

# QUARTERLY REPORT MARCH 31, 2017



INVEST CAPITAL INVESTMENT BANK LIMITED












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## Contents

Company Information	02
Directors' Report	03
Directors' Report (Urdu)	04
Condensed Interim Balance Sheet (Un-Audited)	06
Condensed Interim Profit and Loss Account (Un-Audited)	08
Condensed Interim Statement of Comprehensive Income (Un-audited)	09
Condensed Interim Statement of Cash Flows (Un-Audited)	10
Condensed Interim Statement of Changes in Equity (Un-Audited)	12
Notes to the Condensed Interim Financial Information (Un-audited)	13
Our Network	

# Company Information

## Board of Directors

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

## Audit Committee

Mr. Shahab Ud Din Khan	-Chairman
Brigadier (Retd.) Wali Muhammad	-Member
Mrs. Ayesha Shehryar	-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  
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

I am pleased to present to the members, the un-audited financial statements for the quarter ending March 31, 2017 on behalf of the Board of Directors of Invest Capital Investment Bank Limited ("the Company").

## The Review

During the nine months period under review, the Company earned a profit of Rupees 0.86 million as compared to the profit of Rupees 1.79 million in the corresponding period of the last year. The earnings per share came to Rupees (0.003) as against Rupees (0.006) for the period ending 31st March 2016. The gross revenue including other income for the period amounted to Rupees 44.47 million as compared to Rupees 40.65 million of the corresponding period of the last year. The financial charges amounted to Rupees 18.91 million as against an amount of Rupees 16.87 million of the comparable period. The administrative and operating expenses stood at Rupees 23.86 as against Rupees 22.66 million of the comparative period thereby showing a slight increase of Rupees 1.20 million.

The total assets of the Company showed a decrease of Rs. 27.63 million and stood at Rupees 1,090.47 million as at 31st March 2017 as compared to Rupees 1,118.10 million as at June 30, 2016. Similarly, the total liabilities of the Company also reduced by Rupees 34.84 million and amounted to Rupees 839.72 million as at 31st March 2017.

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

	Rs. in million	
	March 31, 2017	March 31, 2016
Gross Revenue	36.41	35.57
Other Income	8.06	5.08
Administration & Operating expenses	(23.86)	(22.66)
Financial charges (net of reversals)	(18.91)	(16.87)
Profit /(loss) for the period before taxation	1.08	0.52
Taxation - net	(0.22)	1.27
Profit /(loss) for the period after taxation	0.86	1.79
Earnings per Share	(0.003)	(0.006)

During the period under review gross revenue showed an increase due to increase in other income. Fresh leases disbursed during the nine months amounted to Rupees 62.24 million as against Rupees 84.95 million during the year ended 30th June 2016.

The management continued to focus on resolution of the outstanding issues to keep the company functional. The following key areas were focused during the period:

- 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
- New leasing business

The steps taken by the management have enabled the company to overcome the financial and operational problems and will further result in improvement of financial position of the Company. 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

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 to the betterment of the Company.

For and on behalf of the Board



**Muhammad Asif**  
Chief Executive Officer

Lahore  
April 12, 2017

## ڈائریکٹرز کا جائزہ

میں، 31 مارچ 2017 کو ختم ہونے والے نو 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 رہا ہوں۔

### جائزہ

زیر غور نو ماہ میں کمپنی نے 0.86 ملین روپے کا منافع کمایا جبکہ اس کے مقابلے میں گزشتہ سال اسی مدت کا منافع 1.79 ملین روپے تھا۔ 31 مارچ 2016 کو آمدنی 0.006 روپے فی حصص تھی جو اب کم ہو کر 0.003 روپے فی حصص ہو گئی ہے۔ مجموعی مالگداری (Revenues) آمدنی بشمول دیگر آمدنی 44.47 ملین روپے رہی۔ جبکہ گزشتہ سال اسی مدت کے دوران یہ آمدنی 40.65 ملین روپے رہی۔ مالی اخراجات (Charges) کی مالیت 18.91 ملین روپے رہی جبکہ اس کے مقابلے میں گزشتہ سال اسی مدت کے دوران اس کی مالیت 16.87 ملین روپے تھی۔ انتظامی اور اپریٹنگ اخراجات گزشتہ سال کی اسی مدت کی مالیت 22.66 ملین روپے میں 1.20 ملین روپے کے معمولی اضافہ کے ساتھ 23.86 ملین روپے رہے۔

