

QUARTERLY REPORT
SEPTEMBER 30, 2016



INVEST CAPITAL INVESTMENT BANK LIMITED

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Company Information

Board of Directors

Mrs. Ayesha Shehryar	-Chairperson
Mr. Muhammad Asif	-Chief Executive
Mr. Muhammad Zahid	-Director
Mr. Muhammad Qasim	-Director
Mr. Shahbaz Haider Agha	-Director
Brigadier (Retd.) Wali Muhammad	-Director
Mr. Javed Iqbal	-Director
Mr. Hasan Ahmed	-Director

Audit Committee

Mr. Hasan Ahmed	-Chairman
Mr. Javed Iqbal	-Member
Mrs. Ayesha Shehryar	-Member

Human Resource Committee

Mr. Shahbaz Haider Agha	-Chairman
Mr. Muhammad Zahid	-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
State Bank of Pakistan

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

Directors' Review

On behalf of the Board of Directors of Invest Capital Investment Bank Limited (the "Company"), I am pleased to present the un-audited financial statements for the first quarter ended September 30, 2016.

The Review

During the quarter under review, the Company earned a net profit of Rupees 0.31 million as compared to the profit of Rupees 3.18 million for the quarter ended September 2015. Resultantly the earnings per share was Rupees 0.001 (September 2015 Rupees 0.011). The reduction is principally due to maturity of few operating leases in current period. The gross revenue including other income for the period amounted to Rupees 10.77 million as compared to Rupees 23.70 million for corresponding period of the last year. The financial charges reduced to Rupees 6.57 million as against Rupees 8.61 million as compare to last year corresponding period. . The administrative and operating expenses also decreased to Rupees 4.96 million from Rupees 7.01 million of the comparable period thereby showing a reduction of Rupees 2.05 million.

The total assets of the Company showed a nominal increase of Rs. 9.64 million and raised to Rupees 1,127.74 million as at 30th September 2016 as compared to Rupees 1,118.10 million as at June 30, 2016. Similarly the total liabilities of the Company stood at Rupees 883.15 million as at 30th September 2016.

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

	-----Rs. in million-----	
	September 30, 2016	September 30, 2015
Gross Revenue	10.15	22.96
Other Income	0.62	0.74
Administration & Operating expenses	(4.96)	(17.01)
Financial charges (net of reversals)	(6.57)	(8.61)
Profit for the period before taxation	0.36	3.23
Taxation – net	(0.05)	(0.05)
Profit for the period after taxation	0.31	3.18
Earnings per Share	0.001	0.011

As per the plan, the management continued focus on resolution of the outstanding issues. The following key areas were focused during this quarter 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 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

I am 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. I am 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



Muhammad Asif
Chief Executive Officer

Lahore
October 28, 2016

Invest Capital Investment Bank Limited
Condensed Interim Balance Sheet (Un-audited)
As at September 30, 2016

		Un-audited September 30, 2016	Audited June 30, 2016
	Note	--- Rupees in thousand ---	
ASSETS			
Non-current assets			
Property, plant and equipment			
Operating assets	5	144,884	145,756
Intangible assets		1,346	1,391
Long term investments	6	104,599	99,855
Net investment in Ijarah finance / assets under Ijarah arrangements	7	78,460	67,540
Long term loans	8	62,438	64,173
Long term security deposits		2,278	2,278
Deferred tax asset		150,000	150,000
		544,005	530,993
Current assets			
Short term investments		40,430	35,102
Short term musharakah finances		66,182	66,182
Short term finances		6,729	6,680
Ijarah rentals receivables	7.3	1,675	1,675
Current portion of non-current assets	9	357,153	358,687
Advances, deposits, prepayments and other receivables		14,604	27,662
Cash and bank balances		9,064	3,219
Assets classified as held for sale		87,900	87,900
		583,737	587,107
		1,127,742	1,118,100
TOTAL ASSETS			
EQUITY AND LIABILITIES			
Share Capital and Reserves			
Authorized capital			
485,000,000 (June 2016 : 485,000,000)			
ordinary shares of Rs. 10 each		4,850,000	4,850,000
Issued, subscribed and paid-up capital		2,848,669	2,848,669
Capital reserve			
Capital reserve on amalgamation		(2,022,076)	(2,022,076)
Statutory reserve		101,256	101,256
Unrealized gain on remeasurement of available for sale investments		7,417	6,673
Equity portion of Subordinated loan from directors		20,387	20,387
Revenue reserve			
Accumulated loss		(711,061)	(711,368)
		244,592	243,542
Non-current liabilities			
Subordinated loan from directors		105,613	105,613
Loan from sponsor		197,542	197,542
Security deposits from lessees		37,768	33,685
Long term certificates of musharakah		702	702
Long term musharakah and murabaha borrowings	10	6,655	7,438
Redeemable capital		7,500	7,500
Deferred liability			
Mark up on long term musharakah		9,747	9,747
		365,528	362,227
Current liabilities			
Current portion of non-current liabilities	11	115,696	121,465
Short term certificates of musharakah		80	2,280
Accrued and other liabilities		171,154	164,324
Profit / mark up payable		197,793	191,362
Liabilities directly associated with assets held for sale of discontinued operation		32,900	32,900
		517,623	512,331
		1,127,742	1,118,100
TOTAL EQUITY AND LIABILITIES			

