

QUARTERLY REPORT
SEPTEMBER 30, 2017



INVEST CAPITAL INVESTMENT BANK LIMITED



Contents

Directors' Report	01
Directors' Report (Urdu)	02-03
Condensed Interim Balance Sheet (Un-Audited)	04-05
Condensed Interim Profit and Loss Account (Un-Audited)	06
Condensed Interim Statement of Comprehensive Income (Un-audited)	07
Condensed Interim Statement of Cash Flows (Un-Audited)	08-09
Condensed Interim Statement of Changes in Equity (Un-Audited)	10
Notes to the Condensed Interim Financial Information (Un-audited)	11
Company Information	16
Our Network	

Directors' Review

On behalf of the Board of Directors of Invest Capital Investment Bank Limited (the "Company"), We are pleased to present the un-audited financial statements for the first quarter ended September 30, 2017.

The Review

During the quarter under review, the Company suffered a net loss of Rupees 2.17 million as compared to the profit of Rupees 0.31 million for the quarter ended September 2016. Resultantly the earning per share was Rupees (0.008) (September 2016 Rupees 0.001). The loss is basically due to decline in other income. The gross revenue including other income / (loss) for the period amounted to Rupees 12.26 million as compared to Rupees 10.77 million for corresponding period of the last year. The financial charges reduced to Rupees 6.16 million as against Rupees 6.57 million of corresponding period of last year. The administrative and operating expenses increased to Rupees 7.16 million from Rupees 4.96 million of the comparable period due to some unforeseen expenses during the period.

The total assets of the Company showed an increase of Rs. 29.13 million and reached to Rupees 1,099.93 million as at 30th September 2017 as compared to Rupees 1,070.80 million as at June 30, 2017. Similarly the total liabilities of the Company stood at Rupees 862.16 million as at 30th September 2017.

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

	Rs. in million	
	September 30, 2017	September 30, 2016
Gross Revenue	10.15	10.15
Other Income / (loss)	(0.67)	0.62
Administration & Operating expenses	(7.16)	(4.96)
Financial charges (net of reversals)	(6.16)	(6.57)
Profit / (loss) for the period before taxation	(2.10)	0.36
Taxation - net	(0.07)	(0.05)
Profit / (loss) for the period after taxation	(2.17)	0.31
Earnings per Share	(0.008)	0.001

The management continued focus on resolution of the outstanding issues. The following key areas remained in focus during the period under review:

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

The focus on the above mentioned areas has enabled the company to overcome the financial and operational problems and will further result in improvement of 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 Limited. The Company shall apply for revision in the rating after settlement / restructuring of the remaining liabilities.

Acknowledgments

We are 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 for the betterment of the Company.

For and on behalf of the Board of Directors

Lahore
October 25, 2017


Muhammad Asif
Chief Executive Officer


Ayesha Shehryar
Director

ڈائریکٹرز کا جائزہ

ڈائریکٹرز کا جائزہ

ہم 30 ستمبر 2017 کو ختم ہونے والے تین ماہ کے غیر آڈٹ شدہ گوشوارے انویسٹ کیپیٹل انویسٹمنٹ بینک لمیٹڈ (کمپنی) کے بورڈ آف ڈائریکٹرز کی جانب سے ممبران کو پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔

جائزہ

زیر غور تین ماہ میں کمپنی کو 2.17 ملین روپے کا خسارہ ہوا جبکہ اس کے مقابلے میں گذشتہ سال اسی مدت کا منافع 0.31 ملین روپے تھا۔ 30 ستمبر 2016 کو آمدنی 0.003 روپے فی حصص تھی جو اب کم ہو کر (0.008) روپے فی حصص ہو گئی ہے۔ خسارہ کی بنیادی وجہ دیگر آمدن میں کمی ہے۔ مجموعی مالگداری (revenues) بشمول دیگر آمدنی 12.26 ملین روپے رہی جبکہ گذشتہ سال اسی مدت کے دوران یہ آمدنی 10.77 ملین روپے رہی۔ مالی اخراجات (charges) کی مالیت 6.16 ملین روپے تھی جبکہ اس کے مقابلے میں گذشتہ سال اسی مدت کے دوران اس کی مالیت 6.57 ملین روپے تھی۔ انتظامی اور آپریٹنگ اخراجات گذشتہ سال کی اسی مدت کی مالیت 4.96 ملین روپے کے مقابلے میں اضافہ کے ساتھ 7.16 ملین روپے رہے جسکی وجہ کچھ غیر متوقع اخراجات تھے۔