کمپنی کے کل اثاثہ جات 30 جون 2016 کے 1,118.10 ملین روپے کے مقابلے میں 31 مارچ 2017 پر 27.63 ملین روپے کی کمی کے ساتھ 1,090.47 ملین روپے رہے، جبکہ کل مالیاتی ذمہ داریوں کی مالیت میں بھی 34.84 ملین روپے کی کمی کے ساتھ 31 مارچ 2017 کو ان کی مالیت 839.72 ملین روپے رہی۔

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

-----روپے ملین میں-----

31 مارچ		
2016	2017	
35.57	36.41	کل مالگداری (Revenues)
5.08	8.06	دیگر آمدنی
(22.66)	(23.86)	انتظامی اور اپریٹنگ اخراجات
(16.87)	(18.91)	مالی اخراجات (خالص)
0.52	1.08	نفع / (نقصان) قبل از محصول
1.27	(0.22)	محصول - خالص
1.79	0.86	نفع / (نقصان) بعد از محصول
(0.006)	(0.003)	آمدنی فی حصص

زیر غور مدت میں مجموعی مالگداری (Revenues) میں اضافہ ہوا جس کی وجہ دیگر آمدنی میں اضافہ ہے۔ اس نو ماہ کے دوران 62.24 ملین روپے کی نئی لیزیں لکھی گئیں، جبکہ سال ختمہ 30 جون 2016 کے دوران 84.95 ملین روپے کی لیزیں لکھی گئیں تھیں۔

انتظامیہ نے اپنی توجہ کمپنی کے غیر حل شدہ معاملات کے حل پر رکھی ہوئی ہے تاکہ کمپنی کو عملی (Functional) رکھے۔ 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

- علیحدہ ہونے والے بروکریج ہاؤس سے متعلق اثاثہ جات اور مالیاتی ذمہ داریوں کا تصفیہ یا منتقلی

- کارکردگی ناکھانے والی لیز زائد قرضوں کے پورٹ فولیو کی وصولیابی۔

- 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۔  
انتظامیہ کو یقین ہے کہ اس کا کاروبار جاری رہے گا۔

### کریڈٹ درجہ بندی (Rating)

جے سی آر۔ وی آئی ایس کریڈٹ ریٹنگ کمپنی نے کمپنی کو اینٹی ڈیپنڈنسی ریٹنگ ڈی (D) پر رکھا ہوا ہے۔ کمپنی اپنی بقا یا مالیاتی ذمہ داریوں کے تصفیے / نئے طور سے انتظام کے بعد اپنی درجہ بندی پر نظر ثانی کی درخواست دے گی۔

### اظہار تشکر

میں سیوریٹی اینڈ اسپیکنج کمیشن آف پاکستان کی رہنمائی پر، کاروباروں کی حمایت، قرض خواہوں کے تعاون کا اور حصص یافتگان کے کمپنی کی انتظامیہ پر اعتماد اور بھروسہ کرنے پر انتہائی شکر گزار ہوں۔ میں تمام عملے کے ارکان کو کمپنی کی بہتری کے لئے کی جانے والی سخت محنت اور عزم کا بھی شکر گزار ہوں۔

منجانب ویرائے بورڈ آف ڈائریکٹرز

محمد آصف

چیف ایگزیکٹو آفیسر

لاہور

12 اپریل 2017ء

## Condensed Interim Balance Sheet (Un-audited)

As at March 31, 2017

		Un-audited March 31, 2017	Audited June 30, 2016
	Note	— Rupees in thousand —	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		138,690	145,756
Operating assets		1,078	1,391
Intangible assets		114,475	99,855
Long term investments	5		
Net investment in Ijarah finance / assets under Ijarah arrangements	6	87,112	67,540
Long term loans	7	54,276	64,173
Long term security deposits		2,278	2,278
Deferred tax asset		150,000	150,000
		547,908	530,993
<b>Current assets</b>			
Short term investments		57,677	35,102
Short term musharakah finances		66,182	66,182
Short term finances		6,680	6,680
Ijarah rentals receivables	6.3	1,673	1,675
Current portion of non-current assets	8	341,123	358,687
Advances, deposits, prepayments and other receivables		16,379	27,662
Bank balances		4,951	3,219
Assets classified as held for sale		47,900	87,900
		542,564	587,107
<b>TOTAL ASSETS</b>		<b>1,090,473</b>	<b>1,118,100</b>

