



INVEST CAPITAL INVESTMENT BANK LIMITED

QUARTERLY REPORT

MARCH 31, 2023

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Directors' Report

The Board of Directors of Invest Capital Investment Bank Limited ("the Company") is pleased to present to the shareholders, the un-audited financial statements for the nine months period ending March 31, 2023.

The Review

During the period under review, the Company earned a net profit of Rupees 80.13 million as compared to the profit of Rupees 94.59 million in the corresponding period of the last year. The earning per share works out to Rupees 0.281 as against Rupees 0.332 for the period ending 31st March 2022. The net profit for the period has reduced by Rupees 14.46 million mainly, due to reduction in reversal of suspended income of NPLs. The gross revenue including other income for the period amounted to Rupees 92.95 million as compared to Rupees 94.61 million of the corresponding period of the last year. The administrative and operating expenses amounted to Rupees 25.31 million as against Rupees 19.39 million of the corresponding period of the last year. The financial charges increased by Rupees 9.07 million from Rupees 2.57 million to Rupees 11.64 million due to borrowing for financing purposes.

The total assets of the Company increased by Rupees. 54.19 million basically due to good recoveries against loans resulting in better disbursements. The total assets amounted to Rupees 1,111.62 million as at 31st March 2023 as compared to Rupees 1,057.43 million as at June 30, 2022. Whereas, the total liabilities of the Company reduced by Rupees 19.41 million and stood at Rupees 565.02 million as at 31st March 2023 as against Rupees. 584.43 million as at 30th June 2022 due to re-payment of liabilities.

Financial Highlights and Business Review

	----- Rupees in million -----	
	March 31, 2023	March 31, 2022
Gross Revenue	88.00	90.58
Other Income	4.95	4.03
Administration & Operating expenses	(25.31)	(19.39)
Financial charges (net of reversals)	(11.64)	3.16
Provisions reversed / (charged) / write offs	25.71	30.18
Profit / (loss) for the period before taxation	81.71	108.56
Taxation – net	(1.58)	(13.97)
Profit / (loss) for the period after taxation	80.13	94.59
Earnings per Share	0.281	0.332

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 aswell:

- 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 improve 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

Lahore
April 27, 2023


Muhammad Asif
Chief Executive Officer


Ayesha Shehryar
Chairperson

ڈائریکٹرز کا حسابہ

انویسٹ کیپیٹل انویسٹمنٹ بینک لمیٹڈ (کسپنی) کے بورڈ آف ڈائریکٹرز کی جانب سے ہم انتہائی مسرت کے ساتھ 31 مارچ 2023 کو ختم ہونے والے نو ماہ کے عبوری مالیاتی گوشوارے حصص یافتگان کو پیش کرتے ہیں۔

حسابہ

اس زیر تجزیہ عرصہ کے دوران کسپنی نے 80.13 ملین روپے کا منافع حاصل کیا جبکہ اس کے مقابلے میں گذشتہ سال اسی مدت کا منافع 94.59 ملین روپے بھرت۔ 31 مارچ 2022 کو آمدنی 0.332 روپے فی حصص تھی جو اب 0.281 روپے فی حصص ہو گئی ہے۔ اس سال منافع میں 14.46 ملین روپے کی کمی ہوئی جسکی بنیادی زائد المیعاد مشارکہ سے وصولیابی اور معطل شدہ آمدن کی واپسی میں کمی ہے۔ زیر غور عرصہ میں کسپنی کی مجموعی آمدنی بشمول دیگر آمدنی 92.95 ملین روپے رہی جبکہ اسکے مقابلے میں گذشتہ سال اسی مدت کی آمدنی 94.61 ملین روپے تھی۔ کسپنی کے آپریٹنگ اور انتظامی اخراجات گزشتہ سال کے 19.39 ملین روپے کے مقابلے میں 25.31 ملین روپے رہے۔ مالیاتی اخراجات 9.07 ملین روپے اضافے کے بعد 2.57 ملین روپے سے بڑھ کر 11.64 ملین روپے ہو گئے جسکی وجہ سرمایہ کاری کے لئے لیتے جانے والے مترخص حبات ہیں۔

