



Half Yearly  
Report  
December 31,  
2021



INVEST CAPITAL INVESTMENT BANK LIMITED

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# Company Information

## Board of Directors

Mrs. Ayesha Shehryar	-Chairperson
Mr. Muhammad Asif	-Chief Executive
Mr. Muhammad Gasim	-Executive Director
Mrs. Fiza Zahid	-Director
Mr. Shahab Ud Din Khan	-Director
Mr. Ashar Saeed	-Director
Mr. Zahir Qamar	-Director

## Audit Committee

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

## Human Resource Committee

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

## Company Secretary

Mr. M. Naim Ashraf

## Auditors

RSM Avasi 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

# Directors' Review

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

## The Review

The Company had earned a net profit of Rupees 68.54 million during the six months ending 31st December 2021 as compared to the profit of Rupees 48.66 million in the corresponding period of the last year. The earnings per share came to Rupees 0.24 as against Rupees 0.17 for the period ending 31st December 2020. The profit has increased by Rupees 19.89 million as compared to the corresponding period of last year due to improvement in recovery from non-performing musharakah portfolio. The gross revenue including other income for the period was Rupees 75.46 million as compared to Rupees 38.09 million of the corresponding period of the last year. The financial charges reduced to Rupees 2.25 million as against an amount of Rupees 7.06 million of the comparable period of last year. The administrative and operating expenses increased slightly by 2.05 million and clocked at Rupees 13.25 million as against Rupees 11.20 million of the corresponding period of the last year.

The total assets of the Company showed an increase of Rupees 29.40 million over the past six months and stood at Rupees 971.81 million as at 31st December 2021 as compared to Rupees 942.41 million as at June 30, 2021, whereas total liabilities other than equity were Rupees 520.95 million as at 31st December 2021 showed a reduction of Rupees 38.67 million as compared to the Rupees 559.62 million as at June 30, 2021.

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

	Rs. in million	
	December 31, 2021	December 31, 2020
Gross Revenue	72.50	36.14
Other Income	2.96	1.96
Administration & Operating expenses	(13.25)	(11.19)
Financial charges (net of reversals)	(2.25)	(1.30)
Provision reversed / (charged)	22.55	15.10
Profit / (loss) for the period before taxation	82.51	40.71
Taxation – net	(13.97)	7.95
Profit / (loss) for the period after taxation	68.54	48.66
Earnings per Share	0.24	0.17

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

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

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

## Acknowledgments

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

For and on behalf of the Board

**Muhammad Asif**  
Chief Executive Officer

**Ayesha Shehryar**  
Chairperson

Lahore  
February 25, 2022

## ڈائریکٹرز کا جائزہ

ہم، 31 دسمبر 2021 کو ختم ہونے والی ششماہی پر انویسٹ کیپیٹل انویسٹمنٹ بینک لمیٹڈ (کمپنی) کے بورڈ آف ڈائریکٹرز کی جانب سے غیر آڈٹ شدہ مالیاتی گوشوارے ممبران کو پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔

### حیابہ

زیر غور ششماہی میں کمپنی نے 68.54 ملین روپے کا منافع حاصل کیا جبکہ اس کے مقابلے میں گذشتہ سال اسی مدت کا منافع 48.66 ملین روپے تھا۔ 31 دسمبر 2020 کو آمدنی 0.17 روپے فی حصہ تھی جو اب بڑھ کر 0.24 روپے فی حصہ ہو گئی ہے۔ اس سال منافع میں 19.89 ملین روپے اضافے کی وجہ پچھلے سال کے مقابلے میں اس سال غیر فعال مشارکہ پورٹفولیو میں بہتر ریکوری ہے۔ زیر غور ششماہی میں کمپنی کی مجموعی آمدنی بشمول دیگر آمدنی 75.46 ملین روپے رہی جبکہ اس کے مقابلے میں گذشتہ سال اسی مدت کی آمدنی 38.09 ملین روپے تھی۔ زیر غور ششماہی میں کمپنی کے مالیاتی اخراجات کم ہو کر 2.25 ملین روپے رہے۔ جبکہ گزشتہ برس اسی عرصہ کے اخراجات 07.06 ملین روپے تھے۔ کمپنی کے آپریٹنگ اور اقتضائی اخراجات 2.05 ملین روپے کے معمولی اضافے کے ساتھ 13.25 ملین روپے رہے جبکہ گذشتہ سال اسی مدت کے آپریٹنگ اور اقتضائی اخراجات 11.20 ملین روپے تھے۔