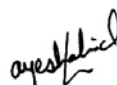


		Un-audited March 31, 2017	Audited June 30, 2016
	Note	— Rupees in thousand —	
<b>EQUITY AND LIABILITIES</b>			
<b>Share capital and reserves</b>			
Authorized capital			
485,000,000			
ordinary shares of Rs. 10 each		<b>4,850,000</b>	<b>4,850,000</b>
Issued, subscribed and paid-up capital			
284,866,896 ordinary shares of Rs. 10 each		<b>2,848,669</b>	2,848,669
Capital reserves			
Capital reserve on amalgamation		<b>(2,022,076)</b>	(2,022,076)
Statutory reserve		<b>101,256</b>	101,256
Unrealized gain on remeasurement of available for sale investments		<b>13,021</b>	6,673
Equity Portion of Subordinate Loan from directors		<b>20,387</b>	20,387
Revenue reserve			
Accumulated (loss)		<b>(710,503)</b>	(711,368)
		<b>250,754</b>	243,542
<b>Non-current liabilities</b>			
Subordinated loan from directors		<b>108,535</b>	105,613
Loan from sponsor		<b>197,542</b>	197,542
Security deposits from lessees		<b>36,704</b>	33,685
Long term certificates of musharakah		-	702
Long term musharakah and murabaha borrowings	9	<b>3,915</b>	7,438
Redeemable capital		-	7,500
Deferred liability			
Mark up on long term musharakah		<b>6,092</b>	9,747
		<b>352,787</b>	362,227
<b>Current liabilities</b>			
Current portion of non-current liabilities	10	<b>101,880</b>	121,465
Short term certificates of musharakah		-	2,280
Accrued and other liabilities		<b>147,917</b>	164,324
Profit / mark up payable		<b>204,235</b>	191,362
Liabilities directly associated with assets held for sale of discontinued operation		<b>32,900</b>	32,900
		<b>486,931</b>	512,331
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,090,473</b>	<b>1,118,100</b>
<b>CONTINGENCIES</b>			
		-	-

The annexed notes form an integral part of this condensed interim financial information.



**Muhammad Asif**  
Chief Executive Officer



**Ayesha Shehryar**  
Director

## Condensed Interim Profit and Loss Account (Un-audited)

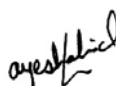
For the Nine months period ended March 31, 2017

	Nine Months ended March 31		Quarter ended March 31	
	2017	2016	2017	2016
— Rupees in thousand —				
<b>Income</b>				
Income from leasing operations	12,780	11,958	4,169	4,953
Operating lease rentals	1,914	13,286	-	1,018
Profit on musharakah investments	71	80	-	62
Income from finances	668	5,531	393	1,920
Income on deposits with banks	134	244	28	116
Income from joint ventures	8,273	10,264	1,992	3,000
Dividend income	1,991	2,760	1,400	1,776
Net gain on sale of marketable securities	12,130	3,102	3,299	(285)
Unrealized (loss) on investment in marketable securities - net	(1,416)	(11,400)	(2)	(4,083)
	<b>36,544</b>	<b>35,824</b>	<b>11,281</b>	<b>8,476</b>
<b>Expenses</b>				
Administrative and operating expenses	(23,862)	(22,660)	(7,962)	(6,697)
Financial charges	(21,777)	(23,851)	(11,838)	(6,805)
	<b>(45,639)</b>	<b>(46,511)</b>	<b>(19,801)</b>	<b>(13,502)</b>
	<b>(9,095)</b>	<b>(10,687)</b>	<b>(8,520)</b>	<b>(5,026)</b>
Waiver of financial charges	2,866	6,985	2,866	-
	<b>(6,230)</b>	<b>(3,702)</b>	<b>(5,654)</b>	<b>(5,026)</b>
<b>Other income</b>	<b>7,925</b>	<b>4,833</b>	<b>5,435</b>	<b>3,853</b>
	<b>1,694</b>	<b>1,131</b>	<b>(220)</b>	<b>(1,173)</b>
Provision (charged) / reversed on non-performing loans and write-offs				
Reversal / (provision) against:				
Finance lease receivable and rentals - net	3,215	(8,770)	2,171	(10,167)
Long term / short term musharakah finances	-	99	-	15
Long term / short term loans	982	11,238	100	11,163
Other receivables	(635)	2,309	(60)	2,294
Balances written off:				
Lease receivables	(4,175)	(5,430)	(13)	(194)
Other receivables	-	(50)	-	-
	<b>(614)</b>	<b>(605)</b>	<b>2,199</b>	<b>3,110</b>
Profit before taxation	<b>1,080</b>	<b>526</b>	<b>1,979</b>	<b>1,937</b>
Provision for taxation				
- For the period	(135)	(265)	(135)	(25)
- Prior period's	(81)	1,530	(81)	-
<b>Profit for the period</b>	<b>864</b>	<b>1,792</b>	<b>1,763</b>	<b>1,912</b>
<b>Earnings per share - Basic and Diluted (Rupees)</b>	<b>0.00</b>	<b>0.01</b>	<b>0.01</b>	<b>0.01</b>