کمپنی کے کل اثاثہ جات 30 جون 2017 کے 1,070.80 ملین روپے کے مقابلے میں 30 ستمبر 2017 پر 29.13 ملین روپے کے اضافے کے ساتھ 1,099.93 ملین روپے رہے۔ جبکہ کل مالیاتی ذمہ داریوں کی مالیت 30 ستمبر 2017 کو 862.16 ملین روپے رہی۔

کمپنی کے موجودہ اور گذشتہ منافع اور نقصان کا تقابلی جائزہ درج ذیل ہے:

----- روپے ملین میں -----

30 ستمبر		
2016	2017	
10.15	10.15	کل مالگداری (Revenues)
0.62	(0.67)	دیگر آمدنی / نقصان
(4.96)	(7.16)	انتظامی اور آپریٹنگ اخراجات
(6.57)	(6.16)	مالی اخراجات (خالص)
0.36	(2.10)	نفع / (نقصان) قبل از محصول
(0.05)	(0.07)	محصول - خالص
0.31	(2.17)	نفع / (نقصان) بعد از محصول
0.001	(0.008)	آمدنی فی حصص

انتظامیہ نے اپنی توجہ کمپنی کے غیر حل شدہ معاملات کے حل پر رکھی ہوئی ہے۔ اس مدت کے دوران بھی مندرجہ ذیل اہم نکات پر توجہ مرکوز رہی:

- قرض خواہوں کے ساتھ قرضوں کا تصفیہ / ادائیگی کا نیا جدول (rescheduling)۔
- غیر اہم اثاثہ جات کی فروخت (تمام فروخت ہو گئے)
- علحدہ ہونے والے بروکنج ہاؤس سے متعلق اثاثہ جات اور مالیاتی ذمہ داریوں کا تصفیہ یا منتقلی

- کارکردگی ناکھانے والی لیزز اور قرضوں کے پورٹ فولیو کی وصولیاتی
 - نئی لیزنگ 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 مزید بہتری آئے گی۔ انتظامیہ کے منصوبوں اور اقدامات کے نتائج کو دیکھتے ہوئے انتظامیہ کو یقین ہے کہ اس کاروبار جاری رہے گا۔

گریڈٹ درجہ بندی (Rating)

جے سی آر۔ وی آئی ایس گریڈٹ ریٹنگ کمپنی نے کمپنی کو بئینٹیٹی ریٹنگ ڈی (D) رکھا ہے۔ کمپنی اپنی باقیاتی ذمہ داریوں کے تحفظ/نئے طور سے انتظام کے بعد اپنی درجہ بندی پر نظر ثانی کے درخواست دے گی۔

کر رہے ہیں

اظہار تشکر

ہم سیکیورٹی اینڈ ایڈجسٹمنٹ کمیشن آف پاکستان کی رہنمائی پر، کارگوں کی ضمانت، قرض خواہوں کے تعاون کا اور حصص ہائیکان کے کمپنی کی انتظامیہ پر اعتماد اور بھروسہ کرنے پر انتہائی شکرگزار ہیں۔ ہم تمام عملے کے ارکان کے کمپنی کی بہتری کے لیے کی جانے والی سخت محنت اور عزم کے بھی شکرگزار ہیں۔

منجانب ویرائے بورڈ آف ڈائریکٹرز

محمد شہریار

عائشہ شہریار
ڈائریکٹر

محمد آصف

چیف ایگزیکٹو آفیسر

لاہور

25 اکتوبر 2017

Condensed Interim Balance Sheet (Un-audited)