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



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Director

Invest Capital Investment Bank Limited
Condensed Interim Profit and Loss Account (Un-audited)
For the quarter ended September 30, 2016

	September 30, 2016	September 30, 2015
	--- Rupees in thousand ---	
Income		
Income from leasing operations	4,504	3,271
Operating lease rentals	-	11,829
Profit on musharakah investments	-	17
Income from finances	550	2,307
Income on deposits with banks	3	5
Income from joint ventures	4,000	2,130
Dividend income	78	1,292
Net gain on sale of marketable securities	1,846	2,109
Net gain on sale of marketable securities	(834)	-
	<u>10,147</u>	<u>22,960</u>
Expenses		
Administrative and operating expenses	(4,956)	(7,012)
Financial charges	(6,574)	(8,608)
	<u>(11,531)</u>	<u>(15,620)</u>
	(1,384)	7,340
Other income	623	737
	<u>(761)</u>	<u>8,077</u>
Provision (charged) / reversed on non-performing loans and write-offs		
Reversal / (provision) against:		
Finance lease receivable and rentals - net	1,559	326
Long term / short term musharakah finances	-	40
Long term / short term loans	51	75
Balances written off:		
Lease receivables	-	(5,236)
Other receivables	(493)	(50)
	<u>1,117</u>	<u>(4,846)</u>
Provision for taxation	356	3,231
- For the period	(50)	(50)
Profit for the period	<u>306</u>	<u>3,181</u>
Earnings per share - Basic and Diluted (Rupees)	<u>0.001</u>	<u>0.011</u>

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



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Director

Invest Capital Investment Bank Limited
Condensed Interim Statement of Comprehensive Income (Un-audited)
For the quarter ended September 30, 2016

September 30,	September 30,
2016	2015
--- Rupees in thousand ---	

Profit for the period	306	3,181
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss		
Unrealized gain on remeasurement of available for sale investments	744	200
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	-	-
	744	200
Total comprehensive Income for the period	1,050	3,381

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



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Director

Invest Capital Investment Bank Limited
Condensed Interim Statement of Cash Flows (Un-audited)
For the quarter ended September 30, 2016