The annexed notes form an integral part of this condensed interim financial information.



**Muhammad Asif**  
Chief Executive Officer



**Ayesha Shehryar**  
Director

## Condensed Interim Statement of Comprehensive Income (Un-audited)

For the Nine months period ended March 31, 2017

	Nine Months ended March 31		Quarter ended March 31	
	2017	2016	2017	2016
— Rupees in thousand —				

Profit for the period	864	1,792	1,763	1,912
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### Other comprehensive income / (loss)

Items that may be reclassified subsequently  
to profit or loss

Unrealized gain / (loss) on remeasurement of  
available for sale investments

6,348	(1,124)	6,348	(184)
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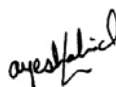
### Total comprehensive income for the period

<u>7,212</u>	<u>668</u>	<u>8,111</u>	<u>1,728</u>
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The annexed notes form an integral part of this condensed interim financial information.



**Muhammad Asif**  
Chief Executive Officer



**Ayesha Shehryar**  
Director

## Condensed Interim Statement of Cash Flows (Un-audited)

For the Nine months period ended March 31, 2017

	Nine months ended March 31,	
	2017	2016
	— Rupees in thousand —	
<b>a) CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	1,080	526
Adjustments for non cash charges and other items:		
Depreciation of property, plant and equipment	7,079	7,493
Amortization of intangible assets	313	445
(Reversal) / provision against:		
Long term / short term musharakah finances	-	(99)
Long term / short term loans	(982)	(11,238)
Other receivables	635	(2,309)
Finance lease receivable and rentals - net	(3,215)	8,770
Balances written off		
Lease receivables	4,175	5,430
Other receivables	-	50
(Gain) on disposal of operating assets	-	(10)
Unrealised loss on investments in marketable securities	1,416	11,400
Fair value adjustment - subordinated loan from directors	2,923	-
Financial charges - net	15,989	16,866
Gain on settlement of liabilities	(6,725)	(206)
	21,608	36,592
Cash flow from operating activities before working capital changes	22,688	37,118
<b>Changes in working capital</b>		
(Increase) / decrease in current assets		
Short term investments	(23,991)	(24,241)
Short term musharakah finances	(0)	-
Short term finances	-	12
Ijarah rentals receivables	1	76
Advances, deposits, prepayments and other receivables	10,844	(1,997)
Assets classified as held for sale - net	40,000	11,867
	26,855	(14,283)
<b>(Decrease) / increase in current liabilities</b>		
Short term certificates of musharakah	(2,280)	(8,300)
Short term certificates of investments	-	(3,200)
Accrued and other liabilities	(16,408)	13,568
	(18,688)	2,068
<b>Cash generated from operations</b>	30,855	24,903
Financial charges paid	(6,038)	(1,573)
Income tax paid	(412)	(536)
	(6,450)	(2,109)
<b>Net cash generated from operations</b>	24,405	22,794

Nine months ended March 31,  
2017 2016

— Rupees in thousand —

**b) CASH FLOWS FROM INVESTING ACTIVITIES**

Additions in operating assets	12	(1,978)
Recovery of / (investment in) :		
Long term investments	(8,273)	(9,964)
Net investment in Ijarah finance / assets under Ijarah	(2,901)	26,078
Long term musharakah finances	235	-
Long term loans	369	7,840
Disposal of operating assets	-	19
Net cash (used in) / generated from investing activities	(10,558)	22,218

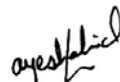
**c) CASH FLOWS FROM FINANCING ACTIVITIES**

Repayment of :		
Redeemable capital	1,160	(69)
Long term certificates of musharakah	(717)	(2,300)
Long term certificates of investments	(1,402)	(1,575)
Long term musharakah and murabaha borrowings	(11,156)	(17,106)
Long term loan	-	(10,032)
Net cash (used in) financing activities	(12,115)	(31,082)
Net Increase in cash and cash equivalents (a+b+c)	1,732	13,930
Cash and cash equivalents at the beginning of the period	3,219	2,027
Cash and cash equivalents at the end of the period	4,951	15,957

The annexed notes form an integral part of this condensed interim financial information.