As at September 30, 2017


		Un-audited September 30, 2017	Audited June 30, 2017
	Note	– Rupees in thousand –	
ASSETS			
Non-current assets			
Property, plant and equipment			
Operating assets	5	130,513	134,499
Intangible assets		900	973
Long term investments	6	119,190	116,100
Net investment in Ijarah finance / assets under Ijarah arrangements	7	119,133	96,061
Long term loans	8	51,883	52,735
Long term security deposits		2,278	2,278
Deferred tax asset		150,000	150,000
		573,898	552,647
Current assets			
Short term investments		3,010	17,165
Short term musharakah finances		66,157	66,157
Short term finances		6,680	6,680
Ijarah rentals receivables	7.3	1,480	1,480
Current portion of non-current assets	9	347,889	345,372
Advances, deposits, prepayments and other receivables		31,869	33,682
Cash and bank balances		36,043	14,714
Assets classified as held for sale of discontinued operations		32,900	32,900
		526,028	518,150
TOTAL ASSETS		<u>1,099,927</u>	<u>1,070,797</u>

	Un-audited September 30, 2017	Audited June 30, 2017
Note	— Rupees in thousand —	
EQUITY AND LIABILITIES		
Share Capital and Reserves		
Authorized capital 485,000,000 (June 2017 : 485,000,000) ordinary shares of Rs. 10 each	<u>4,850,000</u>	<u>4,850,000</u>
Issued, subscribed and paid-up capital	<u>2,848,669</u>	2,848,669
Capital reserve		
Capital reserve on amalgamation	<u>(2,022,076)</u>	(2,022,076)
Statutory reserve	101,256	101,256
Unrealized gain on remeasurement of available for sale investments	12,465	12,125
Equity portion of Subordinated loan from directors	20,387	20,387
Revenue reserve		
Accumulated loss	<u>(722,939)</u>	(720,768)
	<u>237,763</u>	239,595
Non-current liabilities		
Subordinated loan from directors	<u>112,013</u>	112,013
Loan from sponsor	<u>197,542</u>	197,542
Security deposits from lessees	<u>51,665</u>	43,159
Long term musharakah and murabaha borrowings	<u>1,566</u>	2,740
Deferred liability		
Mark up on long term musharakah	<u>3,655</u>	4,874
	<u>366,441</u>	360,328
Current liabilities		
Current portion of non-current liabilities	<u>95,085</u>	94,028
Accrued and other liabilities	<u>151,273</u>	133,634
Profit / mark up payable	<u>216,466</u>	210,312
Liabilities directly associated with assets held for sale of discontinued operation	<u>32,900</u>	32,900
	<u>495,724</u>	470,875
TOTAL EQUITY AND LIABILITIES	<u><u>1,099,927</u></u>	<u><u>1,070,797</u></u>

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



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Director

Condensed Interim Profit and Loss Account (Un-audited)

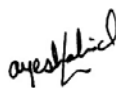
For the quarter ended September 30, 2017

	September 30, 2017	Sept. 30, 2016
	— Rupees in thousand —	
Income		
Income from leasing operations	4,144	4,504
Operating lease rentals	347	-
Profit on musharakah investments	5,010	-
Income from finances	1,112	550
Income on deposits with banks	389	3
Income from joint ventures	2,750	4,000
Dividend income	75	78
Net gain / (loss) on sale of marketable securities	(894)	1,846
Unrealized (loss) on investment in marketable securities	-	(834)
	<u>12,932</u>	<u>10,147</u>
Expenses		
Administrative and operating expenses	(7,162)	(4,956)
Financial charges	(6,159)	(6,574)
	<u>(13,322)</u>	<u>(11,531)</u>
	(390)	(1,384)
Other income / (loss)	(672)	623
	<u>(1,061)</u>	<u>(761)</u>
Provision (charged) / reversed on non-performing loans and write-offs		
Reversal / (provision) against:		
Finance lease receivable and rentals - net	314	1,559
Long term / short term loans	(493)	51
Balances written off:		
Lease receivables	(347)	-
Musharaka finance receivable	(508)	-
Other receivables	-	(493)
	<u>(1,034)</u>	<u>1,117</u>
(Loss) / Profit before taxation	<u>(2,096)</u>	<u>356</u>
Provision for taxation	(75)	(50)
(Loss) / Profit for the period	<u>(2,171)</u>	<u>306</u>
Earnings per share - Basic and Diluted (Rupees)	<u>(0.008)</u>	<u>0.001</u>