September 30, 2016 **September 30, 2015**
--- Rupees in thousand ---

a) CASH FLOWS FROM OPERATING ACTIVITIES

Profit before taxation	356	3,231
Adjustments for non cash charges and other items:		
Depreciation of property, plant and equipment	872	1,459
Amortization of intangible assets	45	426
(Reversal) / provision against:		
Finance lease receivable and rentals - net	(1,559)	(326)
Long term / short term musharakah finances	-	(40)
Long term / short term loans	(51)	(75)
Balances written off		
Other receivables	493	50
Doubtful lease receivables	-	5,236
Loss / (gain) on disposal of:		
Operating assets	-	(10)
Financial charges - net	6,574	8,608
Gain on settlement of liabilities	-	(206)
	6,374	15,122
Cash flow from operating activities before working capital changes	6,731	18,354
Changes in working capital		
(Increase) / decrease in current assets		
Short term investments	5,328	(6,096)
Short term musharakah finances	-	-
Short term finances	207	262
Ijarah rentals receivables	-	58
Advances, deposits, prepayments and other receivables	13,158	(6,776)
Assets classified as held for sale - net	-	8,935
	18,693	(3,617)
Increase / (decrease) in current liabilities		
Short term certificates of musharakah	(2,200)	(2,700)
Short term certificates of investments	-	(1,200)
Accrued and other liabilities	6,830	1,488
	4,630	(2,412)
Cash generated from operations	30,054	12,325
Financial charges paid	(143)	(888)
Income tax paid	(50)	(69)
	(193)	(957)
Net cash generated from operations	29,860	11,368

September 30, September 30,
2016 2015
--- Rupees in thousand ---

b) CASH FLOWS FROM INVESTING ACTIVITIES

Additions in:

Operating assets

Proceed from:

Long term investments

Net investment in Ijarah finance / assets under Ijarah arrangements

Long term musharakah finances

Long term loans

Proceeds from disposal of:

Operating assets

-	(35)
(4,000)	(1,829)
(13,590)	15,149
40	41
(54)	7,563
-	332

Net cash generated from investing activities

(17,604)

21,221

c) CASH FLOWS FROM FINANCING ACTIVITIES

Security deposits from lessees

Repayment of :

Redeemable capital

Long term certificates of musharakah

Long term certificates of investments

Long term musharakah and murabaha borrowings

Long term loan

Net cash (used in) financing activities

(2,093)	2,249
(500)	(69)
-	-
(525)	(525)
(3,293)	(11,802)
-	(20,213)
(6,411)	(30,360)

Net (decrease) in cash and cash equivalents

5,845

2,229

Cash and cash equivalents at the beginning of the period

3,219

2,027

Cash and cash equivalents at the end of the period

9,064

4,256

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



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Director

Invest Capital Investment Bank Limited
Condensed Interim Statement of Changes in Equity (Un-audited)
For the quarter ended September 30, 2016

	Issued, subscribed and paid-up capital	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			
Rupees in thousand								
Balance as at July 01,2015	2,848,669	(2,022,076)	93,205	7,005	-	(1,921,866)	(743,574)	183,229
Total comprehensive income for the period								
Profit for the period	-	-	-	-	-	-	3,181	3,181
Other comprehensive income / (loss)								
Items that may be reclassified subsequently to profit or loss								
Unrealized (loss) on remeasurement of available for sale investments	-	-		200		200	-	200
Other items								
Un-realized 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					-	-	-	-
	2,848,669	(2,022,076)	93,205	7,205	-	(1,921,666)	(740,393)	186,610
Balance as at September 30, 2015	2,848,669	(2,022,076)	93,205	7,205	-	(1,921,666)	(740,393)	186,610
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				-				-
Items that may be reclassified subsequently to profit or loss								
Unrealized gain on remeasurement of available for sale investments	-	-		744		744	-	744
Other items								
Transferred to statutory reserve	-	-	-	-		-	-	-
Un-realized loss on available for sale investment reclassified to profit and loss account on disposal	-	-		-		-	-	-
	2,848,669	(2,022,076)	101,256	7,417	20,387	(1,921,666)	(711,061)	244,593
Balance as at September 30, 2016	2,848,669	(2,022,076)	101,256	7,417	20,387	(1,921,666)	(711,061)	244,593

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



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Director

Invest Capital Investment Bank Limited
Notes to the Condensed Interim Financial Statements (Un-audited)
For the quarter ended September 30, 2016

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. 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 losses till 2011 and, as at the balance sheet date, the accumulated loss is Rs. 711.06 million (June 2016: Rs. 711.37 million).
 - the Company has been unable to comply with certain prudential regulations as stipulated under the Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations) (Refer Note 1.4).
 - 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.
 - the leasing and investment finance services licenses of the Company expired on December 08, 2010 and February 29, 2011 respectively and renewal is pending.

