

Annual Report 2017



fcibank

FIRST CREDIT AND INVESTMENT BANK LTD.

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Vision

Be a preferred investment bank enhancing value for the stakeholders and contributing to the National goals.

Mission Statement

Contributing through innovative financing and investment in quality portfolio, advisory services delivered in an environment of trust and customer confidence supported by a team of professionals.



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BOARD OF DIRECTORS



Mr. Rehmat Ali Hasnie
Chairman



Mr. Muhammad Mohsin Ali
President & CEO



Mr. Anwar-ul-Haq
Director



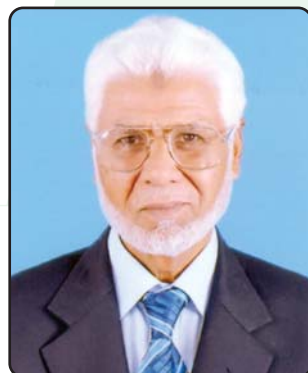
Mr. Asad Ullah Saleem
Director



Mr. Naveed Asghar Chaudhry
Director



Mr. Muhammad Naeemuddin
Director



Mr. Muhammad Iqbal Hussain
Director



Mr. Muhammad Ameen
Director



COMPANY INFORMATION

AUDIT COMMITTEE:

Mr. Muhammad Naeemuddin Chairman
Mr. Anwar-ul-Haq
Mr. Muhammad Ameen

HR AND REMUNERATION COMMITTEE:

Mr. Asad Ullah Saleem Chairman
Mr. Naveed Asghar Chaudhry
Mr. Muhammad Naeemuddin
Mr. Muhammad Mohsin Ali

RISK MANAGEMENT COMMITTEE:

Mr. Naveed Asghar Chaudhry Chairman
Mr. Asad Ullah Saleem
Mr. Muhammad Iqbal Hussain
Mr. Muhammad Mohsin Ali

COMPANY SECRETARY:

Mr. Muhammad Amin Khatri

AUDITORS:

Grant Thornton Anjum Rahman
Chartered Accountants

LEGAL ADVISOR:

Ahmed & Qazi

BANKERS:

National Bank of Pakistan
MCB Bank Limited
Allied Bank Limited
FINCA Microfinance Bank Limited
NRSP Microfinance Bank Limited
Tameer Microfinance Bank Limited
Khushhali Bank Limited
U Microfinance Bank Limited

SHARE REGISTRAR:

THK Associates (Pvt.) Limited
1st Floor, 40-C, Block-6,
P.E.C.H.S.,
Karachi-75400
Ph. # +92 (21) 111-000-322
Fax # +92 (21) 34168271

HEAD OFFICE / REGISTERED OFFICE:

2nd Floor, Sidco Avenue Centre,
Stratchen Road, Karachi - 74200
Pakistan.
Ph. # : 35658750-1, 35670452, 35688490
Fax. # : 35689331, 35686310
E-mail: info@fcibank.com.pk
Website: www.fcibank.com.pk



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 28th Annual General Meeting of the shareholders of First Credit & Investment Bank Limited will be held on Friday, October 27, 2017 at 6:00 p.m. at PIIA (Pakistan Institute of International Affairs) Auditorium, Aiwan-e-Saddar Road, Karachi to transact the following business:

1. To confirm the minutes of the Extra Ordinary General Meeting held on June 10, 2017.
2. To receive, consider and adopt the audited financial statements of the Company together with the Auditors' and Directors' Reports thereon for the year ended June 30, 2017.
3. To appoint the statutory auditors for the year ending June 30, 2018 and fix their remuneration. The present auditors M/s. Grant Thornton Anjum Rahman, Chartered Accountants, retire and being legible, have offered themselves for re-appointment.
4. To transact any other business with the permission of the Chair.

By Order of the Board



MUHAMMAD AMIN KHATRI
Company Secretary

Karachi
October 5, 2017

Notes:

Closure of Share Transfer Book

1. The share transfer books of the Company will remain closed from October 17, 2017 to October 27, 2017 (both days inclusive). Transfers received in order at the office of our Share Registrar M/s. THK Associates (Pvt.) Ltd, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi-75400 upto the close of business on October 16, 2017, will be considered in time for purpose of entitlement of shareholders to attend and vote at the meeting.

Participation in Annual General Meeting

2. A member entitled to attend and vote at this meeting may appoint any other person as his/her proxy to attend the meeting and vote instead of him/her. The proxies in order to be effective must be received by the company not less than 48 hours before the meeting. CDC Account holders will further have to follow the under mentioned guidelines as laid down in circular No. 1 dated January 26, 2000 issued by the Securities & Exchange Commission of Pakistan.

A. For Attending the Meeting:-

- a) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity card (CNIC) or original Passport at the time of attending the meeting.
- b) In case of Corporate entity, the board of Directors resolution of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

B. For Appointing Proxies:-

- a) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per Regulations, shall submit the proxy form as per the above requirement.



- b) The proxy form shall be witnessed by two persons whose names, address and CNIC Numbers shall be mentioned on the form.
- c) Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- d) The proxy shall produce his/her original CNIC or original Passport at the time of the meeting.
- e) In case of corporate entity, the Board of Directors resolution/ power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the company.

Payment of Cash Dividend through Electronic Mode

For all future dividends, SECP vide circular No. 18/2017 dated August 01, 2017 and in pursuance of the requirement of section no. 242 of Companies Act 2017, have issued instructions for all listed companies to obtain electronic dividend mandate as all dividend payments with effect from November 01, 2017 shall be paid through electronic mode only. All shareholders are requested to update their bank accounts and provide electronic dividend mandate. The requisite form is available on our Company's website (www.fcibank.com.pk).

Provision of Electronic Transmission of Company's Annual Report and AGM Notice

Member are here by informed that pursuant to section 223(6) of Companies Act 2017 and to SECP's S.R.O 787(1)/2014 dated September 08, 2014 regarding electronic transmission of the Company's Annual report and AGM notice, we have uploaded the request form on the company's website (www.fcibank.com.pk). Those members who want to avail this facility are requested to submit the duly filled request form to our share registrar THK Associates (Pvt) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi-75400.

Provision of Copy of Computerized National Identity Card (CNIC)

In order to comply with the requirements of Securities & Exchange Commission of Pakistan (SECP) SRO 19(1)/2014 dated January 10, 2014 those shareholders who have not yet submitted attested copy of their valid CNICs are requested to provide the same with their folio numbers to the Company's Registrar, M/s.THK Associates (Pvt.) Ltd. Members holding shares in CDC/ Participant accounts are also requested to provide the attested copy of their CNICs to their CDC Participant/Investor Account Services.

Change in Address

The Shareholders are requested to immediately inform any change in their addresses to Company Share Registrar or CDC Participant/ Investor Account Services, as the case may be.



CHAIRMAN'S REVIEW REPORT

Review Report by the Chairman on Board's Overall Performance u/s 192 of the Companies Act 2017

As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors of (the "Board") of First Credit and Investment Bank Limited (the "Company") is carried out. This evaluation is conducted to ensure the Board's overall performance and effectiveness for the betterment, progress and growth in the context of objectives set for the Investment Bank. Areas where improvements are required are duly considered and action plans are framed.

The Board of the Investment Bank has laid down a detailed performance evaluation mechanism and criteria of evaluation duly approved by it. As per the recently conducted annual self-evaluation for the year ended June 30, 2017 and I report that:

The overall performance of the Board measured on the basis of approved criteria for the year was satisfactory.

The overall assessment as Satisfactory is based on an evaluation of the following areas, which have a direct bearing on Board's role in achievement of the Investment Bank's objectives:

1. **Fiduciary Duty:** Board members pay greater attention to their fiduciary duties as director of the Investment Bank. They pay high importance in following standard of good practice for the conduct of the Board. The Board performed its fiduciary duties with a sense of objective judgment and independence. They have clear understanding of vision and mission of the Investment Bank and value them.
2. **Business Strategy:** Board has a lucid understanding of the stakeholders (shareholders, customers, employees, borrowers, depositors, Society at large) whom the Investment Bank serves. The Board has a strategic vision of how the organization should be evolving over the ten years. Further Board sets benchmark, budget and targets for the management in all major areas business.
3. **Compliance and Diligence:** The Board members ensure that they have diligently performed their duties and thoroughly reviewed, discussed and approved Business Strategies, Corporate Objectives, budgets, financial statements and other reports. They have clear understanding of applicable laws and ensure their compliance. It received agenda and detailed memoranda in sufficient time prior to board and committee meetings. The board met frequently enough to adequately discharge its responsibilities.
4. **Monitoring of business activities:** The Board remained informed with all significant issues, matters for the consideration of the Board. It remained updated of Investment Bank's objectives, goals, strategies and financial performance through regular presentation by the management. It also ensured representation of internal and external auditors and other independent consultants. The Board provided appropriate direction and oversight on a timely basis.
5. **Diversity and Mix:** The constituent of Board is a mix of required independent and non executive directors. All directors were equally involved in important board decisions.
6. **Governance and Control:** The Board has effectively put in place all significant policies, sound internal controls, transparent and robust system of governance. This is reflected by setting up an effective control environment, compliance with best practices of corporate governance and by promoting ethical and fair behavior across the Investment Bank.



ANWAR-UL-HAQ
Chairman/Director

Karachi: September 23, 2017



FIRST CREDIT AND INVESTMENT BANK LTD.

DIRECTORS' REPORT TO THE MEMBERS

On behalf of the Board of Directors, we are pleased to present the 28th Annual Report of the First Credit & Investment Bank Limited alongwith the audited financial statements and Auditors' Report thereon, for the year ended June 30, 2017.

Economy Review

Notwithstanding the external factor i.e. overall country's economic pattern, First Credit and Investment Bank Ltd performed well. During the Fiscal Year 2017 (FY17) Pakistan's economy continued to gather pace. According to the SBP's third quarterly report of "the state of Pakistan's Economy" country's economy grew by 5.3 percent, up from 4.5 percent growth recorded in FY16. This growth was attained due to better performance of agriculture which grew by 3.5 % as compared to 0.3% last year and services sectors which registered growth of 6% compared with 5.5 percent last year.

The average inflation during FY17 was 4.0 percent which was significantly lower than the annual target of 6%. During first two quarters of FY17 the CPI remained stable but later picked up gradually in the third quarter due to partial transfer of the increase in international oil prices to domestic consumers, a surge in global prices of some key food commodities; increase in medicine prices; and upward revision in education fees also contributed to CPI.

Keeping in view the delicate balance between macroeconomic risks and ongoing growth momentum, the policy rate was kept unchanged at 5.75% by State Bank of Pakistan throughout the year FY17. The low interest rate stimulated private credit off-take which along with budgetary borrowings led to increase in net domestic assets (NDA) of the banking system. However, this increase in NDA was offset by a decline in the net foreign assets (NFA) of the banking system.

The fiscal deficit stood at 3.9 percent of GDP during Jul-Mar FY17, compared with 3.5 percent in the corresponding period last year. The current account deficit reached US\$ 6.1 billion during Jul-Mar FY17 due to significant increased in trade deficit and slowdown in remittances hence SBP's liquid foreign exchange reserves declined from US\$ 18.1 billion on June 30, 2016 to US\$ 16.1 billion on June 30, 2017.

During the year under review, KSE 100 index of Pakistan Stock Exchange Ltd (PSX) registered significant increase of 23.24% to 46,565 points as of June 30, 2017 from 37,783 points as on June 30, 2016. This increase was mainly attributable to the increased interest of foreign investors, upgradation of PSX in MSCI from frontier market to emerging market and strategic disinvestment of 40% shares of PSX to Chinese led consortium.

The growth prospects of Pakistan's economy from FY 18 onwards would largely hinge upon planned infrastructure projects and capacity expansion by industries. In order to make these plans a success, enhanced coordination amongst all public sector institutions would be more crucial. Also, continuity and consistency in policies, especially those related to investment and industry, would be necessary to ensure sustainability of the growth momentum.

Financial Results

Financial results of the Company for 2016-17 are summarized below, in comparison with the data for 2015-16:

| | (Rupees in ,000) | |
|---|------------------|-----------|
| | 2016-17 | 2015-16 |
| Total revenue | 79,945 | 99,018 |
| Operating profit before provisions | 7,543 | 52,651 |
| Profit before taxation | 11,720 | 65,203 |
| Profit after taxation | 7,132 | 43,864 |
| Shareholders' equity | 723,948 | 716,956 |
| Deficit in revaluation of investments | (8,021) | (10,524) |
| Total assets | 1,155,308 | 1,012,248 |
| Earning per share-basic and diluted (Rs.) | 0.11 | 0.67 |



Review of Operations

Previous couple of years were not satisfactory for the NBFC sector particularly for investment banks due to adverse market and economic conditions and overall law and order situation in the country. Most of the investment banks are continuously facing serious problems in terms of liquidity, profitability and viability. FCIBL was, however, successful in maintaining its liquidity and viability. Prudent approach was adopted while undertaking new business. Despite the difficulties being faced, the Company was able to maintain all its financial indicators. The Company reported Operating Profit of Rs.7.5 million for FY17 against Operating Profit of Rs. 52.7 million registered for FY16 showing decrease of Rs. 45.2 million. Further, after taking effect of provision made and reversal / recovery against already provided classified portfolio the Company reported Profit before Tax of Rs.11.7 million for the financial year ended June 30, 2017 against Profit before Tax of Rs. 65.2 million for the previous year. Similarly, Profit after Tax for the year ended June 30, 2017 was Rs.7.1 million against Profit after Tax of Rs.43.9 million for the last year, showing a reduction of Rs.36.8 million in Profit after Tax. The profitability of the company seems to have declined in the current year as compared during last year one-time gains were recorded on few transactions along with reversal of provision made against couple of classified assets, else the profitability of the company has improved.

On the Balance Sheet side, however, the shareholders' equity increased to Rs.723.9 million as at June 30, 2017 from Rs.716.9 million as at June 30, 2016. The increase in shareholder's equity was on account of profit for the year. Total assets of the Company increased to Rs.1,155.3 million as at June 30, 2017 from Rs.1,012.2 million as at June 30 2016. The assets increased due to bank loans and borrowings.

To comply with the NBFCs Rules and Regulations, an amount equivalent to 20% of after tax profit has been transferred to the Statutory Reserve.

Minimum Equity Requirement

The auditors of the Company in their report to the members on audit of financial statement have invited attention in respect of minimum equity requirements prescribed under the Non-Banking Finance Companies and Notified Entities Regulations 2008. The management of the Company has explained the same in detail under Note 1.3 annexed to the financial statements.

Changes since Balance Sheet Date

There have not been any material events or changes that occurred subsequent to the date of the Balance Sheet that require adjustments to the enclosed financial statements, except those which have already been made or disclosed.

Dividend

Dividend policy of the Company in the past has been a mix of offering attractive cash dividends, bonus shares to the shareholders, improving its credit rating and allowing the availability of adequate funds to meet its investment and expansion plans. The Directors do not recommend any dividend for the year ended June 30, 2017.

Credit Rating

JCR-VIS Credit Rating Company Limited vide its report dated December 30, 2016 maintained the medium to long-term entity rating of the Company at 'A-' (Single A Minus) and Short-term rating at 'A-2' (A-Two). The outlook of the rating is 'Stable'.



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Corporate and Financial Reporting Framework

As required by the Code of Corporate Governance, the directors are pleased to report the following:

- a) These financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and change of equity.
- b) Proper books of accounts of the company have been maintained.
- c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.
- d) International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
- e) The system of internal control, which is in place, is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts upon the Company's ability to continue as a going concern.
- g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

Key operating and financial data

The key operating and financial data of the company for the last six years is as under:

| Year ended June 30 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|--------------------------------|-------|-------|------|-------------------|----------|----------|
| | | | | Restated | Restated | Restated |
| | | | | Rupees in million | | |
| Total revenue | 80 | 99 | 81 | 60 | 93 | 139 |
| Profit/ (loss) before taxation | 12 | 65 | 29 | 4 | (14) | (85) |
| Profit/ (loss) after taxation | 7 | 44 | 23 | 1 | (6) | (71) |
| Shareholders' equity | 724 | 717 | 673 | 649 | 651 | 658 |
| Total assets | 1,155 | 1,012 | 693 | 738 | 838 | 1,222 |
| Earning/ (loss) per share (Rs) | 0.11 | 0.67 | 0.35 | 0.02 | (0.10) | (1.10) |

Staff Retirement Benefit Schemes

Value of the investment of Employees' Provident Fund and Gratuity Fund based on their latest audited financial statements as at June 30, 2017 were Rs.16,870,887/- and Rs.8,072,147/-, respectively.

Election of Directors

At the Extra Ordinary General Meeting of the Company held on June 10, 2017, the following directors were elected unopposed to constitute a new Board for a term of three years.



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1. Mr. Wajahat A. Baqai
2. Mr. Anwar-ul-Haq
3. Mr. Asadullah Saleem
4. Mr. Naveed Asghar Chaudhry
5. Mr. Muhammad Naeemuddin
6. Mr. Muhammad Iqbal Hussain
7. Mr. Muhammad Ameen

Board of Directors

During the year one casual vacancy occurred on the Board due to the resignation of Mr. Najib Tariq as director. The Board appointed Mr. Naveed Asghar Chaudhry to fill the casual vacancy.

The Board appointed Mr. Muhammad Mohsin Ali as President and CEO of the Company for a period of three years w.e.f. June 9, 2017 in place of Mr. Ahsanullah Khan.

During the year six (6) Board meetings were held, in which Directors' attendance was as follows:

| Name of Directors | Number of meetings Eligible to attend | Number of meetings attended |
|----------------------------|--|--|
| Mr. Wajahat A. Baqai | 6 | 6 |
| Mr. Najib Tariq | 3 | 3 |
| Mr. Anwar-ul-Haq | 6 | 6 |
| Mr. Asad Ullah Saleem | 6 | 5 |
| Mr. Muhammad Naeemuddin | 6 | 6 |
| Mr. Muhammad Iqbal Hussain | 6 | 6 |
| Mr. Javed Rashid | 6 | 6 |
| Mr. Muhammad Ameen | 6 | 6 |
| Mr. Jehangir Akber* | - | - |
| Mr. Ahsanullah Khan | 5 | 5 |
| Mr. Muhammad Mohsin Ali | 1 | 1 |

*his approval under fit and proper criteria was not received from SECP.

Leave of absence was granted to the directors who could not attend the meetings.

Audit Committee and Internal Controls

Audit Committee of the Board comprises of four (4) non-executive directors majority of which are independent director including the Chairman of the Committee. Terms of reference of the Audit Committee have been formulated by the Board in accordance with the Code of Corporate Governance. During the year four (4) meetings of Audit Committee were held, in which directors' attendance was as follows:

| Name of Directors | No. of meetings eligible to attend | No. of meetings attended |
|--------------------------|---|-------------------------------------|
| Mr. Muhammad Naeemuddin | 4 | 4 |
| Mr. Anwar-ul-Haq | 4 | 4 |
| Mr. Javed Rashid | 4 | 4 |
| Mr. Muhammad Ameen | 3 | 3 |



HR and Remuneration Committee

Board constituted its HR and Remuneration Committee to assist the directors in discharging their responsibilities with regard to selection, evaluation and succession planning of key management personnel. The committee consists of four (4) members. Majority of members are non-executive directors including the Chairman of the Committee. During the year three (3) meetings of HR and Remuneration Committee were held, in which directors' attendance was as follows:

| Name of Directors | No. of meetings eligible to attend | No. of meetings attended |
|-------------------------|------------------------------------|--------------------------|
| Mr. Asad Ullah Saleem | 3 | 3 |
| Mr. Najib Tariq | 2 | 2 |
| Mr. Muhammd Naeemuddin | 3 | 3 |
| Mr. Ahsanullah Khan | 2 | 2 |
| Mr. Muhammad Mohsin Ali | 1 | 1 |

Risk Management Committee

Board constituted its Risk Management Committee to assist the directors in discharging their responsibilities including risk identification and its mitigation/management measures in respect of company's business activities. The Committee consist of four members majority of which are non-executive directors including the Chairman of the Committee. During the year two meetings of Risk Management Committee were held, in which directors' attendance was as follows:

| Name of Directors | No. of meetings eligible to attend | No. of meetings attended |
|----------------------------|------------------------------------|--------------------------|
| Mr. Muhammad Iqbal Hussain | 2 | 2 |
| Mr. Najib Tariq | 1 | 1 |
| Mr. Asad Ullah Saleem | 2 | 2 |
| Mr. Ahsanullah Khan | 1 | - |
| Mr. Muhammad Mohsin Ali | 1 | 1 |

Leave of absence was granted to the director who could not attend the meeting.

Training Programs

The directors have been provided with copies of Listing Regulations of the Pakistan Stock Exchange, Memorandum and Articles of Association, NBFC Rules 2003 and NBFC & NE Regulations 2008 and they are well conversant with their duties and responsibilities. The Company has carried out necessary trainings of its Board members as per the requirements of the Code of Corporate Governance. More than 50% of the directors on the Board of FCIBL have certification under Directors Training Program (DTP) from institutions that meet the criteria specified by the SECP. Further, one director posses more than 14 years qualification and serving on the Board of the Company for more than 15 years.

Auditors

The present auditors M/s. Grant Thornton Anjum Rahman, Chartered Accountants, retire and being eligible offer themselves for re-appointment. As required under the Code of Corporate Governance the Audit Committee has recommended the appointment of M/s. Grant Thornton Anjum Rahman, Chartered Accountants, as auditors for the year ending June 30, 2018.



Pattern of Shareholdings

The Pattern of Shareholding including Categories of Shareholders of the Company as on June 30, 2017 is annexed at the end of the annual report. During the year, no trade of shares of the Company was carried out by the Directors, CEO, CFO, Company Secretary and their spouses and minor children, except as those reported in pattern of shareholding.

Future Outlook & Strategy

We are vigilant for diversifying our business focusing on new avenues and increasing revenue streams, which hopefully will be forthcoming with improvement in economic and business conditions of the country. Your Company would endeavor to restore reasonable quality of its assets, improve its infrastructure, build capacity through training of existing personnel and hiring key professionals, diversify products and services, and updating policies and procedures to meet the requirements of the new challenges and opportunities.

Acknowledgement

The directors wish to express their appreciation to our stakeholders, valued customers and financial institutions for their continued trust and patronage. We are grateful to the regulatory authorities especially the Securities & Exchange Commission of Pakistan, the State Bank of Pakistan and the Pakistan Stock Exchange for their continued guidance and support. We also acknowledge hard work and dedication of the management and employees.



