



Quarterly Report
March 31, 2022



INVEST CAPITAL INVESTMENT BANK LIMITED

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Directors' Review

The Board of Directors of Invest Capital Investment Bank Limited ("the Company") is pleased to present to the members, the un-audited financial statements for the nine months period ending March 31, 2022.

The Review

During the period under review, the Company earned a net profit of Rupees 94.59 million as compared to the profit of Rupees 66.65 million in the corresponding period of the last year. The earning per share works out to Rupees 0.332 as against Rupees 0.234 for the period ending 31st March 2021. The net profit for the period increased by Rupees 27.94 million mainly due to reversal of income suspension as a result of recovery from overdue musharaka finances. The gross revenue including other income for the period amounted to Rupees 94.61 million as compared to Rupees 50.61 million of the corresponding period of the last year. The administrative and operating expenses amounted to Rupees 19.39 million as against Rupees 16.60 million of the corresponding period of the last year.

The total assets of the Company increased by Rs. 57.40 million basically due to good recoveries against loans resulting in better disbursements. The total assets amounted to Rupees 999.81 million as at 31st March 2022 as compared to Rupees 942.41 million as at June 30, 2021. Whereas, the total liabilities of the Company reduced by Rupees 36.27 million and stood at Rupees 523.35 million as at 31st March 2022 as against Rs. 559.62 million as at 30th June 2021 due to payment of liabilities.

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

	Rs. in million	
	March 31, 2022	March 31, 2021
Gross Revenue	90.58	47.66
Other Income	4.03	2.95
Administration & Operating expenses	(19.39)	(16.60)
Financial charges (net of reversals)	3.16	(2.64)
Provisions reversed / (charged)	30.18	27.33
Profit / (loss) for the period before taxation	108.56	58.70
Taxation – net	(13.97)	7.95
Profit / (loss) for the period after taxation	94.59	66.65
Earnings per Share	0.332	0.234

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

- Recovery of non-performing leases and loans portfolio
- Rationalization of administrative and other expenses
- New financing business

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

Acknowledgments

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

For and on behalf of the Board



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Chairperson

Lahore
April 22, 2022

ڈائریکٹرز کا جائزہ

انویسٹ کیپیٹل انویسٹمنٹ بینک لمیٹڈ (کپنی) کے بورڈ آف ڈائریکٹرز کی جانب سے ہم انتہائی مسرت کے ساتھ 31 مارچ 2022 کو ختم ہونے والے نو ماہ کے عبوری مالیاتی گوشوارے ممبران کو پیش کرتے ہیں۔

جائزہ

اس زیر تجزیہ عرصہ کے دوران کپنی نے 94.59 ملین روپے کا منافع حاصل کیا جبکہ اس کے مقابلے میں گزشتہ سال اسی مدت کا منافع 66.65 ملین روپے تھا۔ 31 مارچ 2021 کو آمدنی 0.234 روپے فی حصص تھی جو اب 0.332 روپے فی حصص ہو گئی ہے۔ اس سال منافع میں 27.94 ملین روپے کا اضافہ ہوا جسکی بنیادی زائد البیاد مشارکہ سے وصولیائی اور معطل شدہ آمدن کی واپسی ہے۔ زیر غور عرصہ میں کپنی کی مجموعی آمدنی بشمول دیگر آمدنی 94.61 ملین روپے رہی جبکہ اسکے مقابلے میں گزشتہ سال اسی مدت کی آمدنی 50.61 ملین روپے تھی۔ کپنی کے آپریٹنگ اور انتظامی اخراجات گزشتہ سال کے 16.60 ملین روپے کے مقابلے میں 19.39 ملین روپے رہے۔

کپنی کے کل اثاثہ جات 31 مارچ 2022 کو وصولیائیوں کی وجہ سے 57.40 ملین روپے بڑھ کر 999.81 ملین روپے ہو گئے جبکہ 30 جون 2021 کو ان کی مالیت 942.40 ملین روپے تھی۔ جبکہ کپنی کی مالیاتی ذمہ داریاں 31 مارچ 2021 کو 36.27 ملین روپے کم ہو کر 523.35 ملین روپے رہیں جسکی بنیادی وجہ قرضوں کی ادائیگی ہے۔ 30 جون 2021 کو یہ رقم 559.62 ملین روپے تھی۔

کپنی کے موجودہ اور گزشتہ نفع اور نقصان کا تفصیلی جائزہ درج ذیل ہے:

----- روپے ملین میں -----

مالیاتی سرخیاں	31 مارچ 2022	31 مارچ 2021
مجموعی آمدنی	90.58	47.66
دیگر آمدنی	4.03	2.95
انتظامی اور آپریٹنگ اخراجات	(19.39)	(16.60)
مالیاتی چارجز (کل)	3.16	(2.64)
پرویزن ریورسل / (چارج)	30.18	27.33
ٹیکس سے پہلے نفع / (نقصان)	108.56	58.70
ٹیکس	(13.97)	7.95
ٹیکس کے بعد نفع / (نقصان)	94.59	66.65
آمدنی / (نقصان) فی حصص	0.332	0.234

منصوبہ کے مطابق، اشغامیہ نے اپنی توجہ کمپنی کے غیر حل شدہ معاملات کے حل پر رکھی تاکہ کمپنی بٹ خط مستدیر پر رہے۔ کمپنی نے اس نومامہ میں بھی مندرجہ ذیل اہم نکات پر توجہ مرکوز رکھی:

- کارکردگی نا دکھانے والی لیسزز اور مترضوں کے پورٹ فولیو کی وصولیاتی
- انتظامی اور دیگر احراجات میں کمی
- نیٹ ایننسٹنگ کا کاروبار

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

اظہارِ شکر:

ہم سکیورٹی اینڈ ایکیجنس کمیشن آف پاکستان کی رہنمائی، کاغذوں کی حمایت، مترض خواہوں کے تعاون کا اور حصص یافتگان کے کمپنی کی اشغامیہ پر اعتماد اور بھروسہ کرنے پر انتہائی شکر گزار ہیں۔ ہم تمام عملے کے ارکان کے کمپنی کی بہتری کے لیے کی جانے والی سخت محنت اور عزم کے بھی شکر گزار ہیں۔

مقباب ویرائے بورڈ آف ڈائریکٹرز

عائشہ شہریار
چیرپرسن

محمد آصف
چیف ایگزیکٹو آفیسر

لاہور

22 اپریل 2022

Condensed Interim Statement of Financial Position (Un-audited)

As at March 31, 2022

	Note	Un-audited March 2022	Audited June 2021
	Rupees.....	
ASSETS			
Non-current assets			
Property, plant and equipment			
Operating assets	5	63,992,626	65,798,617
Intangible assets		181,121	233,705
Investment accounted for using equity method		131,594,645	134,774,868
Financial assets at fair value through other comprehensive income		28,519,513	29,434,623
Net investment in finance lease	6	203,640,459	217,620,005
Long term musharakah finances	7	-	-
Long term loans	8	81,683,073	28,747,608
Long term security deposits	9	2,330,225	2,280,225
		511,941,662	478,889,651
Current assets			
Short term musharakah finances	10	38,298,283	42,853,443
Short term finances	11	6,434,693	14,650,000
Ijarah rentals receivables		1,265,639	1,301,386
Current portion of non-current assets	12	379,672,837	365,408,448
Advances, deposits, prepayments and other receivables		20,684,361	12,808,349
Financial assets at fair value through profit or loss		25,187,371	16,822,305
Bank balances		16,321,681	9,676,974
		487,864,865	463,520,905
TOTAL ASSETS		999,806,527	942,410,556

	Note	Un-audited March 2022	Audited June 2021
.....Rupees.....			
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized capital			
485,000,000 ordinary shares of Rs. 10 each		4,850,000,000	4,850,000,000
Issued, subscribed and paid-up capital		2,848,668,960	2,848,668,960
Loan from directors		126,000,000	126,000,000
Capital reserves			
Capital reserve on amalgamation		(2,022,075,992)	(2,022,075,992)
Revenue reserves			
General reserve		102,976,444	102,976,444
Accumulated loss		(599,837,809)	(694,424,922)
Fair value reserve		20,728,713	21,643,823
		476,460,316	382,788,313
Non-current liabilities			
Loan from sponsor		16,392,473	66,392,473
Loan from director		15,000,000	-
Security deposits from lessees		75,009,225	73,277,390
Redeemable capital		2,400,000	5,100,000
Liability related to outgoing group		20,250,000	22,680,000
Deferred liability		-	-
Mark up on long term musharakah		-	-
		129,051,698	167,449,863
Current liabilities			
Current portion of non-current liabilities	13	42,067,134	38,374,709
Accrued and other liabilities		145,113,950	142,052,107
Profit / mark up payable		186,582,773	189,752,015
Unclaimed dividend		6,053,456	6,053,456
Provision for taxation - income tax		14,477,200	15,940,093
		394,294,513	392,172,380
TOTAL EQUITY AND LIABILITIES		999,806,527	942,410,556
CONTINGENCIES AND COMMITMENT		-	-

