



fcibank

FIRST CREDIT AND INVESTMENT BANK LTD.

Annual Report 2019

Major Joint Venture Partners:



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. Muhammad Ikram Khan
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 Ameen Chairman
Mr. Naveed Asghar Chaudhry
Mr. Muhammad Naeemuddin

HR AND REMUNERATION COMMITTEE:

Mr. Muhammad Naeemuddin Chairman
Mr. Muhammad Ikram Khan
Mr. Asad Ullah Saleem
Mr. Muhammad Iqbal Hussain
Mr. Muhammad Mohsin Ali

RISK MANAGEMENT COMMITTEE:

Mr. Muhammad Iqbal Hussain Chairman
Mr. Asad Ullah Saleem
Mr. Naveed Asghar Chaudhry
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
The First 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 30th Annual General Meeting of the shareholders of First Credit & Investment Bank Limited will be held on Friday, October 25, 2019 at 5:30 p.m. at PIIA (Pakistan Institute of International Affairs) Auditorium, Aiwan-e-Saddar Road, Karachi to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of the Annual General Meeting held on October 26, 2018.
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, 2019.
3. To declare and approve final cash dividend @ 3% (i.e. Rs. 0.30 per share) for the year ended June 30, 2019, as recommended by the Board of Directors.
4. To appoint the statutory auditors for the year ending June 30, 2020 and fix their remuneration. The present auditors M/s. Grant Thornton Anjum Rahman, Chartered Accountants, have completed their term of 5 years and are not eligible for reappointment. Therefore, the Board of the Company on the recommendation of the Audit Committee has recommended for appointment of M/s. Horwath Hussain Chaudhury & Co., Chartered Accountants as auditors of the Company for the year ending on June 30, 2020.

ANY OTHER BUSINESS

5. To transact any other business with the permission of the Chair.

By Order of the Board



Muhammad Amin Khatri
Company Secretary

Karachi
October 3, 2019

Notes:

Closure of Share Transfer Book

1. The share transfer books of the Company will remain closed from October 15, 2019 to October 25, 2019 (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 14, 2019, 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 member 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.



FIRST CREDIT AND INVESTMENT BANK LTD.

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 upload 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.

3. Payment of Cash Dividend Electronically (Mandatory Requirement)

In accordance with the provisions of Section 242 of the Companies Act and Companies (Distribution of Dividends), Regulation 2017, a listed company, is required to pay cash dividend to the shareholders ONLY through electronic mode directly into the bank account designated by the entitled shareholders. In this regard, the Company has already sent letters and Electronic Credit Mandate Forms to the shareholders requesting the shareholders to comply with the requirement of providing their International Bank Account Number (IBAN).

Those shareholders who have still not provided their IBAN are once again requested to fill in "Electronic Credit Mandate Form" as reproduced below and available on the Company's website and send it duly signed along with a copy of valid CNIC to their respective CDC participant / CDC Investor account services (in case of shareholding in Book Entry Form) or to the Company's Share Registrar M/s. THK Associates (Pvt) Ltd, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi-74400 (in case of shareholding in Physical Form).



SHAREHOLDER'S DETAIL	
Folio Number	
Participant ID	
Sub-Account No.	
Name	
CNIC/NICOP/Passport/NTN No. (please attach copy)	
Father/Husband Name	
Cell Number	
Landline number, if any	
Shareholder Address	
SHAREHOLDER'S BANK ACCOUNT DETAIL	
Title of Bank Account	
Bank Account Number /IBAN (See note 1 below)	
Bank's Name	
Branch Name & Code No.	
Branch Address	

In case of non-provision of IBAN, the Company will have to withhold the cash dividend according to SECP directives.

4. Withholding tax on Dividend

- I) Pursuant to the provisions of the Finance Act 2019 effective July 1, 2019, the rates of deduction of income tax from dividend payment under the Income Tax Ordinance 2001 have been revised as under:
 - (a) for filers of income tax returns:15%
 - (b) for non-filer of income tax return:30%
- II) To enable the company to make tax deduction on the amount of cash dividend @15% instead of 30% all the shareholders are advised to make sure that their names are entered into ATL before the start of book closure i.e. October 15, 2019, otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.
- III) The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas, corporate physical shareholders should send a copy of their NTN certificate to the Company or its Share Registrar. The shareholders while sending NTN or NTN Certificates, as the case may be, must quote Company name and their respective folio numbers.
- (IV) As per the clarification issued by FBR, withholding tax will be determined separately on "Filer/Non-Filer" status of principal shareholder as well as joint-holder(s) based on their shareholding proportions. If the share is not as ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, all shareholders who hold shares jointly are required to provide shareholding proportions of principal shareholder and joint-holder(s) in respect of shares held by them to the Registrar and Share Transfer Agent in writing as follows:



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Folio / CDC Account no.	Name of Shareholders (Principal / Joint holders)	No of Shares or % (Proportion)	CNIC No.	Signature
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5. Provision of Copy of Computerized National Identity Card (CNIC)

In order to comply with the requirements of Securities & Exchange Commission of Pakistan (SECP) SRO19(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.

6. 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.

7. Attendance of Meeting by Video-Link

If Members holding ten (10) percent of the total paid up capital, reside in a city, such Members, may demand the Company to provide them the facility of video-link for attending the Meeting.

If you wish to take benefit of this facility, please fill the form appearing below and submit it to the Company at its registered address at least seven (7) days prior to the date of the Meeting:

"I/We, _____ of _____, being a member of First Credit and Investment Bank Limited, holder of _____ ordinary share(s) as per Registered Folio/CDC Account No. _____ hereby opt for video link facility at _____.

