,466,615
Interest (reversal) / expense - net	(3,605,910)	(6,245,558)	-	(9,851,468)	(10,268,330)	(10,978,015)	-	(21,246,345)
Depreciation and amortization	1,047,912	1,815,018	-	2,862,930	1,504,685	1,608,680	-	3,113,365
Provision reversed / (charged) /								
Impairment of assets	22,315,129	15,075,237	(811,011)	36,579,355	(56,246,323)	6,747,585	(3,480,373)	(52,979,111)
Reportable segment profit	44,735,745	53,908,495	(3,455,776)	95,188,464	(26,196,678)	38,874,081	7,677,121	20,354,524
Reportable segment assets	488,285,126	454,125,430	-	942,410,556	597,836,760	370,553,603	-	968,390,363
Reportable segment liabilities	(470,962,144)	(88,660,099)	-	(559,622,243)	(593,572,760)	(83,367,529)	-	(676,940,289)
Reconciliation of profit					2021 Rupees			
Total profit from reportable segments					2020 Rupees			
(Loss) / profit from other operations					98,644,240	12,677,403		
					(3,455,776)	7,677,121		
					95,188,464	20,354,524		
Unallocated amounts:								
Other administrative and operating expenses					(26,740,113)	(26,185,204)		
Mark up waived off on settlement of loans					18,662,365	38,401,681		
Other income					3,969,991	36,316,828		
Profit before tax					91,080,707	68,887,829		
Reconciliation of assets and liabilities								
Assets								
Total assets of reportable segments					942,410,556	968,390,363		
Liabilities								
Total liabilities of reportable segments					(559,622,243)	(676,940,289)		

44. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on October 05, 2021 by the Board of Directors of the Company.

45. GENERAL


45.1 NOMENCLATURE

Nomenclature of "Property plant and equipment" has been changed to "Property and equipment" for better presentation of financial statements.

45.2 Figures have been rounded off to the nearest Rupee.



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
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 Qasim	-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: 021-358940022
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

Flat No. 2, 1st Floor, Plot No. 38-C,
Phase II Ext., DHA,
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,
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

51-A, Trust Plaza, G.T Road,
Gujranwala.

Tel: 055-3730308, 3730300

Fax: 055-3731108

Proxy Form

I, _____ S/o, W/o, D/o

a member of Invest Capital Investment Bank Limited and holder of _____ shares as per Registered Folio No. _____ and / or CDC participant I.D. No. _____ and Sub Account No. _____ do hereby appoint _____ of _____ (full address) or failing him/her _____ of _____ (full address) as my/our proxy to attend, act and vote for me/us and on my/our behalf at the Annual General Meeting of the Shareholders to be held at 11.30 a.m. on Wednesday, October 27, 2021 and at any adjournment thereof.

Signed this _____ day of _____ 2021.

Signature and or Seal of Member _____

Please affix
Rs.5/-
Revenue
Stamp

In the presence of

Signature : _____

Signature : _____

Name : _____

Name : _____

Address : _____

Address : _____

CNIC No : _____

CNIC No : _____

Notes:

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



پراکسی فارم

انویسٹ کیپیٹل انویسٹمنٹ بینک لمیٹڈ

فلیٹ نمبر 2، منرسٹ فلور، پلاٹ نمبر C-38، 22 کمرشل اسٹریٹ، فیزا ایجنٹیشن، ڈی ایچ اے، کراچی

مسی ولد/بنت / زوجہ _____ انویسٹ کیپیٹل انویسٹمنٹ

بینک لمیٹڈ کا/کی ممبر ہوں اور _____ شیئر کا مالک ہوں بمطابق رجسٹرڈ فلیو نمبر _____ اور / یا سی ڈی سی

پارٹسینٹ نمبر (شراکت داری شناختی نمبر) _____ اور سب اکاؤنٹ نمبر _____

میں جناب / جناب _____ ساکن (مکمل پتہ) _____

متبادل طور پر جناب / جناب _____ ساکن (مکمل پتہ) _____

کو بطور پراکسی مقرر کرتا / کرتی ہوں جو کہ میری / ہماری جگہ 27 اکتوبر 2021 بروز بدھ 11:30 بجے بالصورت التوائی مقرر کردہ تاریخ پر حصص یا

فنگان کے غیر معمولی جنرل اجلاس میں شرکت کرے، حصے اور ووٹ کاسٹ کرے۔

دستخط کئے گئے مورخہ 2021 _____

برائے مہربانی 5 روپے
والی ٹکٹ لگائیں

ممبر کے دستخط اور مہر

گواہ

گواہ

دستخط _____

نام _____

پتہ _____

شناختی کارڈ _____

دستخط _____

نام _____

پتہ _____

شناختی کارڈ _____

نوٹ:

1- ایک ممبر جو کہ مذکورہ اجلاس میں شرکت کرنے اور ووٹ ڈالنے کا اہل ہے وہ کسی بھی دوسرے شخص کو اپنا / اپنی پراکسی مقرر کر سکتا / سکتی ہے۔ پراکسی مقرر کرنے کی دستاویز ممبر یا اسکے وکیل کی طرف سے دونوں اطراف سے دستخط شدہ تحریری اجازت ہو۔ اگر رکن کارپوریشن ہے، تو وہ اپنی عام ممبر پراکسی فارم پر لگائے یا نامزد افراد کے نمونہ دستخطوں کے ہمراہ بورڈ آف ڈائریکٹرز کی قرارداد یا مختار عام پراکسی فارم کے ساتھ پیش کرے۔ پراکسی کو (اجلاس میں) شرکت کرنے، تقریر کرنے اور رکن کی جگہ ووٹ ڈالنے کا حق حاصل ہوگا۔

2- پراکسیاں تا آنکہ موثر ہو سکیں کمپنی کے شیئر رجسٹرار کے دفتر میسرز کارپ ٹیک ایسوسی ایٹس (پرائیوٹ) لمیٹڈ 503 ای جوہر ٹاون لاہور میں اجلاس کے انعقاد سے کم از کم 48 گھنٹے قبل لازم وصول ہو جانے چاہئیں اور یہ گواہان کی موجودگی میں دو طرفہ مہر ثبت، دستخط شدہ ہوں۔

3- پراکسی کے لئے ضروری نہیں کہ وہ کمپنی کا ممبر ہو۔

4- سنٹرل ڈیپازٹری کمپنی آف پاکستان لمیٹڈ (سی ڈی سی) کے رجسٹرڈ شیئر ہیز کے سینیٹل اوزر اور ان کی پراکسیوں کیلئے ضروری ہے کہ وہ اجلاس میں شرکت کے وقت اپنا اصل کمپیوٹر انز شناختی کارڈ یا اصل پاسپورٹ، اکاؤنٹ، ذیلی اکاؤنٹ نمبر اور شناختی مقصد کیلئے سنٹرل ڈیپازٹری سسٹم کا پارٹنر ٹیسٹ نمبر مہیا کریں۔ پراکسی فارم کمپنی میں مقرر وقت میں جمع کرانا ضروری ہے، دو افراد کی گواہی کیساتھ جن کے نام، ایڈریس اور شناختی کارڈ نمبر فارم میں ضروری لکھے ہوئے ہوں، ہمراہ سینیٹل اوزر اور پراکسی کے شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول کے۔








5- کمپنی کی صورت میں بورڈ آف ڈائریکٹرز کا ریزولوشن یا بورڈ آف انارنی بیع نامزد فرد کے دستخط کے پراکسی فارم کے ساتھ منسلک کریں۔










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