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



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Chairperson



Akmal Ali
Chief Financial officer

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

For the nine months period ended March 31, 2022

	Nine months ended March 31		Quarter ended March 31	
	2022	2021	2022	2021
.....Rupees.....				
Income				
Income from leasing operations	37,323,550	29,408,015	11,640,006	9,655,563
Operating lease rentals	2,467,380	782,364	10,000	26,455
Profit on musharakah investments	40,233,657	4,800	30,693	1,163
Income from finances	9,728,577	17,677,543	4,279,826	2,270,884
Income on deposits with banks	2,236,478	2,219,350	427,912	221,524
Income from joint ventures	(3,180,223)	(6,205,000)	-	-
Dividend income	3,948,355	1,972,641	3,416,143	1,933,988
Net (loss) / gain on sale of marketable securities	1,426,506	1,959,542	432,855	350,258
Unrealized (loss) on financial assets at fair value - net	(3,614,490)	(165,457)	(2,167,452)	(2,943,276)
	90,569,790	47,653,798	18,069,983	11,516,559
Expenses				
Administrative and operating expenses	(19,385,768)	(16,598,416)	(6,131,068)	(5,403,988)
Financial charges	(2,573,812)	(8,397,810)	(319,214)	(1,341,036)
Mark up waived off on settlement of loans	5,734,636	5,759,214	5,734,636	-
	(16,224,944)	(19,237,012)	(715,646)	(6,745,024)
	74,344,846	28,416,786	17,354,337	4,771,535
Other income	4,027,062	2,952,729	1,061,592	992,691
	78,371,908	31,369,515	18,415,929	5,764,226
Provision reversed / [charged] on non-performing loans and write-offs				
Reversal / (provision) against:				
Finance lease receivable and rentals - net	7,482,369	13,231,722	2,084,764	5,464,230
Long term / short term musharakah finances	14,301,504	187,923	5,544,840	66,560
Long term / short term loans	-	576,222	-	289,769
Other receivables	8,400,778	13,741,634	-	6,407,076
Balances written off:				
Lease receivables	-	(405,380)	-	-
Other receivables	-	-	-	-
	30,184,651	27,332,121	7,629,604	12,227,635
Profit before taxation	108,556,559	58,701,636	26,045,533	17,991,861
Provision for taxation				
-For the period	(14,477,200)	(769,000)	-	-
-Prior year	507,754	8,717,235	-	-
Profit for the period	94,587,113	66,649,871	26,045,533	17,991,861
Earnings per share - Basic and Diluted	0.332	0.234	0.091	0.063

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



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Chairperson



Akmal Ali
Chief Financial officer

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the nine months period ended March 31, 2022

	Nine months ended March 31		Quarter ended March 31	
	2022	2021	2021	2021
.....Rupees.....				
Profit for the period	94,587,113	66,649,871	26,045,533	17,991,871
Other comprehensive (loss)				
Items that may not be reclassified to profit or loss				
Changes in the fair value of equity investments at fair value through other comprehensive income	(915,110)	5,347,933	(449,160)	(1,914,175)
Total comprehensive income for the period	93,672,003	71,997,804	25,596,373	16,077,696

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



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Chairperson



Akmal Ali
Chief Financial officer

Condensed Interim Statement of Cash Flows (Un-audited)

For the nine months period ended March 31, 2022

	Nine months ended March 31	
	2022	2021
Rupees.....	
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	108,556,559	58,701,636
Adjustments for non cash charges and other items:		
Depreciation of property, plant and equipment	1,937,991	2,071,139
Amortization of intangible assets	52,584	75,120
(Reversal) / provision against:		
Finance lease receivable and rentals - net	(7,482,369)	(13,231,722)
Long term / short term musharakah finances	(14,301,504)	(187,923)
Long term / short term loans	-	(576,222)
Other receivables	(8,400,778)	(13,741,634)
Balances written off		
Lease receivables	-	405,380
Unrealised loss on financial assets at fair value	3,614,490	165,457
Income from joint ventures	3,180,223	6,205,000
Financial charges	2,573,812	8,397,810
Mark up waived off on settlement of loans	(5,734,636)	(5,759,214)
Balances written back	(767,000)	-
	(25,327,187)	(16,176,809)
Cash flow from operating activities before working capital changes	83,229,372	42,524,827
Changes in working capital		
Decrease / (Increase) in current assets		
Financial assets at fair value through profit or loss	(8,365,066)	(3,422,626)
Short term musharakah finances	10,100,000	-
Short term finances	8,215,307	96,998,248
Ijarah rentals receivables	35,747	13,602
Advances, deposits, prepayments and other receivables	1,516,119	(2,704,082)
	11,502,108	90,885,143
Increase in current liabilities		
Accrued and other liabilities	2,315,450	22,836,218
Cash generated from operations	97,046,930	156,246,188
Financial charges paid	(8,418)	(2,401,455)
Income tax paid	(2,002,512)	(2,038,265)
Dividend paid	-	-
Net cash generated from operations	95,036,000	151,806,467