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



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Director

Condensed Interim Statement of Comprehensive Income (Un-audited)

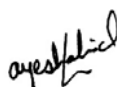
For the quarter ended September 30, 2017

	September 30, 2017	Sept.30, 2016
	— Rupees in thousand —	
Profit for the period	(2,171)	306
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Unrealized gain on remeasurement of available for sale investments	340	744
Other Items		
Un-realized loss on available for Sale investment reclassified to profit and loss account on disposal	-	-
Revaluation surplus realized on disposal of revalued assets	-	-
	340	744
Total comprehensive Income for the period	(1,831)	1,050

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



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Director

Condensed Interim Statement of Cash Flows (Un-audited)

For the quarter ended September 30, 2017

	September 30, 2017	Sept. 30, 2016
	– Rupees in thousand –	
a) CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	(2,096)	356
Adjustments for non cash charges and other items:		
Depreciation of property, plant and equipment	2,238	872
Amortization of intangible assets	73	45
(Reversal) / provision against:		
Finance lease receivable and rentals - net	(314)	(1,559)
Long term / short term musharakah finances		
Long term / short term loans	493	(51)
Balances written off		
Musharaka receivables	508	-
Doubtful lease receivables	347	493
Loss / (gain) on disposal of:		
Operating assets	902	-
Financial charges - net	6,159	6,574
Gain on settlement of liabilities	-	-
	<u>10,406</u>	<u>6,374</u>
Cash flow from operating activities before working capital changes	8,311	6,731
Changes in working capital		
(Increase) / decrease in current assets		
Short term investments	14,154	5,328
Short term finances	-	207
Ijarah rentals receivable	-	-
Advances, deposits, prepayments and other receivables	753	13,158
Assets classified as held for sale - net	-	-
	<u>14,907</u>	<u>18,693</u>
Increase / (decrease) in current liabilities		
Short term certificates of musharakah	-	(2,200)
Accrued and other liabilities	17,639	6,830
	<u>17,639</u>	<u>4,630</u>
Cash generated from operations	40,857	30,054
Financial charges paid	(5)	(143)
Income tax paid	(258)	(50)
	<u>(263)</u>	<u>(193)</u>
Net cash generated from operations	40,594	29,860

September 30, Sept. 30,
2017 2016

– Rupees in thousand –

b) CASH FLOWS FROM INVESTING ACTIVITIES

Additions in:		
Operating assets	-	-
Recovery of / (investment in):		
Long term investments	(2,750)	(4,000)
Net investment in Ijarah finance / assets under Ijarah	(25,748)	(13,590)
Long term musharakah finances	-	40
Long term loans	-	(54)
Proceeds from disposal of:		
Operating assets	845	-
Net cash (used in) / generated from investing activities	(27,653)	(17,604)

c) CASH FLOWS FROM FINANCING ACTIVITIES

Security deposits from lessees	9,562	(2,093)
Repayment of :		
Redeemable capital	-	(500)
Long term certificates of investments	-	(525)
Long term musharakah and murabaha borrowings	(1,175)	(3,293)
Net cash (used in) financing activities	8,387	(6,411)
Net (decrease) in cash and cash equivalents	21,329	5,845
Cash and cash equivalents at the beginning of the period	14,714	3,219
Cash and cash equivalents at the end of the period	36,043	9,064