_____ Signature of Member"

The Company will intimate to the Members the venue of the video-link facility at least five (5) days before the date of the Meeting along with all the information necessary to enable them to access the facility.



FIRST CREDIT AND INVESTMENT BANK LTD.

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 (the "Board") of First Credit and Investment Bank Limited (the "Investment Bank") 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, 2019** 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 Responsibility:** 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 responsibility 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 five 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, risk management system, 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.



REHMAT ALI HASNIE
Chairman

Karachi: September 28, 2019



FIRST CREDIT AND INVESTMENT BANK LTD.

DIRECTORS' REPORT

On behalf of the Board of Directors, we are pleased to present 30th Annual Report of the First Credit & Investment Bank Limited (FCIBL) alongwith the audited financial statements and Auditors' Report thereon, for the year ended June 30, 2019.

Economy Review

The outgoing fiscal year 2018-19 witnessed a muted growth of 3.3 percent against the target of 6.2 percent due to contraction in sectorial growth compared with projections. These factors put a lot of pressure on the country's meagre foreign currency reserves. However, some cushion was provided from deposits of around \$9.2 billion placed with the State Bank of Pakistan by Saudi Arabia, the UAE and China. The total investments as a percentage of GDP was recorded at 15.4 percent against the target of 17.2 percent. On the demand side, the exports declined by 1.9 percent despite exchange rate depreciation, while imports declined by 4.9 percent. This helped in reducing the trade deficit by 7.3 percent during July April FY 2019. The workers' remittances played a major role in containing current account deficit to 4.03 percent of GDP.

Pakistan's rupee depreciated around 28.7% since June 2018, resulting in an increase in the debt servicing cost as well as inflationary pressure. Also, a massive challenge for the government was the widening fiscal deficit, fueled by heavy domestic and foreign borrowing to meet growing expenditures.

Fiscal deficit as per cent of GDP was 5.0% as compared to 4.3 % during the corresponding period of last year. Total revenue increased to Rs. 3,583.7 billion (9.3 per cent of GDP) from Rs. 3,582.4 billion (10.3 per cent of GDP) during the comparable period of last year, showing almost zero growth in comparison of growth of 13.9 per cent during the same period last year. Decelerated performance of total revenues primarily was due to marginal growth of 1.8 percent in tax revenues and negative growth of 16.7 percent in non-tax revenues.

The CPI witnessed a rising trend during the current financial year. It increased from 5.8% in July 2018 to 8.9% in June 2019 due to increase in gas prices, utilities prices and exchange rate depreciation. In view of the upside inflationary pressures from exchange rate depreciation and the likely increase in near term inflation from the one-off impact of adjustments in utility prices and other measures in the FY20 budget the State Bank of Pakistan raised the Policy rate to 13.25% on July 2019.

During the year under review, KSE 100 index witnessed 19% decline and closed at 33,901 points. The benchmark index realized a high of 43,557 points and also witnessed a low of 33,167 points (reflecting an erosion of 10,390 points). The gloomy performance is mainly attributed to steep monetary tightening, 28.7% currency depreciation and an austerity-driven FY20 budget.

Financial Results

Financial results of FCIBL for 2018-19 are summarized below, comparative data for 2017-18 has also been provided:

	(Rupees in ,000)	
	2018-19	2017-18
Total revenue	116,844	102,649
Operating profit	19,759	16,569
Profit before taxation	15,203	15,802
Profit after taxation	9,517	9,190
Shareholders' equity	742,830	733,093
Deficit in revaluation of investments	(24,238)	(10,843)
Shareholders' equity (net of deficit)	718,592	722,250
Total assets	1,385,301	1,327,363
Earning per share-basic and diluted (Rs.)	0.15	0.14



Review of Operations

During the FY19 the same unfavorable conditions for the NBFC sector particularly for investment banks remained persistent due to liquidity concerns and dwindling economic conditions of the country. FCIBL was, however, successful in maintaining its liquidity and viability. During the outgoing year FCIBL continued its focus on its core business activities and has been able to develop its business at sustainable position. In wake of many challenges and difficulties, FCIBL has been able to maintain all its financial indicators. The total income of FCIBL for the FY19 showed increase of 13.8% to Rs. 116.8 million from Rs.102.6 million in FY18. FCIBL reported Operating Profit of Rs.19.8 million for FY19 against Rs. 16.6 million reported for FY18 showing increase of Rs. 3.2 million. Further, after taking effect of provision made and reversal / recovery against already provided classified portfolio FCIBL reported Profit before Tax to Rs.15.2 million for the financial year ended June 30, 2019 from Rs. 15.8 million reported for the previous year. Similarly, FCIBL has registered Profit after Tax for the year ended June 30, 2019 to Rs.9.5 million from Rs.9.2 million reported for the last year. Hence, FCIBL maintained its performance and profitability during the year.

Similarly on the Balance Sheet side, the shareholders' equity net of deficit on re-measurement of investments decreased to Rs.718.6 million as at June 30, 2019 from Rs.722.2 million as at June 30, 2018. The decrease in shareholders' equity was on account of increase in deficit on re-measurement of investments. Total assets of FCIBL increased to Rs.1,385.3 million as at June 30, 2019 from Rs.1,327.3 million as at June 30 2018.

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

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 FCIBL 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. Accordingly, the board has proposed the cash dividend of Rs.0.30 per share (i.e.3%) subject to the approval of shareholders in the upcoming Annual General Meeting scheduled to be held on October 25, 2019.

Credit Rating

JCR-VIS Credit Rating Company Limited vide its report dated December 28, 2018 maintained the medium to long-term entity rating of FCIBL at 'A-' (Single A Minus) and Short-term rating at 'A-2' (A-Two). The outlook of the rating is 'Stable'.