MUHAMMAD MOHSIN ALI
President & CEO



MUHAMMAD NAEEMUDDIN
Director

Karachi
September 23, 2017



REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices (the Statement) contained in the Code of Corporate Governance (the Code) prepared by the board of directors of First Credit and Investment Bank Limited (the Investment Bank) for the year ended June 30, 2017 to comply with the requirements contained in the Rule Book Regulation No. 5.19 of listing regulations of the Pakistan Stock Exchange Limited where the Investment Bank is listed.

The responsibility for compliance with the code is that of the board of directors of the Investment Bank. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement reflects the status of the Investment Bank's compliance with the provisions of the Code and report if it does not and to highlight any non-compliance with the requirements of the Code. A review is limited primarily to inquiries of the Investment Bank's personnel and review of various documents prepared by the Investment Bank to comply with the Code.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the board of directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Investment Bank's corporate governance procedures and risks.

The Code requires the Investment Bank to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the board of directors for their review and approval of its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the board of directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Investment Bank's compliance, in all material respects, with the best practices contained in the Code as applicable to the Investment Bank for the year ended June 30, 2017.

Date: September 23, 2017
Karachi



Grant Thornton Anjum Rahman
Chartered Accountants

Khaliq-ur-Rahman
Engagement Partner



STATEMENT OF COMPLIANCE WITH THE BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

This statement is being presented to comply with the Code of Corporate Governance ("CCG") contained in Rule 5.19.24 of the Rule Book of Pakistan Stock Exchange (hereinafter collectively referred to as the "Rule Book") for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

| Name of Directors | Category | | |
|-----------------------------|-----------------------|-------------------------|---------------------|
| | Independent Directors | Non-Executive Directors | Executive Directors |
| Mr. Wajahat A. Baqai | | ✓ | |
| Mr. Anwar-ul-Haq | | ✓ | |
| Mr. Asad Ullah Saleem | | ✓ | |
| Mr. Naveed Asghar Chaudhry | | ✓ | |
| Mr. Muhammad Naeemuddin | ✓ | ✓ | |
| Mr. Muhammad Iqbal Hussain | ✓ | ✓ | |
| Mr. Muhammad Ameen | ✓ | ✓ | |
| Mr. Muhammad Mohsin Ali-CEO | | | ✓ |

The independent directors meet the criteria of independence under clause 5.19.1 (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
4. A casual vacancy occurring on the Board on February 26, 2017 was filled up by the directors within 55 days.
5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.



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7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board.
8. The meetings of the board were presided over by the Chairman and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. More than 50% of the Board is compliant with necessary directors training certification as per clause 5.19.7 of the Rule Book of Pakistan Stock Exchange. Further one director has more than 14 years of qualification and has been serving the company as director for more than 15 years.
10. The Board has approved appointment of CFO and Company Secretary including his remuneration and terms and conditions of employment. There is no new appointment of Head of Internal Audit during the year.
11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.
13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
14. The company has complied with all the corporate and financial reporting requirements of the CCG.
15. The board has formed an Audit Committee. It comprises three members, of whom all are non-executive directors and the Chairman of the Committee is an Independent Director.
16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board has formed an HR & Remuneration Committee. It comprises Four members, of whom three are non-executive directors including the chairman of the HRR Committee.
18. The board has set up an effective internal audit function manned by suitably qualified and experienced personnel who are conversant with the policies and procedures of the company.
19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.



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20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange.
22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
23. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the CCG have been complied with.



MUHAMMAD MOHSIN ALI
President & CEO



MUHAMMAD NAEEMUDDIN
Director

Karachi
September 23, 2017



FIRST CREDIT AND INVESTMENT BANK LTD.

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **First Credit and Investment Bank Limited** (the Investment Bank) as at June 30, 2017 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Investment Bank's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the abovesaid statements. An audit also include assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements, We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper books of account have been kept by the Investment Bank as required by the repealed Companies Ordinance, 1984;
- (b) in our opinion;
 - i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with, the repealed Companies Ordinance, 1984 and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - ii) the expenditure incurred during the year was for the purpose of the Investment Bank's business; and
 - iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Investment Bank;
- c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Investment Bank's affairs as at June 30, 2017 and of the profit, its total comprehensive income, cash flows and changes in equity for the year then ended; and
- d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).



We draw attention to the followings:

- Note 1.3 to the financial statements which inter alia states that equity of the Investment Bank is falling short to meet prescribed minimum equity as required under the Non-Banking Finance Companies and Notified Entities Regulation, 2008 for the Companies undertaking business of deposit taking investment finance services.
- Note 10.1 to the financial statements in which, the management of the Investment Bank has described their assumptions and estimates affecting deferred tax asset.

Our opinion is not qualified in respect of above matters.

Date: September 23, 2017
Karachi



Grant Thornton Anjum Rahman
Chartered Accountants

Khaliq-ur-Rahman
Engagement Partner




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BALANCE SHEET

| | Note | 2017 Rupees | 2016 Rupees |
|---------------------------------------|------|----------------------|----------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Property and equipment | 4 | 2,696,763 | 3,237,549 |
| Intangible assets | 5 | 45,345 | 154,852 |
| Long-term investments | 6 | 70,946,154 | 85,853,121 |
| Long-term loans and finances | 7 | 122,508,535 | 43,550,106 |
| Net investment in finance lease | 8 | 1,150,017 | - |
| Long-term deposits | 9 | 57,500 | 57,500 |
| Deferred tax asset | 10 | 75,289,761 | 77,489,307 |
| Total non-current assets | | 272,694,075 | 210,342,435 |
| Current assets | | | |
| Current portion of non-current assets | 11 | 70,648,188 | 44,788,556 |
| Short-term investments | 12 | 60,210,585 | 138,679,770 |
| Short-term placements | 13 | 464,000,000 | 550,000,000 |
| Markup/interest accrued | 14 | 59,793,143 | 47,221,748 |
| Prepayments and other receivables | 15 | 1,194,377 | 891,025 |
| Taxation-net | | 7,461,830 | 4,049,015 |
| Cash and bank balances | 16 | 219,306,001 | 16,275,509 |
| Total current assets | | 882,614,124 | 801,905,623 |
| Total assets | | 1,155,308,199 | 1,012,248,058 |

The annexed notes from 1 to 43 form an integral part of these financial statements



MUHAMMAD MOHSIN ALI
President & CEO



FIRST CREDIT AND INVESTMENT BANK LTD.

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AS AT JUNE 30, 2017

| | Note | 2017 Rupees | 2016 Rupees |
|--|------|-----------------------------|-----------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' equity | | | |
| Authorized share capital 75,000,000 (2016: 75,000,000) ordinary shares of Rs.10 each | | <u>750,000,000</u> | <u>750,000,000</u> |
| Issued, subscribed and paid-up share capital | 17 | <u>650,000,000</u> | 650,000,000 |
| Statutory reserve | 18.1 | <u>132,744,837</u> | 131,318,417 |
| Accumulated loss | | <u>(58,797,060)</u> | (64,362,577) |
| Total shareholders' equity | | 723,947,777 | 716,955,840 |
| Deficit on remeasurement of investments - net | 19 | (8,020,695) | (10,524,449) |
| Non-current liabilities | | | |
| Deferred liability - Staff gratuity | 20 | <u>5,807,435</u> | 4,717,766 |
| Long-term loan | 21 | <u>187,500,000</u> | 190,000,000 |
| Security deposit against finance lease | 22 | <u>333,400</u> | - |
| Total non-current liabilities | | 193,640,835 | 194,717,766 |
| Current liabilities | | | |
| Short-term repo borrowing | 23 | <u>-</u> | 100,000,000 |
| Short-term running finance facility | 24 | <u>165,601,569</u> | - |
| Current portion of long-term loan | 21 | <u>62,500,000</u> | - |
| Markup / interest accrued | 25 | <u>8,282,205</u> | 1,734,039 |
| Accrued and other payables | 26 | <u>9,356,508</u> | 9,364,862 |
| Total current liabilities | | 245,740,282 | 111,098,901 |
| Total liabilities | | 439,381,117 | 305,816,667 |
| Contingencies and commitments | 27 | | |
| Total equity and liabilities | | <u>1,155,308,199</u> | <u>1,012,248,058</u> |

The annexed notes from 1 to 43 form an integral part of these financial statements



MUHAMMAD NAEEMUDDIN
Director




FIRST CREDIT AND INVESTMENT BANK LTD.

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PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2017

| | Note | 2017 Rupees | 2016 Rupees |
|--|-------|-------------------|-------------------|
| Income from term finances and funds placements | 28 | 66,886,940 | 50,564,195 |
| Income from investments | 29 | 11,067,818 | 47,118,124 |
| Fees and commission income | 30 | 572,596 | 1,041,407 |
| Other income | 31 | 1,418,007 | 294,696 |
| | | 79,945,361 | 99,018,422 |
| Finance cost | 32 | (25,850,773) | (3,152,987) |
| Administrative and operating expenses | 33 | (46,551,555) | (43,214,299) |
| Operating income before provisions | | 7,543,033 | 52,651,136 |
| (Provision) / Reversals | | | |
| Reversal of provision for accrued mark-up | | - | 3,088,110 |
| Reversal / (provision) for diminution in value of long-term investments | 6.5 | 5,309,038 | (19,781,548) |
| Reversal of provision for non-performing finances | 7.2.6 | - | 14,149,088 |
| Un-realized gain / (loss) on re-measurement of investment classified as held-for-trading | 12.4 | 1,096,958 | (1,642,710) |
| Reversal for diminution in value of short-term investments | | - | 18,069,617 |
| Impairment in investments classified as available-for-sale | 6.3 | (2,000,000) | - |
| Profit before taxation and workers welfare fund | | 11,949,029 | 66,533,693 |
| Workers' welfare fund | | (228,981) | (1,330,674) |
| Profit before taxation | | 11,720,048 | 65,203,019 |
| Taxation | 34 | (4,587,950) | (21,338,605) |
| Profit for the year | | 7,132,098 | 43,864,414 |
| Earning per share - basic and diluted | 35 | 0.11 | 0.67 |

The annexed notes from 1 to 43 form an integral part of these financial statements



MUHAMMAD MOHSIN ALI
President & CEO



MUHAMMAD NAEEMUDDIN
Director



FIRST CREDIT AND INVESTMENT BANK LTD.

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2017

| | Note | 2017 Rupees | 2016 Rupees |
|---|------|------------------|-------------------|
| Profit for the year | | 7,132,098 | 43,864,414 |
| Other comprehensive income: | | | |
| Components of comprehensive income not reflected in equity: | | | |
| Items that may be reclassified to profit and loss account subsequently - net of tax: | | | |
| Unrealized gain / (loss) on re-measurement of available-for-sale investment | | 2,503,754 | (152,369) |
| Comprehensive (loss) / income for the year transferred to equity | | | |
| Items that will not be subsequently reclassified to profit and loss account - net of tax: | | | |
| Remeasurement of net defined benefit liability | | (140,161) | 315,393 |
| Total comprehensive income for the year | | 9,495,691 | 44,027,438 |

The annexed notes from 1 to 43 form an integral part of these financial statements



MUHAMMAD MOHSIN ALI
President & CEO



MUHAMMAD NAEEMUDDIN
Director



FIRST CREDIT AND INVESTMENT BANK LTD.

CASH FLOW STATEMENT FOR THE YEAR ENDED JUNE 30, 2017

| | Note | 2017 Rupees | 2016 Rupees |
|--|-----------|---------------------|----------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Profit before taxation | | 11,720,048 | 65,203,019 |
| Adjustments for: | | | |
| Depreciation | 4 | 1,642,646 | 3,106,016 |
| Amortization | 5 | 109,507 | 114,947 |
| Gain on disposal of property and equipment | | (1,240,000) | (59,500) |
| Gratuity expense | 20.6 | 889,439 | 1,237,530 |
| Dividend income | 29.1 | (872,732) | (1,337,964) |
| Finance cost | 32 | 25,850,773 | 3,152,987 |
| Provision for non-performing investments | 6.5 | (3,309,038) | 19,781,548 |
| Reversal of provision for accrued markup | | - | (3,088,110) |
| Reversal for non-performing finances | 7.2.6 | - | (14,149,088) |
| Reversal of provision for non-performing investment | | - | (18,069,617) |
| Unrealized (gain) / loss on held-for-trading investments | 12.4 | (1,096,958) | 1,642,710 |
| | | 21,973,637 | (7,668,541) |
| Operating cash flows before working capital changes | | 33,693,685 | 57,534,478 |
| (Increase) / decrease in current assets | | | |
| Short-term investments | 12 & 12.3 | 79,566,143 | (74,962,303) |
| Prepayments and other receivables | 15 | (303,352) | (170,391) |
| Markup/interest accrued | 14 | (12,571,395) | (29,411,226) |
| | | 66,691,396 | (104,543,920) |
| Increase / (decrease) in current liabilities | | | |
| Accrued expenses and other liabilities | 26 | (8,354) | 5,312,180 |
| Security deposit against finance lease | 22 | 333,400 | - |
| | | 325,046 | 5,312,180 |
| Cash generated from / (used in) operations | | 100,710,127 | (41,697,262) |
| Income tax paid | | (5,741,150) | (736,787) |
| Dividend income received | | 872,732 | 1,337,964 |
| Markup on finance cost paid | | (19,302,607) | (3,029,688) |
| | | (24,171,025) | (2,428,511) |
| Net cash generated from / (used in) operating activities | | 76,539,102 | (44,125,773) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Acquisition of property and equipment | 4 | (1,101,860) | (266,801) |
| Proceed from disposal of property and equipment | | 1,240,000 | 59,500 |
| Long-term deposit paid | | - | (7,500) |
| Long-term investments - net | | (1,631,458) | 132,197,682 |
| Long-term finances-net | | (83,616,861) | (11,336,299) |
| Net cash (used in) / generated from investing activities | | (85,110,179) | 120,646,582 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Received long-term loans | | 60,000,000 | 174,375,000 |
| Certificates of deposit | | - | (5,000,000) |
| Net cash generated from financing activities | | 60,000,000 | 169,375,000 |
| Net increase in cash and cash equivalents | | 51,428,923 | 245,895,809 |
| Cash and cash equivalents at the beginning of the year | | 466,275,509 | 220,379,700 |
| Cash and cash equivalents at the end of the year | 36 | 517,704,432 | 466,275,509 |

The annexed notes from 1 to 43 form an integral part of these financial statements



MUHAMMAD MOHSIN ALI
President & CEO



MUHAMMAD NAEEMUDDIN
Director



FIRST CREDIT AND INVESTMENT BANK LTD.

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2017

| | Note | Issued, subscribed and paid-up share capital | Reserve | | Total | Total shareholder's equity |
|---|------|---|----------------------|---------------------|------------|----------------------------------|
| | | | Capital | Revenue | | |
| | | | Statutory Reserve | Accumulated loss | | |
| (Rupees) | | | | | | |
| Balance as at July 01, 2015 | | 650,000,000 | 122,545,534 | (99,769,501) | 22,776,033 | 672,776,033 |
| Profit for the year | | - | - | 43,864,414 | 43,864,414 | 43,864,414 |
| Other comprehensive income | | - | - | 315,393 | 315,393 | 315,393 |
| | | - | - | 44,179,807 | 44,179,807 | 44,179,807 |
| Transfer to statutory reserve | 18.1 | - | 8,772,883 | (8,772,883) | - | - |
| Transactions with owners recognised directly in equity | | - | - | - | - | - |
| Balance as at June 30, 2016 | | 650,000,000 | 131,318,417 | (64,362,577) | 66,955,840 | 716,955,840 |
| Balance as at July 01, 2016 | | 650,000,000 | 131,318,417 | (64,362,577) | 66,955,840 | 716,955,840 |
| Profit for the year | | - | - | 7,132,098 | 7,132,098 | 7,132,098 |
| Other comprehensive income | | - | - | (140,161) | (140,161) | (140,161) |
| | | - | - | 6,991,937 | 6,991,937 | 6,991,937 |
| Transfer to statutory reserve | 18.1 | - | 1,426,420 | (1,426,420) | - | - |
| Transactions with owners recognised directly in equity | | - | - | - | - | - |
| Balance as at June 30, 2017 | | 650,000,000 | 132,744,837 | (58,797,060) | 73,947,777 | 723,947,777 |

The annexed notes from 1 to 43 form an integral part of these financial statements



MUHAMMAD MOHSIN ALI
President & CEO



MUHAMMAD NAEEMUDDIN
Director



FIRST CREDIT AND INVESTMENT BANK LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2017

1 LEGAL STATUS AND OPERATIONS

1.1 First Credit and Investment Bank Limited ("the Investment Bank") was incorporated in Pakistan on August 31, 1989 as a private company with its liability limited by shares under the name of 'First Credit and Discount Corporation (Private) Limited', converted in to a public company. Subsequently, the name of the Investment Bank was changed to First Credit and Investment Bank Limited. During the year ended June 30, 2009, the Investment Bank was listed on the Karachi Stock Exchange (now Pakistan Stock Exchange) limited by way of issue of shares to general public. The registered office of the Investment Bank is situated at 2nd floor, Sidco Avenue Centre, Stratchen Road, R.A. Lines, Karachi, Pakistan. The Investment Bank is an associated undertaking of Water and Power Development Authority (WAPDA) and National Bank of Pakistan (NBP) which each holds 30.77% holding in the Investment Bank.

1.2 The Investment Bank is licensed to undertake business of investment finance services as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 ("the NBFC Rules") issued by the Securities and Exchange Commission of Pakistan (SECP).

The JCR-VIS has assigned the investment bank a credit rating of 'A-' long & medium term and 'A-2' short term on December 30, 2016. The outlook of the rating is stable.

1.3 SECP vide SRO # 1160/(1)/2015 dated November 25, 2015 has made certain amendments in NBFCs & Notified Entities Regulations 2008 which inter alia also specify the minimum equity requirement for the companies undertaking business of deposit taking investment finance companies as Rs.750 million and the Investment Bank is in non compliance of the said equity requirement. The Investment Bank has opted to act as deposit taking investment bank. SECP has granted extension in meeting minimum equity requirement of Rs. 750 million till December 31, 2017. However FCIBL can only raise Institutional deposit from its Sponsor i.e. WAPDA and NBP till the time it meets the Minimum Equity Requirement.

2 BASIS OF PREPARATION

2.1 Statement of compliance

During the year, the Companies Act 2017 (the Act) has been promulgated, however, Securities and Exchange Commission of Pakistan (SECP) vide its circular no. 17 of 2017 dated July 20, 2017 has clarified that the Commission has decided that the companies whose financial year closes on or before June 30, 2017 shall prepare their financial statements in accordance with the provisions of the repealed Companies Ordinance, 1984. Accordingly, these financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board (IASB) as are notified under the repealed Companies Ordinance, 1984, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 ("the NBFC Regulations") and the directives issued by the SECP. Wherever the requirements of the Ordinance, the NBFC Rules, the NBFC Regulations or the directives issued by SECP differ with the requirements of IFRS, the requirements of the Ordinance, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

The SECP has deferred the applicability of International Accounting Standard, IAS-39, 'Financial Instruments: Recognition and measurement' and IAS-40, 'Investment Property' through Circular No. 19 dated August 13, 2003 to NBFCs providing investment finance services. The SECP has also deferred the applicability of Financial Reporting Standard, IFRS-7 'Financial Instruments: Disclosures' through Circular No. 411(1) / 2008 dated April 28, 2008 to NBFCs providing investment finance services. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements.



2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for the measurement of certain financial instruments at fair value and at amortized costs and retirement benefits at present value.

2.3 Functional and presentation currency

These financial statements are presented in Pak Rupees, which is the Investment Bank's functional and presentation currency. All financial information presented in Pak Rupees has been rounded to the nearest rupee.

2.4 Use of estimates and judgments

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

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result 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. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

In preparing these financial statements, the significant judgment made by the management in applying accounting policies include:

- (a) - Provision for current and deferred taxation (Note 3.11 and 10.1)
- (b) - Classification, impairment and provisioning of investments (Note 3.2 and 3.3)
- (c) - Provision against finances (Note 3.16)
- (d) - Staff retirement benefits (Note 3.12)
- (e) - Depreciation and amortization on fixed and intangible assets (Note 3.1)

2.5 Standards, Amendments and Interpretations to Approved Accounting Standards

2.5.1 Standards, amendments and interpretations to the published standards that are relevant to the company and adopted in the current year

The Company has adopted the following new standards, amendments to published standards and interpretations of IFRSs which became effective during the current year.

| Standard or Interpretation | Effective Date (Annual periods beginning on or after) |
|--|---|
| IAS 1 - Disclosure Initiative (Amendments to IAS 1 Presentation of Financial Statements) | January 1, 2016 |
| IFRS 10, IFRS 12 and IAS 28 - Investment Entities : Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28) | January 1, 2016 |



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Annual Improvements to IFRSs 2012 - 2014 Cycle January 1, 2016

IAS 16 and IAS 41- Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41) January 1, 2016

IAS 27 - Equity method in Separate Financial Statements (Amendments to IAS 27) January 1, 2016

IAS 16 and IAS 38 - Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38) January 1, 2016

IFRS 11 - Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11) January 1, 2016

Adoption of the above revisions, amendments and interpretations of the standards have no significant effect on the amounts for the year ended June 30, 2016 and 2017.

2.5.2 Standards, amendments to published standards and interpretations that are effective but not relevant.

The other new standards, amendments to published standards and interpretations that are mandatory for the financial year beginning on June 01, 2016 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations and are therefore not presented here.

2.5.3 Standards, amendments and interpretations to the published standards that are relevant but not yet effective and not early adopted by the Investment Bank

The following new standards, amendments to published standards and interpretations would be effective from the dates mentioned below against the respective standard or interpretation.

| Standard or Interpretation | Effective Date (Annual periods beginning on or after) |
|---|---|
| IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) | Postponed |
| IAS 7 - Disclosure Initiative (Amendments to IAS 7) | January 1, 2017 |
| IAS 12 - Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12) | January 1, 2017 |
| IFRS 12 - Annual Improvements to IFRS 2014-2016 | January 1, 2017 |
| IFRS 2 - Classification and Measurement of Share-based Payment | January 1, 2018 |
| IFRIC 22 - Foreign Currency Transactions and Advance Consideration | January 1, 2018 |
| IAS 40 - Transfers of Investment Property (Amendments to IAS 40) | January 1, 2018 |
| IFRIC 23 - Uncertainty over Income Tax Treatments | January 1, 2019 |

The Investment Bank is in the process of assessing the impact of these Standards, amendments and interpretations to the published standards on the financial statements of the Company.