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



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Director

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


For the quarter ended September 30, 2017

	Capital Reserves					Revenue Reserve		
	Capital reserve on amalgamation	Statutory reserve	(Loss) / gain on remeasurement of	Equity portion of Subordinated loan from directors	Sub total	Accumulated loss	Total	
Rupees in thousand								
Balance as at July 01, 2016	2,848,669	(2,022,076)	101,256	6,673	20,387	(1,893,760)	(711,367)	243,542
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	306	306	
Other comprehensive income / (loss)								
Items that may be reclassified subsequently to profit or loss								
Unrealized (loss) on remeasurement of available for sale investments	-	-	744	-	744	-	744	
Other items								
Unrealized loss on available for sale investment reclassified to profit and loss account on disposal	-	-	-	-	-	-	-	
Transfer of statutory reserve	-	-	-	-	-	-	-	
Surplus realized on disposal of revalued assets	-	-	-	-	-	-	-	
Equity portion of Subordinated loan from directors	-	-	-	-	-	-	-	
	-	-	744	-	744	306	1,050	
Balance as at September 30, 2016	<u>2,848,669</u>	<u>(2,022,076)</u>	<u>101,256</u>	<u>7,417</u>	<u>20,387</u>	<u>(1,893,016)</u>	<u>(711,061)</u>	<u>244,593</u>
Balance as at July 01, 2017	2,848,669	(2,022,076)	101,256	12,125	20,387	(1,888,307)	(720,768)	239,594
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	(2,171)	(2,171)	
Other comprehensive income								
Items that may be reclassified subsequently to profit or loss								
Unrealized gain on remeasurement of available for sale investments	-	-	340	-	340	-	340	
Other items								
Transferred to statutory reserve	-	-	-	-	-	-	-	
Unrealized loss on available for sale investment reclassified to profit and loss account on disposal	-	-	-	-	-	-	-	
	-	-	340	-	-	(2,171)	(1,831)	
Balance as at September 30, 2017	<u>2,848,669</u>	<u>(2,022,076)</u>	<u>101,256</u>	<u>12,465</u>	<u>20,387</u>	<u>(1,888,307)</u>	<u>(722,939)</u>	<u>237,763</u>

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



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Director

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

For the quarter ended September 30, 2017

1. LEGAL STATUS AND OPERATIONS

- 1.1** Invest Capital Investment Bank Limited ('the Company') is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 (Repealed Ordinance). 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. 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.
- 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 loss during the period is Rs. 2.17 million and as at the balance sheet date, the accumulated loss is Rs. 722.94 million (June 2017: Rs. 720.77 million).
- the Company has been unable to comply with the terms of certain loan agreements as explained in detail in the relevant notes to the financial statements.
- the Company has been facing difficulty in recovery of its leases and loans portfolio.

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

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

(a) Substantial reduction in administrative and other expenses

The management of the Company 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 a very attractive IRR and reasonable deposit margin. Management is hopeful that leasing business will contribute in improving the operating results and equity position of the Company.

(c) Settlement / rescheduling of loans / finances with lenders

The Management has settled the outstanding loans with various banks / financial institutions through cash payment / transfer of the Company's lease / loan portfolios and immovable properties / shares / other assets with waiver of mark-up. As at 30th September 2017 liabilities amounting to Rs. 77.89 are left to be settled out of the total amount of Rs. 1,561.75 million as at 30th June 2011 for which efforts are being made.

(d) Disposal of non-core assets

The management was committed to dispose off non core assets, by the end of the year the management has disposed off all properties having book value of Rs. 528.47 million. 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 as explained in detail in Note 18 of the audited financial statements as at 30-06-2017. 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. The transaction will be completed on settlement of related liability of Rs. 32.9 million, by ICML (The outgoing group).

(f) Improved recovery of leases and loans portfolio

The Company has been putting all its efforts for recovery from leases and loans portfolio. 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 almost all 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.

- 1.4 The Company has complied with minimum equity requirement and obtained license of "Non-deposit taking NBFC" for which the aggregate minimum equity requirement as per NBFC Regulations, 2008 for investment finance services is Rs. 100 million.