Environmental and Corporate Social Responsibility

FCIBL is fully aware of its environmental and Corporate Social Responsibilities and is ready to support social and environmental causes of the country. FCIBL also maintains compliance to all governmental and internal health, safety and the environment measures. Facilities and conducts of operations are designed in a way that avoids risk to human health, safety and the environment.



Risk Assessment Framework

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

FCIBL's activities are exposed to a variety of financial risks, market risk (including interest rate risk and price risk), credit risk, liquidity risk and operational risk. Risks of FCIBL are being managed by FCIBL's management in accordance with the approved policies of FCIBL whereas the Board of Directors has the overall oversight of FCIBL's risk management framework. FCIBL's overall risk management program focuses on having cost efficient funding as well as to manage financial risk to minimize earnings volatility and provide maximum return to shareholders. The Board also carries out the overall business risk review of FCIBL on annual basis.

Corporate and Financial Reporting Framework

The Company has taken all necessary steps to ensure Good Corporate Governance. As part of Compliance of the Listed Companies Code of Corporate Governance Regulations, 2017 ("CCG"), the Board is pleased to state as follows:

- a) These financial statements, prepared by the management of FCIBL, present fairly its state of affairs, the results of its operations, cash flows and change of equity.
- b) Proper books of accounts of FCIBL 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 including internal financial control, which is in place, is sound in design and has been effectively implemented and monitored.
- f) There are no significant doubts upon FCIBL'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 FCIBL for the last six years is as under:

Year ended June 30,	2019	2018	2017	2016	2015	2014
						Restated
Rupees in million						
Total revenue	117	103	80	99	81	60
Profit/ (loss) before taxation	15	16	12	65	29	4
Profit/ (loss) after taxation	10	9	7	44	23	1
Shareholders' equity	719	722	724	717	673	649
Total assets	1,385	1,327	1,155	1,012	693	738
Earning/ (loss) per share (Rs)	0.15	0.14	0.11	0.67	0.35	0.02



Staff Retirement Benefit Schemes

Value of the investment of Employees' Provident Fund and Gratuity Fund as at June 30, 2019 were Rs.11,274,059/- and Rs.4,751,791/-, respectively.

Board of Directors

The current composition of the Board is as follows:

Total number of Directors:

- (a) Male: 8 (including the appointed CEO)
- (b) Female: Nil

Composition:

- (i) Independent Directors: 3
- (ii) Non-executive Directors: 4
- (iii) Executive Directors: 1*

* The Executive Director is the President and CEO whose appointment is on contract basis.

During the year no casual vacancy was occurred on the Board.

During the year four (4) 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. Rehmat Ali Hasnie	4	4
Mr. Muhammad Ikram Khan	3	2
Mr. Asad Ullah Saleem	4	4
Mr. Naveed Asghar Chaudhry	4	4
Mr. Muhammad Naeemuddin	4	4
Mr. Muhammad Iqbal Hussain	4	4
Mr. Muhammad Ameen	4	4
Mr. Muhammad Mohsin Ali	4	4

Audit Committee and Internal Controls

Audit Committee of the Board comprises of three (3) Non-Executive Directors majority of which are independent directors including the Chairman of the Committee. Terms of reference of the Audit Committee have been formulated by the Board in accordance with the Listed Companies (Code of Corporate Governance) Regulations 2017. 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 Ameen	4	4
Mr. Naveed Asghar Chaudhry	4	4
Mr. Muhammad Naeemuddin	4	4



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 / Board. The Committee consists of five (5) members. Majority of members are Non-Executive Directors and the Chairman of the Committee is an Independent Director. 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. Muhammad Naeemuddin	3	3
Mr. Muhammad Ikram Khan	2	2
Mr. Asad Ullah Saleem	3	3
Mr. Naveed Asghar Chaudhry	1	1
Mr. Muhammad Iqbal Hussain	2	2
Mr. Muhammad Mohsin Ali	3	3

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 consists of four (4) members majority of which are Non-Executive Directors and the Chairman of the Committee is an Independent Director. During the year three (3) 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	3	3
Mr. Asad Ullah Saleem	3	3
Mr. Naveed Asghar Chaudhry	3	3
Mr. Muhammad Mohsin Ali	3	3

Director's Remuneration Policy

The Board has put in place Director's Remuneration Policy. As per the policy, all Non-Executive Directors are entitled to receive fee for attending meetings of the Board, its Committees or shareholders at rate fixed by the Board of Directors from time to time. The remuneration of the Executive Directors and CEO are determined by the Board of Directors. As per the policy all expenses incurred by the Directors for attending the meetings will be borne by FCIBL at actual.

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. FCIBL meets necessary requirement of Directors Training as stipulated in the Listed Companies (Code of Corporate Governance) Regulations 2017 as more than 70% of the Directors on the Board of FCIBL are in compliance of requirements under Directors Training Program (DTP) as stipulated in CCG17.



Auditors

The present auditors M/s. Grant Thornton Anjum Rahman, Chartered Accountants, has retired as they have completed their term of being auditors of FCIBL for 5 years as required under regulation no. 34 of The Listed Companies (Code of Corporate Governance) Regulations 2017. Accordingly, the Board of Directors on the recommendation of the Audit Committee has recommended the appointment of M/s. Horwath Hussain Chaudhury & Co. Chartered Accountants, as auditors of FCIBL for the year ending June 30, 2020.

Emphasis of matter in Auditor's Report

Auditors of FCIBL in its Report to the members has put an Emphasis of matter in respect of Deferred Tax which is explained in detailed by the Management in note no. 12.1 to the Financial Statements. Auditor's opinion is not qualified in this respect.