2.5.4 Standards, amendments and interpretations to the published standards that are not yet notified by the Securities and Exchange Commission of Pakistan (SECP).

Following new standards have been issued by the International Accounting Standards Board (IASB) which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

| Standards, amendments or interpretations | IASB effective date (Annual periods beginning on or after) |
|---|--|
| IFRS 14 - Regulatory Deferral Accounts | January 1, 2016 |
| IFRS 15 - Revenue from Contracts with Customers | January 1, 2019 |
| IFRS 9 - Financial Instruments (2014) | January 1, 2018 |
| IFRS 16 - Leases | January 1, 2019 |

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Fixed assets

Property and equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is charged to profit and loss account using the straight line method whereby the depreciable cost of an asset is written-off over its estimated useful life at straight line rates specified in note 4 to the financial statements. In respect of additions and disposals during the year, depreciation is charged from the month of acquisition and up to the month preceding the disposal, respectively.

Subsequent costs are included in the book value as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Investment Bank and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the profit and loss account during the year in which they are incurred.

Maintenance and normal repairs are charged to profit and loss account as and when incurred.

Gains or losses on disposal or retirement of property and equipment are taken to profit and loss account.

Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. The depreciable cost of intangible asset is amortized over its estimated useful life, using straight line method at rate specified in note 5 to the financial statements.

3.2 Impairment

The carrying amount of assets is reviewed at each balance sheet date for impairment whenever events or changes in circumstances indicate that the carrying amount of assets may not be recoverable. If such indication exists, where the carrying value exceeds the estimated recoverable amount, assets are written down to their recoverable amount. The resulting impairment loss is taken to the profit and loss account.



3.3 Investments

The Investment Bank determines the classification of its investments at the time of acquisition of investment and re-evaluates this classification on a regular basis. The existing investment portfolio of the Investment Bank has been categorized as follows:

a) Classification of investments

Held-for-trading

These are investments which are acquired principally for the purpose of generating profits from short-term fluctuations in market prices, interest rate movements, dealer's margin or are investments included in a portfolio in which a pattern of short-term profit taking exists.

Available-for-sale

These are investments that are intended to be held for an indefinite period of time and which may be sold in response to need for liquidity or changes to interest rates, exchange rates or equity prices.

Held-to-maturity

These are investments with fixed or determinable payments and fixed maturity that the Investment Bank has the positive intention and ability to hold to maturity.

b) Initial and subsequent measurement

All investments are initially recognized at cost, being the fair value of the consideration given. Cost includes transaction costs associated with the investment. Subsequent to initial recognition, held-for trading and available-for-sale investments for which active market exists, are measured at their market value while held-to maturity investments are stated at amortized cost determined using the effective interest rate method, less impairment, if any.

Any surplus or deficit on revaluation of held-for-trading investments are charged to profit and loss, while in case of available-for-sale investments, the resulting surplus/(deficit) is kept in a separate account and is shown in the balance sheet below the shareholders' equity as surplus/(deficit) on revaluation of investments. At the time of disposal the respective surplus or deficit is transferred to income currently.

Unquoted available for sale investments, except where an active market exists, are carried at cost less accumulated impairment losses, if any.

Impairment of investments is recognized when there is a permanent diminution in their values. Provision for impairment in the value of investment, if any, is taken to the profit and loss account.

3.4 Trade date accounting

All purchases and sales of investments that require delivery within the time frame established by the regulations or market conventions are recognized on the trade date. Trade date is the date on which the Investment Bank commits to purchase or sell the investment.

3.5 Derivatives instruments

Derivative instruments held by the Investment Bank generally comprise of future and forward contracts in the capital and money markets. These are stated at fair value at the balance sheet date. The fair value of derivatives is equivalent to the unrealized gain or loss from marking the derivatives to market using prevailing market rates at the balance sheet date. Derivatives with positive market values (unrealized gains) are included in other assets and derivatives with negative market values (unrealized losses) are included in other liabilities. The corresponding gains and losses are included in the profit and loss account.



3.6 Securities under repurchase and reverse repurchase agreements

Transactions of repurchase / reverse repurchase of investment securities are entered into at contracted rates for specified periods of time and are accounted for as follows:

Re-purchase agreements

Securities sold with a simultaneous commitment to repurchase at a specified future date (repo) continue to be recognized in the balance sheet and are measured in accordance with accounting policies for investments. The counter party liability for amounts received under these agreements is included in borrowings from banks /financial institutions. The difference between sale and repurchase price is treated as mark-up on borrowings from banks/financial institutions and accrued over the life of the repo agreement.

Reverse repurchase agreements

Securities purchased with a corresponding commitment to resell at a specified future date (reverse repo) are not recognized in the balance sheet. Amounts paid under these agreements are recorded as fund placements. The difference between purchase and resale price is treated as return from fund placements with financial institutions and accrued over the life of the reverse repo agreement.

3.7 Margin Trading System (MTS) transactions

Receivable against MTS transactions are recorded at the fair value of the consideration given. The MTS transactions are accounted for on the settlement date. The difference between the purchase and sale price is treated as income from MTS transactions and recognized in the profit and loss account and is recognized over the term of the respective transaction.

3.8 Term finance / credit facilities / loans

Term finances originated by the Investment Bank are stated net of provision for losses on such assets. The specific provision for bad and doubtful loans, if any, is determined in accordance with the requirements of the NBFC Regulations. Loans are written off when there is no realistic prospect of recovery.

3.9 Net investment in finance lease

Leases in which the Investment Bank transfers substantially all the risks and rewards incidental to the ownership of an asset to the lessees are classified as finance leases. A receivable is recognized at an amount equal to the present value of the minimum lease payments, including any guaranteed residual value which are included in the financial statements as "net investment in finance leases".

3.10 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose cash flow statement, cash and cash equivalents' comprise of cash in hand, balances in current accounts with banks, short-term bank deposits, short-term placements, short-term running finance and short-term repo borrowing.

3.11 Taxation

Current

The provision for current taxation is based on taxable income at current tax rates after taking into account tax credits, rebates and exemptions available, if any. However, for income covered under final tax regime, taxation is based on applicable tax rates under such regime. The charge for current tax also includes adjustments where necessary relating to prior years which arise from assessments framed / finalized during the year.



Deferred

Deferred tax is recognized using the liability method in respect of all temporary differences at the balance sheet date between the tax base of assets and liabilities and their carrying amounts used for financial reporting purpose. Deferred tax asset is recognized for all deductible temporary differences and tax losses, if any, to the extent that it is probable that the temporary differences will reverse in the future and the taxable profits will be available against which the temporary differences and tax losses can be utilized.

The carrying amount of deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow the deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates that have been enacted at the balance sheet date.

3.12 Staff retirement benefits

3.12.1 Defined benefit plan

The Investment Bank operates an approved funded gratuity scheme for its permanent employees. The net defined benefit liability recognized in the balance sheet in respect of defined benefit gratuity scheme, is the present value of the defined benefit obligation both computed at the balance sheet date less the fair value of plan assets. An independent actuary using the projected unit credit actuarial cost method calculates the defined benefit obligation periodically. Last valuation was the balance sheet date. Amounts arising as a result of re-measurements, representing the actuarial gains and losses and the difference between the actual investment returns and the return implied by the net interest cost are recognized in the balance sheet immediately, with a charge or credit to Other Comprehensive Income in the periods in which they occur.

3.12.2 Defined contribution plan

The Investment Bank also operates a recognized contributory provident fund for all of its regular employees. Equal monthly contributions are made, both by the Investment Bank and the employees to the fund at the rate of 10% of basic salary.

3.13 Term financing- term finance certificates (TFCs)

Term finance certificates are initially recognized at its fair values less transaction costs that are directly attributable to the issue of TFCs and subsequently carried at amortized cost using effective interest rate method. The transaction costs are also amortized over the term of TFCs using the effective interest method.

3.14 Finances, certificate of deposits and other borrowings

Deposits are initially recorded at the amounts of proceeds received. Mark-up accrued on deposits is recognized separately as part of other liabilities and is charged to the profit and loss account over the period.

3.15 Return on certificates of deposit

Return on certificates of deposit (CODs) issued by the Investment Bank is recognized on time proportionate basis taking into account the relevant CODs issue date and final maturity date.

3.16 Provisions, contingent assets and contingent liabilities

Provisions are recognized when the Investment Bank has a present legal or constructive obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.



Provisions for legal disputes, onerous contracts or other claims are recognized when the Investment Bank has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of economic resources will be required from the Investment Bank and amounts can be estimated reliably. Timing or amount of the outflow may still be uncertain.

Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Investment Bank can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision.

No liability is recognized if an outflow of economic resources as a result of present obligations is not probable. Such situations are disclosed as contingent liabilities unless the outflow of resources is remote.

3.17 Accrued and other liabilities

Other liabilities are measured at amortized cost which equals/ estimated fair value of the consideration to be paid in the future for goods and services received by the Investment Bank.

3.18 Proposed dividend and transfer between reserves

Proposed dividend and transfer between reserves, except appropriations which are required by law, made subsequent to the balance sheet date are considered as non-adjusting events and are recognized in the financial statements in the period in which such dividends are declared / transfers are made.

Dividend distribution to the shareholders is recognized as a liability in the period in which it is approved by the shareholders.

3.19 Finance cost

Finance costs are recognized as an expense in the year in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of the relevant asset.

3.20 Revenue recognition

- a) Return on term finances and funds placements, is recognized on time proportion basis taking into account the principal / net investment outstanding and applicable rates of profit thereon except in case of classified loans on which income is recognized on receipt basis.

Interest/markup on rescheduled/restructured advances and investments is recognized in accordance with the guidelines given in the NBFC Regulations.

- b) Return on government securities and term finance certificates is represents interest income earned using effective interest rate.
- c) Dividend income on equity investments is recognized when the right to receive the dividend is established.



- d) Income from fees, commission and brokerage is recognized, when such services are provided.
- e) Other income is recognized as and when incurred.
- f) The Investment Bank follows the 'financing method' in accounting for recognition of finance lease. The total unearned finance income i.e. the excess of aggregate installment contract receivables plus residual value over the cost of the leased asset is deferred and then amortized over the term of the lease, so as to produce a systematic return on the net investment in finance leases.
- g) Revenue from finance leases is not accrued when rent is past due by ninety days or more.
- h) Front end fee and other lease related income is recognized as income on receipt basis.

3.21 Earnings per share (EPS)

The Investment Bank presents basic and diluted earnings per share (EPS). Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Investment Bank by the weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effects of all dilutive potential ordinary shares, if any.

3.22 Financial instruments

Financial assets and liabilities are recognized when the Investment Bank becomes a party to the contractual provisions of the instrument and de-recognized when the Investment Bank loses control of the contractual rights that comprise the financial asset and in case of financial liability when the obligation specified in the contract is discharged, cancelled or expired.

3.23 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements only when the Investment Bank has a legally enforceable right to set-off the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.24 Related party transactions

All transactions with related parties are carried out by the Investment Bank at arm's length prices using the comparable uncontrolled valuation method.



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4 PROPERTY AND EQUIPMENT

| | Furniture & Fittings | Office equipment | Computers | Air Conditioners | Vehicles | Leasehold Improvements | Total |
|---------------------------------|-------------------------|---------------------|-------------|---------------------|-------------|---------------------------|--------------|
|(Rupees)..... | | | | | | | |
| Year ended June 30, 2016 | | | | | | | |
| Opening net book value | 250,577 | 334,448 | 1,023,550 | 412,709 | 2,918,813 | 1,136,667 | 6,076,764 |
| Additions during the year | - | 32,467 | 153,706 | 80,628 | - | - | 266,801 |
| Disposals | | | | | | | |
| Cost | - | 157,278 | 145,785 | 210,956 | - | - | 514,019 |
| Accumulated depreciation | - | (157,278) | (145,785) | (210,956) | - | - | (514,019) |
| Depreciation for the year | (71,433) | (89,345) | (446,506) | (169,303) | (1,192,762) | (1,136,667) | (3,106,016) |
| Closing net book value | 179,144 | 277,570 | 730,750 | 324,034 | 1,726,051 | - | 3,237,549 |
| As at June 30, 2016 | | | | | | | |
| Cost | 1,141,088 | 1,929,657 | 3,532,512 | 1,421,722 | 8,196,132 | 6,200,000 | 22,421,111 |
| Accumulated depreciation | (961,944) | (1,652,087) | (2,801,762) | (1,097,688) | (6,470,081) | (6,200,000) | (19,183,562) |
| Net book value | 179,144 | 277,570 | 730,750 | 324,034 | 1,726,051 | - | 3,237,549 |
| Year ended June 30, 2017 | | | | | | | |
| Opening net book value | 179,144 | 277,570 | 730,750 | 324,034 | 1,726,051 | - | 3,237,549 |
| Additions during the year | - | - | 266,220 | 114,940 | 720,700 | - | 1,101,860 |
| Disposals | | | | | | | |
| Cost | - | - | - | - | 2,096,050 | - | 2,096,050 |
| Accumulated depreciation | - | - | - | - | (2,096,050) | - | (2,096,050) |
| Depreciation for the year | (71,433) | (89,790) | (434,618) | (162,246) | (884,559) | - | (1,642,646) |
| Closing net book value | 107,711 | 187,780 | 562,352 | 276,728 | 1,562,192 | - | 2,696,763 |
| As at June 30, 2017 | | | | | | | |
| Cost | 1,141,088 | 1,929,657 | 3,798,732 | 1,536,662 | 6,820,782 | 6,200,000 | 21,426,921 |
| Accumulated depreciation | (1,033,377) | (1,741,877) | (3,236,380) | (1,259,934) | (5,258,590) | (6,200,000) | (18,730,158) |
| Net book value | 107,711 | 187,780 | 562,352 | 276,728 | 1,562,192 | - | 2,696,763 |
| Annual rates of depreciation | 15% | 20% | 33% | 15% | 20% | 20% | |



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4.1 Following items of property and equipment having written down value below Rs. 50,000 each were disposed off during the year:

| Description of asset sold | Note | Cost / revalued amount | Accumulated Depreciation | Net book value | Sale proceeds | Gain / (loss) |
|----------------------------|-------|------------------------|--------------------------|----------------|---------------|---------------|
| As at June 30, 2017 | | | | | | |
| Vehicles | 4.1.1 | 2,096,050 | 2,096,050 | - | 1,240,000 | 1,240,000 |

4.1.1 This include vehicle Cultus AHS-253 disposed off to an employee Mr. Kamran at zero consideration being fully depreciated assets.

| | Note | 2017 Rupees | 2016 Rupees |
|--|------|----------------|----------------|
| 5 INTANGIBLE ASSETS | | | |
| -Softwares | | | |
| Opening net book value | | 154,852 | 269,799 |
| Additions during the year | | - | - |
| Amortization for the year | | (109,507) | (114,947) |
| Closing net book value | | 45,345 | 154,852 |
| As at June 30 | | | |
| Cost | | 3,753,930 | 3,753,930 |
| Accumulated amortization | | (3,708,585) | (3,599,078) |
| Net book value | | 45,345 | 154,852 |
| Annual rates of amortization | | 33% | 33% |
| 6 LONG-TERM INVESTMENTS | | | |
| Held-to-maturity | | | |
| - Term finance certificates/sukuk - listed | 6.1 | 57,415,276 | 67,424,465 |
| - Term finance certificates/sukuk - unlisted | 6.2 | 11,357,224 | 15,000,001 |
| | | 68,772,500 | 82,424,466 |
| Available-for-sale | | | |
| - Quoted shares | 6.3 | 2,173,654 | 2,079,253 |
| - Term finance certificates - listed | 6.4 | - | 1,349,402 |
| Total investments * | | 70,946,154 | 85,853,121 |

*Total investment taken to balance sheet at mark to market



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6.1 Term finance certificates / sukuk - listed

| Number of Certificates | | Par Value | Investee | | 2017 | 2016 |
|-------------------------|--------|-----------|--------------------------|-------|----------------|-------------|
| 2017 | 2016 | | | | Amortized cost | |
| | | | | | Rupees | Rupees |
| Commercial Banks | | | | | | |
| 3,995 | 3,995 | 5,000 | Summit Bank Limited | 6.1.1 | 19,924,464 | 19,933,653 |
| Petroleum | | | | | | |
| 10,000 | 10,000 | 5,000 | Hascol Petroleum Limited | 6.1.2 | 47,500,000 | 50,000,000 |
| | | | | | 67,424,464 | 69,933,653 |
| | | | Less: current maturity | 11 | (10,009,188) | (2,509,188) |
| | | | | | 57,415,276 | 67,424,465 |

6.1.1 This represents term finance certificates issued on October 27, 2011 for a period of seven years. Markup payment are made semi annually at the rate of 6 month KIBOR+3.25% (2016: 6 month KIBOR+3.25%). These are due to mature on October 26, 2018.

6.1.2 This represents sukuk certificates issued on January 7, 2016 for a period of six years including one year grace period. Profit payment are due for on quarterly basis at the rate of 3 month KIBOR+1.25% per annum (3 month KIBOR+1.25% per annum). These are due to mature on January 6, 2022.

6.2 Term finance certificates/sukuk - unlisted

| Number of Certificates | | Par Value | Investee | | 2017 | 2016 |
|-------------------------------------|--------|-----------|--|--|----------------|---------------|
| 2017 | 2016 | | | | Amortized cost | |
| | | | | | Rupees | Rupees |
| Cable & electrical goods | | | | | | |
| 4,000 | - | 5,000 | Pak Electron Limited - sukuk | | 20,000,000 | - |
| 8,000 | 8,000 | 5,000 | New Allied Electronics Industries (Private) limited - sukuk (refer note 6.2.1) | | 38,160,166 | 38,160,166 |
| Textile | | | | | | |
| 5,000 | 5,000 | 5,000 | Amtex Limited - sukuk (refer note 6.2.2) | | 18,750,001 | 18,750,001 |
| 28,000 | 28,000 | 5,000 | Three Star Hosiery (Private) Limited - sukuk (refer note 6.2.3) | | 139,550,000 | 140,000,000 |
| Textile Composite | | | | | | |
| 860 | 860 | 5,000 | Azgard Nine Limited - TFC | | 4,300,000 | 4,300,000 |
| Miscellaneous | | | | | | |
| 10,000 | 10,000 | 5,000 | Eden Housing Limited - sukuk | | 6,560,000 | 6,560,000 |
| 6,000 | 6,000 | 5,000 | NRSP Micro finance Bank Limited - TFC | | 15,000,000 | 30,000,000 |
| | | | | | 242,320,167 | 237,770,167 |
| | | | Less: Provision for non-performing investments (refer note 6.5) | | (195,962,943) | (202,972,943) |
| | | | Less: Current maturity (refer note 11) | | (35,000,000) | (19,797,223) |
| | | | | | 11,357,224 | 15,000,001 |



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- 6.2.1** This represents sukuk certificates issued on December 3, 2007 for a period of five years and markup rate of 3 month KIBOR + 2.20% with a floor of 7% and cap of 20% payable half yearly. These certificates are secured against bank guarantee of First Dawood Investment Bank Limited and ranking charge over present and future assets of the company. This has been classified as non performing investment by the Investment Bank under loss category and the Investment Bank has made 100% provision .
- 6.2.2** This represents sukuk certificates issued on October 12, 2007 for a period of five years and markup rate of 3 month KIBOR + 2% with a floor of 11% and cap of 25% payable quarterly . These certificates are secured against bank guarantee of Bank of Punjab. This has been classified as non performing investment by the Investment Bank under loss category and the Investment Bank has made 100% provision after considering the amount received by registrar Lahore High Court in March 2011.
- 6.2.3** This represents sukuk certificates issued on August 5, 2008 for a period of five years and markup rate of 3 month KIBOR + 3.25% with a floor of 11% and cap of 25%. These certificates are secured against bank guarantee of First Dawood Investment Bank and ranking charge over assets of the investee. This was due to mature on August 6, 2013. This has been classified as non performing investment by the Investment Bank under loss category and the Investment Bank has made 100% provision . The Investment Bank has filed suit to recover the amount in Sindh High Court Karachi in year 2013.

6.3 Quoted shares

| | | | | 2017 | | 2016 | |
|------------------------|---------|-----------|---|-------------|--------------|-------------|--------------|
| Number of Certificates | | Par Value | Investee Company | Cost | Market Value | Cost | Market Value |
| 2017 | 2016 | | | Rupees | Rupees | Rupees | Rupees |
| 242,055 | 242,055 | 10 | Agritech Limited (refer note 6.3.1) | 7,857,102 | 2,173,654 | 7,857,102 | 2,079,253 |
| | | | | 7,857,102 | 2,173,654 | 7,857,102 | 2,079,253 |
| | | | Less: Provision against investments | (2,000,000) | - | - | - |
| | | | | 5,857,102 | 2,173,654 | 7,857,102 | 2,079,253 |
| | | | Less: Deficit on remeasurement (refer note 6.6 & 19) | (3,683,448) | - | (5,777,849) | - |
| | | | | 2,173,654 | 2,173,654 | 2,079,253 | 2,079,253 |

- 6.3.1** This represents 242,055 shares of Agritech Limited acquired from Azgard Nine Limited as part of multiple agreements including the Master Restructuring Agreement (MRA). These shares have been transferred and pledge in favor of Faysal Bank Limited in its capacity as the trustee of the TFC issue under Share Transfer and Debt Settlement Agreement. The subject shares are to be held by the trustee subject to the terms and condition of the Shareholder Investor Agreement dated July 26, 2012 (also refer note 6.4.1).



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6.4 Term finance certificates - Listed

| | | | | 2017 | | 2016 | |
|------------------------------|-------|-----------|--|--------------|--------------|--------------|--------------|
| Number of Certificates | | Par Value | Investee Company | Cost | Market Value | Cost | Market Value |
| 2017 | 2016 | | | Rupees | Rupees | Rupees | Rupees |
| Textile Composite | | | | | | | |
| 4,000 | 4,000 | 5,000 | Azgard Nine Limited | | | | |
| | | | (refer note 6.4.1) | 6,507,678 | 6,507,678 | 6,507,678 | 6,507,678 |
| Technology and Communication | | | | | | | |
| 6,886 | 6,886 | 5,000 | Worldcall Telecom Limited | | | | |
| | | | (refer note 6.4.2) | 13,221,549 | 13,221,549 | 13,221,549 | 13,221,549 |
| | | | | 19,729,227 | 19,729,227 | 19,729,227 | 19,729,227 |
| | | | Less: Provision against non-performing investments | (19,729,227) | (19,729,227) | (18,028,265) | (18,028,265) |
| | | | | - | - | 1,700,962 | 1,700,962 |
| | | | Less: Current maturity (refer note 11) | - | - | (351,560) | (351,560) |
| | | | | - | - | 1,349,402 | 1,349,402 |

6.4.1 This represents Term Finance Certificates issued on September 20, 2005 at the rate of 6 month KIBOR + 2.4%. These certificates have been restructured and rescheduled under Master Restructuring Agreement (MRA) dated December 1, 2010, and shall now mature on September 20, 2017. This has been classified as non performing investment by the Investment Bank under loss category and the Investment Bank has made 100% provision of the principal amount after considering FSV of the collateral as per NBFC's & NE's Regulations. These certificates are secured by first pari passu charge on the present and future assets of the investee Company.