2. BASIS OF PREPARATION

2.1 Statement of compliance

2.1.1 This condensed interim financial information has been prepared in accordance with the requirements of the International Accounting Standard (IAS) 34 - 'Interim Financial reporting' and provisions of and directives issued under the Companies Ordinance, 1984. In case the requirements of IAS 34 differ with the requirements of the Companies Ordinance, 1984, the provisions of or the directives issued under the Companies Ordinance, 1984 have been followed.

2.1.2 This condensed interim financial information is un-audited and is being submitted to the shareholders as required under section 245 of the Companies Ordinance, 1984.

2.1.3 This condensed interim financial information does 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, 2017.

2.2 Basis of measurement

This condensed interim financial information has 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.

2.3 Functional and presentation currency

These condensed interim financial statements have been prepared in Pakistani Rupee which is the functional and presentation currency of the Company. Figures have been rounded off to the nearest thousand of rupees except earning per share which is in rupees.

3. SUMMARY OF 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, 2017.

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, 2017.

- 4.2 Risk management policies and procedures are consistent with those disclosed in the published audited financial statements for the year ended June 30, 2017.

September 30, **June 30,**
2017 **2017**

Note — Rupees in thousand —

5. PROPERTY, PLANT AND EQUIPMENT

Operating assets

130,513 **134,499**

Three Months ended September 30 (Un-audited)			
2017		2016	
Additions	Disposals	Additions	Disposals
— Rupees in thousand —			

5.1 Acquisitions and disposals of operating assets at cost

Furniture and fixtures
Office equipment
Vehicles

- **892** - -

- **2,913** - -

- **19** - -

- **3,824** - -

September 30, **June 30,**
2017 **2017**

Note — Rupees in thousand —

6. LONG TERM INVESTMENTS

Investment in joint ventures
Available for sale investments
- At fair value

6.1 **96,150** 93,400

23,040 **22,700**

119,190 **116,100**

6.1 Investment in joint venture

This represents investment in Centre Gas (Private) Limited (CNG filling station). The latest available audited financial statements of the joint venture as on June 30, 2017 have been used for the purpose of application of equity method.

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

Cost	34,536	34,536
Cumulative share of profit of joint venture	61,615	58,865
	<u>96,150</u>	<u>93,400</u>

NET INVESTMENT IN IJARAH FINANCE / ASSETS UNDER IJARAH ARRANGEMENTS

7.

Contracts accounted for as finance lease under IAS 17

7.1 **303,414** **277,825**

Less : Current portion

9 **(184,281)** **(181,765)**

119,133 **96,061**

7.1 Net investment in Ijarah finance

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

	As at September 30, 2017 (Unaudited)			As at June 30, 2017 (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 in thousand			Rupees in thousand		
Minimum lease payments receivable	802,381	75,898	878,279	802,271	59,929	862,200
Residual value of leased assets	7,624	51,665	59,289	6,567	49,159	49,727
Lease contracts receivable	810,005	127,563	937,568	808,838	102,121	910,960
Unearned lease income (including suspended income)	(154,276)	(8,431)	(162,707)	(155,313)	(6,061)	(161,374)
Provision for potential lease losses	(471,447)	-	(471,447)	(471,761)	-	(471,761)
	(625,723)	(8,431)	(634,154)	(627,074)	(6,061)	(633,135)
	184,281	119,132	303,414	181,765	96,061	277,826

7.2 The above net investment in finance lease includes non-performing lease portfolio of Rs. 582.45 million (June 2017: Rs. 583.86 million). Detail of non performing leases is as follows:

Category of classification	As at September 30, 2017 (Unaudited)			As at June 30, 2017 (Audited)		
	Principal outstanding	Provision required	Provision held	Principal outstanding	Provision required	Provision held
	Rupees in thousand			Rupees in thousand		
Substandard	-	-	-	-	-	-
Doubtful	10	5	5	10	5	5
Loss	582,439	471,442	471,442	583,851	471,756	471,756
	582,449	471,447	471,447	583,860	471,761	471,761