کسپنی کے کل اثاثہ حبات 31 مارچ 2023 کو وصولیابیوں کی وجہ سے 54.19 ملین روپے بڑھ کر 1,111.62 ملین روپے ہو گئے جبکہ 30 جون 2022 کو ان کی مالیت 1,057.43 ملین روپے تھی۔ جبکہ کسپنی کی مالیاتی ذمہ داریاں 31 مارچ 2023 کو 19.41 ملین روپے کم ہو کر 565.02 ملین روپے رہیں جبکہ 30 جون 2022 کو یہ رقم 584.43 ملین روپے تھی۔ کمی کی بنیادی وجہ مترخصوں کی ادائیگی ہے۔

مالیاتی جھلکیاں اور کاروباری حسابہ

----- روپے ملین میں -----

31 مارچ 2022	31 مارچ 2023	مالیاتی سرخیاں
90.58	88.00	مجموعی آمدنی
4.03	4.95	دیگر آمدنی
(19.39)	(25.31)	انتظامی اور آپریٹنگ اخراجات
3.16	(11.64)	مالیاتی سپارٹسز (کل)
30.18	25.71	پروڈیون رپورسل / (حپارچ)
108.56	81.71	ٹیکس سے پہلے نفع / (نقصان)
(13.97)	(1.58)	ٹیکس
94.59	80.13	ٹیکس کے بعد نفع / (نقصان)
0.332	0.281	آمدنی / (نقصان) فی حصص

منصوبے کے مطابق، انتظامیہ نے اپنی توجہ کمپنی کے غیر حل شدہ معاملات کے حل پر رکھی تاکہ کمپنی مثبت 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 احسراحتات میں کمی
- نیفا منانسنگ کا کاروبار

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

اظہار تشکر

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

منجانب ورائے بورڈ آف ڈائریکٹرز

عائشہ شہریار
چیئر پرسن

محمد آصف
چیئف ایگزیکٹو آفیسر

لاہور

27 اپریل 2023

Condensed Interim Statement of Financial Position (Un-audited)

As at March 31, 2023

	Note	Un-audited March 2023 Rupees	Audited June 2022 Rupees
ASSETS			
Non-current assets			
Property and equipment	3	76,650,045	80,852,746
Intangible assets	4	885,660	163,594
Investment accounted for using equity method	5	132,026,536	129,861,113
Financial assets at fair value through other comprehensive income		17,840,437	24,372,136
Net investment in finance lease	6	131,628,652	174,706,254
Long term musharakah finances	7	-	-
Long term loans	8	244,976,916	162,266,245
Long term security deposits	9	2,330,225	2,330,225
		606,338,471	574,552,313
Current Assets			
Short term musharakah finances	10	25,691,443	29,651,443
Short term finances	11	6,359,055	6,561,370
Ijarah rentals receivables	12	1,241,277	1,265,639
Current portion of non-current assets	13	421,335,011	388,359,879
Advances, deposits, prepayments and other receivables		14,375,448	20,776,004
Financial assets at fair value through profit or loss		21,213,113	24,418,400
Bank balances		15,068,250	11,847,075
		505,283,597	482,879,810
TOTAL ASSETS		1,111,622,068	1,057,432,123

	Note	Un-audited March 2023 Rupees	Audited June 2022 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		(519,023,026)	(599,151,411)
Fair value reserve		10,049,637	16,581,336
		546,596,023	472,999,337
Non-current liabilities			
Loan from sponsor		-	16,392,473
Long term loan from directors		32,000,000	65,000,000
Security deposits from clients		132,197,261	68,699,785
Redeemable capital		-	1,500,000
Liability related to outgoing group		17,010,000	19,440,000
		181,207,261	171,032,258
Current liabilities			
Current portion of non-current liabilities	14	47,369,285	45,680,615
Accrued and other liabilities		133,802,707	147,795,038
Profit / mark up payable		188,184,626	187,094,451
Unclaimed dividend		6,053,456	6,053,456
Provision for taxation - income tax		8,408,710	26,776,968
		383,818,784	413,400,528
TOTAL EQUITY AND LIABILITIES		<u>1,111,622,068</u>	<u>1,057,432,123</u>
CONTINGENCIES AND COMMITMENT			
		-	-