Pattern of Shareholdings

The Pattern of Shareholding including Categories of Shareholders of FCIBL as on June 30, 2019 is annexed at the end of the annual report. During the year, no trade in shares of FCIBL 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 focusing on expansion of our existing core business as well as diversification into new businesses as permitted under the NBF regulatory framework. Our vertical as well horizontal expansion strategy will increase revenue streams, which hopefully will be forthcoming with improvement in economic and business conditions of the country. Your Company will continue to improve its assets quality, infrastructure, build capacity through training of existing personnel and engaging professionals to diversify products and services, 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
Chief Executive Officer



MUHAMMAD AMEEN
Director

Karachi
September 28, 2019



Independent Auditor's Review Report

To the Members of First Credit and Investment Bank Limited

Review Report on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2017

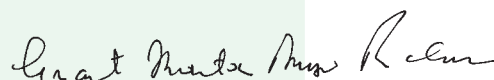
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of First Credit and Investment Bank Limited (the Investment Bank) for the year ended June 30, 2019 in accordance with the requirements of regulation 40 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Investment Bank. Our responsibility is to review whether the Statement of Compliance reflects the status of the Investment Bank's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

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 Regulations 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 its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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 procedures to assess and determine the Investment Bank's process for identification of related parties and that 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 Regulations as applicable to the Investment Bank for the year ended June 30, 2019.



Dated: September 28, 2019
Karachi

Grant Thornton Anjum Rahman
Chartered Accountants
Muhammad Khalid Aziz
Engagement Partner



FIRST CREDIT AND INVESTMENT BANK LTD.

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

First Credit and Investment Bank Limited
Year ended June 30, 2019

The company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are Eight (8) (including the appointed CEO) as per the following:

a.	Male	Eight (8)
b.	Female	NIL

2. The composition of Board is as follows:

a)	Independent Directors	3
b)	Other Non-Executive Directors	4
c)	Executive Directors	1*

*The Executive Director is the President and CEO whose appointment is on contract basis.

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
4. 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.
5. 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.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
8. The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. More than 70% of the Board is compliant with the requirement of Directors Training Program.
10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the Board.



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12. The Board has formed committees comprising of members given below:

a) Audit Committee

Mr. Muhammad Ameen	Chairman
Mr. Naveed Asghar Chaudhry	Member
Mr. Muhammad Naeemuddin	Member

b) HR and Remuneration Committee

Mr. Muhammad Naeemuddin	Chairman
Mr. Muhammad Ikram Khan	Member
Mr. Asad Ullah Saleem	Member
Mr. Muhammad Iqbal Hussain	Member
Mr. Muhammad Mohsin Ali	Member

c) Risk Management Committee

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

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

14. The frequency of meetings of the committee were as per following:

a) Audit Committee	4 Meetings were held during FY 2018-19
b) HR and Remuneration Committee	3 Meetings were held during FY 2018-19
d) Risk Management Committee	3 Meetings were held during FY 2018-19

15. The board has set up an effective internal audit function manned with person who is suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company.

16. 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 and registered with Audit Oversight Board of Pakistan, 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.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all other requirements of the Regulations have been complied with.



MUHAMMAD MOHSIN ALI
President & CEO



MUHAMMAD AMEEN
Director

Karachi

Dated : September 28, 2019



FIRST CREDIT AND INVESTMENT BANK LTD.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF FIRST CREDIT AND
INVESTMENT BANK LIMITED**

REPORT ON THE AUDIT OF FINANCIAL STATEMENT

Opinion

We have audited the annexed financial statements of First Credit and Investment Bank Limited (the Investment Bank), which comprise the statement of financial position as at June 30, 2019 and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including the summary of significant accounting policies and other explanatory information, 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 the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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, 2019 and of the profit and other comprehensive loss, the changes in equity and its cash flows for the year then ended.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Investment Bank in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Note 12.1 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 this matter.

Key Audit Matter (s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Key Audit Matters

1- Adoption of IFRS 9 "Financial Instruments"

As referred in note 5 to the financial statements, the Investment Bank has adopted IFRS 9 'Financial Instruments' with effect from July 01, 2018. The new standard requires the recognition of expected credit losses ('ECL') rather than incurred credit losses under IAS 39 and is therefore a fundamentally different approach. Management is required to determine the ECL that may occur over either a 12-month period or the remaining life of an asset, depending on the categorization of the individual asset.

In accordance with IFRS 9, the measurement of ECL reflect a range of unbiased and probability weighted outcomes, time value of money, reasonable and supportable information based on the consideration of historical events, current conditions and forecasts of future economic conditions. The calculation of ECLs in accordance with IFRS 9 is therefore complex and involves a number of judgmental assumptions.

We considered the first time adoption of IFRS 9 requirements as a key audit matter due to the significance of the change in accounting methodology and involvement of significant estimates and judgments made by the management in this regard.

2- Provision for non-performing finances

The assessment of provision of non-performing finances provided to customer involves significant judgment and use of management assumptions both subjectively and objectively. The identification of the provision and the determination of the recoverable amount involve various assumption and factors including the financial conditions of the counter party, timing and amount of expected future cash flows including the forced sale value (FSV) benefits on the securities pledged.

The Investment Bank records provision objectively based on schedule X of Non-Banking Finance Company and Notified Entities Regulations, 2008 (NBFC Regulations) and subjectively based on adequacy of security inclusive of realizable value, financial positions and credit worthiness of the customers and other evidences of impairment.