**Muhammad Asif**  
Chief Executive Officer



**Ayesha Shehryar**  
Director

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

For the Nine months period ended March 31, 2017

Issued, subscribed and paid-up capital	Capital Reserves					Revenue Reserve	Total
	Capital reserve on amalgamation	Statutory reserve	Gain on remeasurement of available for sale investments	Equity portion of Sub ordinate Loan from sponsors	Sub total	Accumulated (loss)	

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

Profit for the period ended March 31, 2016

Other comprehensive (loss)

Items that may be reclassified subsequently to profit or loss

Unrealized (loss) on remeasurement of available for sale investments

-	-	-	-	-	-	1,792	1,792
-	-	-	(1,124)	-	(1,124)	-	(1,124)
-	-	-	(1,124)	-	(1,124)	1,792	668
2,848,669	(2,022,076)	93,205	5,881	-	(1,922,990)	(741,782)	183,897

Balance as at March 31, 2016

Balance as at July 01, 2016 2,848,669 (2,022,076) 101,256 6,673 20,387 (1,893,759) (711,368) 243,542

Total comprehensive income

Profit for the period ended March 31, 2017

Other comprehensive income

Items that may be reclassified subsequently to profit or loss

Unrealized gain on remeasurement of available for sale investments

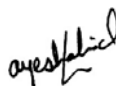
-	-	-	-	-	-	864	864
-	-	-	6,348	-	6,348	-	6,348
-	-	-	6,348	-	6,348	864	7,212
2,848,669	(2,022,076)	101,256	13,021	20,387	(1,887,411)	(710,503)	250,754

Balance as at March 31, 2017

The annexed notes form an integral part of this condensed interim financial information.



**Muhammad Asif**  
Chief Executive Officer



**Ayesha Shehryar**  
Director

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

For the Nine months period ended March 31, 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. 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).

## 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 and subordinated loan from directors which are stated at fair value.

### 2.3 Application of new and revised International Financial Reporting Standards

#### 2.3.1 Standards, amendments to published approved accounting standards and interpretations becoming effective in current period:

There are certain new standards, amendments and International Financial Reporting Interpretations Committee (IFRIC) interpretations that became effective during the period and are mandatory for accounting periods of the Company beginning on or after July 01, 2016 but are considered not to be relevant or not to have any significant effect on the Company's operations. The new standards, amendments and IFRIC interpretations that are relevant to the operations of the Company are disclosed in the published audited financial statements for the year ended June 30, 2016.

#### 2.3.2 Standards, amendments to published approved accounting standards and interpretations becoming effective in future periods:

There are other new standards, amendments and IFRIC interpretations that are mandatory for accounting periods of the Company beginning on or after July 01, 2016 but are considered not to be relevant or not to have any significant effect on the Company's operations. The new standards, amendments and IFRIC interpretations that are relevant to the operations of the Company are disclosed in the published audited financial statements for the year ended June 30, 2016.

### 2.4 Functional and presentation currency

This condensed interim financial information is 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. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation followed in the preparation of this condensed interim financial information 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 this condensed interim financial information 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 this condensed interim financial information 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.

		Un-audited March 31, 2017	Audited June 30, 2016
	Note	— Rupees in thousand —	
<b>5. LONG TERM INVESTMENTS</b>			
Investment in joint venture	5.1	<b>90,879</b>	82,607
Available for sale investments			
- At fair value		<b>23,596</b>	17,248
		<b>114,475</b>	<b>99,855</b>

#### 5.1 Investment in joint venture

This represents investment in CNG filling station (Centre Gas (Private) Limited. The latest available unaudited financial statements as on March 31, 2017 have been used for the purpose of application of equity method.

