

QUARTERLY REPORT
MARCH 31, 2019



INVEST CAPITAL INVESTMENT BANK LIMITED












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Contents

Director's Report	02
Director's Report (Urdu)	03-04
Condensed Interim Statement of Financial Position (Un-Audited)	06-07
Condensed Interim Statement of Profit or Loss (Un-Audited)	08
Condensed Interim Statement of Comprehensive Income (Un-Audited)	09
Condensed Interim Statement of Cash Flows (Un-Audited)	10-11
Condensed Interim Statement of Changes in Equity (Un-Audited)	12
Selected Explanatory Notes to the Condensed Interim Financial Statements (Un-Audited)	13-18
Company Information	19
Our Network	20

Directors' Review

On behalf of the Board of Directors of Invest Capital Investment Bank Limited ("the Company"), we are pleased to present to the members, the un-audited financial statements for the nine months period ending March 31, 2019.

The Review

During the period of nine months, the Company earned a profit of Rupees 28.63 million as compared to the profit of Rupees 12.11 million in the corresponding period of the last year. The earnings per share work out to Rupees 0.10 as against Rupees 0.04 for the period ending 31st March 2018. The profit is primarily due to reversal of provisioning of non-performing leases and loans due to recovery from NPLs. The gross revenue including other income for the period amounted to Rupees 47.19 million as compared to Rupees 59.96 million of the corresponding period of the last year. The financial charges amounted to Rupees 15.63 million as against an amount of Rupees 18.62 million of the comparable period. The administrative and operating expenses stood at Rupees 22.08 as against Rupees 23.32 million of the corresponding period of the last year.

The total assets of the Company increased by Rs. 38.63 million basically due to fresh disbursements and stood at Rupees 1,077.94 million as at 31st March 2019 as compared to Rupees 1,039.31 million as at June 30, 2018. Whereas, the total liabilities of the Company reduced by Rupees 93.09 million and stood at Rupees 697.83 million as at 31st March 2019 mainly due to transfer of director's loan to equity.

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

	Rs. in million	
	March 31, 2019	March 31, 2018
Gross Revenue	43.66	49.27
Other Income	3.53	10.69
Administration & Operating expenses	(22.08)	(23.32)
Financial charges (net of reversals)	(15.52)	0.53
Profit / (loss) for the period before taxation	28.88	12.74
Taxation - net	(0.25)	(0.63)
Profit / (loss) for the period after taxation	28.63	12.11
Earnings per Share	0.101	0.043

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

- Settlement/rescheduling of loans with lenders
- Disposal of non-core assets
- Disposal / transfer of brokerage related assets and liabilities
- 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.

Credit Rating

The Company was previously put on the entity rating "D" by JCR-VIS Credit Rating Company Ltd. The Company shall apply for revision in the rating after settlement / restructuring of remaining liabilities.

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
Director

Lahore

April 19, 2019

ڈائریکٹرز کا جائزہ

انویسٹ کیپیٹل انویسٹمنٹ بینک لمیٹڈ (کمپنی) کے بورڈ آف ڈائریکٹرز کی جانب سے ہم انتہائی مسرت کے ساتھ 31 مارچ 2019 کو ختم ہونے والے نو ماہ کے عبوری مالیاتی گوشوارے ممبران کو پیش کرتے ہیں۔

جائزہ

اس زیر تجزیہ عرصہ کے دوران کمپنی نے 28.63 ملین روپے کا منافع حاصل کیا جبکہ اس کے مقابلے میں گذشتہ سال اسی مدت کا منافع 12.11 ملین روپے تھا۔ 31 مارچ 2018 کو آمدنی 0.04 روپے فی حصص تھی جو اب بڑھ کر 0.10 روپے فی حصص ہو گئی ہے۔ منافع میں اضافہ کی وجہ پچھلے سال کے مقابلے میں نادھندگان کے قرضوں اور لیزوں سے بہتر ریکوری ہے۔ زیر غور عرصہ میں کمپنی کی مجموعی آمدنی بشمول دیگر آمدنی 47.19 ملین روپے رہی جبکہ اسکے مقابلہ میں گذشتہ سال اسی مدت کی آمدنی 59.96 ملین روپے تھی۔ زیر غور عرصہ میں کمپنی کے مالیاتی اخراجات 15.63 ملین روپے ہیں جبکہ گذشتہ برس اسی عرصہ کے اخراجات 18.62 ملین روپے تھے۔ کمپنی کے آپریٹنگ اور انتظامی اخراجات 22.08 ملین روپے رہے جبکہ گذشتہ سال اسی مدت کے آپریٹنگ اور انتظامی اخراجات 23.32 ملین روپے تھے۔