Nine months ended March 31
2022 2021

.....Rupees.....

b) CASH FLOWS FROM INVESTING ACTIVITIES

(Additions) / deletion in:		
Property, plant and equipment	(132,000)	-
Recovery of / (investment in) :		
Net investment in finance lease	3,848,804	(60,515,860)
Long term musharakah finances	60,622,759	227,921
Long term loans	(101,606,300)	4,386,244
Long term security deposits	(50,000)	51,000
Financial assets at fair value through profit or loss	(11,979,556)	(3,588,083)
Proceeds from disposal of operating assets	-	-
Net cash (used in) investing activities	(49,296,293)	(59,438,778)

c) CASH FLOWS FROM FINANCING ACTIVITIES

Receipts from / (Repayment of) :		
Long term loan from sponsor	(50,000,000)	(50,000,000)
Long term loan from director	15,000,000	-
Short term loan from sponsors	-	(31,000,000)
Redeemable capital	(2,475,000)	(15,640,000)
Liability related to outgoing group	(1,620,000)	(1,620,000)
Net cash (used in) financing activities	(39,095,000)	(98,260,000)
Net (decrease) / Increase in cash and cash equivalents (a+b+c)	6,644,707	(5,892,311)
Cash and cash equivalents at the beginning of the year	9,676,974	10,949,517
Cash and cash equivalents at the end of the period	16,321,681	5,057,206

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



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Chairperson



Akmal Ali
Chief Financial officer

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

For the nine months period ended March 31, 2022

	Issued, subscribed and paid-up capital	Loan from directors	Capital Reserves			Revenue Reserve		Fair value reserve	Total
			Capital reserve on amalgamation	Statutory reserve	Sub total	General reserve	Accumulated loss		
.....Rupees.....									
Balance as at July 01, 2020	2,848,668,960	126,000,000	(2,022,075,992)	-	(2,022,075,992)	102,976,444	(778,282,771)	14,163,433	291,450,074
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	66,649,871	-	66,649,871
Other comprehensive income									
Items that will not be reclassified subsequently to profit or loss									
Changes in the fair value of equity investments at fair value through other comprehensive income	-	-	-	-	-	-	-	5,347,933	5,347,933
Equity portion of loan to directors	-	-	-	-	-	-	-	-	-
Loan from directors	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	66,649,871	5,347,933	71,997,804
Balance as at March 31, 2021	2,848,668,960	126,000,000	(2,022,075,992)	-	(2,022,075,992)	-	(711,632,900)	19,511,366	363,447,878
Balance as at July 01, 2021	2,848,668,960	126,000,000	(2,022,075,992)	-	(2,022,075,992)	102,976,444	(694,424,922)	21,643,823	382,788,313
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	94,587,113	-	94,587,113
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	-	-	-	-	-	-	-	(915,110)	(915,110)
Transferred from Statutory reserve to General reserve	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	94,587,113	(915,110)	93,672,003
Balance as at March 31, 2022	2,848,668,960	126,000,000	(2,022,075,992)	-	(2,022,075,992)	102,976,444	(599,837,809)	20,728,713	476,460,316