How our audit addressed the key audit matter

Our audit procedures include the following:

- Reviewed the methodology developed and applied by the Investment Bank to estimate the ECL in relation to financial assets. We also considered and evaluated the assumptions used in the applying the ECL methodology based on historical information and qualitative factors as relevant for such estimates.
- We assessed the integrity and quality of data used for ECL computation based on the accounting records and information system of the Investment Bank as well as the related external sources as used for this purpose.
- We checked the mathematical accuracy of the ECL model by performing recalculation on test basis.
- We have checked the classification of financial assets and financial liabilities to ensure compliance of IFRS 9 classification requirement.
- In addition to above, we assessed the adequacy of disclosures in the financial statements of the Investment Bank.

Our audit procedures include the following:

- We evaluated and tested the effectiveness of design and implementation of key controls related to the credit approval process, post approval credit management, loan grading system, collateral monitoring and loan impairment assessment.
- We adopted a risk based sampling approach. We checked the customers' repayment behavior and evaluated the Investment Bank's loan classification taking into consideration the credit committee reports, customers' financial information collateral valuation report and other available information.
- We assessed the adequacy of the provision for loan losses by testing the key assumptions and calculations for loss allowance calculation as required by NBFC Regulations, 2008 and management's assumptions.



The Investment Bank loans and finances-net as at June 30, 2019 amounting to Rs. 630.2 million as disclosed in note 9.2 to the financial statements.

- Furthermore, we also assessed the adequacy of the respective disclosures relating to loan and finances stated in the financial statement.

Information Other than the Financial Statements and Auditor's Report Thereon

The management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017(XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Investment Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Investment Bank or to cease operations, or has no realistic alternative but to do so.

Board of directors are responsible for overseeing the Investment Bank's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Investment Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Investment Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Investment Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that in our opinion:

- a) proper books of account have been kept by the Investment Bank as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;

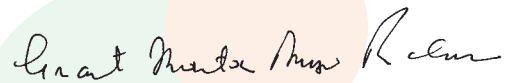


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- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Investment Bank's business; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

The engagement partner on the audit resulting in this independent auditor's report is Muhammad Khalid Aziz.

Karachi
Date: September 28, 2019



Grant Thornton Anjum Rahman
Chartered Accountants



FIRST CREDIT AND INVESTMENT BANK LTD.

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STATEMENT OF FINANCIAL POSITION

	Note	2019 Rupees	2018 Rupees
ASSETS			
Non-current assets			
Property and equipment	6	4,499,961	5,856,334
Intangible assets	7	-	-
Long-term investments	8	29,459,941	39,977,939
Long-term loans and finances	9	524,108,593	351,899,754
Net investment in finance lease	10	1,605,985	647,265
Long-term deposits	11	57,500	57,500
Deferred tax asset	12	74,058,906	72,957,425
Total non-current assets		633,790,886	471,396,217
Current assets			
Current portion of non-current assets	13	126,989,156	59,860,172
Short-term investments	14	93,194,576	84,147,138
Short-term placements	15	420,000,000	430,000,000
Markup/interest accrued	16	61,068,478	59,296,138
Prepayments and other receivables	17	911,613	1,240,033
Taxation-net		13,083,054	12,346,934
Cash and bank balances	18	36,263,045	209,076,400
Total current assets		751,509,922	855,966,815
Total assets		1,385,300,808	1,327,363,032

The annexed notes from 1 to 46 form an integral part of these financial statements



MUHAMMAD KAMRAN
Chief Financial Officer



MUHAMMAD MOHSIN ALI
President & CEO



MUHAMMAD AMEEN
Director



FIRST CREDIT AND INVESTMENT BANK LTD.

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AS AT JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
EQUITY AND LIABILITIES			
Shareholders' equity			
Authorized share capital			
75,000,000 (2018: 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	19	<u>650,000,000</u>	650,000,000
Statutory reserve	20.1	-	134,582,762
Unappropriated profit / accumulated loss		<u>92,830,246</u>	(51,489,845)
Deficit on remeasurement of investments - net	21	<u>(24,237,749)</u>	(10,842,766)
Total shareholders' equity		<u>718,592,497</u>	722,250,151
Non-current liabilities			
Deferred liability - Staff gratuity	22	<u>3,082,177</u>	2,430,419
Long-term loan	23	<u>62,500,000</u>	125,000,000
Security deposit against finance lease	24	<u>752,000</u>	333,400
Total non-current liabilities		<u>66,334,177</u>	127,763,819
Current liabilities			
Current portion of long-term loan	23	<u>78,125,000</u>	62,500,000
Short-term running finance facility	25	<u>475,978,135</u>	402,137,807
Markup / interest accrued	26	<u>16,699,841</u>	7,022,701
Accrued expenses and other payables	27	<u>29,571,158</u>	5,688,554
Total current liabilities		<u>600,374,134</u>	477,349,062
Total liabilities		<u>666,708,311</u>	605,112,881
Contingencies and commitments	28		
Total equity and liabilities		<u>1,385,300,808</u>	<u>1,327,363,032</u>

The annexed notes from 1 to 46 form an integral part of these financial statements



MUHAMMAD KAMRAN
Chief Financial Officer



MUHAMMAD MOHSIN ALI
President & CEO



MUHAMMAD AMEEN
Director



FIRST CREDIT AND INVESTMENT BANK LTD.