کمپنی کے کل اثاثہ جات 31 مارچ 2019 کو 38.63 ملین روپے بڑھ کر 1,077.94 ملین روپے ہو گئے جبکہ 30 جون 2018 کو ان کی مالیت 1,039.31 ملین روپے تھی۔ اس بڑھوت کی بنیادی وجہ نیا لیونگ برنس ہے۔ جبکہ کمپنی کی مالیاتی ذمہ داریاں 31 مارچ 2019 کو 93.09 ملین روپے کم ہو کر 697.83 ملین روپے رہیں جسکی بنیادی وجہ ڈائریکٹرز لون کا ایکویٹی میں ٹرانسفر ہے۔ کمپنی کے موجودہ اور گذشتہ نفع اور نقصان کا تقابلی جائزہ درج ذیل ہے:

----- روپے ملین میں -----

31 مارچ 2018	31 مارچ 2019	مالیاتی سرخیوں
49.27	43.66	مجموعی آمدنی
10.69	3.53	دیگر آمدنی
(23.32)	(22.08)	انتظامی اور آپریٹنگ اخراجات
0.53	(15.52)	مالیاتی چارجز (کل)
12.74	28.88	ٹیکس سے پہلے نفع (نقصان)
(0.63)	(0.25)	ٹیکس
12.11	28.63	ٹیکس کے بعد نفع (نقصان)
0.043	0.101	آمدنی (نقصان) فی حصص

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

- قرض خواہوں کے ساتھ قرضوں کا تصفیہ / ادائیگی کا نیا جدول (rescheduling)۔
- غیر اہم اثاثہ جات کی فروخت
- عطلہ ہونے والے بروکریج ہاؤس سے متعلق اثاثہ جات اور مالیاتی ذمہ داریوں کا تصفیہ یا منتقلی
- کارکردگی نا دکھانے والی لیزز اور قرضوں کے پورٹ فولیو کی وصولیاتی
- انتظامی اور دیگر اخراجات میں بڑی کمی
- نئی لیزنگ 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۔

کریڈٹ درجہ بندی (Rating) :

جے سی آر۔ وی آئی ایس کریڈٹ ریٹنگ کمپنی نے کمپنی کو بینکنٹی ریٹنگ ڈی (D) میں رکھا ہوا ہے۔ کمپنی اپنی بقایا مالیاتی ذمہ داریوں کے تصفیے رسنے طور سے انتظام کے بعد اپنی درجہ بندی پر نظر ثانی کے لئے درخواست دے گی۔

اظہارِ تشکر :

ہم سیکورٹی اینڈ انکیسٹری کمیشن آف پاکستان کی رہنمائی، کاغذوں کی حمایت، قرض 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

محمد شہریار

عائشہ شہریار
ڈائریکٹر

محمد آصف

چیف ایگزیکٹو آفیسر

لاہور

19 اپریل 2019

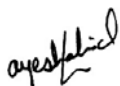
Condensed Interim Statement of Financial Position (Un-audited)

As at March 31, 2019

		Un-audited March 31, 2019	Audited June 30, 2018
	Note	— Rupees—	
ASSETS			
Non-current assets			
Property, plant and equipment		95,636,185	116,101,846
Operating assets	5	528,050	681,357
Intangible assets		138,563,128	123,274,834
Long term investments	6	139,116,795	131,597,352
Net investment in finance lease	7	4,507,360	1,206,980
Long term loans	8	2,428,225	2,278,225
Long term security deposits		150,000,000	150,000,000
Deferred tax asset		530,779,743	525,140,594
Current assets			
Short term investments		17,219,931	-
Short term musharakah finances		60,147,109	66,007,109
Short term finances		6,679,875	6,679,875
Ijarah rentals receivables		1,430,339	1,452,331
Current portion of non-current assets	7.3	374,953,743	381,785,916
Advances, deposits, prepayments and other receivables	9	17,723,841	15,184,176
Bank balances		36,101,741	10,161,122
Assets classified as held for sale		32,900,000	32,900,000
		547,156,579	514,170,529
TOTAL ASSETS		1,077,936,323	1,039,311,123