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



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Chairperson



Muhammad Ikram
Chief Financial officer

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

For the Nine Month Period Ended March 31, 2023

	Nine months ended March 31		Quarter ended March 31	
	2023	2022	2023	2022
Rupees.....			
Income				
Income from leasing operations	43,457,660	37,323,550	24,444,777	11,640,006
Operating lease rentals	263,806	2,467,380	16,911	10,000
Profit on musharakah investments	(4,904,929)	40,233,657	(6,204,789)	30,693
Income from finances	42,569,411	9,728,577	15,938,942	4,279,826
Income on deposits with banks	2,391,054	2,236,478	425,416	427,912
(Loss) from joint venture	2,165,423	(3,180,223)	166,484	-
Dividend income	4,649,125	3,948,355	3,688,376	3,416,143
Net gain on sale of marketable securities	1,273,771	1,426,506	-	432,855
Unrealized (loss) on financial assets at fair value - net	(3,858,563)	(3,614,490)	(870,288)	(2,167,452)
	88,006,758	90,569,790	37,605,828	18,069,983
Expenses				
Administrative and operating expenses	(25,314,844)	(19,385,768)	(9,049,396)	(6,131,068)
Financial charges	(11,643,106)	(2,573,812)	(2,837,012)	(319,214)
Mark up waived off on settlement of loans	-	5,734,636	-	5,734,636
	(36,957,950)	(16,224,944)	(11,886,408)	(715,646)
	51,048,808	74,344,846	25,719,420	17,354,337
Other income	4,946,806	4,027,062	1,136,799	1,061,592
	55,995,614	78,371,908	26,856,219	18,415,929
Provision reversed / (charged) on non-performing loans and write-offs				
Reversal / (provision) against:				
Finance lease receivable and rentals - net	30,839,679	7,482,369	30,273,599	2,084,764
Long term / short term musharakah finances	291,917	14,301,504	-	5,544,840
Long term / short term loans	(8,073,657)	-	(8,073,657)	-
Other receivables	6,874,000	8,400,778	-	-
Balances written off:				
Lease receivables	(4,221,340)	-	(4,221,340)	-
	25,710,599	30,184,651	17,978,602	7,629,604
Profit before taxation	81,706,213	108,556,559	44,834,821	26,045,533
Provision for taxation				
-For the period	(8,408,710)	(14,477,200)	(2,499,608)	-
-Prior year	6,830,883	507,754	-	-
Profit for the period	80,128,386	94,587,113	42,335,213	26,045,533
Earnings per share - Basic and Diluted	0.281	0.332	0.149	0.091

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



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Chairperson



Muhammad Ikram
Chief Financial officer

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the Nine Month Period Ended March 31, 2023

	Nine months ended March 31		Quarter ended March 31	
	2023	2022	2023	2022
Rupees.....			
Profit for the period	80,128,386	94,587,113	65,744,315	26,045,533
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	(6,531,699)	(915,110)	(4,827,413)	(449,160)
Total comprehensive Income for the period	<u>73,596,687</u>	<u>93,672,003</u>	<u>60,916,902</u>	<u>25,596,373</u>

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



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Chairperson



Muhammad Ikram
Chief Financial officer

Condensed Interim Statement of Cash Flows (Un-audited)

For the Nine Month Period Ended March 31, 2023

	Nine months ended 2023 Rupees	March 31, 2022 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	81,706,213	108,556,559
Adjustments for non cash charges and other items:		
Depreciation of property, plant and equipment	4,144,400	1,937,991
Amortization of intangible assets	172,933	52,584
(Reversal) / provision against:		
Finance lease receivable and rentals - net	(30,839,679)	(7,482,369)
Long term / short term musharakah finances	(291,917)	(14,301,504)
Long term / short term loans	8,073,657	-
Other receivables	(6,874,000)	(8,400,778)
Balances written off		
Lease receivables	4,221,340	-
(Gain) on disposal of operating assets	(1,095,698)	-
Unrealised loss on financial assets at fair value	3,858,563	3,614,490
Income from joint ventures	(2,165,423)	3,180,223
Dividend Income	(4,649,125)	-
Financial charges	11,643,106	2,573,812
Mark up waived off on settlement of loans	-	(5,734,636)
Balances written back	-	(767,000)
	(13,801,843)	(25,327,187)
Cash flow from operating activities before working capital changes	67,904,370	83,229,372
Changes in working capital		
Decrease / (Increase) in current assets		
Short term musharakah finances	4,192,822	10,100,000
Short term finances	202,315	8,215,307
Ijarah rentals receivables	24,362	35,747
Advances, deposits, prepayments and other receivables	13,839,540	1,516,119
	18,259,039	19,867,173
Increase in current liabilities		
Accrued and other liabilities	(13,992,331)	2,315,450
Cash generated from operations	72,171,078	105,411,995
Financial charges paid	(10,552,931)	(8,418)
Income tax paid	(20,289,012)	(2,002,512)
Net cash generated from operations	41,329,135	103,401,065