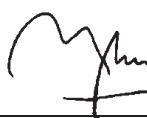
STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
Income from term finances and funds placements	29	105,438,383	89,724,660
Income from investments	30	5,625,412	7,427,031
Fees and commission income	31	5,260,926	3,587,143
Other income	32	518,970	1,910,429
		116,843,691	102,649,263
Finance costs	33	(52,212,850)	(44,924,081)
Administrative and operating expenses	34	(44,872,199)	(41,156,555)
Operating income before provisions		19,758,642	16,568,627
(Provision) / Reversals			
Provision against accrued mark-up		(346,144)	-
(Provision)/reversal of diminution in value of long-term investments	8.5	(3,795,029)	2,550,000
Impairment in investments classified as fair value through other comprehensive income		-	(2,994,203)
Profit before taxation and workers' welfare fund		15,617,469	16,124,424
Workers' welfare fund		(414,623)	(322,488)
Profit before taxation		15,202,846	15,801,936
Taxation	35	(5,685,547)	(6,612,312)
Profit after taxation		9,517,299	9,189,624
Earning per share - basic and diluted	36	0.15	0.14

The annexed notes from 1 to 46 form an integral part of these financial statements



MUHAMMAD KAMRAN
Chief Financial Officer



MUHAMMAD MOHSIN ALI
President & CEO



MUHAMMAD AMEEN
Director



FIRST CREDIT AND INVESTMENT BANK LTD.

ANNUAL REPORT 2019


STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
Profit after taxation		9,517,299	9,189,624
Other comprehensive (loss) / income:			
Items that will not be subsequently reclassified to statement of profit or loss- net of tax:			
Unrealized loss on re-measurement of fair value through other comprehensive income investments		(13,394,983)	(2,822,071)
Remeasurement of net defined benefit liability	22.7	220,030	(44,484)
Other comprehensive loss		(13,174,953)	(2,866,555)
Total comprehensive (loss) / income for the year		(3,657,654)	6,323,069

The annexed notes from 1 to 46 form an integral part of these financial statements



MUHAMMAD KAMRAN
Chief Financial Officer



MUHAMMAD MOHSIN ALI
President & CEO



MUHAMMAD AMEEN
Director



FIRST CREDIT AND INVESTMENT BANK LTD.

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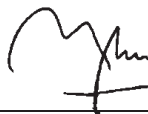
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2019

	Note	Issued, subscribed and paid-up share capital	Reserve		Total	Deficit on remeasurement of investment classified as fair value through other comprehensive income	Total shareholder's equity
			Capital	Revenue			
			Statutory Reserve	Accumulated (loss) / unappro- priated profit			
(Rupees)							
Balance as at July 01, 2017		650,000,000	132,744,837	(58,797,060)	73,947,777	(8,020,695)	715,927,082
Profit after tax for the year ended June 30, 2018		-	-	9,189,624	9,189,624	-	9,189,624
Other comprehensive loss		-	-	(44,484)	(44,484)	(2,822,071)	(2,866,555)
		-	-	9,145,140	9,145,140	(2,822,071)	6,323,069
Transfer to statutory reserve	20.1	-	1,837,925	(1,837,925)	-	-	-
Balance as at June 30, 2018		650,000,000	134,582,762	(51,489,845)	83,092,917	(10,842,766)	722,250,151
Balance as at July 01, 2018		650,000,000	134,582,762	(51,489,845)	83,092,917	(10,842,766)	722,250,151
Profit after tax for the year ended June 30, 2019		-	-	9,517,299	9,517,299	-	9,517,299
Other comprehensive loss		-	-	220,030	220,030	(13,394,983)	(13,174,953)
		-	-	9,737,329	9,737,329	(13,394,983)	(3,657,654)
Transfer of statutory reserve to general reserve	20.1	-	(134,582,762)	134,582,762	-	-	-
Balance as at June 30, 2019		650,000,000	-	92,830,246	92,830,246	(24,237,749)	718,592,497

The annexed notes from 1 to 46 form an integral part of these financial statements



MUHAMMAD KAMRAN
Chief Financial Officer



MUHAMMAD MOHSIN ALI
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Director




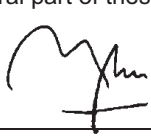
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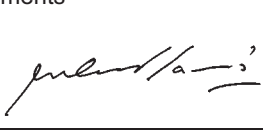
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2019

	Note	2019 Rupees	2018 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		15,202,846	15,801,936
Adjustments for:			
Depreciation	6	1,770,214	1,617,640
Amortization	7	-	45,345
Gain on disposal of property and equipment		-	(330,848)
Gratuity expense	22.6	961,660	622,984
Dividend income	30	(1,849,975)	(840,851)
Finance cost	33	52,212,850	44,924,081
Provision for non-performing investments	8.5	3,795,029	(2,550,000)
Reversal of provision for accrued markup		346,144	-
Impairment in investments classified as fair value through OCI		-	2,994,203
		57,235,922	46,482,554
Operating cash flows before working capital changes		72,438,768	62,284,490
(Increase) / decrease in current assets			
Prepayments and other receivables	17	328,420	(45,656)
Markup/interest accrued	16	(2,118,484)	497,005
		(1,790,064)	451,349
Increase / (decrease) in current liabilities			
Accrued expenses and other payables	27	23,882,604	(3,667,954)
Security deposit against finance lease	24	418,600	-
		24,301,204	(3,667,954)
Cash generated from operations		94,949,908	59,067,885
Income tax paid		(7,613,020)	(9,209,564)
Dividend income received		1,849,975	840,851
Gratuity paid		-	(4,000,000)
Markup on finance cost paid		(42,535,710)	(46,183,585)
		(48,298,755)	(58,552,298)
Net cash generated from operating activities		46,651,153	515,587
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	6	(413,841)	(5,341,759)
Proceed from disposal of property and equipment		-	895,396
Long-term investments - net		(29,114,435)	18,859,300
Net investment in finance lease		(958,720)	
Long-term finances-net		(225,942,840)	(233,194,363)
Net cash used in investing activities		(256,429,836)	(218,781,426)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term loans received		(46,875,000)	(62,500,000)
Net cash used in financing activities		(46,875,000)	(62,500,000)
Net decrease cash and cash equivalents		(256,653,683)	(280,765,839)
Cash and cash equivalents at the beginning of the year		236,938,593	517,704,432
Cash and cash equivalents at the end of the year	37	(19,715,090)	236,938,593