September 30, 2017 June 30, 2017

Note — Rupees in thousand —

7.3 Ijarah rentals receivable

Ijarah rentals receivable	58,284	58,631
Less : Provision against Ijarah rentals receivable	<u>(56,805)</u>	<u>(57,152)</u>
	<u>1,480</u>	<u>1,480</u>

8. LONG TERM LOANS

Considered good

Customers	1,479	3,034
Outgoing group	<u>71,955</u>	<u>71,955</u>
	<u>73,434</u>	<u>74,989</u>

Considered doubtful

Customers	33,301	32,106
Ex-employee	529	529
Provision against doubtful balances	<u>(20,874)</u>	<u>(20,382)</u>
	<u>12,955</u>	<u>12,253</u>
	<u>86,389</u>	<u>87,242</u>
Less: Current portion	9 (34,506)	(34,506)
	<u>51,883</u>	<u>52,736</u>

9. CURRENT PORTION OF NON-CURRENT ASSETS

Net investment in lease finance / assets under Ijarah arrangements	7 184,281	181,765
Long term musharakah finances	129,101	129,101
Long term loans	8 <u>34,506</u>	<u>34,506</u>
	<u>347,889</u>	<u>345,372</u>

10. LONG TERM MUSHARAKAH AND MURABAHA BORROWINGS

Secured

Murabaha borrowings		
From financial institutions	6,263	7,438
Less: Current portion	11 (4,698)	(4,698)
	<u>1,566</u>	<u>2,740</u>

		September 30, 2017	June 30, 2017
	Note	— Rupees in thousand —	
11. CURRENT PORTION OF NON-CURRENT LIABILITIES			
Security deposit from lessees		7,624	6,567
Long term musharakah and murabaha borrowings	10	4,698	4,698
Deferred Liability		4,874	4,874
Redeemable capital		<u>77,890</u>	<u>77,890</u>
		<u>95,085</u>	<u>94,028</u>

12. 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:

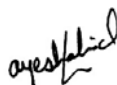
	Three months period ended	
	September 30, 2017	Sept. 30, 2016
	— Rupees in thousand —	
Contribution to staff retirement fund	155	158
Key management compensation	1,859	1,795
Markup on loan to sponsor	3,062	3,167
Amount received from joint venture	<u>2,261</u>	<u>2,590</u>

13. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on 25th October 2017 by the Board of Directors of the Company.



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Director

Company Information

Board of Directors

Mrs. Ayeshah Shehryar	-Chairperson
Mr. Muhammad Asif	-Chief Executive
Mr. Muhammad Qasim	-Executive Director
Brigadier (Retd.) Wali Muhammad	-Director
Ms. Fiza Zahid	-Director
Mr. Shahab Ud Din Khan	-Director
Mr. Ashar Saeed	-Director

Audit Committee

Mr. Ashar Saeed	-Chairman
Brigadier (Retd.) Wali Muhammad	-Member
Mr. Shahab Ud Din Khan	-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 & Gazi

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

603-604, 6th Floor, Lakson Square
Building No. 3, Sarwar Shaheed
Road, Karachi.
Tel: 021-35661968
Fax: 021-35654022
Website: www.icibl.com

Head Office

2-H, Jail Road, Gulberg II,
Lahore.
Tel: 042-35777285
Fax: 042-35777286

National Tax Number

0656427-5

Our Network

Registered Office - Karachi

603-604, 6Th Floor, Lakson Square
Building No. 3, Sarwar Shaheed Road,
Karachi.

Tel: 021-35661968

Fax: 021-35654022

Website: www.icibl.com

Head Office - Lahore

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

Tel: 042-35777285

Fax: 042-35777286

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:

603-604, 6th Floor, Lakson Square Building No.3,
Sarwar Shaheed Road, Karachi.
Tel: (92-21) 35661968 Fax: (92-21) 35654022
Website: www.icibl.com

Head Office:

2-H, Gulberg II, Lahore.
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