کمپنی کے کل اثاثہ حیات 31 دسمبر 2021 کو 29.40 ملین روپے کے اضافے کے بعد 971.81 ملین روپے ہو گئے جبکہ 30 جون 2021 کو ان کی مالیت 942.41 ملین روپے تھی۔ اسی طرح کمپنی کی مالیاتی ذمہ داریاں 31 دسمبر 2021 کو 38.67 ملین روپے کی کمی کے ساتھ 520.65 ملین روپے رہیں جبکہ 30 جون 2021 کو یہ رقم 559.62 ملین روپے تھی۔

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

----- روپے ملین میں -----

31 دسمبر	2021	2020
کل مالگداری (Revenues)	72.50	36.14
دیگر آمدنی	2.96	1.96
اقتضائی اور آپریٹنگ اخراجات	(13.25)	(11.19)
مالی اخراجات (خالص)	(2.25)	(1.30)
پرویزن ریورسل / (چارج)	22.55	15.10
نفع / (نقصان) قبل از محصول	82.51	40.71
محصول - خالص	(13.97)	7.95
نفع / (نقصان) بعد از محصول	68.54	48.66
آمدنی فی حصہ	0.24	0.17

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


- متعرض خواہوں کے ساتھ مترضوں کا تصفیہ / ادائیگی کا نیا جدول (مکمل)۔
- علیحدہ ہونے والے بروکریج ہاؤس سے متعلق اثاثہ جات اور مالیاتی ذمہ داریوں کا تصفیہ یا منتقلی (مکمل)۔
- کارکردگی نا دکھانے والی لیزرز اور مترضوں کے پورٹ فولیو کی وصولیاتی
- انتظامی اور دیگر احراجات میں بڑی کمی
- لیزنگنگ کانیا کاروبار


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

اظہارِ تشکر

ہم سیکوریٹی اینڈ ایگزیکٹو کمیشن آف پاکستان کی رہنمائی، کاموں کی سماعت، متعرض خواہوں کے تعاون کا اور حصص یافتگان کے کمپنی کی انتظامیہ پر اعتماد اور بھروسہ کرنے پر ایک بار پھر شکر گزار ہیں۔ ہم تمام عملے کے ارکان کے کمپنی کی بہتری کے لیے کی جانے والی سخت محنت اور عزم کے بھی شکر گزار ہیں۔

منجانب و برائے بورڈ آف ڈائریکٹرز

  
عائشہ شہریار  
چیئر پرسن

  
محمد آصف  
چیف ایگزیکٹو آفیسر

لاہور

25 منبروری 2022

# **Independent Auditor's Review Report**

## **To the members of Invest Capital Investment Bank Limited**

### **Report on review of Interim Financial Statements**

#### **Introduction**

We have reviewed the accompanying condensed interim statement of financial position of Invest Capital Investment Bank Limited ("the Company") as at December 31, 2021 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements"). Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these financial statements based on our review. The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the three months ended December 31, 2021 and 2020 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2021.

#### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

#### **Material Uncertainty relating to Going Concern**

We draw attention to Note 1.3 to the condensed interim financial statements, which indicates that the accumulated loss is Rs. 625.88 million (June 30, 2021: Rs. 694.42 million). This condition along with other matters as set forth in Note 1.3 indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter.

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

**RSM AVAIS HYDER LIAQUAT NAUMAN**  
CHARTERED ACCOUNTANTS

**PLACE:** LAHORE

**DATED:** February 25, 2022

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

As at December 31, 2021

	Note	Un-audited December 2021	Audited June 2021
.....Rupees in thousand.....			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment			
Operating assets	5	64,508	65,799
Intangible assets		199	234
Investment accounted for using equity method	6	131,595	134,775
Financial assets at fair value through other comprehensive income		28,969	29,435
Net investment in finance lease	7	234,408	217,620
Long term musharakah finances	8	-	-
Long term loans	9	34,458	28,748
Long term security deposits		2,330	2,280
		496,467	478,891
<b>Current assets</b>			
Short term musharakah finances	10	42,853	42,853
Short term finances		11,350	14,650
Ijarah rentals receivables	11	1,266	1,301
Current portion of non-current assets		349,959	365,408
Advances, deposits, prepayments and other receivables	12	9,918	12,808
Financial assets at fair value through profit or loss		45,042	16,822
Bank balances		14,957	9,677
		475,345	463,519
<b>TOTAL ASSETS</b>		<b>971,812</b>	<b>942,410</b>