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Director



M. Naim Ashraf
Chief Financial officer

		Un-audited March 31, 2019	Audited June 30, 2018
	Note	— 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	10	126,000,000	-
Capital reserve			
Capital reserve on amalgamation		(2,022,075,992)	(2,022,075,992)
Statutory reserve		102,820,024	102,820,024
Unrealized gain on remeasurement of available for sale investments		10,588,176	13,098,176
Equity portion of Subordinated loan from directors		-	20,387,414
Revenue reserve			
Accumulated loss		(685,887,238)	(714,512,868)
		380,113,930	248,385,714
Non-current liabilities			
Subordinated loan from directors		-	118,800,679
Loan from sponsor	11	-	-
Security deposits from lessees		57,903,680	57,216,410
Deferred liability			
Mark up on long term musharakah	12	-	-
		57,903,680	176,017,089
Current liabilities			
Current portion of non-current liabilities	13	227,103,948	232,164,262
Accrued and other liabilities		147,335,612	132,778,895
Profit / mark up payable		226,525,556	211,011,565
Unclaimed dividend		6,053,598	6,053,598
Liabilities directly associated with assets held for sale of discontinued operation		32,900,000	32,900,000
		639,918,713	614,908,320
TOTAL EQUITY AND LIABILITIES		1,077,936,323	1,039,311,123

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



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Director



M. Naim Ashraf
Chief Financial officer

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

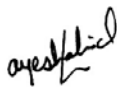
For the nine months period ended March 31, 2019

	Nine months ended March 31		Quarter ended March 31	
	2019	2018	2019	2018
	Rupees		Rupees	
Income				
Income from leasing operations	18,703,306	13,449,175	5,482,624	4,362,345
Operating lease rentals	576,846	809,678	100,074	462,897
Profit on musharakah investments	3,149,968	22,710,456	3,149,968	508,239
Income from finances	873,144	2,618,888	(579,792)	1,389,255
Income on deposits with banks	1,264,581	553,356	502,157	91,233
Income from joint ventures	17,798,294	6,459,410	5,000,000	1,500,000
Dividend income	864,625	160,000	742,000	-
Net gain / (loss) on sale of marketable securities	430,617	2,507,426	460,921	-
Unrealized (loss) on investment in marketable securities - net	-	-	852,527	-
	43,661,380	49,268,389	15,710,478	8,313,969
Expenses				
Administrative and operating expenses	(22,076,105)	(23,323,150)	(8,687,994)	(6,849,050)
Financial charges - net	(15,628,079)	(18,614,890)	(5,378,257)	(4,462,795)
	(37,704,184)	(41,938,040)	(14,066,251)	(11,311,845)
	5,957,196	7,330,349	1,644,227	(2,997,876)
Waiver of financial charges	106,177	19,141,644	106,177	-
	6,063,373	26,471,993	1,750,404	(2,997,876)
Other income	3,533,445	10,693,850	610,024	231,250
	9,596,818	37,165,843	2,360,429	(2,766,626)
Provision reversed / (charged) on non-performing loans and write-offs				
Reversal / (provision) against:				
Finance lease receivable and rentals - net	18,928,809	2,305,155	(21,071)	383,345
Long term / short term musharakah finances	-	20,407,000	-	(302,267)
Long term / short term loans	(507,876)	(3,014,875)	(687,830)	(1,898,843)
Other receivables	3,035,254	-	3,035,254	-
Balances written off:				
Lease receivables	(2,169,170)	(1,018,250)	(1,880,600)	(671,120)
Other receivables	-	(3,775,000)	-	-
Musharaka finance receivable	-	(39,328,140)	-	-
	19,287,017	(24,424,110)	445,753	(2,488,885)
Profit / (Loss) before taxation	28,883,835	12,741,733	2,806,182	(5,255,511)
Provision for taxation				
-For the period	(258,205)	(601,495)	-	(200,000)
-Prior periods	-	(33,650)	-	-
Profit / (Loss) for the period	28,625,630	12,106,588	2,806,182	(5,455,511)
Earnings per share - Basic and Diluted	0.100	0.04	0.010	(0.02)