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



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Chairperson



Akmal Ali
Chief Financial officer

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

For the nine months period ended March 31, 2021

1. LEGAL STATUS AND OPERATIONS

- 1.1 Invest Capital Investment Bank Limited ('the Company') is a public limited company incorporated in Pakistan under the repealed Companies Ordinance, 1984 (Repealed with the enactment of the Companies Act, 2017 on May 30, 2017). The Company is engaged in the business of leasing and investment finance activities as a Non-Banking Finance Company (NBFC) and is regulated by the Securities and Exchange Commission of Pakistan (SECP). The Company is listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at Flat No. 2, First Floor, Plot No. 38-C, 22nd Commercial Street, Phase II Ext., DHA, Karachi in the province of Sindh. The branches of the company are located at Lahore, Peshawar, 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.599.84 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 vehicle financing business at attractive rates and reasonable deposit margin. During the nine months period leases and finances amounting to Rs. 262.82 million (June 2021 : Rs. 270.39 million) have been disbursed. Management is hopeful that financing 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 nine months period is Rs. 300.28 million (June 2021: Rs. 294.74 million). This amount has been utilized in the new leasing and financing 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 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 rupee.

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 March 2022	Audited June 2021
Note	Rupees.....	

5. PROPERTY, PLANT AND EQUIPMENT

Operating assets	<u>63,992,626</u>	<u>65,798,617</u>
5.1 Operating assets		
Book value at beginning of the period / year	65,798,617	68,511,387
Additions during the period / year	132,000	50,000
Disposals during the period / year	-	-
Depreciation charged during the period / year	<u>(1,937,991)</u>	<u>(2,762,770)</u>
	<u>63,992,626</u>	<u>65,798,617</u>

6. NET INVESTMENT IN FINANCE LEASE

Contracts accounted for as finance lease under IFRS 16	6.1	456,304,147	452,824,044
Less : Current portion	12	<u>(252,663,688)</u>	<u>(235,204,039)</u>
		<u>203,640,459</u>	<u>217,620,005</u>

6.1 Net investment in finance lease

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

	Un-audited March 2022			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.....						
Minimum lease payments receivable	814,451,149	140,273,601	954,724,750	817,417,277	167,735,908	985,153,185
Residual value of leased assets	24,805,134	80,047,665	104,852,799	15,382,709	73,277,390	88,660,099
Lease contracts receivable	839,256,283	220,321,266	1,059,577,549	832,799,986	241,013,298	1,073,813,284
Unearned lease income (including suspended income)	(162,135,273)	(16,680,808)	(178,816,081)	(165,656,256)	(23,393,293)	(189,049,549)
Provision for potential lease losses	(424,457,322)	-	(424,457,322)	(431,939,691)	-	(431,939,691)
	586,592,595	16,680,808	603,273,403	597,595,947	(23,393,293)	(620,989,240)
	252,663,688	203,640,458	456,304,146	235,204,039	217,620,005	452,824,044

6.1.1 These finances carry profit rates ranging from 12.90% to 25.00 % 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.

6.1.2 The above net investment in finance lease includes non-performing lease portfolio of Rs. 524.81 million (June 2021: Rs. 532.90 million). Detail of non performing leases is as follows:

	Un-audited March 2022			Audited June 2021		
	Principal outstanding	Provision required	Provision held	Principal outstanding	Provision required	Provision held
.....Rupees.....						
Category of classification						
Substandard	-	-	-	-	-	-
Loss	524,808,592	424,457,322	424,457,322	532,898,132	431,939,691	431,939,691
	524,808,592	424,457,322	424,457,322	532,898,132	431,939,691	431,939,691

		Un-audited March 2022	Audited June 2021
	Note	Rupees	
7. LONG TERM MUSHARAKAH FINANCES			
Secured			
Considered doubtful			
Companies (non-financial institutions)		22,488,216	83,030,975
Individuals		43,143,923	43,223,923
		65,632,139	126,254,898
Provision against doubtful balances		(16,037,141)	(24,793,805)
		49,594,998	101,461,093
Less: Current portion	12	(49,594,998)	(101,461,093)
		-	-

- 7.1** 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.

		Un-audited March 2022	Audited June 2021
	Note	Rupees	
8. LONG TERM LOANS			
Secured			
Considered good			
Customers	8.1	147,549,722	44,823,819
Considered doubtful			
Customers	8.1	14,828,119	15,947,722
Outgoing group	8.2	71,954,665	71,954,665
Ex-employee		528,523	528,523
		87,311,307	88,430,910
Provision against doubtful balances		(75,763,805)	(75,763,805)
		11,547,502	12,667,105
		159,097,224	57,490,924
Less: Current portion	12	(77,414,151)	(28,743,316)
		81,683,073	28,747,608

- 8.1** These carry mark-up at the rate ranging from 11.18% to 30.00% 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.
- 8.2** 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. The Company intends to revise loan agreement and extend repayment period till December 31, 2020. Mark-up amounting to Rs 36.04 million was also outstanding. It is subject to mark up at the rate of six month KIBOR plus 2% per annum. Effective markup rate charged was 9.04% per annum last year.