	Note	Un-audited December 2021	Audited June 2021
.....Rupees in thousand.....			
<b>EQUITY AND LIABILITIES</b>			
Share Capital and Reserves			
Authorized capital			
485,000,000 ordinary shares of Rs. 10 each		4,850,000	4,850,000
Issued, subscribed and paid-up capital		2,848,669	2,848,669
Loan from directors		126,000	126,000
Capital reserves			
Capital reserve on amalgamation		(2,022,076)	(2,022,076)
Revenue reserves			
General reserve		102,976	102,976
Accumulated loss		(625,882)	(694,425)
Fair value reserve		21,178	21,644
		450,865	382,788
<b>Non-current liabilities</b>			
Loan from sponsor	13	16,393	66,393
Security deposits from lessees		80,426	73,277
Redeemable capital	14	3,300	5,100
Liability related to outgoing group		21,060	22,680
		121,179	167,450
<b>Current liabilities</b>			
Current portion of non-current liabilities	15	42,364	38,375
Accrued and other liabilities		144,872	142,052
Profit / mark up payable		192,002	189,752
Unclaimed dividend		6,053	6,053
Provision for taxation - income tax		14,477	15,940
		399,768	392,172
<b>TOTAL EQUITY AND LIABILITIES</b>			
		971,812	942,410
<b>CONTINGENCIES AND COMMITMENT</b>			
	16	-	-

The annexed notes 1 to 19 form an integral part of these financial statements.



**Muhammad Asif**  
Chief Executive Officer



**Ayesha Shehryar**  
Chairperson



**Akmal Ali**  
Chief Financial officer

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

For the half year ended December 31, 2021

Half year ended December		Quarter ended December	
2021	2020	2021	2020

.....Rupees in thousand.....

## Income

Income from leasing operations  
Operating lease rentals  
Profit on musharakah investments  
Income from finances  
Income on deposits with banks  
(Loss) from joint ventures  
Dividend income  
Net gain on sale of marketable securities  
Unrealized (loss) / gain on financial assets  
at fair value - net

25,684	19,752
2,457	756
40,203	4
5,449	15,407
1,809	1,998
(3,180)	(6,205)
532	39
994	1,609
(1,447)	2,778
72,501	36,138

14,446	10,279
2,447	592
328	4
4,080	2,295
1,143	1,559
(3,180)	(8,205)
532	39
36	209
(367)	2,778
19,465	9,550

## Expenses

Administrative and operating expenses  
Financial charges  
Mark up waived off on settlement of loans

(13,255)	(11,194)
(2,255)	(7,057)
-	5,759
(15,510)	(12,492)
56,991	23,646
2,965	1,960
59,956	25,606

(8,126)	(5,671)
(919)	(2,645)
-	3,875
(9,045)	(4,441)
10,420	5,109
1,926	993
12,346	6,102

## Other income

## Provision reversed / (charged) on non-performing loans and write-offs

Reversal / (provision) against:  
Finance lease receivable and rentals - net  
Long term / short term musharakah  
finances  
Long term / short term loans  
Other receivables  
Balances written off:  
Lease receivables

5,398	7,767
8,757	121
-	286
8,401	7,335
-	(405)
22,556	15,104
82,512	40,710

3,503	4,597
-	46
-	286
8,198	7,335
-	(405)
11,701	11,859
24,047	17,961

## Profit before taxation

Provision for taxation  
- For the period  
- Prior year

(14,477)	(769)
508	8,717

(11,977)	231
508	8,717

## Profit for the period

68,543	48,658
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12,578	26,909
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## Earnings per share - Basic and Diluted

0.241	0.171
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0.044	0.094
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The annexed notes 1 to 19 form an integral part of these financial statements.