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



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Director



M. Naim Ashraf
Chief Financial officer

Condensed Interim Statement of Comprehensive Income (Un-audited)

For the nine months period ended March 31, 2019

	Nine months ended March 31		Quarter ended March 31	
	2019	2018	2019	2018
	Rupees		Rupees	
Profit / (Loss) for the period	28,625,630	12,106,588	2,806,182	(5,455,511)
Other comprehensive income / (loss)				
Items that may be reclassified subsequently to profit or loss				
Un-realized profit on remeasurement of available for sale investments	(2,510,000)	5,066,125	-	4,784,575
Other Items				
Un-realized loss on available for sale investment reclassified to profit and loss account on disposal	-	(4,425,814)	-	-
	(2,510,000)	640,311	-	4,784,575
Total comprehensive income / (loss) for the period	26,115,630	12,746,899	2,806,182	(670,936)

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



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Director



M. Naim Ashraf
Chief Financial officer

Condensed Interim Statement of Cash Flows (Un-audited)

For the nine months period ended March 31, 2019

	Nine months period ended March 31	
	2019	2018
	Rupees	
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	28,883,835	12,741,733
Adjustments for non cash charges and other items:		
Depreciation of property, plant and equipment	5,315,221	6,325,898
Amortization of intangible assets	153,306	219,148
(Reversal) / provision against:		
Long term / short term musharakah finances	-	(20,406,566)
Long term / short term loans	507,876	3,015,255
Other receivables	(3,035,254)	-
Finance lease receivable and rentals - net	(18,928,809)	(2,305,175)
Balances written off		
lease receivables	2,169,170	1,017,920
Musharakah receivables	-	39,328,140
Other receivables	-	3,775,000
Loss / (gain) on disposal of operating assets	(1,820,016)	1,821,290
Income from joint venture	(17,798,294)	-
Unrealised loss on investments in marketable securities	-	-
Financial charges - net	15,628,079	(3,921,325)
Fair value adjustment- subordinated loan from directors	-	3,393,785
(Gain) on settlement of liabilities	(13,188,093)	(10,000,000)
	(30,996,814)	22,263,370
Cash flow from operating activities before working capital changes	(2,112,979)	35,005,103
Changes in working capital		
Decrease / (increase) in current assets		
Short term investments	(17,219,931)	13,390,000
Short term musharakah finances	5,860,000	150,000
Ijarah rentals receivables	21,992	26,847
Advances, deposits, prepayments and other receivables	1,462,095	9,500,000
Assets classified as held for sale - net	(9,875,844)	23,066,847
Increase / (Decrease) in current liabilities		
Accrued and other liabilities	14,556,717	(10,011,233)
Cash (used in) / generated from operations	2,567,894	48,060,717
Financial charges paid	(114,088)	(3,406,580)
Income tax paid	(1,224,711)	(530,250)
	(1,338,799)	(3,936,830)
Net cash generated from operations	1,229,094	44,123,887

Nine months period ended March 31
2019 2018

Rupees

b) CASH FLOWS FROM INVESTING ACTIVITIES

Additions in:		
Operating assets	(41,000)	-
Intangible assets	-	-
(Investment in) / recovery of :		
Long term investments	-	(2,493,600)
Net investment in finance lease	11,679,374	(20,965,112)
Long term musharakah finances	-	27,600,000
Long term loans	3,041,959	2,576,767
Long term security deposits	(150,000)	-
Proceeds from disposal of operating assets	17,011,456	7,880,000
Net cash (used in) investing activities	31,541,789	14,598,055