6.4.2 This represents Term Finance Certificates issued on October 7, 2008 for a period of five years. Markup payment are made semi annually at the rate of 6 month KIBOR + 1.6%. The issue is secure by first pari passu charge on the present and future fixed assets of the investee Company. These were due to mature on October 7, 2015. Further, these TFCs are restructured on April 3, 2015 and due to mature on October 7, 2021. This has been classified as non performing investment by the Investment Bank under loss category and the Investment Bank has made 100% provision.

| | Note | 2017 Rupees | 2016 Rupees |
|---|-----------|----------------|----------------|
| 6.5 PROVISION FOR DIMINUTION IN VALUE OF LONG-TERM INVESTMENTS | | | |
| Balance at the beginning of the year | | 221,001,208 | 201,219,660 |
| Charged for the year | 6.1 - 6.4 | 1,700,962 | 19,781,548 |
| Reversal for the year | | (7,010,000) | - |
| (Reversal) / Provision | | (5,309,038) | 19,781,548 |
| Balance at the end of the year | | 215,692,170 | 221,001,208 |
| 6.6 DEFICIT ON REMEASUREMENT OF LONG-TERM INVESTMENTS - Available for sale | | | |
| Balance at the beginning of the year | | 5,777,849 | 5,937,881 |
| Charge during the year | | (2,094,401) | (160,032) |
| Balance at the end of the year | 6.3 | 3,683,448 | 5,777,849 |



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| | Note | 2017 Rupees | 2016 Rupees |
|---|---------------|--------------------|----------------|
| 7 LONG-TERM LOANS AND FINANCES | | | |
| Loan to employees | 7.1 | 5,023,957 | 5,928,291 |
| Loan to others- term finance facility (secured) | 7.2 | 117,484,578 | 37,621,815 |
| | | 122,508,535 | 43,550,106 |
| 7.1 Loan to employees | | | |
| <i>Housing loan - secured</i> | | | |
| - Executives | 7.1.1 & 7.1.2 | 1,262,698 | 1,937,407 |
| - Employees | 7.1.2 | 2,495,720 | 2,792,852 |
| | | 3,758,418 | 4,730,259 |
| <i>Mark-up receivable on house loans</i> | 7.1.2 | 2,290,542 | 2,118,835 |
| | | 6,048,960 | 6,849,094 |
| <i>Other loans - unsecured</i> | | | |
| - Executives | | - | - |
| - Employees | 7.1.3 | 98,742 | 109,023 |
| | | 98,742 | 109,023 |
| <i>Current portion</i> | | | |
| - House loans | | (1,067,819) | (954,732) |
| - Other loans | | (55,926) | (75,094) |
| | 11 | (1,123,745) | (1,029,826) |
| | | 5,023,957 | 5,928,291 |

7.1.1 There is no long-term loans to Chief Executive Officer however reconciliation of carrying amount of Executives is as follows:

| | 2017 | | | 2016 | | |
|--------------------------------------|-------------------------|----------------|------------------|-------------------------|------------------|------------------|
| | Chief executive officer | Executives | Total | Chief executive officer | Executives | Total |
| |Rupees..... | | | | | |
| Opening balance | - | 1,937,407 | 1,937,407 | - | 2,595,007 | 2,595,007 |
| Disbursements during the year | - | - | - | - | - | - |
| Transfer to chief executive category | 668,838 | (668,838) | - | - | - | - |
| Payment/(Receipts) during the year | (58,543) | (616,166) | (674,709) | - | (657,600) | (657,600) |
| | 610,295 | 652,403 | 1,262,698 | - | 1,937,407 | 1,937,407 |

7.1.2 These represent loans provided to the executives and employees for purchase of property in accordance with the human resource policy and are repayable on monthly basis over a period of 15 years. These loans carry mark-up rate at 4% (2016: 4%) per annum. These loans are secured against mortgage of properties.

7.1.3 These represent loans provided to the executives and employees and are repayable on monthly basis over a period upto 3 years. These loans are unsecured and interest free.



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| | Note | 2017 Rupees | 2016 Rupees |
|---|---|------------------------|------------------------|
| 7.2 Loan to others - term finance facility (secured) | | | |
| Interest bearing | | | |
| Gharibwal Cement Limited | 7.2.1 | 21,280,000 | 25,840,000 |
| Chenab Limited | 7.2.2 | 14,978,125 | 14,978,125 |
| Hashwani Hotels Limited | 7.2.3 | 18,873,804 | 14,566,815 |
| Tandlianwala Sugar Limited | 7.2.4 | 81,250,000 | |
| Loans to individuals | 7.2.5 | 6,125,000 | 2,375,000 |
| | | 142,506,929 | 57,759,940 |
| Non - interest bearing | | | |
| AI - Zamin Leasing Modaraba | | - | 1,891,671 |
| | | 142,506,929 | 59,651,611 |
| Less: Provision for non-performing finances | 7.2.6 | (929,037) | (929,037) |
| Less: Current maturity | 11 | (24,093,314) | (21,100,759) |
| | | 117,484,578 | 37,621,815 |
| 7.2.1 | This represents term finance facility issued on September 9, 2005 for a period of ten years. Markup payment are made at the rate of 3 month KIBOR. This was restructured on March 1, 2013 and is due to mature on February 28, 2023. This is secured by pari passu charge over all fixed assets of the borrower. | | |
| 7.2.2 | This represents term finance facility issued on January 30, 2008 for a period of five years at markup rate of 6 month KIBOR + 3% .The facility is secured against first pari passu charge over fixed assets. This was matured on January 30, 2013. The Investment Bank has classified the balance and accordingly made 100% provision after considering FSV of the collateral held as per NBFC and NE regulations. The Investment Bank has filed suit to recover the outstanding amount in Banking Court. The case is still pending in court. | | |
| 7.2.3 | This represents participation in syndicated term finance facility to the extent of Rs. 50 million out of which Rs. 18.874 million have been disbursed. The tenor of the facility is six years at markup rate of 6 month KIBOR+ 2.30% upto two principal repayments and thereafter 6 month KIBOR+ 1.80%. Facility is secured by way of charge over fixed assets of the Marriott hotel karachi with 25% margin. | | |
| 7.2.4 | This represents participation in syndicated term finance facility to the extent of Rs. 100 million out of which Rs. 81.25 million have been disbursed. The tenor of the facility is six years at markup rate of 3 month KIBOR + 2% and the principal is repayable in 16 quarterly equal installment with 2 year grace period. The facility is secured against first pari passu hypothecation charge over all present and future movable fixed assets. This facility will be matured on March 29, 2023. | | |
| 7.2.5 | This represents financing to individuals against pledge of units of mutual funds. | | |
| | | 2017 Rupees | 2016 Rupees |
| 7.2.6 Provision for non-performing finances | | | |
| Balance at the beginning of the year | | (929,037) | (15,078,125) |
| Reversal during the year | | - | 14,149,088 |
| Balance at the end of the year | | (929,037) | (929,037) |



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| | Note | 2017 Rupees | 2016 Rupees |
|---|------|------------------|----------------|
| 8 NET INVESTMENT IN FINANCE LEASE | | | |
| Lease rental receivable | | 1,401,312 | - |
| Residual value | | 333,400 | - |
| Gross investment in finance lease | 8.1 | 1,734,712 | - |
| Less: Unearned finance lease Income | | (162,754) | - |
| | | 1,571,958 | - |
| Less: Current maturity of net investment in finance lease | | (421,941) | - |
| Net investment in finance lease | | 1,150,017 | - |

| | 2017 | | | | 2016 | | | |
|---|-------------------------|---|-----------------------|-----------|-------------------------|---|-----------------------|-------|
| 8.1 Description | Not later than one year | Later than one and less than five years | Later than five years | Total | Not later than one year | Later than one and less than five years | Later than five years | Total |
| | Rupees | | | | | | | |
| Lease rentals receivable | 509,568 | 891,744 | - | 1,401,312 | - | - | - | - |
| Guaranteed residual value | - | - | 333,400 | 333,400 | - | - | - | - |
| | 509,568 | 1,225,144 | - | 1,734,712 | - | - | - | - |
| Finance charge for future periods | (87,627) | (75,127) | - | (162,754) | - | - | - | - |
| Present value of minimum lease payments | 421,941 | 1,150,017 | - | 1,571,958 | - | - | - | - |

8.1.1 The Company's implicit rate of return on leases ranges between 9.09 % per annum. These are secured against leased assets and security deposits generally upto 20% of the cost of leased assets.

8.1.2 Lease rentals received during the year aggregate to Rs. 85,292

| | 2017 Rupees | 2016 Rupees |
|--|----------------|----------------|
| 9 LONG-TERM DEPOSIT | | |
| Security deposit with Central Depository Company of Pakistan Limited | 50,000 | 50,000 |
| Others | 7,500 | 7,500 |
| | 57,500 | 57,500 |



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| | Note | 2017 Rupees | 2016 Rupees | |
|---|---|-----------------------------------|-------------------------|--------------------------------|
| 10 | DEFERRED TAX ASSET | | | |
| Deferred tax asset on deductible temporary differences: | | | | |
| - Provisions | | 71,539,195 | 74,223,108 | |
| - Accelerated tax depreciation allowance | | 2,074,541 | 1,888,659 | |
| - Gratuity | | 1,676,025 | 1,377,540 | |
| | 10.1 & 10.2 | <u>75,289,761</u> | <u>77,489,307</u> | |
| 10.1 | The management of the Investment Bank has prepared financial projections. The said projection are based on certain key assumptions made for the estimation of future profitability. The determination of future taxable profit is most sensitive to certain key assumptions. A significant change in the key assumptions and estimates may have an effect on the recovery of the deferred tax asset. The management believes that the Investment Bank will be able to achieve the profit projected in the financial projections and consequently the deferred tax asset accounted for in the financial statements will be fully realized in the future. | | | |
| 10.2 | Movement in deferred taxation | | | |
| | Balance at June 30, 2016 | Recognized in profit & loss | Recognized in equity | Balance at June 30, 2017 |
| |Rupees..... | | | |
| The following deductible temporary differences arising on account of: | | | | |
| -Provisions | 74,223,108 | (2,683,913) | - | 71,539,195 |
| -Accelerated tax depreciation allowance | 1,888,659 | 125,813 | 60,069 | 2,074,541 |
| -Gratuity | 1,377,540 | 298,485 | - | 1,676,025 |
| | <u>77,489,307</u> | <u>(2,259,615)</u> | <u>60,069</u> | <u>75,289,761</u> |
| | Balance at June 30, 2015 | Recognized in profit & loss | Recognized in equity | Balance at June 30, 2016 |
| |Rupees..... | | | |
| The following deductible temporary differences arising on account of: | | | | |
| -Unused tax losses | 5,158,407 | (5,158,407) | - | - |
| -Provisions | 84,765,054 | (10,541,946) | - | 74,223,108 |
| -Accelerated tax depreciation allowance | 758,179 | 1,130,480 | - | 1,888,659 |
| -Gratuity | 1,237,255 | 270,356 | (130,071) | 1,377,540 |
| | <u>91,918,895</u> | <u>(14,299,517)</u> | <u>(130,071)</u> | <u>77,489,307</u> |



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| | Note | 2017 Rupees | 2016 Rupees |
|--|-----------|-------------------|--------------------|
| 11 CURRENT PORTION OF NON - CURRENT ASSETS | | | |
| Investments | | | |
| Current portion of term finance certificates - listed | 6.1 & 6.4 | 10,009,188 | 2,860,748 |
| Current portion of term finance certificates - unlisted | 6.2 | 35,000,000 | 19,797,223 |
| | | 45,009,188 | 22,657,971 |
| Loans and finances | | | |
| Current portion of loans to employees | 7.1 | 1,123,745 | 1,029,826 |
| Current portion of loans to other- term finance facility (secured) | 7.2 | 24,093,314 | 21,100,759 |
| | | 25,217,059 | 22,130,585 |
| Net investment in finance lease | | | |
| Current maturity of net investment in finance lease | 8 | 421,941 | - |
| | | 70,648,188 | 44,788,556 |
| 12 SHORT-TERM INVESTMENTS | | | |
| Available-for-sale | | | |
| - Dewan Cement Limited - Pre IPO term finance certificates | 12.1 | 43,069,617 | 43,069,617 |
| - Quoted shares | 12.2 | 17,140,968 | 13,497,707 |
| | | 60,210,585 | 56,567,324 |
| Held-for-trading | | | |
| - Quoted shares | 12.3 | - | 7,982,986 |
| - Quoted shares - Ready Future | | - | 74,129,460 |
| | | - | 82,112,446 |
| Investments at market value | | 60,210,585 | 138,679,770 |
| 12.1 Pre IPO term finance certificates | | | |
| Dewan Cement Limited | | 50,000,000 | 50,000,000 |
| Less: provision | | (6,930,383) | (6,930,383) |
| Term finance certificate - Dewan Cement Limited | | 43,069,617 | 43,069,617 |

This investment has been classified under loss category and accordingly made 100% provision after considering FSV of the collateral held as per NBFC and NE regulations.



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12.2 Quoted shares

| Number of Shares | | Investee | 2017 | | 2016 | |
|------------------|------|----------|--------|--------------|--------|--------------|
| | | | Cost | Market Value | Cost | Market Value |
| 2017 | 2016 | | Rupees | Rupees | Rupees | Rupees |

(The face value of each share is Rs.10/-)

| | | | | | | |
|--------------------------------------|---------|--|-------------------|-------------------|-------------------|-------------------|
| Commercial Banks | | | | | | |
| 50,000 | 50,000 | National Bank Limited (refer note 12.2.1) | 2,636,846 | 2,950,500 | 2,269,029 | 2,890,500 |
| 10,088 | 10,088 | Habib Bank Limited | 1,813,991 | 2,715,084 | 1,694,851 | 1,992,985 |
| 15,000 | - | Allied Bank Limited | 1,467,750 | 1,344,300 | - | - |
| Chemicals | | | | | | |
| 815,800 | 815,800 | AgriTech limited | 13,428,068 | 7,325,884 | 13,428,068 | 7,007,722 |
| 7,500 | - | Engro Fertilizers Limited | 462,900 | 414,300 | - | - |
| Oil and Gas | | | | | | |
| 5,000 | - | Pakistan Petroleum Limited | 816,300 | 740,700 | - | - |
| Equity Investment Instruments | | | | | | |
| 30,000 | 30,000 | PICIC Growth Fund | 446,248 | 930,000 | 446,248 | 714,000 |
| Electricity | | | | | | |
| 10,000 | 10,000 | Kot Addu Power Company Limited | 406,112 | 720,200 | 406,111 | 892,500 |
| | | | 21,478,215 | 17,140,968 | 18,244,307 | 13,497,707 |
| | | Less: Deficit on remeasurement (refer note 19 & 12.4) | (4,337,247) | - | (4,746,600) | |
| | | | <u>17,140,968</u> | <u>17,140,968</u> | <u>13,497,707</u> | <u>13,497,707</u> |

12.2.1 This represents an investment in shares of associated undertaking.



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12.3 Quoted shares

| Number of Shares | | Investee | 2017 | | 2016 | |
|------------------|------|----------|--------|--------------|--------|--------------|
| | | | Cost | Market Value | Cost | Market Value |
| 2017 | 2016 | | Rupees | Rupees | Rupees | Rupees |

(The face value of each share is Rs.10/-)

| | | | | | | |
|---|--------|---|---|---|-------------|-----------|
| | | Oil and Gas | | | | |
| - | 5,000 | Pakistan Petroleum Limited | - | - | 1,190,684 | 775,250 |
| | | Chemicals | | | | |
| - | 10,000 | Engro Polymer & Chemicals | - | - | 169,097 | 85,000 |
| - | 7,500 | Engro Fertilizers Limited | - | - | 657,738 | 483,600 |
| | | Commercial Banks | | | | |
| - | 20,000 | Allied Bank Limited | - | - | 2,223,121 | 1,799,199 |
| - | 20,000 | National Bank of Pakistan (refer note 12.3.1) | - | - | 1,304,540 | 1,156,200 |
| - | 3,000 | Habib Bank Limited | - | - | 700,162 | 592,680 |
| | | Personal Goods | | | | |
| - | 10,000 | Treet Corporation | - | - | 758,849 | 494,300 |
| | | Insurance | | | | |
| - | 15,000 | Pakistan Reinsurance | - | - | 568,912 | 453,900 |
| | | Automobile Assembler | | | | |
| - | 1,900 | Hinopak Motors Limited | - | - | 2,393,614 | 1,822,157 |
| | | Transport | | | | |
| - | 10,000 | Pakistan Int. Bulk Terminal | - | - | 400,110 | 320,700 |
| | | | - | - | 10,366,827 | 7,982,986 |
| | | Less: Deficit on remeasurement (refer note 12.4) | - | - | (2,383,841) | - |
| | | | - | - | 7,982,986 | 7,982,986 |

12.3.1 This represents an investment in shares of an associated undertaking.

12.3.2 During the year the Investment bank has reclassified its shares amounting to Rs. 5.381 million being the carrying amount as at 29 September, 2016 from held for trading investments to available for sale investments.



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| | Note | 2017 Rupees | 2016 Rupees |
|--|---|------------------------|------------------------|
| 12.4 DEFICIT ON REMEASUREMENT OF INVESTMENTS | | | |
| Held for trading | | | |
| Opening balance | | 2,383,841 | 741,131 |
| Charged for the year | | - | 1,642,710 |
| Reversal for the year | | (1,096,958) | - |
| | | (1,096,958) | 1,642,710 |
| Transfer of held for trading investments to available for sale investments | | (1,286,883) | - |
| Balance at the end of the year | 12.3 | - | 2,383,841 |
| Available-for-sale | | | |
| Balance at the beginning of the year | | 4,746,600 | 4,434,199 |
| Charged for the year | | 7,406,288 | 312,401 |
| Reversal for the year | | (7,815,641) | - |
| | | (409,353) | 312,401 |
| Balance at the end of the year | 12.2 | 4,337,247 | 4,746,600 |
| 13 SHORT-TERM PLACEMENTS | | | |
| Reverse repo agreement - secured | | - | 100,000,000 |
| Term deposit receipts (TDR) | 13.1 | 464,000,000 | 450,000,000 |
| | | 464,000,000 | 550,000,000 |
| 13.1 | This represents placements with financial institutions under term deposit receipts carrying markup rate of 7.2% to 10.75% per annum (2016: 7.2% to 10.75% per annum). | | |
| | | 2017 Rupees | 2016 Rupees |
| 14 MARKUP / INTEREST ACCRUED | | | |
| Accrued profit/markup/interest on: | | | |
| - Term finance certificates/sukuk | | 25,154,258 | 25,056,745 |
| - Term finances | | 41,082,902 | 40,480,859 |
| - Placements | | 17,887,949 | 6,016,110 |
| | | 84,125,109 | 71,553,714 |
| Less : provision for markup/interest on non-performing investment | | (24,331,966) | (24,331,966) |
| | | 59,793,143 | 47,221,748 |



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| | Note | 2017 Rupees | 2016 Rupees |
|---|---|--------------------|--------------------|
| 15 PREPAYMENTS AND OTHER RECEIVABLES | | | |
| Prepayments | | 1,194,377 | 720,443 |
| Other receivable | | | |
| - Dividend receivable | | - | 170,582 |
| | | <u>1,194,377</u> | <u>891,025</u> |
| 16 CASH AND BANK BALANCES | | | |
| Balance with banks | | | |
| - Deposit accounts | 16.1 | 218,993,509 | 16,121,589 |
| - Current account with SBP | | 280,442 | 132,240 |
| Cash in hand | | 32,050 | 21,680 |
| | | <u>219,306,001</u> | <u>16,275,509</u> |
| 16.1 | Effective markup rate in respect of deposit accounts ranges from 3.75 % to 8 % (2016: 5 % to 8 %) per annum. | | |
| | Note | 2017 Rupees | 2016 Rupees |
| 17 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL | | | |
| 28,500,000 (2016: 28,500,000) Ordinary shares of Rs. 10 each issued as fully paid in cash. | | 285,000,000 | 285,000,000 |
| 36,500,000 (2016: 36,500,000) Ordinary shares of Rs. 10 each issued as fully paid bonus shares. | | 365,000,000 | 365,000,000 |
| | | <u>650,000,000</u> | <u>650,000,000</u> |
| 18 RESERVES | | | |
| Capital | | | |
| Statutory reserve | 18.1 | 132,744,837 | 131,318,417 |
| Revenue | | | |
| Accumulated loss | | (58,797,060) | (64,362,577) |
| | | <u>73,947,777</u> | <u>66,955,840</u> |
| 18.1 Statutory reserve | | | |
| Opening balance | | 131,318,417 | 122,545,534 |
| Transferred from profit and loss account | 18.2 | 1,426,420 | 8,772,883 |
| Closing balance | | <u>132,744,837</u> | <u>131,318,417</u> |
| 18.2 | Statutory reserve represents amount set aside at the rate of 20% of profit for the year after taxation as per the requirements of clause 16 of Non-Banking Finance Companies and Notified Entities Regulations, 2008. | | |