**Muhammad Asif**  
Chief Executive Officer

**Ayesha Shehryar**  
Chairperson

**Akmal Ali**  
Chief Financial officer

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

For the half year ended December 31, 2021

	Half year ended December		Quarter ended December	
	2021	2020	2021	2020
.....Rupees in thousand.....				
<b>Profit for the period</b>	<b>68,543</b>	<b>48,658</b>	<b>12,578</b>	<b>26,909</b>
Other comprehensive (loss) / 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	(466)	7,262	(59)	7,262
<b>Total comprehensive Income for the period</b>	<b>68,077</b>	<b>55,920</b>	<b>12,519</b>	<b>34,171</b>

The annexed notes 1 to 19 form an integral part of these financial statements.



**Muhammad Asif**  
Chief Executive Officer



**Ayesha Shehryar**  
Chairperson



**Akmal Ali**  
Chief Financial officer

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

For the half year ended December 31, 2021

	Un-audited December 2021 .....Rupees in thousand.....	Un-audited December 2020
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	82,512	40,710
Adjustments for non cash charges and other items:		
Depreciation of property, plant and equipment	1,291	1,381
Amortization of intangible assets	35	50
(Reversal) / provision against:		
Finance lease receivable and rentals - net	(5,398)	(7,767)
Long term / short term musharakah finances	(8,757)	(121)
Long term / short term loans	-	(286)
Other receivables	(8,401)	(7,335)
		-
Balances written off		
Lease receivables	-	405
Unrealised loss / (gain) on financial assets at fair value	1,447	(2,778)
(Loss) / Income from joint ventures	3,180	6,205
Dividend income	(532)	-
Financial charges	2,255	7,057
Mark up waived off on settlement of loans	-	(5,759)
Balances written back	(767)	-
	<b>(15,647)</b>	<b>(8,948)</b>
Cash flow from operating activities before working capital changes	66,865	31,762
Changes in working capital		
Decrease / (Increase) in current assets		
Short term finances	3,300	96,998
Ijarah rentals receivables	35	13
Advances, deposits, prepayments and other receivables	8,298	9,774
	<b>11,633</b>	<b>106,785</b>
Increase / (decrease) in current liabilities		
Accrued and other liabilities	2,053	(2,912)
Cash generated from operations	80,551	135,635
Financial charges paid	(4)	(2,400)
Income tax paid	(12,440)	(3,590)
<b>Net cash generated from operations</b>	<b>68,106</b>	<b>129,645</b>

	Un-audited December 2021 .....Rupees in thousand.....	Un-audited December 2020
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**b) CASH FLOWS FROM INVESTING ACTIVITIES**

Net investment in finance lease	(22,415)	(17,799)
Long term musharakah finances	59,910	121
Long term loans	(16,357)	1,673
Long term security deposits	(50)	51
Financial assets at fair value through profit or loss	(29,667)	(6,634)
Dividend received	523	-
Net cash (used in) investing activities	(8,056)	(22,588)

**c) CASH FLOWS FROM FINANCING ACTIVITIES**

(Receipts from) / (Repayment of) :		
Long term loan from sponsors	(50,000)	(50,000)
Short term loan from sponsors	-	(31,000)
Redeemable capital	(3,150)	(17,215)
Liability related to outgoing group	(1,620)	(1,620)
Net cash (used in) financing activities	(54,770)	(99,835)
Net Increase in cash and cash equivalents (a+b+c)	5,280	7,222
Cash and cash equivalents at the beginning of the year	9,677	10,950
Cash and cash equivalents at the end of half year	14,957	18,172

The annexed notes 1 to 19 form an integral part of these financial statements.



**Muhammad Asif**  
Chief Executive Officer



**Ayesha Shehryar**  
Chairperson



**Akmal Ali**  
Chief Financial officer

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

For the half year ended December 31, 2021

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

Balance as at July 01, 2020                      2,848,669   126,000   (2,022,076)   102,976   (778,283)   14,163   291,449

Total comprehensive income for the period

Profit for the period	-	-	-	-	48,658	-	48,658
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	-	-	-	-	-	7,262	7,262
Equity portion of loan to directors	-	-	-	-	-	-	-
Loan from directors	-	-	-	-	-	-	-
	-	-	-	-	48,658	7,262	55,920
Balance as at December 31, 2020	2,848,669	126,000	(2,022,076)	102,976	(729,625)	21,425	347,369