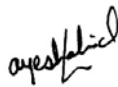
c) CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of :		
Loan from sponsors	(4,000,000)	(52,151,000)
Redeemable capital	(90,000)	(10,000,000)
Long term musharakah and murabaha borrowings	(2,740,264)	(3,522,550)
Net cash (used in) financing activities	(6,830,264)	(65,673,550)
Net (decrease) / increase in cash and cash equivalents	25,940,619	(6,951,608)
Cash and cash equivalents at the beginning of the year	10,161,122	14,714,268
Cash and cash equivalents at the end of the period	36,101,741	7,762,660

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



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Director



M. Naim Ashraf
Chief Financial officer

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

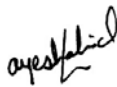
For the nine months period ended March 31, 2019

	Issued, subscribed and paid-up capital	Loan from directors	Capital Reserves				Revenue Reserve		Total
			Capital reserve on amalgamation	Statutory reserve	(Loss) / gain on remeasurement of available for sale investments	Equity portion of Subordinated loan from directors	Sub total	Accumulated loss	
Rupees									
Balance as at July 01, 2017	2,848,668,960		(2,022,075,992)	101,256,258	12,125,080	20,387,414	(1,888,307,240)	(720,767,933)	239,593,787
Total comprehensive income for the period									
(Loss) for the period	-	-	-	-	-	-	-	12,106,588	12,106,588
Other comprehensive income									
Items that may be reclassified subsequently to profit or loss									
Unrealized gain on remeasurement of available for sale investments	-	-	-	-	5,066,125	-	5,066,125	-	5,066,125
Other items									
Unrealized loss on available for sale reclassified to profit and loss account on disposal	-	-	-	-	(4,425,814)	-	(4,425,814)	-	(4,425,814)
					640,311		640,311	12,106,588	12,746,899
Balance as at March 31, 2018	<u>2,848,668,960</u>	-	<u>(2,022,075,992)</u>	<u>101,256,258</u>	<u>12,765,391</u>	<u>20,387,414</u>	<u>(1,887,666,929)</u>	<u>(708,661,345)</u>	<u>252,340,686</u>
Balance as at July 01, 2018	2,848,668,960		(2,022,075,992)	102,820,024	13,098,176	20,387,414	(1,885,770,378)	(714,512,868)	248,385,714
Total comprehensive income for the period									
Profit / (Loss) for the period	-	-	-	-	-	-	-	28,625,630	28,625,630
Other comprehensive income									
Items that may be reclassified subsequently to profit or loss									
Unrealized profit on remeasurement of available for sale investments	-	-	-	-	-	-	-	-	-
Other items									
Unrealized loss on available for sale investment reclassified to profit and loss account on disposal	-	-	-	-	(2,510,000)	-	(2,510,000)	-	(2,510,000)
Equity portion of loan from directors	-	20,387,414	-	-	-	(20,387,414)	-	-	-
Loan from directors	-	105,612,586	-	-	-	-	-	-	105,612,586
Transferred to statutory reserve	-	-	-	-	-	-	-	-	-
	-	126,000,000	-	-	(2,510,000)	(20,387,414)	(22,897,414)	28,625,630	131,728,216
Balance as at March 31, 2019	<u>2,848,668,960</u>	<u>126,000,000</u>	<u>(2,022,075,992)</u>	<u>102,820,024</u>	<u>10,585,176</u>	<u>-</u>	<u>(1,908,667,792)</u>	<u>(685,887,238)</u>	<u>380,113,930</u>

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



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Director



M. Naim Ashraf
Chief Financial officer

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

For the nine months period ended March 31, 2019

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 A-603, 604, 6th floor, Lakson Square Building No 3, Sarwar Shaheed Road, 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 date of the statement of Financial Position, the accumulated loss is Rs. 685.89 million (June 2018: Rs. 714.51 million) and the current liabilities of the Company exceed its current assets by Rs. 92.76 million.
 - the Company has been unable to comply with the terms of certain loan agreements.
 - 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 is making efforts to curtail its administrative and other operating expenses to minimum possible level without affecting the operational efficiency of the Company.