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 as reflected in the profit and loss account to minimum possible level without affecting the operational efficiency of the Company. This has resulted in improving the operating results and equity position of the Company.

(b) Commencement of new leasing business

The Company recommenced leasing business from September 2011 after a considerable gap. The Company is mainly carrying out car leasing business at a very attractive IRR and reasonable deposit margin. Leasing business is resulting in profits thereby improving the operational results and equity position of the Company.

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

Management has made great progress in settlement / rescheduling of outstanding loans with various banks / financial institutions through transfer of Company's lease / loan portfolio and immovable properties / shares / other assets with waiver of mark-up. As at 30th September 2016 liabilities amounting to Rupees 81.46 million are left to be settled out of the total amount of Rs. 1,561.75 million as at July 2011.

(d) Disposal of non-core assets

The management is committed to dispose off non core assets. As at 30th September 2016 assets having book value of Rs. 478.16 Million have been disposed off. Disposal of these assets has resulted in improvement in the liquidity and equity 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 annual published financial statements as at 30.06.2016.

(f) Improved recovery of leases and loans portfolio

Recovery from leases and loans portfolio has been substantially improved in relation to the previous financial years. 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 to a great extent and will result in further improvement of financial and operational position of the Company. Considering management's plans and the results of the mitigating actions as discussed in paras (a) to (f) above, the management is confident that the Company will be able to continue as a going concern.

1.4 As at September 30, 2016, the Company could not meet the regulatory requirements of Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and Notified Entities Regulations, 2008 (the NBFC Regulations) mentioned as under:

- Regulation 14(4)(i) : An NBFC shall invest at least 15% of the funds raised through deposits excluding the deposits held by financial institutions, in Government securities or instruments or investments as notified by the Commission .
- Regulation 17(1) : Total outstanding exposure (fund and non-fund based) of an NBFC to a person shall not at any time exceed 20% of the equity of the NBFC, provided that the maximum outstanding fund based exposure should not exceed 15% of the NBFC's equity.
- The Company intends to apply for non-deposit taking NBFC's investment finance services and leasing services licenses. The minimum equity requirement for this is Rs. 150 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, 2016.

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, 2016.

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, 2016.

- 4.2** Risk management policies and procedures are consistent with those disclosed in the published audited financial statements for the year ended June 30, 2016. Contingencies are also the same as disclosed in the financial statements as at June 30, 2016.

Un-audited
September 30,
2016
--- Rupees in thousand ---

Audited
June 30,
2016

5. PROPERTY, PLANT AND EQUIPMENT

Operating assets

144,884

145,756

Three Months ended September 30 (Un-audited)			
2016		2015	
Additions	Disposals	Additions	Disposals
--- Rupees in thousand ---			

5.1 Acquisitions and disposals of operating assets at cost

Vehicles

-

-

-

-

-

-

-

-

Un-audited
September 30,
2016
--- Rupees in thousand ---

Audited
June 30,
2016

Note

6. LONG TERM INVESTMENTS

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

6.1

86,607

82,607

17,992

17,248

104,599

99,855

6.1 Investment in joint ventures

This represents investment in CNG filling stations. The latest available audited financial statements of joint ventures as on June 30, 2016 have been used for the purpose of application of equity method.

- Centre Gas (Private) Limited
- Ameen Enterprises

6.1.1

86,607

82,607

-

-

86,607

82,607

6.1.1 Centre Gas (Private) Limited

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

Cost
Cumulative share of profit of joint venture

34,536

34,536

52,071

48,071

86,607

82,607

6.1.2 Ameen Enterprises

The movement in Company's share of net assets in AE is as under:

Opening capital
Share of (loss) of joint venture for the period / year

-

18,279

-

(375)

-

17,904

Less: Impairment loss

-

(2,904)

Transferred to Assets held for sale

-

15,000

-

(15,000)

-

-

7. NET INVESTMENT IN IJARAH FINANCE / ASSETS UNDER IJARAH ARRANGEMENTS

Contracts accounted for as finance lease under IAS 17

7.1

283,496

275,842

283,496

275,842

Less : Current portion

9

(205,036)

(208,302)