Nine months ended March 31,
2023 2022
Rupees Rupees

CASH FLOWS FROM INVESTING ACTIVITIES

(Additions) / deletion in:		
Property, plant and equipment	(46,000)	(132,000)
Intangible assets	(895,000)	-
Net investment in finance lease	92,679,190	3,848,804
Long term musharakah finances	59,095	60,622,759
Long term loans	(80,056,564)	(101,606,300)
Long term security deposits	-	(50,000)
Financial assets at fair value through profit or loss	(653,276)	(20,344,622)
Proceeds from disposal of operating assets	1,199,999	-
Dividend Received	4,427,069	-
Net cash (used in) investing activities	16,714,513	(57,661,359)

CASH FLOWS FROM FINANCING ACTIVITIES

Receipts from / (Repayment of) :		
Long term loan from sponsors	(16,392,473)	(50,000,000)
Redeemable capital	(3,000,000)	(2,475,000)
Long term loan from directors	(33,000,000)	15,000,000
Liability related to outgoing group	(2,430,000)	(1,620,000)
Net cash (used in) financing activities	(54,822,473)	(39,095,000)
Net (decrease) / Increase in cash and cash equivalents (a+b+c)	3,221,175	6,644,707
Cash and cash equivalents at the beginning of the year	11,847,075	9,676,974
Cash and cash equivalents at the end of the period	15,068,250	16,321,681

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



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Chairperson



Muhammad Ikram
Chief Financial officer

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

For the Nine Month Period Ended March 31, 2023

	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		
2022									
Balance as at July 01, 2021	2,848,668,960	126,000,000	(2,022,075,892)	-	(2,022,075,992)	102,976,444	(894,424,922)	21,643,823	362,788,313
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	94,587,113	-	94,587,113
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	-	-	-	-	-	-	-	(915,110)	(915,110)
Equity portion of loan to directors	-	-	-	-	-	-	-	-	-
Loan from directors	-	-	-	-	-	-	-	-	-
Balance as at March 31, 2022	<u>2,848,668,960</u>	<u>126,000,000</u>	<u>(2,022,075,892)</u>	<u>-</u>	<u>(2,022,075,992)</u>	<u>102,976,444</u>	<u>(599,837,809)</u>	<u>20,728,713</u>	<u>476,460,318</u>
Balance as at July 01, 2022	2,848,668,960	126,000,000	(2,022,075,892)	-	(2,022,075,992)	102,976,444	(599,151,412)	16,581,336	472,999,336
Total comprehensive income for the period									
Profit for the period	-	-	-	-	-	-	80,128,386	-	80,128,386
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	-	-	-	-	-	-	-	(6,531,699)	(6,531,699)
Balance as at March 31, 2023	<u>2,848,668,960</u>	<u>126,000,000</u>	<u>(2,022,075,892)</u>	<u>-</u>	<u>(2,022,075,992)</u>	<u>102,976,444</u>	<u>(519,023,028)</u>	<u>10,049,637</u>	<u>546,586,023</u>

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



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Chairperson



Muhammad Ikram
Chief Financial officer

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

For the Nine Month Period Ended March 31, 2023

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.519.02 million (June 2022: Rs. 599.15 million).
 - the Company has been unable to comply with the terms of certain loan agreements as explained in detail in the relevant notes to the financial statements as at 30th June 2022.
 - 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 & financing business at attractive rates and reasonable deposit margin. During the nine months period leases and finances amounting to Rs. 341.27 million (June 2022 : Rs. 441.34 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 all 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.

(d) Disposal of non-core assets

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

(e) Improved recovery of leases and loans portfolio

The Company has been putting all its efforts for recovery from leases and loans portfolio. Net recovery during the nine months period is Rs. 282.55 million (June 2022: Rs. 434.01 million). This amount has been utilized in the new leasing / 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

These condensed interim financial statements have been prepared in accordance with the requirements of the Companies Act, 2017, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations), the directives issued by the Securities and Exchange Commission of Pakistan (SECP) and approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Accounting / Financial Reporting Standards (IASs / IFRSs) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017. Wherever the requirements of the Companies Act, 2017, the NBFC Rules, the NBFC Regulations or the directives issued by SECP differ with the requirements of IASs / IFRSs, requirements of the Companies Act, 2017, the NBFC Rules, the NBFC Regulations or the directives issued by SECP prevail.