(b) Leasing business

The Company is mainly carrying out car leasing business at very attractive rates and reasonable deposit margin. During the period leases amounting to Rs. 108.30 million (June 2018 : Rs. 141.05 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

Negotiations are in process for the settlement of the outstanding amount of Rs. 57.80 million against TFCs issued by ICIBL.

(d) Disposal of non-core assets

The management was committed to dispose off non core assets. During the period the management has disposed off all non-core assets. Disposal of non core assets has resulted in improvement in the liquidity position of the Company.

(e) Disposal / transfer of brokerage related assets and liabilities

The Company is in the process of transfer of brokerage business related assets and liabilities to the outgoing group. This transaction on completion will result in net saving of Rs. 24.00 million for the Company and, therefore, will result in improvement in financial performance and equity position of the Company.

(f) Improved recovery of leases and loans portfolio

The Company has been putting all its efforts for recovery from leases and loans portfolio. Net recovery during the period is Rs. 92.96 million (June 2018: Rs. 160.95 million). This amount has been utilized in the new leasing business, as well as, in meeting the obligations towards depositors and other 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 (f) 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).

Where provisions of and directives issued under the Companies Act, 2017, the NBFC Rules, the NBFC Regulations or the directives issued by SECP differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

2.1.2 These condensed interim financial statements are un-audited and are 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, 2018.

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, 2018 but are considered not to be relevant or have any significant effect on the Company's financial reporting, except as mentioned below:

IFRS 9 'Financial Instruments' - This standard replaces guidance in IAS 39 'Financial Instruments: Recognition and Measurement'. It includes requirements on the classification and measurement of financial assets and liabilities; it also includes an expected credit losses model that replaces the current incurred loss impairment model.

The changes laid down by this standard do not have any significant impact on these condensed interim financial statements of the Company.

IFRS 15 'Revenue from contracts with customers' - IFRS 15 replaces the previous revenue standards: IAS 18 'Revenue', IAS 11 'Construction Contracts, and the related interpretations on revenue recognition.

IFRS 15 introduces a single five-step model for revenue recognition with a comprehensive framework based on core principle that an entity should recognise revenue representing the transfer of promised goods or services under separate performance obligations under the contract to customer at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The changes laid down by this standard do not have any significant impact on these condensed interim financial statements of the Company.

2.2.2 Standards, interpretations and amendments to published approved accounting standards that are effective but not relevant :

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after January 1, 2018 are considered not to be relevant for the Company's financial statements and hence have not been detailed here.

2.2.3 Standards, interpretations and amendments to published approved accounting standards that are not yet effective but relevant :

The following is the new standard, amendment to existing approved accounting standards and new interpretations that will be effective for the periods beginning on or after July 1, 2019 that may have an impact on the financial statements of the Company.

IFRS 16 'Leases' - IFRS 16 replaces the previous lease standard: IAS 17 Leases. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short term and low value leases.

The management is in the process of assessing the impact of changes laid down by these standards on its financial statements.

2.3 Basis of measurement

These condensed interim financial statements have been prepared under the 'historical cost convention' except investments in joint ventures which have been accounted for using equity method, assets classified as held for sale which are stated at the lower of carrying amount and fair value less costs to sell, and available for sale investments which are stated at fair value.

- Investments at fair value through profit and loss and Investments available for sale are stated at fair value.

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 followed 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, 2018 except as disclosed in 2.2.1.

4. ESTIMATES, JUDGMENTS AND RISK MANAGEMENT POLICIES

- 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, 2018.

- 4.2** Risk management policies and procedures are consistent with those disclosed in the published audited financial statements for the year ended June 30, 2018.

	Note	Un-audited March 31, 2019 Rupees	Audited June 30, 2018 Rupees
5. PROPERTY, PLANT AND EQUIPMENT			
Operating assets		95,636,185	116,101,846
5.1 Operating assets			
Book value at beginning of the period / year		116,101,846	134,498,868
Addition during the period / year		41,000	63,500
Disposal during the period / year		15,191,440	10,245,398
Depreciation charged during the period / year		5,315,221	8,215,124
		95,636,185	116,101,846
6. LONG TERM INVESTMENTS			
Investment in joint venture	6.1	121,365,628	103,567,334
Available for sale investments - At fair value		17,197,500	19,707,500
		138,563,128	123,274,834

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 March 31, 2019 have been used for the purpose of application of equity method.