78,460

67,540

7.1 Net investment in Ijarah finance

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

	As at September 30,2016 (Unaudited)			As at June 30,2016 (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 thousnad			Rupees in thousnad		
Minimum lease payments receivable	807,878	63,931	871,809	810,080	56,734	866,813
Residual value of leased assets	19,909	37,768	57,678	22,144	33,685	55,829
Lease contracts receivable	827,787	101,700	929,487	832,224	90,419	922,642
Unearned lease income (including suspended income)	(153,469)	(11,577)	(165,046)	(153,081)	(11,216)	(164,296)
Provision for potential lease losses	(469,282)	(11,663)	(480,945)	(470,841)	(11,663)	(482,504)
	(622,751)	(23,240)	(645,991)	(623,922)	(22,878)	(646,800)
	205,036	78,460	283,496	208,302	67,540	275,842

7.2 The above net investment in finance lease includes non-performing lease portfolio of Rs. 568.85 million (June 2016: Rs. 571.67 million). Detail of non performing leases is as follows:

Category of classification	As at September 30,2016 (Unaudited)			As at June 30,2016 (Audited)		
	Principal outstanding	Provision required	Provision held	Principal outstanding	Provision required	Provision held
	Rupees in thousnad			Rupees in thousnad		
Substandard	-	-	-	1,145	286	286
Doubtful	6,326	3,163	3,163	6,788	3,394	3,394
Loss	562,523	477,782	477,782	563,737	478,824	478,824
	568,849	480,945	480,945	571,670	482,504	482,504

7.3 Ijarah rentals receivable

Ijarah rentals receivable
Less : Provision against Ijarah rentals receivable

Un-audited September 30, 2016	Audited June 30, 2016
--- Rupees in thousand ---	---
62,644	62,644
(60,969)	(60,969)
1,675	1,675

		Un-audited September 30, 2016	Audited June 30, 2016
		--- Rupees in thousand ---	
8. LONG TERM LOANS	Note		
Considered good			
Customers		352	352
Outgoing group		71,955	71,955
		<u>72,306</u>	<u>72,306</u>
Considered doubtful			
Customers		33,305	33,359
Ex-employee		529	529
Provision against doubtful balances		(21,152)	(21,203)
		<u>12,682</u>	<u>12,685</u>
		<u>84,988</u>	<u>84,991</u>
Less: Current portion	9	<u>(22,550)</u>	<u>(20,818)</u>
		<u><u>62,438</u></u>	<u><u>64,173</u></u>
9. CURRENT PORTION OF NON-CURRENT ASSETS			
Net investment in lease finance / assets under Ijarah arrangements	7	205,036	208,302
Long term musharakah finances		129,567	129,567
Long term loans	8	22,550	20,818
		<u>357,153</u>	<u>358,687</u>
10. LONG TERM MUSHARAKAH AND MURABAHA BORROWINGS			
Secured			
Musharakah borrowings			
From commercial banks		6,242	8,252
Murabaha borrowings			
From commercial banks		-	-
From financial institutions		12,353	13,636
		<u>12,353</u>	<u>13,636</u>
		<u>18,595</u>	<u>21,888</u>
Less: Current portion	11	<u>(11,940)</u>	<u>(14,450)</u>
		<u><u>6,655</u></u>	<u><u>7,438</u></u>

Un-audited
September
30, 2016

Audited June
30, 2016

11. CURRENT PORTION OF NON-CURRENT LIABILITIES

--- Rupees in thousand ---

Security deposit from lessees		19,909	22,144
Long term certificates of musharakah		15	15
Long term certificates of investments		877	1,402
Long term musharakah and murabaha borrowings	10	11,940	14,450
Long term loans		-	-
Redeemable capital		82,955	83,455
		<u>115,696</u>	<u>121,465</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, September 30,
2016 2015
--- Rupees in thousand ---

Contribution to staff retirement fund	158	167
Key management compensation	1,795	1,961
Markup on loan to sponsor	3,167	3,946
Profit for the period from joint venture	4,000	2,130
Amount received from joint venture	2,590	1,962

13. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on 28th October 2016 by the Board of Directors of the Company.



Muhammad Asif
Chief Executive Officer



Ayesha Shehryar
Director

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