2.2 Basis of measurement

These financial statements have been prepared under the 'historical cost convention' except:

- Investments at fair value through statement of profit or loss and Investments stated at fair value through other comprehensive income.

2.3 Functional and presentation currency

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

2.4 Accounting estimates and judgments

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

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

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

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on amounts recognized in the financial statements are the same as disclosed in the published audited financial statements for the year ended 30th June 2022.

	Note	Un-audited March 2023	Audited June 2022
————Rupees————			
3. PROPERTY, PLANT AND EQUIPMENT			
Operating assets		76,650,045	63,343,746
Advance for purchase of vehicle		-	17,509,000
		<u>76,650,045</u>	<u>80,852,746</u>
3.1 Operating assets			
Book value at beginning of the period / year		63,343,746	65,798,617
Additions during the period / year		17,555,000	132,000
Disposals during the period / year		(104,301)	-
Depreciation charged during the period / year		(4,144,400)	(2,586,871)
		<u>76,650,045</u>	<u>63,343,746</u>
4. INTANGIBLE ASSETS			
Computer Software			
Cost		12,800,000	12,800,000
Addition		895,000	-
Accumulated amortisation		(12,809,340)	(12,636,406)
Written down value		<u>885,660</u>	<u>163,594</u>
4.1 Reconciliation of written down value :			
Opening balance		163,594	233,705
Addition		895,000	-
Amortisation		(172,933)	(70,111)
Closing balance		<u>885,660</u>	<u>163,594</u>
Rate (%)		30%	30%
5. INVESTMENT ACCOUNTED FOR USING EQUITY METHOD			
Investment in joint venture		<u>132,026,536</u>	<u>129,861,113</u>
5.1 Investment in joint venture			
This represents investment in a CNG filling station. The latest available unaudited financial statements of joint venture as at March 31, 2023 have been used for the purpose of application of equity method.			
6. NET INVESTMENT IN FINANCE LEASE			
Contracts accounted for as finance lease under IFRS 16		357,399,201	419,721,388
Less : Current portion		(225,770,549)	(245,015,134)
		<u>131,628,652</u>	<u>174,706,254</u>

6.1 Net investment in finance lease

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

	Un-audited March 2023			Audited June 2022		
	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	736,450,313	74,816,622	811,266,935	801,608,617	119,536,599	921,145,216
Residual value of leased assets	28,717,285	69,249,780	97,967,065	25,528,615	68,699,785	94,228,400
Lease contracts receivable	765,167,598	144,066,402	909,234,000	827,137,232	188,236,384	1,015,373,616
Unearned lease income	(18,605,737)	(10,294,502)	(28,900,239)	(25,682,114)	(13,530,130)	(39,212,244)
Income suspended	(128,647,584)	(951,890)	(129,599,514)	(132,465,258)	-	(132,465,258)
Provision for potential lease losses	(381,943,728)	(1,191,319)	(383,135,047)	(423,974,726)	-	(423,974,726)
	(539,397,049)	(12,437,751)	(551,834,800)	(568,122,098)	(13,530,130)	(581,652,228)
	225,770,549	131,628,652	357,399,200	245,015,134	174,706,254	419,721,388

6.1.1 These finances carry profit rates ranging from 13.37% to 25.17 % per annum (June 2022 12.90% to 25.17% 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. 509.59 million (June 2022: Rs. 524.01 million). Detail of non performing leases is as follows:

Category of classification	Un-audited March 2023			Audited June 2022		
	Principal outstanding	Provision required	Provision held	Principal outstanding	Provision required	Provision held
	Rupees			Rupees		
OAEM	13,185,800	-	-	-	-	-
Substandard	4,765,277	1,191,319	1,191,319	-	-	-
Loss	491,636,508	391,943,728	391,943,728	524,005,926	423,974,726	423,974,726
	509,587,585	393,135,047	393,135,047	524,005,926	423,974,726	423,974,726

	Note	Un-audited March 2023	Audited June 2022
		Rupees	
Secured			
Considered doubtful			
Companies (non-financial institutions)		22,406,652	22,505,747
Individuals		43,143,923	43,103,923
		65,550,575	65,609,670
Provision against doubtful balances		(15,955,577)	(16,014,672)
		49,594,998	49,594,998
Less: Current portion		(49,594,998)	(49,594,998)
		-	-