The annexed notes from 1 to 46 form an integral part of these financial statements


MUHAMMAD KAMRAN
 Chief Financial Officer


MUHAMMAD MOHSIN ALI
 President & CEO


MUHAMMAD AMEEN
 Director



FIRST CREDIT AND INVESTMENT BANK LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

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 Investment Bank is holding the status of Non Deposit Taking with effect from July 1, 2018.

The JCR-VIS has assigned the Investment Bank a credit rating of 'A-' long & medium term and 'A-2' short term on December 28, 2018. The outlook of the rating is stable.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan. The accounting and reporting standards applicable in Pakistan comprise of International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; provisions of and directives issued under the Companies Act, 2017 along with part VIIIA of the repealed Companies Ordinance, 1984; and Non-Banking Finance Companies (Establishment and Regulations) Rules, 2003 (the NBFC Rules), Non-Banking Finance Companies and Notified Entities Regulations, 2008 (the NBFC Regulations). Where provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations differ from the IFRS Standards, the provisions of and directives issued under the Companies Act, 2017, part VIIIA of the repealed Companies Ordinance, 1984, the NBFC Rules and the NBFC Regulations have been followed.

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 Pakistani Rupees, which is the Investment Bank's functional and presentation currency. All financial information presented in Pakistani Rupees has been rounded to the nearest Pakistani 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. These 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) - Current and deferred taxation (Note 4.9 and 12.1)
- (b) - Impairment (Note 4.2.3)
- (c) - Provisions, commitment and contingent liabilities (Note 4.11 and 28)
- (d) - Staff retirement benefits (Note 4.10)
- (e) - Depreciation and amortization on fixed and intangible assets (Note 4.1)

3 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO APPROVED ACCOUNTING STANDARDS

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

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

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

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

IFRS 15 introduces a single five-step model for revenue recognition and establishes a comprehensive framework for recognition of revenue from contracts with customers based on a core principle that an entity should recognise revenue representing the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

The impact of changes laid down by these standards are detailed in note # 5 of these financial statements.

3.2 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 July 01, 2018 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.



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3.3 Standards, amendments and interpretations to the published standards that are relevant but not yet effective and not early adopted by the Company

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)
IFRIC 23 'Uncertainty over Income Tax Treatments'	January 1, 2019
IAS 28 'Long-term Interests in Associates and Joint Ventures' (Amendments to IAS 28)	January 1, 2019
Annual improvements to IFRSs 2015 - 2017 Cycle	January 1, 2019
IAS 19 'Plan Amendment, Curtail or Settlement' (Amendments to IAS 19)	January 1, 2019
IFRS 3 'Definition of a business' Amendment to IFRS 3	January 1, 2020
IAS 1/IAS 8 'Definition of Material' (Amendments to IAS 1 and IAS 8)	January 1, 2020

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
Various Amendments to References to the Conceptual Framework in IFRS Standards	January 1, 2020

IFRS-16 "Leases" - The standard is effective for the period beginning from or after January 1, 2019. IFRS-16 replaces the previous lease standard: IAS-17 "Leases". It will result in almost all the leases being recognized on the statement of the financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short term and low value leases.

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 Investment Bank.

3.4 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.

Standard or Interpretation	IASB effective date (Annual periods beginning on or after)
IFRS 14 Regulatory Deferral accounts	January 1, 2018
IFRS 17 'Insurance Contracts	January 1, 2022



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4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Fixed assets

Property and equipment

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is charged to profit or 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 6 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 statement of profit or loss during the year in which they are incurred.

Maintenance and normal repairs are charged to statement of profit or loss as and when incurred.

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

Intangible assets

Intangible assets are stated at cost less accumulated amortization and accumulated impairment losses, if any. The amortizable cost of intangible asset is amortized over its estimated useful life, using straight line method at rate specified in note 7 to the financial statements.

4.2 IFRS 9 - Financial Instruments

4.2.1 Financial assets

4.2.1.1 Classification

The Investment Bank classifies its financial assets in the following categories: financial assets at amortized cost, financial assets at fair value through profit or loss (FVTPL) and financial assets at fair value through other comprehensive income (FVOCI). The classification depends on the business model in which the financial asset is managed and its contractual cash flows. The management determines the appropriate classification of its financial assets at initial recognition and it evaluates this classification on a regular basis.

The assessments have been made on the basis of the facts and circumstances that existed at the date of initial application about the determination of business model within which a financial asset is held and the designation and revocation of previous designation of certain financial assets as measured at FVTPL.

The financial assets are categorised as follows:

Financial asset at amortized cost

Financial asset is held within a business model whose objective is to collect the contractual cash flows, and the contractual terms give rise to cash flows that are solely payments of principal and interest (SPPI) are classified as financial asset at amortized cost.



Financial asset at fair value through Other Comprehensive Income

Debt investment

Debt investment where the contractual cash flows are SPPI and the objective of the business model includes both by collecting contractual cash flows and selling financial assets are classified as financial asset at fair value through other comprehensive income.

Equity investment

Equity investment which are not held for trading, and which has irrevocably elected at initial recognition to recognize as fair value through other comprehensive income (generally strategic investment) are classified as financial asset at fair value through other comprehensive income.