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| | Note | 2017 Rupees | 2016 Rupees |
|--|------|--------------------|---------------------|
| 19 DEFICIT ON REMEASUREMENT OF INVESTMENTS - NET | | | |
| Available for sale | | | |
| Term finance certificates | 6.4 | - | - |
| Shares-long term | 6.3 | (3,683,448) | (5,777,849) |
| Shares-short term | 12.2 | (4,337,247) | (4,746,600) |
| | | <u>(8,020,695)</u> | <u>(10,524,449)</u> |
| 20 DEFERRED LIABILITY - STAFF GRATIUTY | | | |
| 20.1 Actuarial Assumptions | | | |
| As disclosed in note 3.11.1, the Investment Bank operates a funded gratuity scheme for its staff employees. The latest actuarial valuation was carried out as at June 30, 2017, using the Projected Unit Credit Actuarial Cost Method. | | | |
| | Note | 2017 Rupees | 2016 Rupees |
| 20.2 Defined benefit liability recognized in balance sheet | | | |
| Present value of defined benefit obligation | 20.3 | 5,026,310 | 10,640,382 |
| Fair value of plan assets | 20.4 | (6,182,293) | (5,922,616) |
| Benefits due but not paid | | 6,963,418 | - |
| Defined benefit liability recognized | | <u>5,807,435</u> | <u>4,717,766</u> |
| 20.3 Changes in the present value of the defined benefit obligation | | | |
| Opening defined benefit obligation | | 10,640,382 | 9,966,985 |
| Current service cost | | 799,825 | 854,774 |
| Interest cost | | 519,004 | 926,278 |
| Benefits due but not paid | | (6,963,418) | - |
| Benefits paid | | - | (933,395) |
| Re-measurements chargeable in other comprehensive income | | 30,517 | (174,260) |
| | | <u>5,026,310</u> | <u>10,640,382</u> |
| 20.4 Changes in the fair value of plan assets | | | |
| Opening fair value of plan assets | | 5,922,616 | 6,041,285 |
| Interest income on plan assets | | 429,390 | 543,522 |
| Benefits paid | | - | (933,395) |
| Return on plan assets, excluding interest income | | (169,713) | 271,204 |
| | | <u>6,182,293</u> | <u>5,922,616</u> |



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| | 2017 Rupees | 2016 Rupees | | | |
|--|--------------------|--------------------|------------------|------------------|--------------------|
| 20.5 Movement in net liability | | | | | |
| Opening liability | 4,717,766 | 3,925,700 | | | |
| Expense recognized in profit and loss | 889,439 | 1,237,530 | | | |
| Re-measurements recognized in other comprehensive income | 200,230 | (445,464) | | | |
| Closing liability | <u>5,807,435</u> | <u>4,717,766</u> | | | |
| 20.6 Expense recognized in profit and loss | | | | | |
| Current service cost | 799,825 | 854,774 | | | |
| Interest cost | 519,004 | 926,278 | | | |
| Expected return on plan assets | (429,390) | (543,522) | | | |
| | <u>889,439</u> | <u>1,237,530</u> | | | |
| 20.7 Re-measurements recognized in other comprehensive income | | | | | |
| Experience adjustments | 30,517 | (174,260) | | | |
| Return on plan assets - excluding interest income | 169,713 | (271,204) | | | |
| | <u>200,230</u> | <u>(445,464)</u> | | | |
| 20.8 The present value of defined benefit obligation, fair value of plan assets and surplus or deficit on gratuity fund for the five years is as follows: | | | | | |
| | 2017 | 2016 | 2015 | 2014 | 2013 |
| | -----Rupees----- | | | | |
| Present value of defined obligation | 5,026,310 | 10,640,382 | 9,966,985 | 10,222,305 | 11,966,231 |
| Fair value of plan assets | (6,182,293) | (5,922,616) | (6,041,285) | (7,053,851) | (14,094,280) |
| Deficit/(surplus) | <u>(1,155,983)</u> | <u>4,717,766</u> | <u>3,925,700</u> | <u>3,168,454</u> | <u>(2,128,049)</u> |
| Breakup of Investments - at fair value | 2017 Rupees | 2016 Rupees | | | |
| Investment in National Savings (including accrued interest) | 7,232,566 | 6,792,692 | | | |
| Investment in KAPCO Shares - 500 Shares @ Rs. 72.07 each (2016: 89.25 each) | 36,035 | 44,625 | | | |
| Cash at bank | 644,323 | 124,253 | | | |
| Less: assets for Defined Contribution Scheme | <u>(1,730,631)</u> | <u>(1,038,954)</u> | | | |
| | <u>6,182,293</u> | <u>5,922,616</u> | | | |



Significant Actuarial Assumption

| | | |
|--|-------|-------|
| Discount rate used for interest cost in profit and loss charge | 7.25% | 9.75% |
| Discount rate used for year end obligation | 8.00% | 7.25% |

Maturity profile of Present value of defined benefit obligation

| | | |
|---|------|------|
| Weighted average duration of the Present value of defined benefit obligation (in years) | 9.00 | 8.00 |
|---|------|------|

Plan Assets Comprise

| | | |
|-----------------------|----------------|----------------|
| Bond | 91.40% | 114.69% |
| Equity | 0.46% | 0.75% |
| Cash and /or deposits | 8.14% | 2.10% |
| Others | 0.00% | -17.54% |
| | <u>100.00%</u> | <u>100.00%</u> |

Sensitivity Analysis on significant actuarial assumptions:

| | | |
|--|-----------|------------|
| Discount Rate +100 bps | 4,566,135 | 9,847,686 |
| Discount Rate - 100 bps | 5,491,567 | 11,527,133 |
| Expected rate of salary increase + 100 bps | 5,486,698 | 11,518,468 |
| Expected rate of salary increase - 100 bps | 4,562,383 | 9,840,630 |

These figures are based on the latest actuarial valuation as at June 30, 2017. The valuation uses the Projected Unit Credit Actuarial Cost Method.

The Investment Bank recognizes expense in accordance with IAS 19 "Employee Benefits".

The expected gratuity expense for the year ending June 30, 2018 works out to be Rs. 0.357 million.

| | Note | 2017 Rupees | 2016 Rupees |
|---|------|--------------------|--------------------|
| 21 LONG-TERM LOAN | | | |
| <i>From Banking Companies - Secured</i> | | | |
| National Bank of Pakistan (NBP) - an associated undertaking | 21.1 | 187,500,000 | 190,000,000 |
| Current portion of long term loans | | 62,500,000 | - |
| | | <u>250,000,000</u> | <u>190,000,000</u> |

- 21.1** The Investment Bank has obtained a five year term loan in FY-2016 from NBP, an associated company, with a grace period of one year. The loan is repayable in 16 equal quarterly installments commencing from July 2017 and carried markup @ 3 months KIBOR plus 0.75% per annum (2016: 0.75%), maturing in June 2021. The loan is secured by first pari passu hypothecation charge over all present and future assets of the Company.



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| | Note | 2017 Rupees | 2016 Rupees |
|--|---|--------------------|--------------------|
| 22 SECURTY DEPOSIT AGAINST FINANCE LEASE | | | |
| | 22.1 | <u>333,400</u> | <u>-</u> |
| 22.1 | These represent deposit against finance lease and are adjustable against the residual value of the asset leased at the expiry of respective lease term. | | |
| | | | |
| | Note | 2017 Rupees | 2016 Rupees |
| 23 SHORT-TERM REPO BORROWING | | | |
| Short term Repo Borrowing | 23.1 | <u>-</u> | <u>100,000,000</u> |
| 23.1 | This represent short term repo borrowing obtained against Pakistan Investment Bonds (PIBs) from J.S. Bank Limited. | | |
| | | | |
| | Note | 2017 Rupees | 2016 Rupees |
| 24 SHORT-TERM RUNNING FINANCE FACILITY | | | |
| MCB Bank Ltd. | | 97,899,065 | - |
| Allied Bank Ltd | | 67,702,504 | - |
| | 24.1 | <u>165,601,569</u> | <u>-</u> |
| 24.1 | This represents short term running finance obtained against TDR from MCB Bank Limited and Allied Bank Limited carrying markup rate of 3 month KIBOR plus 0.85% (2016: Nil) per annum. | | |
| | | | |
| | Note | 2017 Rupees | 2016 Rupees |
| 25 MARKUP / INTEREST ACCRUED | | | |
| Mark-up accrued on: | | | |
| <i>Secured</i> | | | |
| Loans and borrowings including running finance facility | 25.1 | 6,704,533 | 173,902 |
| <i>Unsecured</i> | | | |
| Certificates of deposits | | 1,560,137 | 1,560,137 |
| Others | | 17,535 | - |
| | | <u>8,282,205</u> | <u>1,734,039</u> |
| 25.1 | This amount includes markup due to National Bank of Pakistan, an associated undertaking. | | |



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| | Note | 2017 Rupees | 2016 Rupees |
|--|------|-------------------|-------------------|
| 26 ACCRUED AND OTHER PAYABLES | | | |
| Accrued expenses | | 6,210,203 | 6,481,872 |
| Other liabilities | | 3,146,305 | 2,882,990 |
| | | <u>9,356,508</u> | <u>9,364,862</u> |
| 27 CONTINGENCIES AND COMMITMENTS | | | |
| Contingencies | | | |
| There are no material contingencies as at the reporting date (2016: Nil) | | | |
| Commitments | | | |
| Standby letter of credit | 27.1 | <u>29,009,063</u> | <u>60,403,750</u> |
| 27.1 This represents the Investment Bank's share in standby letter of credit under agreement of participation dated December 13, 2010 with Allied Bank Limited. Under the said agreement, the Investment Bank irrevocably agrees and undertakes with Allied Bank Limited to take undivided share of 2.5% in standby letter of credit up to November 17, 2017. | | | |
| | Note | 2017 Rupees | 2016 Rupees |
| 28 INCOME FROM TERM FINANCES AND FUNDS PLACEMENTS | | | |
| Income from long-term finances | | 4,323,420 | 30,244,365 |
| Return on fund placements with financial institutions | 28.1 | 62,563,520 | 20,319,830 |
| | | <u>66,886,940</u> | <u>50,564,195</u> |
| 28.1 Return on fund placements with financial institutions | | | |
| - bank balance | | 12,443,695 | 626,342 |
| - term deposit receipts | | 45,781,524 | 11,778,489 |
| - reverse repo placements | | 4,152,348 | 3,679,452 |
| - clean placement | | 185,953 | 4,235,547 |
| | | <u>62,563,520</u> | <u>20,319,830</u> |
| 29 INCOME FROM INVESTMENTS | | | |
| Return on government securities | | - | 62,942 |
| Return on term finance certificates / sukuk | | 9,131,257 | 30,423,687 |
| Dividend income on available-for-sale investments | 29.1 | 872,732 | 1,337,964 |
| Capital gain on securities | | 1,063,829 | 15,293,531 |
| | | <u>11,067,818</u> | <u>47,118,124</u> |



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| | Note | 2017 Rupees | 2016 Rupees |
|---|------|-------------------|------------------|
| 29.1 Scrip wise details of dividend is as follows: | | | |
| National Bank Of Pakistan | | 375,000 | 525,000 |
| Habib Bank Limited | | 162,232 | 198,632 |
| Hinopak Motors Limited | | - | 170,582 |
| Allied Bank Limited | | 127,500 | 140,000 |
| Kot Addu Power Company Limited | | 90,500 | 112,500 |
| Engro Fertilizer Limited | | 52,500 | 45,000 |
| Lucky Cement Limited | | - | 45,000 |
| Pakistan Reinsurance Company Limited | | - | 37,500 |
| Pakistan Petroleum Limited | | 32,500 | 31,250 |
| Pakistan State Oil | | - | 22,500 |
| Treet Corporation Limited | | 10,000 | 10,000 |
| PICIC Growth Fund | | 22,500 | - |
| | | <u>872,732</u> | <u>1,337,964</u> |
| 30 FEES AND COMMISSION INCOME | | | |
| Guarantee commission | | 416,596 | 416,407 |
| Participation fee | | 156,000 | 625,000 |
| | | <u>572,596</u> | <u>1,041,407</u> |
| 31 OTHER INCOME | | | |
| Documentation charges | | - | 25,600 |
| Interest income on loan to employees | | 178,007 | 209,596 |
| Gain / loss on disposal of fixed asset | | 1,240,000 | 59,500 |
| | | <u>1,418,007</u> | <u>294,696</u> |
| 32 FINANCE COSTS | | | |
| Markup/Interest on: | | | |
| - Long-term loans | | 16,146,987 | 110,096 |
| - Short-term repo borrowings | | 2,754,003 | 2,681,797 |
| - Short-term running finance facility | | 6,718,342 | - |
| - Certificate of deposits | | - | 276,234 |
| - Other charges | | 231,441 | 84,860 |
| | | <u>25,850,773</u> | <u>3,152,987</u> |



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| | Note | 2017 Rupees | 2016 Rupees |
|--|--------------|-------------------|-------------------|
| 33 ADMINISTRATIVE AND OPERATING EXPENSES | | | |
| Salaries and allowances | 33.1 to 33.3 | 25,824,937 | 24,299,924 |
| Travelling, conveyance and meeting charges | | 4,211,949 | 3,310,333 |
| Printing and stationery | | 521,613 | 436,458 |
| Rent, rates and taxes | | 3,472,332 | 3,058,385 |
| Legal and professional | | 1,846,665 | 1,009,571 |
| Repairs and maintenance | | 712,037 | 371,686 |
| Auditors' remuneration | 33.4 | 862,500 | 750,000 |
| Newspaper and periodicals | | 20,544 | 17,439 |
| Postage and courier services | | 99,407 | 62,623 |
| Telephone, telex and fax | | 475,159 | 466,607 |
| Electricity, gas and water charges | | 886,613 | 976,029 |
| Advertisement and business promotion | | 684,960 | 540,487 |
| Fees and subscription | | 1,975,224 | 1,755,907 |
| Security guards | | 382,800 | 350,790 |
| Insurance | | 797,420 | 492,093 |
| Brokerage and commission | | 91,934 | 107,953 |
| Motor vehicle running expenses | | 1,196,043 | 1,273,622 |
| Office supplies | | 223,645 | 221,173 |
| IT support | | 429,898 | 242,256 |
| Training | | 83,722 | 250,000 |
| Depreciation | 4 | 1,642,646 | 3,106,016 |
| Amortization | 5 | 109,507 | 114,947 |
| | | 46,551,555 | 43,214,299 |
| 33.1 It includes charge for gratuity and provident fund as follows: | | | |
| - Gratuity | | 889,439 | 1,237,530 |
| - Provident fund | | 547,601 | 595,664 |
| | | 1,437,040 | 1,833,194 |
| | | Unaudited | Audited |
| | | Rupees | |
| 33.2 Disclosures relating to provident fund | | | |
| (i) Size of the fund - net assets | | 16,632,409 | 14,564,955 |
| (ii) Cost of Investment made | | 16,870,887 | 14,810,128 |
| (iii) Percentage of Investment made | | 101.4% | 101.7% |
| Breakup of Investment -at fair value | | | |
| Investment in National Savings | | 9,591,940 | 8,823,058 |
| Deposit with NBP NIDA Account | | 7,278,947 | 5,987,070 |
| | | 16,870,887 | 14,810,128 |
| Percentage of Investment | | | |
| Investment in National Savings | | 56.9% | 59.6% |
| Deposit Account | | 43.1% | 40.4% |
| | | 100% | 100% |



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33.2.1 These investments are made meeting the requirement of section 227 of the repealed Companies Ordinance 1984 and Employee's Provident Fund Rules, 1996.

33.3 The aggregate amounts incurred during the year for remuneration including all benefits to Chief Executive Officer, directors and executives of the Investment Bank are:

| 2017 | | | | |
|-------------------------|-------------------------------------|------------------|------------------|-------------------|
| | President & Chief Executive Officer | Executive | Directors | Total |
| |Rupees..... | | | |
| Director's meeting fee | - | - | 2,250,000 | 2,250,000 |
| Managerial remuneration | 6,737,338 | 8,064,984 | - | 14,802,322 |
| Annual allowance | 281,685 | 549,132 | - | 830,817 |
| Retirement benefits | 508,331 | 684,736 | - | 1,193,067 |
| Others | 581,685 | - | - | 581,685 |
| Total | <u>8,109,039</u> | <u>9,298,852</u> | <u>2,250,000</u> | <u>19,657,891</u> |

| 2016 | | | | |
|-------------------------|-------------------------------------|------------------|------------------|-------------------|
| | President & Chief Executive Officer | Executive | Directors | Total |
| |Rupees..... | | | |
| Director's meeting fee | - | - | 1,968,750 | 1,968,750 |
| Managerial remuneration | 6,004,046 | 6,870,467 | - | 12,874,513 |
| Annual allowance | 262,500 | 845,656 | - | 1,108,156 |
| Retirement benefits | 485,981 | 682,835 | - | 1,168,816 |
| Others | 262,500 | - | - | 262,500 |
| Total | <u>7,015,027</u> | <u>8,398,958</u> | <u>1,968,750</u> | <u>17,382,735</u> |

33.3.1 In addition, the chief executive officer and executives are provided with free use of Investment Bank provided cars in accordance with the terms of their employment.

33.3.2 The total number of employees as at June 30, 2017 are 15 (2016: 17) and the average number of employees during the year are 18 (2016: 19).



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| | 2017 Rupees | 2016 Rupees |
|---|-------------------|-------------------|
| 33.4 Auditors' remuneration | | |
| Statutory audit | 510,000 | 475,000 |
| Half yearly review | 200,000 | 135,000 |
| Other services | 40,000 | 40,000 |
| Out of pocket expenses and tax | 112,500 | 100,000 |
| | <u>862,500</u> | <u>750,000</u> |
| 34 TAXATION | | |
| Current | 2,539,761 | 8,458,768 |
| Prior | (211,426) | (1,419,680) |
| Deferred | 2,259,615 | 14,299,517 |
| | <u>4,587,950</u> | <u>21,338,605</u> |
| 34.1 Relationship between tax expense and accounting profit | | |
| Profit before tax | <u>11,720,048</u> | 65,203,019 |
| Tax at applicable rate of 31% (2016: 32%) | <u>31%</u> | <u>32%</u> |
| Tax calculated at applicable tax rate | 3,633,215 | 20,864,966 |
| Impact of taxability at different rate | 431,430 | (3,897,231) |
| Tax effect other than temporary difference | 3,311,272 | 12,975,689 |
| Effect of change in tax rate | (2,421,541) | (7,185,139) |
| Prior year tax adjustment | (211,426) | (1,419,680) |
| Tax charge for the year | <u>4,742,950</u> | <u>21,338,605</u> |
| 34.2 The income tax assessment of the Investment Bank has been finalized up to the tax year 2016 under self assessment scheme. | | |
| | 2017 Rupees | 2016 Rupees |
| 35 EARNINGS PER SHARE - Basic & Diluted | | |
| Profit after income tax (Rupees) | <u>7,132,098</u> | 43,864,414 |
| | Number of shares | |
| Weighted average number of shares outstanding during the year (in numbers) | <u>65,000,000</u> | 65,000,000 |
| Earnings per share (EPS) - Basic & Diluted-Rupee | <u>0.11</u> | <u>0.67</u> |



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| | Note | 2017 Rupees | 2016 Rupees |
|---|------|----------------------|--------------------|
| 36 CASH AND CASH EQUIVALENT | | | |
| Cash and bank balances | 16 | 219,306,001 | 16,275,509 |
| Short-term placements | 13 | 464,000,000 | 550,000,000 |
| Short-term repo borrowing | 23 | - | (100,000,000) |
| Short-term running finance facility | 24 | (165,601,569) | - |
| | | <u>517,704,432</u> | <u>466,275,509</u> |
| 37 FINANCIAL INSTRUMENTS | | | |
| Financial assets as per balance sheet | | | |
| Investments | | 176,165,927 | 247,190,862 |
| Loans and finances | | 147,725,594 | 65,680,691 |
| Net investment in finance lease | | 1,571,958 | - |
| Long-term deposits | | 57,500 | 57,500 |
| Short-term placements | | 464,000,000 | 550,000,000 |
| Markup/interest accrued | | 59,793,143 | 47,221,748 |
| Other receivables | | - | 170,582 |
| Cash and bank balances | | 219,306,001 | 16,275,509 |
| | | <u>1,068,620,123</u> | <u>926,596,892</u> |
| Financial liabilities as per balance sheet | | | |
| Security deposit against finance lease | | 333,400 | - |
| Deferred liability - Staff gratuity | | 5,807,435 | 4,717,766 |
| Long-term loan | | 250,000,000 | 190,000,000 |
| Short-term repo borrowing | | - | 100,000,000 |
| Short-term running finance | | 165,601,569 | - |
| Markup / interest accrued | | 8,282,205 | 1,734,039 |
| Accrued and other payables | | 7,796,853 | 8,034,188 |
| | | <u>437,821,462</u> | <u>304,485,993</u> |

38 FINANCIAL RISK MANAGEMENT

The Investment Bank's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Investment Bank's financial performance..

The Investment Bank's activities expose it to a variety of financial risks, market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk. Risk of the Investment Bank are being managed by the Investment Bank's management in accordance with the approved policies of the Investment Bank whereas the board of directors has the overall responsibility for the establishment and oversight of the Investment Bank's risk management framework. The Investment Bank's overall risk management programme focuses on having cost efficient funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders.

Risk management is carried out by the Investment Bank's Finance Department under policies approved by the Board.

38.1 Market risk

Market risk is the risk that the fair value or the future cash flows of financial instrument may fluctuate as a result of changes in market prices. The Investment Bank is exposed to market risk as a result of mismatches or gaps in the amounts of financial assets and financial liabilities that mature or re-price in a given period. The Investment Bank manages this risk by matching the re-pricing of financial assets and liabilities through risk management strategies.

Market risk mainly comprises of currency risk, interest rate risk and price risk.



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38.1.1 Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Investment Bank, at present is not exposed to currency risk as all transactions are carried out in Pak Rupees.

38.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market interest rates. An entity is exposed to interest rate risk / market rate risk as a result of mismatches or gaps in the amounts of financial assets and financial liabilities that mature or re-price in a given period. The Investment Bank manages this risk by matching the re-pricing of financial assets and liabilities through risk management strategies.

Financial assets and liabilities include balances of Rs. 986.75 million (2016: Rs. 779.07 million) and Rs. 421.41 million (2016: Rs. 294.72 million) respectively, which are subject to interest / markup rate risk. Applicable interest / mark-up rates for financial assets and liabilities have been indicated in respective notes.