	Note	Un-audited March 31, 2019 Rupees	Audited June 30, 2018 Rupees
The movement in the Company's share of net assets of Centre Gas (Private) Limited (CGL) is as under:			
Cost of investment		34,535,703	34,535,703
Cumulative share of profit of joint venture		86,829,925	69,031,631
		121,365,628	103,567,334

7. NET INVESTMENT IN FINANCE LEASE

Contracts accounted for as finance lease under IAS 17	7.1	339,153,868	331,616,383
Less : Current portion	9	(200,037,073)	(200,019,031)
		139,116,795	131,597,352

7.1 Net investment in finance lease

Following is a statement of lease receivables accounted for under IAS 17:

	March 31, 2019 (Un-audited)			June 30, 2018 (Audited)		
	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	800,261,187	99,485,542	899,746,729	809,981,378	84,143,482	894,124,860
Residual value of leased assets	18,164,475	57,903,680	76,068,155	16,394,525	57,216,410	73,610,935
Lease contracts receivable	818,425,662	157,389,222	975,814,884	826,375,903	141,359,892	967,735,795
Unearned lease income (including suspended income)	(156,612,471)	(15,626,393)	(172,238,864)	(156,194,004)	(9,762,540)	(165,956,544)
Provision for potential lease losses	(461,776,118)	(2,646,034)	(464,422,152)	(470,162,868)	-	(470,162,868)
	(618,388,589)	(18,272,427)	(636,661,016)	(626,356,872)	(9,762,540)	(636,119,412)
	200,037,073	139,116,795	339,153,868	200,019,031	131,597,352	331,616,383

7.2 The above net investment in finance lease includes non-performing lease portfolio of Rs. 579.93 million (June 2018: Rs. 575.22 million). Detail of non performing leases is as follows:

Category of classification	March 31, 2019 (Un-audited)			June 30, 2018 (Audited)		
	Principal outstanding	Provision required	Provision held	Principal outstanding	Provision required	Provision held
	Rupees			Rupees		
Sub-standard	10,584,137	2,646,034	2,646,034	-	-	-
Loss	569,347,706	461,776,118	461,776,118	575,219,365	468,848,685	468,848,685
Total	579,931,843	464,422,152	464,422,152	575,219,365	468,848,685	468,848,685

		Un-audited March 31, 2019 Rupees	Audited June 30, 2018 Rupees
7.3 Ijarah rentals receivable			
Ijarah rentals receivable - Due within one year		57,159,593	57,758,431
Less : Provision against Ijarah rentals receivable		<u>(55,729,254)</u>	<u>(56,306,100)</u>
		<u>1,430,339</u>	<u>1,452,331</u>
8. LONG TERM LOANS			
Secured			
Considered good			
Customers		6,886,294	2,345,540
Considered doubtful			
Customers		20,215,913	27,798,626
Outgoing group		71,954,665	71,954,665
Ex-employee		528,523	528,523
		92,699,101	100,281,814
Provision against doubtful balances		<u>(21,662,458)</u>	<u>(21,154,582)</u>
		<u>71,036,643</u>	<u>79,127,232</u>
		77,922,937	81,472,772
Less: Current portion	9	<u>(73,415,577)</u>	<u>(80,265,792)</u>
		<u>4,507,360</u>	<u>1,206,980</u>
9. CURRENT PORTION OF NON-CURRENT ASSETS			
Net investment in finance lease	7	200,037,073	200,019,031
Long term musharakah finances		101,501,093	101,501,093
Long term loans	8	<u>73,415,577</u>	<u>80,265,792</u>
		<u>374,953,743</u>	<u>381,785,916</u>
10. LOAN FROM DIRECTORS	10.1	<u>126,000,000</u>	<u>-</u>
10.1			
These loans are accounted for under Technical Release -32 "Accounting Directors Loan" issued by Institute of Chartered Accountants of Pakistan effective for the financial statements for the period beginning on or after January 01, 2016.			
These are interest free and subordinated.			
11. LOAN FROM SPONSOR			
Loan from sponsor		141,392,473	145,392,473
Less: Current portion		<u>(141,392,473)</u>	<u>(145,392,473)</u>
		<u>-</u>	<u>-</u>
11.1			
The balance was payable in full by November 2018. The Company intends to request for extension of repayment period.			
12. DEFERRED LIABILITY			
Mark up on long term musharakah		9,747,000	9,747,000
Less: Current portion			
Installments due		(8,528,625)	(4,873,500)
Payable within one year		<u>(1,218,375)</u>	<u>(4,873,500)</u>
		<u>-</u>	<u>-</u>
13. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Loan from sponsor		141,392,473	145,392,473
Security deposit from lessees		18,164,475	16,394,525
Long term musharakah and murabaha borrowings		-	2,740,264
Deferred liability		9,747,000	9,747,000
Redeemable capital		<u>57,800,000</u>	<u>57,890,000</u>
		<u>227,103,948</u>	<u>232,164,262</u>