		Un-audited March 31, 2017	Audited June 30, 2016
	Note	— Rupees in thousand —	
The movement in the Company's share of net assets of Centre Gas (Private) Limited (CGL) is as under:			
Cost of investment		<b>34,536</b>	34,536
Cumulative share of profit of joint venture		<b>56,344</b>	48,071
		<b>90,879</b>	<b>82,607</b>

### 6. NET INVESTMENT IN IJARAH FINANCE / ASSETS UNDER IJARAH ARRANGEMENTS

Contracts accounted for as finance lease under IAS 17	6.1	<b>268,557</b>	275,842
Less : Current portion	8	<b>(181,445)</b>	(208,302)
		<b>87,112</b>	<b>67,540</b>



## 6.1 Net investment in Ijarah finance

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

	As at March 31, 2017 (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 thousand			Rupees in thousand		
Minimum lease payments receivable	802,567	56,958	859,525	810,079	56,733	866,813
Residual value of leased assets	13,518	36,704	50,222	22,143	33,684	55,828
Lease contracts receivable	816,085	93,662	909,747	832,223	90,418	922,642
Unearned lease income (including suspended income)	(155,351)	(6,550)	(161,901)	(153,080)	(11,215)	(164,296)
Provision for potential lease losses	(479,289)	-	(479,289)	(470,841)	(11,662)	(482,504)
	(634,641)	(6,550)	(641,191)	(623,921)	(22,878)	(646,800)
	181,445	87,112	268,557	208,301	67,540	275,841

6.2 The above net investment in finance lease includes non-performing lease portfolio of Rs. 596.04 million ( June 30, 2016: Rs. 571.67 million). Detail of non performing leases is as follows:

Category of classification	As at March 31, 2017 (Unaudited)			As at June 30, 2016 (Audited)		
	Principal outstanding	Provision required	Provision held	Principal outstanding	Provision required	Provision held
	Rupees in thousand			Rupees in thousand		
Other assets especially mentioned	4,627	-	-	-	-	-
Substandard	10	2	2	1,145	286	286
Doubtful	-	-	-	6,788	3,394	3,394
Loss	591,398	479,287	479,287	563,737	478,824	478,824
	596,035	479,289	479,289	571,670	482,504	482,504

## 6.3 Ijarah rentals receivable

The rentals receivable for Ijarah contracts accounted for under IFAS 2 are as under:

	Un-audited March 31, 2017	Audited June 30, 2016
Note	— Rupees in thousand —	
Ijarah rentals receivable	60,729	62,644
Less : Provision against Ijarah rentals receivable	(59,055)	(60,969)
	1,673	1,675
<b>7. LONG TERM LOANS</b>		
Considered good		
Customers	-	352
Outgoing group	71,955	71,955
	71,955	72,306
Considered doubtful		
Customers	32,359	33,359
Ex-employee	529	529
	32,888	33,888
Provision against doubtful balances	(20,221)	(21,203)
	12,667	12,685
	84,622	84,991
Less: Current portion	(30,346)	(20,818)
	54,276	64,173

## 8. CURRENT PORTION OF NON-CURRENT ASSETS

Net investment in lease finance / assets under Ijarah arrangements	6	181,445	208,302
Long term musharakah finances		129,332	129,567
Long term loans	7	30,346	20,818
		341,123	358,687

	Un-audited March 31, 2017	Audited June 30, 2016
— Rupees in thousand —		

#### 9. LONG TERM MUSHARAKAH AND MURABAHA BORROWINGS

Secured		
Musharakah borrowings		
From commercial banks	2,119	8,252
Murabaha borrowings		
From financial institutions	8,612	13,636
	<u>10,731</u>	<u>21,888</u>
	<u>(6,817)</u>	<u>(14,450)</u>
Less: Current portion	<u>3,915</u>	<u>7,438</u>

#### 10. CURRENT PORTION OF NON-CURRENT LIABILITIES

Security deposit from lessees	13,518	22,144
Long term certificates of musharakah	-	15
Long term certificates of investments	-	1,402
Long term musharakah and murabaha borrowings	6,817	14,450
Redeemable capital	77,890	83,455
Deferred liability		
Mark up on long term musharakah	3,655	-
	<u>101,880</u>	<u>121,465</u>

#### 11. RELATED PARTY TRANSACTIONS

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

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

		Nine Months ended March 31, 2017	March 31, 2016
— Rupees in thousand —			
Nature of relationship	Nature of transaction		
Major shareholder	Mark up / interest on loan from sponsor	9,136	9,917
Joint venture	Amount received during the period	6,933	5,390
Provident fund	Contribution made during the period	487	475
Key management	Compensation	6,793	4,837

#### 12. DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information was authorized for issue on 12th April 2017 by the Board of Directors of the Company.



**Muhammad Asif**  
Chief Executive Officer



**Ayesha Shehryar**  
Director

## Our Network

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