The Investment Bank's exposure to yield / market rate risk and the effective rates on its financial assets and liabilities are summarized as follows:

| Exposed to yield / market rate risk | | | | | | |
|--|------------------|--------------------|--------------------|---|----------------------|---|
| | Effective rate % | Total | Within one year | More than one year and less than five years | More than five years | Not exposed to yield / market rate risk |
| Rupees | | | | | | |
| As at June 30, 2017 | | | | | | |
| Financial Assets | | | | | | |
| Investments | 7.97% | 176,165,927 | 88,078,805 | 68,772,500 | - | 19,314,622 |
| Loans and finances | 6.05% | 147,725,594 | 25,161,133 | 104,080,299 | 16,094,878 | 2,389,284 |
| Net investment in finance lease | 9.09% | 1,571,958 | 421,941 | 1,150,017 | - | - |
| Long-term deposits | 57,500 | - | - | - | - | 57,500 |
| Short-term placements | 9% | 464,000,000 | 464,000,000 | - | - | - |
| Markup / interest accrued | | 59,793,143 | - | - | - | 59,793,143 |
| Cash and bank balance | 7% | 219,306,001 | 218,993,509 | - | - | 312,492 |
| | | 1,068,620,123 | 796,655,388 | 174,002,816 | 16,094,878 | 81,867,041 |
| Financial Liabilities | | | | | | |
| Security deposit against finance lease | | 333,400 | - | - | - | 333,400 |
| Deferred liability - Staff gratuity | 8.00% | 5,807,435 | - | 5,807,435 | - | - |
| Long-term loans | 6.88% | 250,000,000 | 62,500,000 | 187,500,000 | - | - |
| Short-term running finance facility | 6.96% | 165,601,569 | 165,601,569 | - | - | - |
| Markup / interest accrued | | 8,282,205 | - | - | - | 8,282,205 |
| Accrued and other payables | | 7,796,853 | - | - | - | 7,796,853 |
| | | 437,821,462 | 228,101,569 | 193,307,435 | - | 16,412,458 |
| On-balance sheet gap | | 630,798,661 | 568,553,819 | (19,304,619) | 16,094,878 | 65,454,583 |



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| Exposed to yield / market rate risk | | | | | | |
|-------------------------------------|------------------------|-------------|--------------------|--|-------------------------|--|
| | Effective rate % | Total | Within one year | More than one year and less than five years | More than five years | Not exposed to yield / market rate risk |
| Rupees | | | | | | |
| As at June 30, 2016 | | | | | | |
| Financial Assets | | | | | | |
| Investments | 8.57% | 247,190,862 | 139,857,048 | 2,144,408 | 7,500,000 | 97,689,406 |
| Long term loans and finances | 5.37% | 65,680,691 | 22,130,585 | 35,143,369 | 6,178,879 | 2,227,858 |
| Long-term security deposits | | 57,500 | - | - | - | 57,500 |
| Placements | 7% | 550,000,000 | 550,000,000 | - | - | - |
| Markup / interest accrued | | 47,221,748 | - | - | - | 47,221,748 |
| Advances and other receivables | | 170,582 | - | - | - | 170,582 |
| Cash and bank balance | 6% | 16,275,509 | 16,121,589 | - | - | 153,920 |
| | | 926,596,892 | 728,109,222 | 37,287,777 | 13,678,879 | 147,521,014 |
| Financial Liabilities | | | | | | |
| Deferred liability - Staff gratuity | 7.25% | 4,717,766 | - | 4,717,766 | - | - |
| Term Loans | 6.88% | 190,000,000 | - | 190,000,000 | - | - |
| Short-term repo borrowing | 6.21% | 100,000,000 | 100,000,000 | - | - | - |
| Interest and markup accrued | | 1,734,039 | - | - | - | 1,734,039 |
| Other liabilities | | 8,034,188 | - | - | - | 8,034,188 |
| | | 304,485,993 | 100,000,000 | 194,717,766 | - | 9,768,227 |
| On-balance sheet gap | | 622,110,899 | 628,109,222 | (157,429,989) | 13,678,879 | 137,752,787 |

38.1.3 Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate as a result of changes in the market prices (other than those arising from interest/ mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. Presently, daily stock market fluctuation is controlled by government authorities with cap and floor of 5%. The restriction of floor prices reduces the volatility of prices of equity and debt securities and the chances of market crash at any moment. The Investment Bank manages the price risk through diversification and placing limits on individual and total equity and debt instruments in accordance with NBFC's regulation and internal investment policy. Reports on the equity and debt portfolio are submitted to the Investment Bank's senior management on regular basis. The Investment Bank's board of directors reviews and approves all equity and debt investment decisions. The Investment Bank is exposed to price risk since it has investments in quoted equity and debt securities amounting to Rs. 86.7 million (2016: 85.8 million).



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The carrying value of investments subject to equity price risk is based on quoted market prices as of the reporting date. Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

Sensitivity analysis

For the purpose of price risk sensitivity analysis it is observed that the benchmark KSE 100 Index has increased by 23.46% during the financial year.

The table below summarizes Investment Bank's equity price risk as of June 30, 2017 and 2016 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end reporting dates. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse because of the nature of equity markets and the aforementioned concentrations existing in Investment Bank's equity and debt investment portfolio.

| | Fair value | Hypothetical price change | Estimated fair value after hypothetical change in prices | Hypothetical increase (decrease) in shareholders' equity | Hypothetical increase (decrease) in profit / (loss) after tax |
|---------------|------------|---------------------------|--|--|---|
| | | | | Rupees | |
| June 30, 2017 | 86,739,086 | 10% increase | 95,412,995 | 8,673,909 | 8,673,909 |
| | | 10% decrease | 78,065,177 | (8,673,909) | (8,673,909) |
| June 30, 2016 | 95,194,561 | 10% increase | 104,714,017 | 9,519,456 | 9,519,456 |
| | | 10% decrease | 85,675,105 | (9,519,456) | (9,519,456) |

38.2 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge its obligation and cause the other party to incur a financial loss. The Investment Bank attempts to control credit risk by monitoring credit exposures by undertaking transactions with a large number of counter parties in various industries and by continually assessing the credit worthiness of counter parties.

Concentration of credit risk arises when a number of counter parties are engaged in similar business activities or have similar economic features that would cause their ability to meet their contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of an entity's performance to developments affecting a particular industry.

The Investment Bank follows two sets of guidelines. It has its own operating policy and the management of the Investment Bank also adheres to the regulations issued by the SECP. The operating policy defines the extent of fund and non-fund based exposures with reference to a particular sector or group.

The Investment Bank seeks to manage its credit risk through diversification of financing activities to avoid undue concentrations of credit risk with individuals or groups of customers in specific locations or businesses. Its also obtains securities when appropriate. Details of the composition of finance portfolios of the Investment Bank are given below:



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| | 2017 | | 2016 | |
|----------------------------------|--------------------|-------------|--------------------|-------------|
| | Rupees | % | Rupees | % |
| Investment and Finances * | | | | |
| Cement | 64,349,617 | 20.5% | 50,840,000 | 24.10% |
| Chemical | 9,913,838 | 3.2% | 9,655,575 | 4.60% |
| Oil and Gas | 740,700 | 0.2% | 50,775,250 | 24.00% |
| Cable and electrical goods | 20,000,000 | 6.4% | 892,500 | 0.40% |
| Textile | 19,775,349 | 6.3% | 20,547,274 | 9.70% |
| Financial institutions | 41,934,348 | 13.3% | 60,970,888 | 28.80% |
| Construction | 6,560,000 | 2.1% | - | 0.00% |
| Personal Goods | - | 0.0% | 494,300 | 0.20% |
| Insurance | 930,000 | 0.3% | 453,900 | 0.20% |
| Automobile Assembler | - | 0.0% | 1,822,157 | 0.90% |
| Transport | - | 0.0% | 320,700 | 0.20% |
| Electricity | 2,292,158 | 0.7% | - | 0.00% |
| Sugar | 81,250,000 | 25.9% | - | 0.00% |
| Hotel Industries | 18,873,804 | 6.0% | 14,566,815 | 6.90% |
| Petroleum | 47,500,000 | 15.1% | - | 0.00% |
| | 314,119,814 | 100% | 211,339,359 | 100% |

* Investment and finances are net of provisions.

The credit quality of the Investment Bank's bank balances can be assessed with reference to external credit rating as follows:

| Banks | Rating Agency | Rating | |
|---------------------------|---------------|------------|-----------|
| | | Short term | Long term |
| National Bank of Pakistan | JCR-VIS | A-1+ | AAA |
| MCB Bank Limited | PACRA | A1+ | AAA |
| Allied Bank Limited | PACRA | A1+ | AA+ |
| Khushhali Bank Limited | JCR-VIS | A-1 | A+ |
| Tameer Microfinance Bank | JCR-VIS | A-1 | A+ |
| FINCA Microfinance Bank | JCR-VIS | A-1 | A |
| NRSP Microfinance Bank | JCR-VIS | A-1 | A |
| U Microfinance Bank Ltd | JCR-VIS | A-2 | A- |

38.3 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulty in raising funds to meet the commitments associated with financial instruments. To safeguard this risk, the Investment Bank has diversified sources of funds and assets are managed with liquidity in mind, maintaining a healthy balance of cash and cash equivalents and readily marketable securities. The maturity profile of assets and liabilities is monitored to ensure adequate liquidity is maintained. The Investment Bank has the ability to mitigate any short-term liquidity gaps by disposal of short-term investments and the availability of liquid funds at short notice.

The table below summarizes the maturity profile of the Investment Bank assets and liabilities. The contractual maturities of assets and liabilities at the year-end have been determined on the basis of the remaining period at the reporting date to the contractual maturity date and do not take account of the effective maturities as indicated by the Investment Bank's history and the availability of liquid funds. Assets and liabilities not having a contractual maturity are assumed to mature on the expected date on which the assets / liabilities will be realized / settled.



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| | Total | Within one year | More than one year and less than five years | More than five years |
|--|----------------------|--------------------|---|-------------------------|
| As at June 30, 2017 | -----Rupees----- | | | |
| Financial Assets | | | | |
| Investments | 176,165,927 | 105,219,773 | 70,946,154 | - |
| Loans and finances | 147,725,594 | 25,217,059 | 106,413,657 | 16,094,878 |
| Net investment in finance lease | 1,571,958 | 421,941 | 1,150,017 | - |
| Long-term deposits | 57,500 | - | 57,500 | - |
| Short-term placements | 464,000,000 | 464,000,000 | - | - |
| Markup / interest accrued | 59,793,143 | 59,793,143 | - | - |
| Cash and bank balance | 219,306,001 | 219,306,001 | - | - |
| | 1,068,620,123 | 873,957,917 | 178,567,328 | 16,094,878 |
| Financial Liabilities | | | | |
| Security deposit against finance lease | 333,400 | - | 333,400 | - |
| Deferred liability - Staff gratuity | 5,807,435 | - | 5,807,435 | - |
| Long-term loans | 250,000,000 | 62,500,000 | 187,500,000 | - |
| Short-term running finance facility | 165,601,569 | 165,601,569 | - | - |
| Markup / interest accrued | 8,282,205 | 8,282,205 | - | - |
| Accrued and other payables | 7,796,853 | 7,796,853 | - | - |
| | 437,821,462 | 244,180,627 | 193,640,835 | - |
| On-balance sheet gap | 630,798,661 | 629,777,290 | (15,073,507) | 16,094,878 |

| | Total | Within one year | More than one year and less than five years | More than five years |
|-------------------------------------|--------------------|--------------------|---|-------------------------|
| As at June 30, 2016 | -----Rupees----- | | | |
| Financial Assets | | | | |
| Investments | 247,190,862 | 161,337,741 | 78,353,121 | 7,500,000 |
| Loans and finances | 65,680,691 | 25,217,059 | 34,284,753 | 6,178,879 |
| Long-term security deposits | 57,500 | - | 57,500 | - |
| Short-term placements | 550,000,000 | 550,000,000 | - | - |
| Markup / interest accrued | 47,221,748 | 47,221,748 | - | - |
| Prepayments and other receivables | 170,582 | 170,582 | - | - |
| Cash and bank balance | 16,275,509 | 16,275,509 | - | - |
| | 926,596,892 | 800,222,639 | 112,695,374 | 13,678,879 |
| Financial Liabilities | | | | |
| Deferred liability - Staff gratuity | 4,717,766 | - | 4,717,766 | - |
| Long-term loans | 190,000,000 | - | 190,000,000 | - |
| Short-term repo borrowing | 100,000,000 | 100,000,000 | - | - |
| Markup / interest accrued | 1,734,039 | 1,734,039 | - | - |
| Accrued and other payables | 8,034,188 | 8,034,188 | - | - |
| | 304,485,993 | 109,768,227 | 194,717,766 | - |
| On-balance sheet gap | 622,110,899 | 690,454,412 | (82,022,392) | 13,678,879 |



39 CAPITAL RISK MANAGEMENT

The objective of managing capital is to safeguard the Investment Bank ability to continue as a going concern, so that it could continue to provide adequate returns to shareholders by pricing products and services commensurately with the level of risk. It is the policy of the Investment Bank to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The impact of the level of capital on shareholders' return is also recognized and the Investment Bank recognizes the need to maintain a balance between the higher returns that might be possible with greater gearing and the advantages and security afforded by a sound capital position. The capital structure of the Investment Bank consist of equity comprising issued share capital, statutory reserves and un-appropriated profits.

Minimum equity requirement as per Non Banking Finance Companies & Notified Entities Regulations 2008 for the companies undertaking business of deposit taking investment finance services as at June 30, 2017 is Rs. 750 million (2016: Rs. 750 million) and the Investment Bank is in non compliance of the said equity requirements . Further, the regulation 4 of the NBFCs Regulations prescribed the procedure for applying to the Commission for obtaining relaxation in case minimum equity requirement is not met.

Goals of managing capital

The goals of managing capital of the Investment Bank are as follows:

To be an appropriately capitalized institution, as defined by regulatory authorities and comparable to the peers;

Maintain strong ratings and to protect against unexpected events;

Availability of adequate capital at a reasonable cost so as to expand and achieve low overall cost of capital with appropriate mix of capital elements.

The NBFCs & NEs Regulations 2008 issued by SECP prescribed the minimum equity requirements for NBFCs licensed by the Commission to undertake different form of business.

40 FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of all financial instruments as at year end are based on the valuation methodology outlined below:

a) Finance and certificates of deposit

For all finances (including certificates of deposit) the fair values have been taken at carrying amounts as these are not considered materially different from their fair values based on the current yields / market rates and re-pricing profits of similar finance and deposit portfolios.

b) Investments

The fair values of quoted investments are based on quoted market prices. Unquoted investments, except where an active market exists, are carried at cost less accumulated impairment, if any, which approximates their fair value in the absence of an active market.



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The Investment Bank uses following fair value hierarchy that reflects significance of inputs used in making the measurements:

- Level 1 -** Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 -** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 -** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

| | | 2017 | | |
|---------------------|--|--------------------|-------------------|----------|
| | | Level 1 | Level 2 | Level 3 |
| | | ----- Rupees ----- | | |
| Listed securities | | 19,314,622 | 67,424,464 | - |
| Unlisted securities | | - | - | - |
| | | <u>19,314,622</u> | <u>67,424,464</u> | <u>-</u> |
| | | 2016 | | |
| | | Level 1 | Level 2 | Level 3 |
| | | ----- Rupees ----- | | |
| Listed securities | | 97,689,406 | 71,634,615 | - |
| Unlisted securities | | - | - | - |
| | | <u>97,689,406</u> | <u>71,634,615</u> | <u>-</u> |

c) Other financial instruments

The fair values of all other financial instruments are considered to approximate their carrying amounts.

41 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertakings, key management personnel and retirement benefit schemes. The Investment Bank in the normal course of business carries out transactions with various related parties. Amounts due from and to associated undertakings, executives and remuneration of directors and executives are disclosed in the relevant notes. Transactions with related parties are as follows:

| Associated Undertakings | Note | 2017 Rupees | 2016 Rupees |
|-----------------------------------|------|-------------------|------------------|
| National Bank of Pakistan | | | |
| Mark-up on repo transactions | 32 | <u>1,831,500</u> | <u>2,614,400</u> |
| Mark-up on long-term loan | 32 | <u>16,146,987</u> | <u>110,096</u> |
| Capital Gain on Listed Securities | | <u>305,680</u> | <u>-</u> |
| Dividend income | | <u>375,000</u> | <u>525,000</u> |
| Rent paid | | <u>3,318,220</u> | <u>2,903,372</u> |
| Taurus Securities Limited | | | |
| Brokerage Expense | | <u>-</u> | <u>2,670</u> |



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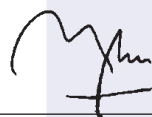
| | Note | 2017 Rupees | 2016 Rupees |
|---|------|--------------------|--------------------|
| Balance at year end | | | |
| National Bank of Pakistan | | | |
| Investment in shares at cost | 12.2 | <u>2,636,846</u> | <u>3,573,569</u> |
| Long-term loan | 21 | <u>250,000,000</u> | <u>190,000,000</u> |
| Key Management Personnel | | | |
| Salaries, benefits and other allowances | 33.3 | <u>16,826,206</u> | <u>13,982,669</u> |
| Retirement benefits | 33.3 | <u>1,193,067</u> | <u>1,168,816</u> |
| Return on long-term loans | | <u>65,440</u> | <u>91,744</u> |
| Balance at year end | | <u>3,105,959</u> | <u>3,715,228</u> |
| Staff Retirement Plans | | | |
| Contribution to staff retirement Plans | 33.1 | <u>547,601</u> | <u>595,664</u> |

42 GENERAL

Figures have been rounded off to the nearest rupees.

43 DATE OF AUTHORIZATION FOR ISSUE

These financial statements was authorized for issue on September 23, 2017 by the Board of Directors of the Investment Bank.



MUHAMMAD MOHSIN ALI
President & CEO



MUHAMMAD NAEEMUDDIN
Director



PATTERN OF SHAREHOLDING AS AT JUNE 30, 2017

| Number of Shareholders | Shareholding | | Total number of Shares held | Percentage % |
|------------------------|--------------|------------|-----------------------------|--------------|
| | From | To | | |
| 371 | 1 | 100 | 8,886 | 0.0137 |
| 517 | 101 | 500 | 251,102 | 0.3863 |
| 63 | 501 | 1,000 | 62,051 | 0.0955 |
| 51 | 1,001 | 5,000 | 126,898 | 0.1952 |
| 9 | 5001 | 10,000 | 69,000 | 0.1062 |
| 2 | 10,001 | 15,000 | 25,500 | 0.0392 |
| 1 | 20,001 | 25,000 | 23,236 | 0.0357 |
| 1 | 30,001 | 35,000 | 34,500 | 0.0531 |
| 1 | 50,001 | 55,000 | 50,500 | 0.0777 |
| 1 | 145,001 | 150,000 | 150,000 | 0.2308 |
| 1 | 4,800,001 | 4,805,000 | 4,801,703 | 7.3872 |
| 1 | 6,605,001 | 6,610,000 | 6,606,246 | 10.1635 |
| 1 | 12,790,001 | 12,795,000 | 12,790,378 | 19.6775 |
| 2 | 19,995,001 | 2,0000,000 | 40,000,000 | 61.5385 |
| 1022 | | | 65,000,000 | 100.0000 |

The Slabs representing nil holding have been omitted

| Categories of Shareholders | Number | Shares Held | Percentage |
|--|---------------|--------------------|-------------------|
| Directors / Chief Executive | 4 | 3,000 | 0.0047% |
| Associated companies, undertakings & related parties | 5 | 64,198,327 | 98.7666% |
| General Public | | | |
| Local | 1,006 | 792,170 | 1.5222% |
| Foreign | 3 | 2,502 | 0.0004% |
| Others | 4 | 4,001 | 0.0061% |
| Total | 1,022 | 65,000,000 | 100.0000% |



PATTERN OF SHAREHOLDING AS REQUIRED UNDER THE CODE OF CORPORATE GOVERNANCE AS AT JUNE 30, 2017

| Categories of Shareholders | Number of Shareholders | Shares Held | Percentage % |
|---|------------------------|-------------------|------------------|
| Associated Companies, Undertakings Related Parties Sponsors & Acquirers | | | |
| National Bank of Pakistan | 1 | 20,000,000 | 30.7692% |
| Water and Power Development Authority | 1 | 20,000,000 | 30.7692% |
| Sardar Mohammad Ashraf D. Baluch & Co. (Pvt.) Ltd. | 1 | 12,790,378 | 19.6775% |
| Lilley International (Pvt.) Ltd. | 1 | 6,606,246 | 10.1635% |
| Sardar Mohammad Ashraf D. Baluch (Pvt.) Ltd. | 1 | 4,801,703 | 7.3872% |
| | <u>5</u> | <u>64,198,327</u> | <u>98.7666%</u> |
| Mutual Fund | | | |
| NIT and ICP | | | |
| Directors, Chief Executive and their spouses and minor children | | | |
| Mr. Muhammad Naeemuddin | 1 | 500 | 0.0008% |
| Mr. Muhammad Iqbal Hussain | 1 | 500 | 0.0008% |
| Mr. Muhammad Ameen | 1 | 500 | 0.0008% |
| Mr. Muhammad Mohsin Ali | 1 | 1,500 | 0.0023% |
| Executives | | | |
| Public Sector Companies & Corporation Banks, Development Finance Institutions Non-Banking Companies and Mutual Funds | | | |
| General Public | 1,009 | 794,672 | 1.2226% |
| Others | 4 | 4,001 | 0.0061% |
| Total | 1,022 | 65,000,000 | 100.0000% |
| Shareholders holding 5% or more voting interest | | | |
| National Bank of Pakistan | 1 | 20,000,000 | 30.7692% |
| Water & Power Development Authority (WAPDA) | 1 | 20,000,000 | 30.7692% |
| Sardar Mohammad Ashraf D. Baluch & Co. (Pvt.) Ltd. | 1 | 12,790,378 | 19.6775% |
| Lilley International (Pvt.) Limited | 1 | 6,606,246 | 10.1635% |
| Sardar Mohammad Ashraf D. Baluch (Pvt.) Ltd. | 1 | 4,801,703 | 7.3872% |



FORM OF PROXY

The Company Secretary
First Credit and Investment Bank Ltd.
2nd Floor, Sidco Avenue Centre,
Stratchen Road,
Karachi -74200
Pakistan.

I/We _____
(name)
of _____ being member(s)
(address)
of First Credit and Investment Bank Ltd. and holder of _____ Ordinary
(number of shares)
Shares as per Share Registered Folio No. _____ and/or CDC Participant I.D No. _____
and Sub Account No. _____ hereby appoint _____ of
(name)
_____ or failing him/her _____
(address) (name)
of _____ as my proxy to vote
(address)
for me and on my behalf at the Annual General meeting of the company to be held on Friday,
October 27, 2017 at 06:00 p.m. at PIIA (Pakistan Institute of International Affairs) Auditorium, Aiwan-e-Saddar
Road, Karachi.

Signed this _____ day of _____ 2017.