14. RELATED PARTY TRANSACTIONS

Related parties comprise of major shareholders, associated companies with or without common directors, staff retirement fund, directors, other key management personnel and their close family members. Contributions to the staff retirement fund, remuneration of key management personnel and loans to employees are made / paid in accordance with the terms of their employment. Other transactions with related parties are entered into at agreed rates.

Details of transactions for the period with related parties, other than those which have been disclosed elsewhere in these condensed interim financial statements, are as follows:

	Nine months period ended	
	March 31, 2019	March 31, 2018
	– Rupees –	
Contribution to staff retirement fund	413,802	456,186
Key management compensation	5,219,847	6,193,810
Markup on loan to sponsor	8,776,870	7,569,198
Amount received from joint venture	18,215,000	5,985,010

15. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on 19th April 2019 by the Board of Directors of the Company.



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Director



M. Naim Ashraf
Chief Financial officer

Company Information

Board of Directors

Mrs. Ayesha Shehryar	-Chairperson
Mr. Muhammad Asif	-Chief Executive
Mr. Muhammad Qasim	-Executive Director
Brig. (Retd.) Wali Muhammad	-Director
Ms. Fiza Zahid	-Director
Mr. Shahab Ud Din Khan	-Director

Audit Committee

Brigadier (Retd.) Wali Muhammad	-Chairman
Mr. Shahab Ud Din Khan	-Member
Ms. Fiza Zahid	-Member

Human Resource Committee

Mr. Muhammad Qasim	-Chairman
Mr. Shahab Ud Din Khan	-Member
Mr. Muhammad Asif	-Member

Chief Financial Officer & Company Secretary

Mr. M. Naim Ashraf

Auditors

Deloitte Yousuf Adil
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
MCB Bank Limited
Meezan Bank Limited
JS Bank Limited

Registered Office

501, 5th Floor, Al-Fatima Chambers,
149-AM, Shambhu Nath Street,
Off Shahrah-e-Iraq, Saddar, Karachi.
Tel: 021-35654022
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

501, 5th Floor, Al-Fatima Chambers, 149 AM,
Shambhu Nath Street, Shahrah-e-Iraq, Saddar,
Karachi.

Tel: 021-35654022

Website: www.icibl.com

Head Office - Lahore

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

Tel: 042-35777285 & 86

Islamabad

Office No. 02, Ground Floor,
Rahim Plaza,
Main Muree Road, Saddar,
Rawalpindi Cantt.

Tel: 0301-8651067

Peshawar

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

Tel: 091-2262966 & 2262866

Faisalabad

20-Bilal Road, Civil Lines,
Faisalabad.

Tel: 041- 2409221

Gujranwala

50-H, Trust Plaza, G.T Road,
Gujranwala.

Tel: 055-3730308, 3730300

Fax: 055-3731108



INVEST CAPITAL INVESTMENT BANK LIMITED

Registered Office

501, 5th Floor, Al-Fatima Chambers, 149 AM,
Shambhu Nath Street, Shahrah-e-Iraq, Saddar,
Karachi.

Tel: 021-35654022

Website: www.icibl.com

Head Office

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

Tel: 042-35777285 & 86