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 2022: 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 March 2023	Audited June 2022
Rupees			
8. LONG TERM LOANS			
Secured			
Considered good			
Customers	8.1	9,245,250	51,476,123
Vehicle Finance	8.2	348,164,103	193,840,461
Considered doubtful			
Customers	8.1	44,891,301	13,980,025
Outgoing group	8.3	71,954,665	71,954,665
Ex-employee		528,523	528,523
		117,374,489	86,463,213
Provision against doubtful balances		(83,837,462)	(75,763,805)
		33,537,027	10,699,408
Less: Current portion		390,946,380	256,015,992
		(145,969,464)	(93,749,747)
		244,976,916	162,266,245

8.1 These carry mark-up at the rate ranging from 11.18% to 30.00% per annum (June 2022: from 11.18% to 30.00% per annum). These are secured against registered charge over different assets of customers, pledge / hypothecation of stocks and collateral in certain cases.

8.2 These represent finance given under vehicle financing scheme. These finances are repayable within a period of three to four years and are secured against lien on vehicles financed, demand promissory notes and personal guarantees. Profit rates for the year ranges from 18.00% to 23.30% per annum. (June 2022: from 16.97 to 20.88%). These are receivable in monthly installments.

8.3 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 mark-up rate charged was 9.04% per annum last year.

9. LONG TERM SECURITY DEPOSITS	9.1	2,330,225	2,330,225
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9.1 These represent deposits for utilities, office premises etc.

10. SHORT TERM MUSHARAKAH FINANCES

Secured			
Considered doubtful			
		76,721,186	80,914,008
Provision against doubtful balances		(51,029,743)	(51,262,565)
		25,691,443	29,651,443

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 2022 : 10.00% to 34.69% per annum).

11. SHORT TERM FINANCES

Secured			
Considered good			
		9,055	211,370
Considered doubtful			
Provision against doubtful balances		8,132,867	8,132,867
		(1,782,867)	(1,782,867)
		6,350,000	6,350,000
	9.1	6,359,055	6,561,370

- 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 2022: 15.29% to 35.00% per annum).

	Note	Un-audited March 2023	Audited June 2022
		—Rupees—	

12. IJARAH RENTALS RECEIVABLE

Ijarah rentals receivable - Due within one year		46,952,426	47,240,594
Less : Provision against Ijarah rentals receivable		(45,711,149)	(45,974,955)
		<u>1,241,277</u>	<u>1,265,639</u>

12.1 Provision against Ijarah rentals receivable

Category of classification	Un-audited March 2023			Audited June 2022		
	Rental receivable	Suspension required	Suspension held	Rental receivable	Suspension required	Suspension held
	Rupees			Rupees		
Loss	45,711,149	45,711,149	45,711,149	45,974,955	45,974,955	45,974,955

	Note	Un-audited March 2023	Audited June 2022
		—Rupees—	

13. CURRENT PORTION OF NON-CURRENT ASSETS

Net investment in finance lease	6	225,770,549	245,015,134
Long term musharakah finances	7	49,594,998	49,594,998
Long term loans	8	145,969,464	93,749,747
		<u>421,335,011</u>	<u>388,359,879</u>

14. CURRENT PORTION OF NON-CURRENT LIABILITIES

Security deposit from lessees		28,717,285	25,528,615
Liability related to outgoing group		3,240,000	3,240,000
Deferred liability		9,747,000	9,747,000
Redeemable capital		5,665,000	7,165,000
		<u>47,369,285</u>	<u>45,680,615</u>

15. DATE OF AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue on April 27, 2023 by the Board of Directors of the Company.



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Chairperson



Muhammad Ikram
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 Gamar	-Director

Audit Committee

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

Human Resource Committee

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

Company Secretary

Mr. M. Naim Ashref

Auditors

RSM Avais Hyder Liaquat Nauman
Chartered Accountants

Legal Advisors

Ahmad & Gazi

National Tax Number

0656427-5

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

131-A, Zahidjee House,
Scotch Corner, Upper Mall,
Lahore.
Tel: 042-35777285-86

Peshawar Office

C/o Centre Gas (Pvt.) Ltd.,
Chughal Pura, G.T Road,
Peshawar.
Tel: 091-2262966 & 2262866

Gujranwala Office

Al-Karam Center, Link Road,
WAPDA Town, Gujranwala.
Tel: 055-3730300



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