1. Witness:

Signature _____
Name _____
Address _____
CNIC or
Passport # _____

2. Witness:

Signature _____
Name _____
Address _____
CNIC or
Passport # _____

Signature

Signature on
Rs. 5/-
Revenue Stamp

(Signature should agree with the
specimen registered with
the Company)

IMPORTANT:

- In order to be effective, the proxy forms must be received at the office of our Registrar THK Associates (Pvt.) Limited, 40-C, First Floor, Block-6, PECHS, Karachi-75400 not later than 48 hours before the meeting duly signed and stamped and witnessed by two persons with their signatures, names, address and CNIC numbers given on the form.
- In the case of individuals attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- In the case of proxy by a corporate entity, Board of Directors Resolution / power of attorney and attested copy CNIC or passport of the proxy shall be submitted alongwith proxy form.
- Proxy shall authenticate his / her identity by showing his / her original national identity card or original passport and bring folio number at the time of attending the meeting.



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پراکسی فارم

کمپنی سیکرٹری

فرسٹ کریڈٹ اینڈ انویسٹمنٹ بینک لمیٹڈ

سیکنڈ فلور سید کوئینز اسٹریٹ جمن روڈ

کراچی 74200

میں اہم منشی / منسۃ _____ ساکن _____ بحیثیت ممبر فرسٹ کریڈٹ اینڈ انویسٹمنٹ بینک لمیٹڈ اور عامل عام حصص، رجسٹرڈ فلیو نمبر _____ کے تحت اور پاسی وی سی شراکتہ آرا آئی وی نمبر _____ اور ویلی اکاؤنٹ نمبر _____ یہاں محترم / محترمہ _____ ساکن _____ یا ان کی جگہ محترم / محترمہ _____ ساکن _____ کو بطور اپنا حق راہروٹ دینے کیلئے اپنا پراکسی مقرر کرتا کرتی ہوں جو میری جگہ کمپنی کے سالانہ اجلاس عام جو بروز جمعہ 27 اکتوبر 2017 بوقت شام 06:00 بجے PHA آڈیٹوریم ایم ایم صدر روڈ کراچی میں منعقد ہو رہا ہے شرکت کرے۔

روز _____ تاریخ _____ 2017 کو دخل کیا گیا۔

گواہ نمبر ۱۔

پانچ روپے کے ریونیو اسٹمپ پر
(یہ دخل کمپنی کے پاس رجسٹرڈ
نمونے سے مطابقت ہونا لازمی ہے۔)

دخل

نام _____
پتہ _____
پاسپورٹ / CNIC نمبر _____
دخل _____

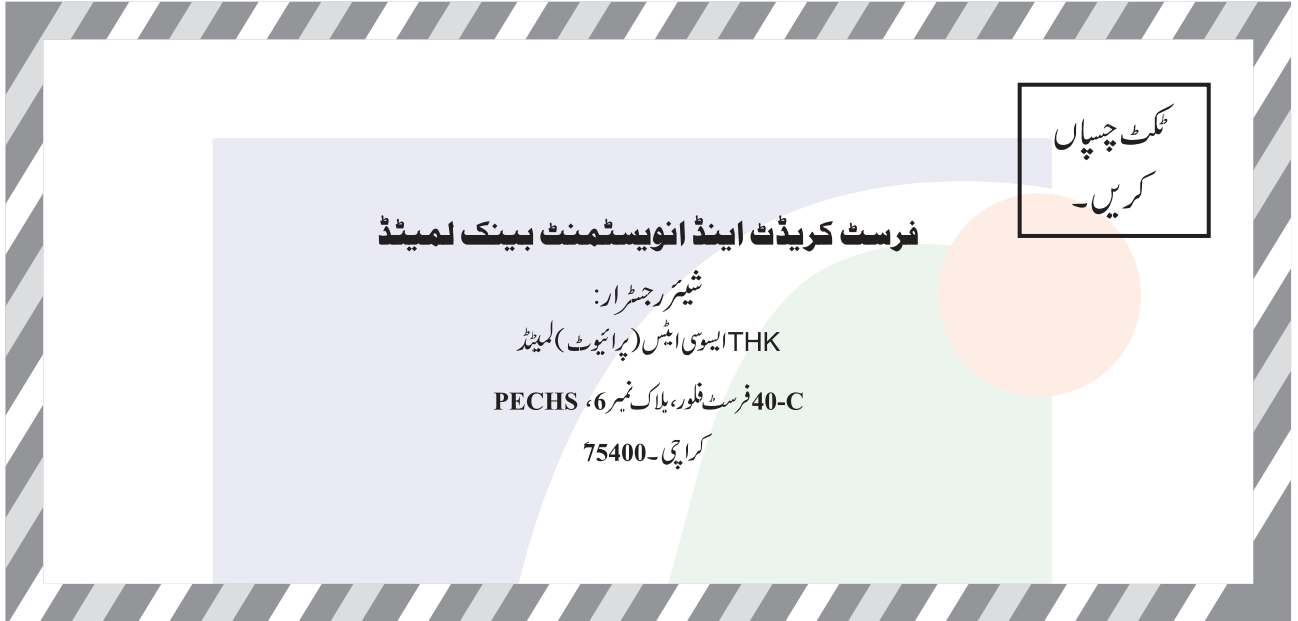
گواہ نمبر ۲۔

نام _____
پتہ _____
پاسپورٹ / CNIC نمبر _____
دخل _____

اہم نکات۔

باضابطہ موخر ہونے کیلئے دخل شدہ ممبر شدہ اور دو گواہوں کے دخل کے نام چے اور کمپیوٹر رائٹڈ شناختی کارڈ نمبر کے ساتھ یہ پراکسی فارم اجلاس کے وقت سے کم از کم 48 گھنٹے قبل ہمارے رجسٹرار ٹی ایچ کے ایسوسی ایٹ پرائیوٹ لمیٹڈ کے دفتر بمقام فرسٹ فلور C-40، ہاک 6 PECHS، کراچی میں جمع کرانا لازمی ہے۔
- انفرادی مالکان کی صورت میں تنظیم مالکان اور پراکسی کمپیوٹر رائٹڈ شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول پراکسی فارم کے ساتھ پیش کرنا ہوں گی۔
- کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد اور پاور آف اٹارنی سی این آئی سی یا پاسپورٹ کی تصدیق شدہ نقول پراکسی فارم کے ساتھ پیش کرنا ہوں گی۔
- پراکسی کو اجلاس کے وقت بطور شناخت اپنا اصل کمپیوٹر رائٹڈ شناختی کارڈ یا پاسپورٹ اور فلیو نمبر بھی ہمراہ لانا ہوگا۔





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کمپنی میں خیر ہولڈنگ 30 جون 2017 کو کمپنی میں خیر ہولڈنگ

| خیر کا فیصد % | خیر کی تعداد | خیر ہولڈنگ کی تعداد | خیر ہولڈنگ کی وجہ بندی |
|---------------|--------------|---------------------|-----------------------------------|
| | | | حفظ کمپنیز قمرہ اور |
| | | | حفظ فریجین اسپرڈسٹاکس |
| 30.7692% | 20,000,000 | 1 | بیس ویک آف پاکستان |
| 30.7692% | 20,000,000 | 1 | وار اینڈ پاور ڈیولپمنٹ اتھارٹی |
| 19.6775% | 12,790,378 | 1 | سرور محمد اشرف ڈی ہونڈ |
| | | | ایڈ کو. (پرائیویٹ) لمیٹڈ |
| 10.1635% | 6,606,246 | 1 | ٹی اے سی (پرائیویٹ) لمیٹڈ |
| 7.3872% | 4,801,703 | 1 | سرور محمد اشرف ڈی ہونڈ |
| | | | (پرائیویٹ) لمیٹڈ |
| 98.7666% | 64,198,327 | 5 | بیس قمار |
| | | | ایسٹ ایل اور آئی سی بی |
| | | | ڈائریکٹرز چیمبر انڈیا کیلئے آفیسر |
| | | | شوہر ای بی اور ٹی بی سی |
| 0.0008% | 500 | 1 | مسٹر محمد ضیاء الدین |
| 0.0008% | 500 | 1 | مسٹر محمد اقبال حسین |
| 0.0008% | 500 | 1 | مسٹر محمد امین |
| 0.0023% | 1,500 | 1 | مسٹر محمد حسن علی |
| | | | ایگزیکٹو |
| | | | پبلک سیکرٹریٹ اور کارپوریشن |
| | | | ویک ڈیولپمنٹ فنانس ادارے |
| | | | نان ویک فنانس کمپنیز |
| 1.2226% | 794,672 | 1,009 | جزل پبلک |
| 0.0061% | 4,001 | 4 | دکن |
| 100.000% | 65,000,000 | 1,022 | کل |

| | | | |
|----------|------------|---|--------------------------------|
| | | | خیر ہولڈنگ 5% اور ڈائمنڈ |
| 30.7692% | 20,000,000 | 1 | بیس ویک آف پاکستان |
| 30.7692% | 20,000,000 | 1 | وار اینڈ پاور ڈیولپمنٹ اتھارٹی |
| | | | سرور محمد اشرف ڈی ہونڈ |
| 19.6775% | 12,790,378 | 1 | ایڈ کو. (پرائیویٹ) لمیٹڈ |
| | | | ٹی اے سی (پرائیویٹ) لمیٹڈ |
| 10.1635% | 6,606,246 | 1 | سرور محمد اشرف ڈی ہونڈ |
| 7.3872% | 4,801,703 | 1 | (پرائیویٹ) لمیٹڈ |



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شیر ہولڈنگ پیٹرن بمطابق 30 جون 2017

| شیر ہولڈرز کی تعداد | سے | تک | شیر ہولڈنگ کل شیر کی ملکیت | فیصد % |
|------------------------|------------|------------|-------------------------------|-----------------|
| 371 | 1 | 100 | 8,886 | 0.0137 |
| 517 | 101 | 500 | 251,102 | 0.3863 |
| 63 | 501 | 1,000 | 62,051 | 0.0955 |
| 51 | 1,001 | 5,000 | 126,898 | 0.1952 |
| 9 | 5,001 | 10,000 | 69,000 | 0.1062 |
| 2 | 10,001 | 15,000 | 25,500 | 0.0392 |
| 1 | 20,001 | 25,000 | 23,236 | 0.0357 |
| 1 | 30,001 | 35,000 | 34,500 | 0.0531 |
| 1 | 50,001 | 55,000 | 50,500 | 0.0777 |
| 1 | 145,001 | 150,000 | 150,000 | 0.2308 |
| 1 | 4,800,001 | 4,805,000 | 4,801,703 | 7.3872 |
| 1 | 6,605,001 | 6,610,000 | 6,606,246 | 10.1635 |
| 1 | 12,790,001 | 12,795,000 | 12,790,378 | 19.6775 |
| 2 | 19,995,001 | 20,000,000 | 40,000,000 | 61.5385 |
| 1,022 | | | 65,000,000 | 100.0000 |

مندرجہ بالا سلیب میں صفر ہولڈنگ کو شامل نہیں کیا گیا ہے۔

| شیر ہولڈرز کی درجہ بندی | نمبر | شیر کی ملکیت | فیصد % |
|--|--------------|-------------------|------------------|
| ڈائریکٹرز / سی ای او | 4 | 3,000 | 0.0047% |
| متعلقہ کمپنیز مقررہ اور متعلقہ فریقین اسپانسرز اور ریکواریز | 5 | 64,198,327 | 98.7666% |
| جنرل پبلک | | | |
| لوکل | 1,006 | 792,170 | 1.2222 |
| غیر ملکی | 3 | 2,502 | 0.0004 |
| دیگر | 4 | 4,001 | 0.0061 |
| ٹوٹل | 1,022 | 65,000,000 | 100.0000% |



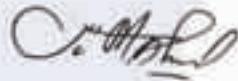
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سالانہ اجلاس عام کی اطلاع

بذریعہ ذیل اطلاع دی جاتی ہے کہ فرسٹ کریڈٹ اینڈ انویسٹمنٹ بینک لمیٹڈ کے شیئرز ہولڈرز کا 28 واں سالانہ اجلاس عام بروز جمعہ 27 اکتوبر 2017 شام 06:00 بجے بمقام PHA (پاکستان انشورینس آف انٹرنیشنل انشورنس) آؤٹریچ ایم اینیون صدر روڈ کراچی میں منعقد ہوگا جس میں مندرجہ ذیل امور انجام دیے جائیں گے:

- (1) غیر معمولی اجلاس عام منصفہ 10 جن 2017 کی کارروائی کی توثیق۔
- (2) 30 جن 2017 کو ختم شدہ سال کیلئے کمپنی کے اکاؤنٹ شدہ مالیاتی اسٹیٹمنٹس مع ان پراڈیگراؤنڈ انریکٹرز پر ہر ایک کی وصولی انورڈنٹس اور منظوری۔
- (3) 30 جن 2017 کو ختم ہونے والے سال کیلئے قانونی آؤٹریگراؤنڈ انریکٹرز اور ان کے مشاہدہ کا تھین کرنا۔ سبکدوش ہونے والے آؤٹریگراؤنڈ انریکٹرز کو رٹ تھورن انجم زمن چارٹرڈ اکاؤنٹنٹس کی جانب سے نوٹس دیا گیا ہے۔
- (4) صدر اجلاس کی اجازت سے دیگر امور انجام دینا۔

حسب اہم ہوا



محمد امین خان
کمپنی منیجر

کراچی

05 اکتوبر 2017

نوٹ۔

حصص کی سبکی کی توثیق۔

- (1) کمپنی کی حصص کی سبکی کی کتاب 17-10-2017 تا 27-10-2017 (شامل دونوں ایام) بند رہے گی۔ جو مشیقات 16 اکتوبر 2017 کو کاروبار کے اختتام تک ہمارے شیئرز رجسٹر THK سویٹس (پرائیویٹ) لمیٹڈ، فرسٹ فلوور، 40-C، بلاک 6، PECHS، کراچی 75400 کے دفتر میں باضابطہ طور پر موصول ہوگی انہیں اجلاس میں شرکت کرنے اور ووٹ دینے کی غرض سے شیئرز ہولڈرز کے حقوق کے متعلق کیلئے بروقت سمجھا جائے گا۔

سالانہ اجلاس عام میں شرکت۔

- (2) کمپنی کا ہر ممبر اس اجلاس میں شرکت اور ووٹ ڈالنے کا حق رکھتا ہے اور وہ اپنی جگہ اجلاس میں شرکت اور ووٹ دینے کیلئے اپنا یا کسی مقرر کردہ نمائندہ کی توثیق ہے۔ ہر ایک کی توثیق کی اطلاع کمپنی کو اجلاس سے کم از کم 48 گھنٹے قبل دینی ہوگی۔ سی۔ ڈی۔ سی اکاؤنٹس دیکھنے والوں کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان سے سرکلر نمبر 1 تاریخ 26 جنوری، 2000 میں دی گئی ہدایات پر عملدرآمد کرنا ہوگا۔

اے۔ اجلاس میں شرکت کیلئے۔

- (1) انفرادی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور یا وہ شخص جسکی سیکورٹیز گروپ اکاؤنٹس میں ہوں اور انکی رجسٹریشن کی تفصیلات قواعد و ضوابط کے تحت اپ لوڈ کی گئی ہوں، کو اپنے اصل پیمبرانز اور قومی شناختی کارڈ (سی۔ این۔ آئی۔ سی) یا اصل پاسپورٹ کے ذریعے اجلاس میں شرکت کے وقت اپنی شناخت کی توثیق کرنا ہوگی۔

- (II) کارپوریٹ ادارے کی صورت میں، انکارپوریٹڈ ہونے والے ہولڈر آف ڈائریکٹرز ان کی قرارداد کے مطابق نامزد شخص کے مخصوص دستخط (اگر یہ اس سے قبل فراہم نہیں کئے گئے) پیش کرنے کے وقت پیش کرنا ہو گئے۔



FIRST CREDIT AND INVESTMENT BANK LTD.

ٹی۔ پراکسی کی تقرری کیلئے۔

- (i) انفرادی صورت میں، اکاؤنٹ ہولڈرز یا سب اکاؤنٹ ہولڈرز اور یا وہ شخص جسکی سیکورٹیز گروپ اکاؤنٹس میں ہوں اور اکی رجسٹریشن کی تصدیقات قواعد و ضوابط کے تحت اپ لوڈ کی گئی ہوں پراکسی فارم کو ضروریات کے تحت جمع ہونے چاہئے۔
- (ii) پراکسی فارم اور افراد کی جانب سے گواہی کے ساتھ ہونا چاہئے، چنگے نام، پتہ اور سی۔ این۔ آئی۔ سی نمبر فارم پر درج ہونے چاہئے۔
- (iii) پراکسی فارم کے ساتھ سی۔ این۔ آئی۔ سی مصدقہ کاپیاں یا حق دار مالکان کا پاسپورٹ اور پراکسی ٹیبل کرنا ہوگا۔
- (iv) پراکسی کو اپنے اصل سی۔ این۔ آئی۔ سی یا پاسپورٹ اجلاس کے وقت پیش کرنا ہوگا۔
- (v) کارپوریٹ ادارے کی صورت میں کبھی کو پراکسی فارم کے ساتھ، پورڈ آف ڈائریکٹران کی قرارداد اور پورڈ آف ایگریمنٹ مع مخصوص دھندلے کرانے ہو گئے۔ (اگر یہ اس سے قبل فراہم نہیں کئے گئے)۔

یکس ڈیوٹی کی ایلیٹراک موڈ کے ذریعے ادائیگی۔

مستحقین میں تمام ڈیوٹی کے لیے یکس ڈیوٹی ایکٹ 2017 کے سیکشن نمبر 242 کے تحت SECP نے اپنے سرکر نمبر 18/2017 میں تمام ملحق کمپنیوں کو ہدایت جاری کی ہیں کہ وہ ایلیٹراک ڈیوٹی ڈیوٹی میٹنگ حاصل کریں کیونکہ نومبر 2017 سے مبالغہ مندرجہ کی تمام ادائیگی صرف اور صرف ایلیٹراک طریقے سے ادائیگی جائیں گی۔ تمام خیر ہولڈرز کو بھی درخواست ہے کہ اپنے اکاؤنٹ کو بحال رکھتے ہوئے ایلیٹراک ڈیوٹی میٹنگ فراہم کریں۔ دیگر ڈیوٹی فارم ہماری ویب سائٹ www.fcibank.com.pk پر موجود ہے۔

ای میل کے ذریعے سالانہ رپورٹ اور AGM کے نوٹس کی ترسیل کی رضامندی۔

شیرز ہولڈرز کو مطلع کیا جاتا ہے کہ یکس ڈیوٹی ایکٹ کے سیکشن نمبر 223(6) اور SECP کے ایس آر نمبر 2014/787(1) مورہ 08 جنوری 2014 کے تحت یکس ڈیوٹی آؤٹ شدہ مالیاتی ایلیٹنس اور AGM کے نوٹس بذریعہ ای میل کی اجازت دی ہے لہذا وہ تمام خیر ہولڈرز جو آؤٹ شدہ مالیاتی ایلیٹنس اور AGM کے نوٹس ای میل کے ذریعے حاصل کرنے کے خواہش مند ہیں وہ اپنی تحریری رضامندی اور ای میل ایڈریس کو بھیج سکتے ہیں۔ خیر ہولڈرز کی سہولت کے لیے درخواست فارم ہماری ویب سائٹ www.fcibank.com.pk پر موجود ہے۔

کمپیوٹرائزڈ قومی شناختی کارڈ کاپی کی فراہمی:

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان سے جاری کردہ ایس آر نمبر 2014 / (1) 19 مورہ 10 جنوری 2014 پر عملدرآمد کیلئے جن حصص یافتگان نے ابھی تک اپنے کمپیوٹرائزڈ قومی شناختی کارڈ کی مصدقہ کاپی جمع نہیں کروائی ان سے درخواست ہے کہ وہ یہ مصدقہ کاپی مع فولیو نمبر جلد از جلد کبھی کرشیر رجسٹر اریسٹرز THK ایس ڈی ایٹس (پرائیویٹ) لمیٹڈ کو ارسال کریں وہ نمبر ان جی ایس ڈی ایٹس میں خیر درج کئے ہیں ان سے بھی التماس کی جاتی ہے کہ وہ اپنے قومی شناختی کارڈ کی تصدیق شدہ کاپی ایس ڈی ایٹس یا انڈیٹریٹڈ اکاؤنٹ سرورز کو بھیجیں۔

پہلے تبدیل:

شیرز ہولڈرز سے گزارش ہے کہ وہ اپنا پہلے تبدیل ہونے کے بارے میں کبھی کرشیر رجسٹر اریسٹرز ایس ڈی ایٹس یا انڈیٹریٹڈ اکاؤنٹ سرورز کو فوری طور پر مطلع کریں جو بھی صورت ہو۔



آؤیٹرز:

موجودہ آؤیٹرز مسرڈ گرانٹ قمارگن انجم رحمان چارڈا اکاؤنٹس، سرچائز ہو گئے ہیں اور وہ وہاں تفری کے اہل ہیں اور اپنے آپ کو وہاں تفری کے لئے پیش کیا ہے۔ گو آف کارپوریٹ گورنس 3 کے تحت آٹ کیٹی نے 30 جن 2018 کو ختم ہونے والے سال کے لئے مسرڈ گرانٹ قمارگن انجم رحمان چارڈا اکاؤنٹس کو تفر کرنے کی سفارش کی ہے۔

شیئر ہولڈنگ پیٹرن:

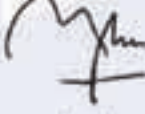
30 جن 2017 پر شیئر ہولڈنگ پیٹرن بشمول کئی کے حصص پاکستان کی کمپنی سالانہ رپورٹ کے ساتھ منسلک ہے۔ دوران مالی شیئر ہولڈنگ پیٹرن کے مطابق ڈائریکٹرز سی ای اور سی ایف اور کئی دیگر سی ای اور ان کی بیوی بچوں کی طرف سے کئی کے حصص کا کارڈ ہائیکس کیا گیا ماسوائے جرک شیئر ہولڈنگ پیٹرن میں دکھایا گیا ہے۔

مستقبل کے امکانات اور حکمت عملی:

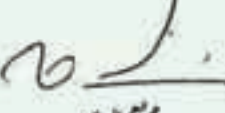
ہم نے پراڈکٹ اور آمدنی کے ذریعے بدھانے پر توجہ مرکوز کرتے ہوئے کارڈ پار میں بحال پیدا کرنے کے لئے مستعد ہیں امید ہے کہ ملک کی اقتصادی اور کارڈ پار کی حالات کی بہتری کے ساتھ ہوگا۔ آپ کی کئی اپنے اثاثوں کے معیار کو بحال کرنے، اور موجودہ عمل اور اہم پیشہ ورانہ ملک کی خدمات حاصل کر کے ان کو ٹریڈنگ کے ذریعہ اپنے اثاثہ بیکری میں بہتری لانے مختلف انواع پروڈکٹ اور خدمات کی بحالی کی مناسب کوششیں کر رہی ہے، اور نئے مواقع اور نئے چیلنجز کا سامنے کرنے کے لئے اپنی پالیسیاں اور طریقہ کار کو اپ ڈیٹ کر رہی ہے۔