Profit for the half year ended June 30, 2021	-	-	-	-	35,200	-	35,200
Other comprehensive income							
Items that may not be reclassified to profit or loss							
Changes in the fair value of equity investments at fair value through other comprehensive income	-	-	-	-	-	219	219
Transferred from Statutory reserve to General reserve							
Balance as at July 01, 2021	2,848,669	126,000	(2,022,076)	102,976	(694,425)	21,644	382,788

Total comprehensive income for the period

Profit for the period	-	-	-	-	68,543	-	68,543
Other comprehensive (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	-	-	-	-	-	(466)	(466)
Transferred from Statutory reserve to General reserve	-	-	-	-	-	-	-
	-	-	-	-	68,543	(466)	68,077

Balance as at December 31, 2021                      2,848,669   126,000   (2,022,076)   102,976   (625,882)   21,178   450,865

The annexed notes 1 to 19 form an integral part of these financial statements.



**Muhammad Asif**  
Chief Executive Officer



**Ayesha Shehryar**  
Chairperson



**Akmal Ali**  
Chief Financial officer

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

For the half year ended December 31, 2021

## 1. LEGAL STATUS AND OPERATIONS

**1.1** Invest Capital Investment Bank Limited ('the Company') is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017). The Company is engaged in the business of leasing and investment finance activities as a Non-Banking Finance Company (NBFC) and is regulated by the Securities and Exchange Commission of Pakistan (SECP). The Company is listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at Flat No. 2, First Floor, Plot No. 38-C, 22nd Commercial Street, Phase II Ext., DHA, Karachi in the province of Sindh. The branches of the company are located at Lahore, Islamabad, Peshawar, Faisalabad and Gujranwala.

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

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

- the Company suffered huge operating loss till 2011 and as at the statement of financial position date, the accumulated loss is Rs.625.88 million (June 2021: Rs. 694.42 million).
- the Company had been unable to comply with the terms of certain loan agreements as explained in detail in the relevant notes to the financial statements as at 30th June 2021.
- the Company has been facing difficulty in recovery of its leases and loans portfolio.

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

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

### **(a) Substantial reduction in administrative and other expenses**

The management of the Company has curtailed its administrative and other operating expenses to minimum possible level over the years, without affecting the operational efficiency of the Company.

### **(b) Leasing / financing business**

The Company is mainly carrying out car leasing business at attractive rates and reasonable deposit margin. During the half year leases and finances amounting to Rs. 144.21 million (June 2021 : Rs. 270.39 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. Nil (June 2021: Rs. 14.07 million) have been settled / rescheduled, the percentage of liabilities settled to date is 99.76% (June 2021: 99.76%).

### **(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 half year is Rs. 207.80 million (June 2021: Rs. 294.74 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**

**2.1.1** These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of :

- International Accounting Standard (IAS) 34 - 'Interim Financial reporting' issued by the International Accounting Standards board (IASB) as notified under the companies act, 2017; and
- Provisions of and directives issued under 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).
- 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 shall prevail.

**2.1.2** These condensed interim financial statements are un-audited but subject to limited scope review by the auditors of the Company and is being submitted to the shareholders as required under section 237 of the Companies Act, 2017.

**2.1.3** These condensed interim financial statements do not include all the information required for a complete set of financial statements, and should be read in conjunction with the published audited financial statements of the Company for the year ended June 30, 2021.

### **2.2 Application of new and revised International Financial Reporting Standards (IFRSs)**

#### **2.2.1 Standards, amendments to standards and interpretations becoming effective in current period**

There are certain new standards, interpretations and amendments to approved accounting standards which are mandatory for the Company's accounting periods beginning on or after July 1, 2021 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

#### **2.2.2 New standards and amendments to approved accounting standards that are effective in future periods.**

There are certain standards and certain amendments to approved accounting standards that will be mandatory for accounting periods beginning on or after July 1, 2022 but are considered not to be relevant or expected to have any significant effect on the Company's financial reporting. The new standards, amendments to IFRIC interpretations that are relevant to the operations of the company are disclosed in the published audited financial statements for the year ended June 30, 2021.

### **2.3 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.



## 2.4 Functional and presentation currency

These condensed interim 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 thousand of rupees except earning per share which is in rupees.

## 3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1 The accounting policies and methods of computation adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the published audited financial statements for the year ended June 30, 2021.

## 4. Accounting estimates and judgments

- 4.1 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 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.

Significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in these condensed interim financial statements are the same as those disclosed in the published audited financial statements for the year ended June 30, 2021.

- 4.2 Risk management policies and procedures are consistent with those disclosed in the published audited financial statements for the year ended June 30, 2021.

	Un-audited December 2021	Audited June 2021
Note	.....Rupees in thousand....	

## 5. PROPERTY, PLANT AND EQUIPMENT

Operating assets	<u>64,508</u>	<u>65,798</u>
------------------	---------------	---------------

### 5.1 Operating assets

Book value at beginning of the period / year	65,799	68,511
Disposals during the period / year	-	50
Depreciation charged during the period / year	<u>(1,291)</u>	<u>(2,762)</u>
	<u>64,508</u>	<u>65,799</u>

## 6. INVESTMENT ACCOUNTED FOR USING EQUITY METHOD

Investment in joint venture	6.1	<u>131,595</u>	<u>134,775</u>
-----------------------------	-----	----------------	----------------

### 6.1 Investment in joint venture

This represents investment in a CNG filling station Centre Gas (Private) limited. The latest available un-audited financial statements of joint venture as on December 31, 2021 have been used for the purpose of application of equity method.

		Un-audited December 2021	Audited June 2021
Note	.....Rupees in thousand....		

- Centre Gas (Private) Limited	6.1.1	131,595	134,775
--------------------------------	-------	---------	---------

#### 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%		34,536	34,536
Cumulative share of profit of joint venture		97,059	100,239
		<u>131,595</u>	<u>134,775</u>

### 7. NET INVESTMENT IN FINANCE LEASE

Contracts accounted for as finance lease	7.1	494,670	452,824
Less : Current portion	11	<u>(260,262)</u>	<u>(235,204)</u>
		<u>234,408</u>	<u>217,620</u>

#### 7.1 Net investment in finance lease

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

	Un-audited December 2021			Audited June 2021		
	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 in thousands					
Minimum lease payments receivable	829,641	175,924	1,005,565	817,417	167,736	985,153
Residual value of leased assets	24,427	80,426	104,853	15,383	73,277	88,660
Lease contracts receivable	854,068	256,350	1,110,418	832,800	241,013	1,073,813
Unearned lease income (including suspended income)	(167,263)	(21,942)	(189,205)	(165,656)	(23,393)	(189,049)
Provision for potential lease losses	(426,543)	-	(426,543)	(431,940)	-	(431,940)
	<u>(593,806)</u>	<u>(21,942)</u>	<u>(615,748)</u>	<u>(597,596)</u>	<u>(23,393)</u>	<u>(620,989)</u>
	<u>260,262</u>	<u>234,408</u>	<u>494,670</u>	<u>235,204</u>	<u>217,620</u>	<u>452,824</u>

7.1.1 These finances carry profit rates ranging from 12.90% to 22.00 % per annum (June 2021 12.60% 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.

7.1.2 The above net investment in finance lease includes non-performing lease portfolio of Rs. 498.68 million (June 2021: Rs. 532.90 million). Detail of non performing leases is as follows:

Category of classification	Un-audited December 2021			Audited June 2021		
	Principal outstanding	Provision required	Provision held	Principal outstanding	Provision required	Provision held
	----- Rupees in thousands -----					
Substandard	-	-	-	-	-	-
Loss	498,680	426,542	426,542	532,898	431,940	431,940
	<u>498,680</u>	<u>426,542</u>	<u>426,542</u>	<u>532,898</u>	<u>431,940</u>	<u>431,940</u>

Un-audited  
December  
2021  
.....Rupees in thousand....

Audited  
June  
2021

## 8. LONG TERM NOSHARAKA FINANCES

Secured  
Considered doubtful  
Companies (non-financial institutions)  
Individuals

23,201	83,031
43,144	43,224
66,345	126,255
(16,037)	(24,794)
50,308	101,461

Provision against doubtful balances

Less: Current portion

(50,308)	(101,461)
-	-

- 8.1 These represent investments under musharakah basis for working capital and project financing. These are secured against mortgage of properties, demand promissory notes and personal guarantee of their sponsor directors. Profit rates ranges from 16.00% to 30.00% per annum (June 2021: 16.00% to 30.00% per annum). These were receivable in monthly / quarterly / semi-annual installments and in lump sum on maturity.