		Un-audited March 2021	Audited June 2020
		Rupees	
9. LONG TERM SECURITY DEPOSITS	9.1	2,330,225	2,280,225

- 9.1** These represent deposits for utilities, office premises etc.

	Un-audited March 2022	Audited June 2021
Rupees.....	

10. SHORT TERM MUSHARAKAH FINANCES

Secured		
Considered doubtful	89,560,848	99,660,848
Provision against doubtful balances	<u>(51,262,565)</u>	<u>(56,807,405)</u>
	<u>38,298,283</u>	<u>42,853,443</u>

10.1 These represent finances disbursed to different companies for working capital purposes for the periods ranging between 92 to 365 days and are secured against mortgaged properties, demand promissory notes and personal guarantee of their sponsor directors. These carry profit at the rates ranging from 10.00% to 34.69% per annum (June 2021 : 10.00% to 34.69% per annum).

	Un-audited March 2022	Audited June 2021
NoteRupees.....	

11. SHORT TERM FINANCES

Secured		
Considered good	84,693	8,300,000
Considered doubtful	<u>8,132,867</u>	<u>8,132,867</u>
Provision against doubtful balances	<u>(1,782,867)</u>	<u>(1,782,867)</u>
	<u>6,350,000</u>	<u>6,350,000</u>
11.1	<u>6,434,693</u>	<u>14,650,000</u>

11.1 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 35.00% per annum (June 2021: 15.29% to 27.00% per annum).

	Un-audited March 2022	Audited June 2021
NoteRupees.....	

12. CURRENT PORTION OF NON-CURRENT ASSETS

Net investment in finance lease	6	252,663,688	235,204,039
Long term musharakah finances	7	49,594,998	101,461,093
Long term loans	8	<u>77,414,151</u>	<u>28,743,316</u>
		<u>379,672,837</u>	<u>365,408,448</u>

13. CURRENT PORTION OF NON-CURRENT LIABILITIES

Security deposit from lessees	24,805,134	15,382,709
Liability related to outgoing group	3,240,000	3,240,000
Deferred liability	9,747,000	9,747,000
Redeemable capital	<u>4,275,000</u>	<u>10,005,000</u>
	<u>42,067,134</u>	<u>38,374,709</u>

14. RELATED PARTY TRANSACTIONS

Related parties comprise of major shareholders, associated undertakings, provident fund, directors, other key management personnel and their close family members. Contributions to the provident fund, loans to employees and remuneration of key management personnel are made / paid in accordance with the terms of their employment. Other transactions with related parties are entered into at agreed rates.

The balances due from and due to related parties have been disclosed in the relevant notes to the financial statements. Detail of transactions with related parties, other than those which have been disclosed elsewhere in these financial statements, are as follows:

Name of the related party	Relationship and percentage shareholding	Transaction during the period and period end balances	Mar-22	Mar-21
			Rupees	Rupees
Mr. Muhammad Zahid	Major shareholder 18.96% (June 2021 : 18.96%)	Mark up / interest on long term loan from sponsor	2,565,394	6,450,725
		Partial repayment of sponsors loan	-	50,000,000
Mrs. Ayesha Shehryar	Chairperson	Long term loan to Company	15,000,000	-
Key Management	Employees	Amount paid during the period	5,782,950	5,487,547
Invest Capital Investment Bank Limited Staff Provident Fund	Provident fund	Contribution made during the period	445,639	388,458

15. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on April 22, 2022 by the Board of Directors of the Company.



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Chairperson



Akmal Ali
Chief Financial officer

Company Information

Board of Directors

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

Audit Committee

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

Human Resource Committee

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

Company Secretary

Mr. M. Naim Ashraf

Auditors

RSM Avais Hyder Liaquat Nauman
Chartered Accountants

Legal Advisors

Ahmad & Qazi

Share Registrar

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

Bankers

Habib Metropolitan Bank Limited
Meezan Bank Limited
JS Bank Limited

Registered Office

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

Head Office

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

National Tax Number

0656427-5

Our Network

Registered Office - Karachi

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

Peshawar

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

Tel: 091-2262966 & 2262866

Gujranwala

Al-Karam Center, Near Muhammad Asad
Contractors, link Road, Wapda Town,
Gujranwala

Tel: 055-3730300 + 301-8651056