اعجاز تشکر:

ڈائریکٹرز اپنے اسٹاک ہولڈرز، قابل قدر صارفین اور مالیاتی اداروں کا ان کی مسلسل اعتماد اور سرپرستی پر اپنے تشکر کا اعجاز کرتے ہیں۔ ہم دیگر لیڈری اداروں خاص طور پر بینکر شیڈ اور ایچ جی کیلین آف پاکستان، اسٹیٹ بینک آف پاکستان اور پاکستان اسٹاک ایکچینج کی مسلسل رہنمائی اور سپورٹ کے بھی شکر گزار ہیں۔ ہم انتظامیہ اور ملازمین کی محنت اور لگن سے کام کرنے کا اعتراف بھی کرتے ہیں۔


محسن علی
پرنسپل ڈس ای ای او

انجم رحمان


محمد مصدق الدین
ڈائریکٹر

جزا ائزیکٹرز بینک میں شریک ہونے والی غیر ماہری پمپلی کمپنی تھی۔

آڈٹ کمیٹی اور داخلی کنٹرول:

یورڈ کی آڈٹ کمیٹی تین نام ایگزیکٹو ائزیکٹرز پر مشتمل ہے جن میں بشمول چیئرمین کمیٹی زیادہ تر آڈٹ ائزیکٹرز ہیں۔ کارپوریٹ قانون و قواعد کے مطابق کام کرنے کے مروجہ امور (Terms of reference) کا تعین یورڈ نے کیا ہے۔ سال کے دوران آڈٹ کمیٹی کی چار میٹنگز منعقد کی گئیں جس میں درج ذیل ائزیکٹرز نے شرکت کی:

| ائزیکٹرز کا نام | میٹنگز کی تعداد جن میں شریک ہونے کے قابل تھے | میٹنگز کی تعداد جن میں شریک ہوئے |
|----------------------|--|----------------------------------|
| جناب محمد نعیم الدین | 4 | 4 |
| جناب انوار الحق | 4 | 4 |
| جناب چارلی رشید | 4 | 4 |
| جناب محمد امین | 3 | 3 |

انسانی وسائل اور معاونوں کی کمیٹی:

یورڈ آف ائزیکٹرز نے لکھنؤ کی اے ڈی اے کے احکامات کے تحت اور متبادل پانک کے حوالے سے اپنی امدادیں کو پورا کرنے میں مدد کے لیے ایک انسانی وسائل اور معاون کی کمیٹی تشکیل دی ہے۔ یہ کمیٹی چار ممبران پر مشتمل ہے۔ بشمول چیئرمین زیادہ تر ممبران نام ایگزیکٹو ائزیکٹرز ہیں۔ سال کے دوران کمیٹی کی تین میٹنگز منعقد کی گئیں جس میں درج ذیل ائزیکٹرز نے شرکت کی:

| ائزیکٹرز کا نام | میٹنگز کی تعداد جن میں شریک ہونے کے قابل تھے | میٹنگز کی تعداد جن میں شریک ہوئے |
|----------------------|--|----------------------------------|
| جناب اسد اللہ سلیم | 3 | 3 |
| جناب نجیب طارق | 2 | 2 |
| جناب محمد نعیم الدین | 3 | 3 |
| جناب احسان اللہ خان | 2 | 2 |
| جناب محمد حسن علی | 1 | 1 |

ریسک منجسٹ کمیٹی:

یورڈ نے ایک ریسک منجسٹ کمیٹی تشکیل دی ہے تاکہ وہ ائزیکٹرز کو مستقبل میں درپیش اقتصادات کے قصین اور اس کے سوا باب کرنے میں معاونت کر سکیں۔ یہ کمیٹی چار ممبران پر مشتمل ہے جن میں بشمول چیئرمین زیادہ تر ممبران نام ایگزیکٹو ائزیکٹرز ہیں۔ سال کے دوران کمیٹی کی دو میٹنگز منعقد کی گئیں جس میں درج ذیل ائزیکٹرز نے شرکت کی:

| ائزیکٹرز کا نام | میٹنگز کی تعداد جن میں شریک ہونے کے قابل تھے | میٹنگز کی تعداد جن میں شریک ہوئے |
|----------------------|--|----------------------------------|
| جناب محمد اقبال حسین | 2 | 2 |
| جناب نجیب طارق | 1 | 1 |
| جناب اسد اللہ سلیم | 2 | 2 |
| جناب احسان اللہ خان | 1 | 1 |
| جناب محمد حسن علی | 1 | 1 |

ٹریڈنگ پروگرامز:

ائزیکٹرز کو پاکستان اسٹاک ایکسچین کی اسٹاک ریکمیشن، میٹروپولیٹن آرٹیکل آف ایس ایس این، این پی ایف سی رولز 2003 اور این پی ایف ریکمیشن 2008 کی کاپیاں فراہم کی گئی ہیں اور وہ اپنی فراہم کردہ سے واریز سے اچھی طرح واقف ہیں۔ FCIBL کے 50% سے ذائد ائزیکٹرز نے ضروری ائزیکٹرز بینک پروگرام سرٹیفکیٹ (DTP) حاصل کیا ہے جو کہ گواہ کارپوریٹ گورنس اور SECP کے مقرر کردہ معیار سے ذائد ہے جبکہ ایک ائزیکٹرز جو کہ چھ سال سے ذائد تعلیمی قابلیت رکھتے ہیں اور گزشتہ پندرہ سال سے کمیٹی میں ائزیکٹری حیثیت سے خدمات انجام دے رہے ہیں جو ضروری ٹریڈنگ سے مستثناء ہیں۔



ANNUAL REPORT 2017

کلیدی آپریٹنگ اور مالیاتی نتائج:

کمپنی کے پچھلے چھ سال کے کلیدی آپریٹنگ اور مالیاتی نتائج درج ذیل ہیں:

| 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | سال 30 جون کا ختم ہوا |
|----------------|---------|---------|------|-------|------|---------------------------------|
| حجم شدہ | حجم شدہ | حجم شدہ | | | | |
| ملین روپوں میں | | | | | | |
| 139 | 93 | 60 | 81 | 99 | 80 | کل آمدنی |
| (85) | (14) | 4 | 29 | 65 | 12 | قلمی ادائیگیاں منافع (تقصان) |
| (71) | (6) | 1 | 23 | 44 | 7 | بہادائیگیاں منافع (تقصان) |
| 658 | 651 | 649 | 673 | 717 | 724 | حصص یافتگان کا سرمایہ |
| 1,222 | 838 | 738 | 693 | 1,012 | 1155 | کل اخراجات |
| (1.10) | (0.1) | 0.02 | 0.35 | 0.67 | 0.11 | منافع (تقصان) فی حصص (روپے میں) |

اسٹاف ریٹائرمنٹ فنڈس اسکیم:

ان پلانڈ ریٹائرمنٹ فنڈز اور گریجویٹ ٹی ٹی ٹی کی سرمایہ کاری کا مجموعہ 30 جون 2017 کے آخر مالیاتی گوشواروں کے مطابق بالترتیب -/Rs.16,870,887 اور -/Rs.8,072,147 ہے۔

انکیشن آف ڈائریکٹرز

کمپنی کی انکیشن آف ڈائریکٹرز جنرل میٹنگ جس کے 10 جون 2017 کو منعقد ہوئی جس میں مددگار مل ڈائریکٹرز کا مقابلہ تین سال کے لیے منتخب ہونے اور ایک نیا بورڈ اور مین آف

- 1- جناب وہاب سہاسے جٹلی
- 2- جناب انوار الحق
- 3- جناب اسد طاہر
- 4- جناب نوبہ امجدی
- 5- جناب محمد صمد الدین
- 6- جناب محمد اقبال حسین
- 7- جناب محمد امین

بورڈ آف ڈائریکٹرز

اس سال کے دوران ڈائریکٹر جناب میٹرو کے صحتی کے باعث ایک وقتی (انتقالی) آسانی خالی ہوئی۔ بورڈ نے جناب محمد امین کو ایک آزاد ڈائریکٹری حیثیت سے اس وقتی آسانی کو پُر کرنے کے لیے اپنا انتخاب کیا۔ دو سالہ سال پانچ بورڈ میٹنگز منعقد ہوئیں جن میں ڈائریکٹرز کی حاضری کا ریکارڈ مندرجہ ذیل ہے۔

| ڈائریکٹرز کے نام | میٹنگز کی تعداد جن میں شریک ہونے کے قابل تھے | میٹنگز کی تعداد جن میں شریک ہوئے |
|----------------------|--|----------------------------------|
| جناب وہاب سہاسے جٹلی | 6 | 6 |
| جناب نجیب طارق | 3 | 3 |
| جناب انوار الحق | 6 | 6 |
| جناب اسد طاہر | 6 | 5 |
| جناب محمد صمد الدین | 6 | 6 |
| جناب محمد اقبال حسین | 6 | 6 |
| جناب نوبہ امجدی | 6 | 6 |
| جناب محمد امین | 6 | 6 |
| جناب جہانگیر اکبر * | - | - |
| جناب احسان اللہ خان | 5 | 5 |
| جناب محمد حسن علی | 1 | 1 |

* (FII & Proprietor) کے سپار کے تحت SECRA سے منظوری حاصل نہیں ہوئی۔



FIRST CREDIT AND INVESTMENT BANK LTD.

آپریشن کا جائزہ:

ٹیک میں امن و امان کی صورت حال اور مارکیٹ اور اقتصادی حالات غیر اطمینان بخش ہونے کی وجہ سے پچھلے چار برس NBFC کے شعبہ کے لئے خاص طور پر انویسٹمنٹ ویک کے لئے اچھے نہیں تھے۔ پیشتر انویسٹمنٹ ویکوں کو منافع لگائیے جاتی تھیں اور ترجیحی نرخ کے مسلسل مسائل کا سامنا نہ۔ FCIBI اپنی ترجیحی نرخ کی اور قرار دے کہ منافع کا سبب رہا ہے۔ منافع بخش کاروبار کے مواقعوں کی کمی کی وجہ سے بے کاروبار کرنے پر مجبور ہونا چاہتا تھا۔ تمام مشکلات کا سامنا کرنے کے باوجود کئی مالیاتی اشاریوں کو برقرار رکھنے کے قابل رہی۔ کچھ نے FY17 کے لئے 7.5 ملین روپے کا آپریٹنگ منافع حاصل کیا۔ جبکہ FY16 کا آپریٹنگ منافع 52.7 ملین روپے تھا۔ اس طرح 45.2 ملین روپے کی کمی ریکارڈ کی۔ حیرت یہ کہ کچھ صارفین کے اکاؤنٹ میں بھرتی کی وجہ سے نقصان کے خدشات جو پچھلے سالوں میں تحسین کے گئے تھے وہ اس سال واپس آئے جس کی وجہ سے کچھ نے قس الامتگس منافع 11.7 ملین روپے رپورٹ کیا جبکہ پچھلے سال کا قس الامتگس منافع 65.2 ملین روپے تھا۔ اسی طرح 30 مارچ 2017 کو ختم ہونے والے سال کے لئے بعد از گس منافع 7.1 ملین روپے رپورٹ کیا گیا۔ گزشتہ سال کا بعد از گس منافع 43.9 ملین روپے تھا اس طرح بعد از گس منافع میں اس سال 36.8 ملین روپے کی کمی ہوئی۔ یہاں یہ چھٹا بار کے زمرہ وری ہے کہ گزشتہ سال کچھ کی مصیبت میں اضافہ کا سبب ایک واقعہ منافع کی کچھ فراڈ کنٹرو اور کلاسٹریٹ انٹون کے پروڈیون کے درمیان مسئلہ بنے اگرچہ کچھ کی مصیبت میں اضافہ ریکارڈ ہوا۔

30 جون 2017 کی پمپس شیٹ کے مطابق محکمہ پمپس کا سرمایہ اضافہ کے بعد 723.9 ملین روپے ہو گیا جبکہ 30 جون 2016 کو 716.9 ملین روپے تھا۔ محکمہ پمپس کے سرمایے میں اضافے کی وجہ دوران سال ہونے والا منافع ہے۔ 30 جون 2017 کے اختتام پر کچنی کے کل اثاثے 1,155.3 ملین روپے ہو گئے جبکہ 30 جون 2016 کو کل اثاثے 1,012.2 ملین روپے تھے۔ یہ اضافہ بینکوں سے قرضوں کی وجہ سے ہوا۔

NBFCs کے شرٹنگ دھماکا کی قیادی کرنے کے لئے 20% کے مساوی رقم بعد از گیس مبالغہ کو شیڈیوری رجسٹرڈ مڈل انسٹرکٹو کیا ہے۔

کم از کم سرمائے کی حد:

کئی کے اوپر نے ممبران کوئی کی لایائی اشمنت پہا پی رپورٹ میں غیر جنگ لایائی پنہیز اور نو لیا ایڈ اعلیٰ ریجنیشن 2008ء کے تحت کاروباری سرمائے کی کم از کم ضرورت کی طرف توجہ مبذول کر دئی گئی ہے۔ کئی کی جنمنت نے لایائی اشمنت سے مسلک نوٹ نمبر 13 اس کی تفسیلات کی وضاحت کر دی ہے۔

پینلٹس شیٹ کی تاریخ سے اب تک تبدیلی:

پطرس بیت کی تاریخ سے اب تک کوئی بھی مذہبی تہذیب اور مذہب نہیں ہوئی جس کو فتنہ کا ایسا بانی کو شمار کر کے ساتھ ہم آج تک کرنے کی ضرورت ہے۔ اس کے جو پہلے ہی مظاہر کر دی گئے تھے۔

حصص پر منافع (ڈیویڈنڈ)

خاصی میں کھیتی کی حصص پر مبالغہ (ایویٹو) کی پالیسی میں پرکشش غلام مبالغہ، حصص یافتگان کو نوٹس حصص، کرڈٹ دہلیف میں اضافہ، سرمایہ کاری کی ضرورت اور جو منتفی منصوبے کے مطابق مقررہ کی دستیابی وغیرہ شامل تھے۔ انٹر نیٹرز 30 جون 2017 قلم ہونے والے مالی سال کے لئے ایویٹو (حصص پر مبالغہ) بچنے کی کوئی طراری ٹھکانا ہے۔

کریڈٹ ریٹنگ

JCR-VIS کرڈٹ ریننگ کمپنی نے اپنی رپورٹ مورخہ 30 دسمبر 2016 میں کمپنی کی درآمدات سے طویل مدتی پمپل ریننگ کو 'A+' (مستقل A) قرار دیا اور مختصر مدتی ریننگ کو 'A-' (مستقل A) قرار دیا ہے۔ ریننگ کا آؤٹ لک محکم ہے۔

کار پوریت اور فائیکھشل رپورٹنگ فریم ورک:

کارپوریٹ کے انتظامی قوائمن کے مطابق (انڈیکسٹروم) ذیل رپورٹ پیش کرتے ہوئے غوثی محسوس کرتے ہیں:

- (a) کھیتی کی انتظامیہ کے چار کردہائی کوٹھاراں میں اس کے امور، عملدرآمد کے نتائج، نقدی بہاؤ اور ایسی چیزیں میں تبدیلیاں واضح اور مضبوط طور پر پیش کی گئی ہیں۔
- (b) کھیتی کے حساب کی آنکھوں کو باقاعدگی سے چار کیا گیا ہے۔
- (c) مالی کوٹھاراں کی تیاری میں اکاؤنٹنگ پالیسیاں تسلسل کے ساتھ بروئے کار لائی گئی ہیں اور مستقبل کے اندازے معقول اور دانشورانہ فیصلوں پر مبنی ہیں۔
- (d) بین الاقوامی حساب کتاب کے معیار (IFRS) پر پاکستان میں نافذ اصول ہیں ان کو کوٹھاراں کی تیاری میں اپنایا گیا ہے اور کسی بھی تبدیلی کو باقاعدہ ظاہر کیا گیا ہے۔
- (e) داخلی کنٹرول کا جو نظام قائم کیا ہے وہ واجبات من میں مضبوط ہے اور موثر اعمال میں ملوث رہا ہے۔
- (f) کھیتی کے مستقبل میں کام کرنے کی صلاحیت پر کوئی قابل ذکر تشویش نہیں ہے اور مالی کوٹھاراں کو اس بنیاد پر تیار کیا گیا ہے۔
- (g) ایسٹیک کے ضابطوں میں موجود کارپوریٹ گورنس کے بہترین طریقہ کار سے کوئی مادی انحراف نہیں کیا گیا۔

ڈائریکٹرز رپورٹ

فہرست کریڈٹ اینڈ انویسٹمنٹ بینک لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے 28 ویں سالانہ رپورٹ، بشمول مالیاتی حقیقتات کا گوشوارہ اور آڈیٹرز کی رپورٹ، عرصے سال 30 جون 2017ء تک کرتے ہوئے طرانیہ پیش کرتے ہیں۔

معاشی جائزہ:

فہرست کریڈٹ اینڈ انویسٹمنٹ بینک لمیٹڈ کی کارکردگی بیرونی حالات یعنی ملک کی مجموعی اقتصادی صورتحال کے تاثر میں طبعی طور پر سال 2017ء میں پاکستان کی معیشت کی ترقی کی رفتار پر قرار دی۔ اسٹیٹ بینک آف پاکستان کی تیسری سہ ماہی رپورٹ کے مطابق شرح نمو 5.3 فیصد رہی جو مالی سال 2016ء کی شرح نمو 4.9 فیصد سے زیادہ ہے۔ پانچواں زراعت اور خدمات کے شعبوں کی بہتر کارکردگی سے حاصل ہوا جن کی نمو مالی سال 2017ء میں باضرب 3.5 فیصد اور 6 فیصد رہی جبکہ پچھلے سال 0.3 فیصد اور 5.5 فیصد تھی۔

مالی سال 2017ء کے دوران اوسط افراد پر 4.0 فیصد باہر کر سہ ماہی 6.0 فیصد سے کافی کم تھا مالی سال 2017ء کے پچھلے دو سہ ماہی کے دوران CPI منظم رہا۔ جبکہ تیسری سہ ماہی میں منگائی میں کچھ اضافہ ہوا جو کہ تمام چل کی عالمی قیمتوں میں اضافے کی سبب صارفین پر پڑا وہم معیشت کے زخموں کو جلدی منتقلی اور بعض کلیدی نقدی اجناس کی عالمی قیمتوں میں اضافے کے دوران کے زخموں کے بڑھنے اور تقابلی قیمتوں میں اضافے کا نتیجہ تھا۔

معاشی غیر یقینی صورتحال اور ملکی موجودہ رفتار کے درمیان حساس تعلق کے پیش نظر اسٹیٹ بینک آف پاکستان پالیسی رینٹ پر سہ ماہی سال 2017ء میں تبدیلی کے بغیر 5.75 فیصد رکھا گیا۔ کم شرح سود اور مزدوروں کا وہ باری اعلیٰ نے ملکی شعبے کی جانب سے قرضے کی طلب میں اضافہ دیکھتے ہیں۔ باطلوں اور قرضے سرمایہ کاری کے فروغ کے لئے حاصل کیے گئے تھے جس کی وجہ سے بینکاری نظام کے خاص ملکی اکاؤنٹوں میں اضافے کی وجہ سے خاص بیرونی اکاؤنٹوں کی کارکردگی تکلیف دہ رہی ہو گی۔

جولائی تا مارچ مالی سال 2017ء کے دوران مالیاتی خسارہ سی ڈی پی کا 3.9 فیصد باہر پچھلے برس اسی مدت میں 3.5 فیصد تھا۔ جولائی تا مارچ مالی سال 2017ء کے دوران جاری کھاتے کا خسارہ 6.1 ارب ڈالر تک پہنچ گیا تاہم اس کی کمی دلتی ہوئی ان وجوہات کے وجہ سے اسٹیٹ بینک آف پاکستان کے ذریعہ ہال کے ذخائر آخر جون 2016ء میں 18.1 ارب ڈالر سے کم ہو کر 30 جون 2017ء کو 16.1 ارب ڈالر ہو گئے۔

مالی سال 2017ء میں پاکستان اسٹاک ایکسچینج میں 23 فیصد کا نمایاں اضافہ دیکھا گیا 1100 انڈیکس 37783 سے بڑھ کر 46565 پر آگیا جس پر بلند ہوا اس اضافے کی نمایاں وجوہات میں غیر ملکی سرمایہ کاری کی دلچسپی، پاکستان اسٹاک ایکسچینج کو MSCI اور دیگر بین الاقوامی انڈیکس میں شامل کرنے اور PSX کے 40 فیصد غیر روایتی کمپنیاں کو درآمد اور باہر کی منسوجات ملکی شامل ہیں۔

مالی سال 2018ء اور اس سے آگے پاکستان کی معیشت کی نمو کے امکانات کا اظہار بڑی حد تک انفراسٹرکچر کے تجزیہ معیروں اور صنعتوں کی جانب سے استعداد میں توسیع پر ہو گا۔ ان معیروں کو کامیاب بنانے کے لئے سرکاری شعبے کے تمام اداروں کے درمیان ہم آہنگی بہت اہمیت کی حامل ہو گی۔ نئے پالیسیوں میں تسلسل اور یکسانیت خصوصاً سرمایہ کاری اور صنعت سے حلقے پالیسیوں میں نمو کے دورانی کی تیار سازی کو یقینی بنانے کے لئے ضروری ہو گی۔

کتنی کا مالیاتی گوشوارہ:

کتنی کے 2016-17 کے لئے مالیاتی نتائج کا خلاصہ مقابلہ 2015-16 بھی درج ہیں۔

(روپے 000 میں)

| 2015-16 | 2016-17 | |
|-----------|-----------|---|
| 99,018 | 79,945 | کل آمدنی |
| 52,651 | 7,543 | آپریٹنگ نتائج |
| 65,203 | 11,720 | غیر آپریٹنگ نتائج |
| 43,864 | 7,132 | بعد از ٹیکس نتائج |
| 716,956 | 723,948 | حصص یافتگان کا سرمایہ |
| (10,524) | (8,021) | سرمایہ کاری کی قدر و قیمت کے تغیرات میں خسارہ |
| 1,012,248 | 1,155,308 | کل اخراجات |
| 0.67 | 0.11 | نی صحت آمدنی بینک اور ڈائریکٹرز |