Note Un-audited  
December  
2021  
.....Rupees in thousand....

Audited  
June  
2021

## 9. LONG TERM LOANS

Secured  
Considered good  
Customers  
Considered doubtful  
Customers  
Outgoing group  
Ex-employee

9.1	61,645	44,824
9.1	15,483	15,948
9.2	71,955	71,955
	528	528
	87,966	88,431
	(75,764)	(75,764)
	12,202	12,667
	73,847	57,491
	(39,389)	(28,743)
	34,458	28,748

Provision against doubtful balances

Less: Current portion

- 9.1 These carry mark-up at the rate ranging from 11.18% to 25.00% per annum (June 2021: 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.

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

	Un-audited December 2021	Audited June 2021
Note	.....Rupees in thousand....	

## 10. SHORT TERM FINANCES

Secured

Considered good 5,000 8,300

Considered doubtful 8,133 8,133  
Provision against doubtful balances (1,783) (1,783)

10.1 6,350 6,350  
11,350 14,650

10.1 These are secured against registered charge over assets of the customers, pledge / hypothecation of stocks and collateral in certain cases. These carry mark-up at the rates ranging from 15.29% to 27.00% per annum (June 2021: 15.29% to 27.00% per annum).

	Un-audited December 2021	Audited June 2021
Note	.....Rupees in thousand....	

## 11. CURRENT PORTION OF NON-CURRENT ASSETS

Net investment in finance lease 7 260,262 235,204  
Long term musharakah finances 8 50,308 101,461  
Long term loans 9 39,389 28,743  
349,959 365,408

## 12. Financial assets at fair value through profit or loss

Investments at fair value through profit or loss 12.1 45,042 16,822

### 12.1 Investments at fair value through profit or loss

Un-audited December 2021	Audited June 2021		Un-audited December 2021	Audited June 2021
Number of shares			.....Rupees in thousand....	
25,000	25,000	Hub Power Company Limited	1,784	1,992
15,000	10,000	DG Khan Cement Factory Limited	1,244	1,179
10,000	-	Lucky Cement Company Limited	6,793	-
-	350,000	Faysal Bank Limited	-	5,940
-	10,000	Avanceon Limited	-	917
77,000	-	MCB Bank Limited	11,808	-
500,000	500,000	The Bank of Punjab	4,235	4,200
5,000	-	Engro Polymer Limited	271	-
-	10,000	Amreli Steel Limited	-	434
72,000	10,000	Bank Al-Habib Limited	4,969	701
127,000	127,000	Bank Islami Pakistan Limited	1,627	1,427
27,000	-	Pak Electron Limited	608	-
20,000	-	Kot Addu Power Co. Limited	647	-
37,000	-	Habib Bank Limited	4,315	-
5,000	-	Netsol Technologies Limited	469	-
176,127	127	Askari Bank Limited	3,878	3
56	56	Engro Corporation Limited	15	16
10,000	-	Honda Atlas Cars Limited	2,368	-
145	145	Pakistan Petroleum Limited	11	13
2,763	2,763	Taj Textile Mills Limited	-	-
1,109,091	1,045,091		45,042	16,822

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

	Un-audited December 2021	Audited June 2021
	.....Rupees in thousand....	

### 13. LOAN FROM SPONSOR

Loan from sponsor	<u>16,393</u>	<u>66,393</u>
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- 13.1** During the period the loan of Rs. 50 million has been prepaid and the remaining amount of Rs. 16.39 million is payable in full in November 2023. Effective markup rate charged during the year ranges from 7.88% to 8.15% (2021: 7.29% to 11.08%) per annum.

	Note	Un-audited December 2021	Audited June 2021
		.....Rupees in thousand....	

### 14. REDEEMABLE CAPITAL

Secured			
Term finance certificates	14.1 & 14.2	-	3,705
Less: Current portion	15	-	(3,705)
		<u>-</u>	<u>-</u>
Restructured			
Term finance certificates	14.3	8,250	11,400
Less: Current portion	15	(4,950)	(6,300)
		<u>3,300</u>	<u>5,100</u>

- 14.1** 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.

- 14.2** 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. Nil (June 2021: 14.06 million) along with mark up of Rs. Nil (June 2021: 18.66 million) has been waived off.

- 14.3** This represents the amount repayable in installments as a result of settlement.

	Balance Rs. (000)	Number of		Payment Rests	Commencement Date	Ending Date
	Total	Balance				
TFC I	6,900	50	23	Monthly	10-Oct-19	10-Nov-23
TFC II	1,350	41	6	Monthly	31-Mar-19	30-Jun-22

		Un-audited December 2021	Audited June 2021
	Note	.....Rupees in thousand....	

## 15. CURRENT PORTION OF NON-CURRENT LIABILITIES

Security deposit from lessees		24,427	15,383
Liability related to outgoing group		3,240	3,240
Deferred liability		9,747	9,747
Redeemable capital	14 & 15.1	4,950	10,005
		<u>42,364</u>	<u>38,375</u>

15.1 These certificates alongwith related mark up of Rs. 5.73 million (2021 : Rs. 5.73 million) are outstanding.

## 16. CONTINGENCIES AND COMMITMENT

### 16.1 Contingencies

#### Income Tax

There are no significant changes in contingent liabilities since the date of published audited financial statements for the year ended June 30, 2021.

		Un-audited December 2021	Audited June 2021
		.....Rupees in thousand....	

### 16.2 Commitment

Under lease financing contracts  
committed but not executed

<u>7,407,000</u>	<u>23,121,500</u>
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## 17. SEGMENT INFORMATION

December 2021 ( Un-audited )				December 2020 ( Un-audited )			
Investment / financing activities	Leasing activities	Other operations	Total	Investment / financing activities	Leasing activities	Other operations	Total
----- Rupees in thousands -----							

Information about reportable segment  
profit or loss, assets and liabilities

Revenue from external customers	45,731	28,141	(1,371)	72,501	19,837	20,508	(4,207)	36,138
Interest (reversal) / expense - net	(1,396)	(859)	-	(2,255)	(3,470)	(3,587)	-	(7,057)
Depreciation and amortization	821	505	-	1,326	704	727	-	1,431
Provision reversed / (charged) / Impairment of assets	17,158	5,398	-	22,556	7,742	7,362	-	15,104
Reportable segment profit	<u>62,314</u>	<u>33,185</u>	<u>(1,371)</u>	<u>94,128</u>	<u>24,813</u>	<u>25,010</u>	<u>(4,207)</u>	<u>45,616</u>
Reportable segment assets	<u>475,876</u>	<u>495,936</u>	<u>-</u>	<u>971,812</u>	<u>(798,368)</u>	<u>1,697,782</u>	<u>-</u>	<u>899,414</u>
Reportable segment liabilities	<u>(416,094)</u>	<u>(104,853)</u>	<u>-</u>	<u>(520,947)</u>	<u>(467,704)</u>	<u>(84,341)</u>	<u>-</u>	<u>(552,045)</u>

	Un-audited December 2021 .....Rupees in thousand....	Un-audited December 2020
<b>Reconciliation of (loss) / profit</b>		
Total profit from reportable segments	95,499	49,823
Profit from other operations	(1,371)	(4,207)
	<u>94,128</u>	<u>45,616</u>
Unallocated amounts:		
Other administrative and operating expenses	(14,581)	(12,625)
Other income	2,965	1,960
Profit before tax	<u>82,512</u>	<u>34,951</u>
<b>Reconciliation of assets and liabilities</b>		
<b>Assets</b>		
Total assets of reportable segments	<u>971,812</u>	<u>899,414</u>
<b>Liabilities</b>		
Total liabilities of reportable segments	<u>(520,947)</u>	<u>(552,045)</u>

#### 18. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on 25th February 2022 by the Board of Directors of the Company.

#### 19. GENERAL

19.1 Figures have been rounded off to the nearest thousand of Rupees except earning per share which is in Rupees.



**Muhammad Asif**  
Chief Executive Officer



**Ayesha Shehryar**  
Chairperson



**Akmal Ali**  
Chief Financial officer

## Our Network

### **Registered Office - Karachi**

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Phase II Ext., DHA,  
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Website: [www.icibl.com](http://www.icibl.com)

### **Head Office - Lahore**

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Lahore.  
Tel: 042-35777285 & 86

### **Peshawar**

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Chughal Pura, G.T Road,  
Peshawar.  
Tel: 091-2262966 & 2262866

### **Gujranwala**

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