Financial asset at fair value through profit or loss

Debt investment

Debt investments that do not qualify for measurement at either amortized cost or FVOCI are classified as financial asset at fair value through profit or loss.

Equity investment

Equity investments that are held for trading, and equity investments for which the entity has not elected to recognize fair value gains and losses through other comprehensive income are classified as financial asset at fair value through profit or loss.

4.2.1.2 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 investments.

4.2.1.3 Initial recognition and measurement

Financial assets are initially recognized at fair value plus transaction costs except for financial assets carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value while the related transaction cost are expensed out in profit or loss account.

4.2.1.4 Subsequent measurement

Financial asset at amortized cost

Subsequent to initial recognition, financial assets classified as amortized cost are carried at amortized cost using the effective interest method.

Gains or losses are also recognized in the statement of profit or loss when financial assets carried at amortized cost are derecognized or impaired.

Financial asset at fair value through other comprehensive income

Subsequent to initial recognition, financial assets classified as fair value through other comprehensive income are carried at fair value using valuation methodology.

Net gains and losses arising from changes in the fair value and on sale of financial assets at fair value through other comprehensive income are taken to the statement of other comprehensive income.



Financial asset at fair value through profit or loss

Subsequent to initial recognition, financial assets classified as fair value through profit or loss are carried at fair value using valuation methodology.

Net gains and losses arising from changes in the fair value and on sale of financial assets at fair value through profit or loss are taken to the profit or loss account.

4.2.1.5 Derecognition

Financial assets are derecognised when the contractual right to future cash flows from the asset expires or is transferred along with the risk and reward of ownership of the asset. Any gain or loss on derecognition of the financial assets is taken to statement of profit or loss currently.

4.2.2 Financial liability

4.2.2.1 Classification

Financial liability at amortized cost

All financial liabilities are subsequently measured at amortized cost, except for those measured at fair value through profit or loss.

Financial liability at fair value through profit or loss

Financial liabilities designated as at fair value through profit or loss requires that the amount of change in the fair value of a financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of such changes in other comprehensive income would create or enlarge an accounting mismatch in statement of profit or loss.

4.2.2.2 Initial recognition and measurement

Financial liabilities are initially recognized at fair value less transaction cost except for financial liabilities carried at fair value through profit or loss. Financial liabilities carried at fair value through profit or loss are initially recognized at fair value while the related transaction cost are expensed out in statement of profit or loss. Financial liabilities are not recognized unless one of the parties has performed its part of the contract or the contract is a derivative product.

4.2.2.3 Subsequent measurement

Financial liability at amortized cost

Financial liabilities, other than fair value through profit or loss are measured at amortized cost using the effective yield method.

Gains or losses are also recognized in the statement of profit or loss when financial liabilities carried at amortized cost are derecognized.

Financial liability at fair value through profit or loss

Subsequent to initial recognition, financial liabilities classified as fair value through profit or loss are carried at fair value using market rate of interest.

Net gains and losses arising from changes in the fair value due to change in credit risk are taken into other comprehensive income and other change in fair value and on sale of financial liabilities at fair value through profit or loss are taken to the income statement.



4.2.2.4 Derecognition

Financial liabilities are derecognised when they are extinguished, that is, when the obligation specified in the contract is discharged, cancelled, or expires. Any gain or loss on derecognition of the financial liabilities is taken to profit or loss currently.

4.2.3 Impairment

The carrying value of the Investment Bank's assets are reviewed at each reporting date to determine whether there is any indication of impairment. If such an indication exists, the recoverable amount of such asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset exceeds its recoverable amount.

Impairment loss in respect of Financial assets classified as fair value through other comprehensive income (other than debt securities) is recognized based on management's assessment of objective evidence of impairment as a result of one or more events that may have an impact on the estimated future cash flows of the investments. A significant or prolonged decline in fair value of an equity investment below its cost is also considered an objective evidence of impairment. The determination of what is significant or prolonged requires judgment.

In case of impairment of financial assets at FVOCI, the cumulative loss that has been recognized directly in statement of comprehensive income is taken to the statement of profit or loss.

Other individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognized in the statement of profit or loss.

4.3 Derivatives instruments

Derivative instruments are stated at fair value at the reporting 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 reporting 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 statement of profit and loss.

4.4 Securities under repurchase and reverse repurchase agreements

Transactions of repurchase / reverse repurchase of investments 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 statement of financial position 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 statement of financial position. Amounts paid under these agreements are recorded as funds 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.



4.5 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 statement of profit or loss over the term of the respective transaction.

4.6 Term finance / credit facilities / loans

Term finances originated by the Investment Bank are stated net of provision for losses if any 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.

4.7 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".

4.8 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose statement of cash flow, 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 borrowings.

4.9 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 reporting 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 reporting 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 reporting date.



4.10 Staff retirement benefits

4.10.1 Defined benefit plan

The Investment Bank operates an approved funded gratuity scheme for its permanent employees. The net defined benefit liability recognized in the statement of financial position in respect of defined benefit gratuity scheme, is the present value of the defined benefit obligation both computed at the reporting 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 carried out the reporting 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 statement of financial position immediately, with a charge or credit to other Comprehensive Income in the periods in which they occur.

4.10.2 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.

4.11 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 reporting 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.

4.12 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.

4.13 Proposed dividend and transfer between reserves

Proposed dividend are transferred between reserves, except appropriations which are required by law, made subsequent to the reporting 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.

4.14 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 assets. Such borrowing costs, if any, are capitalized as part of the cost of the relevant assets.

4.15 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 represents interest income earned which are recognized at rate of return implicit in the instrument on a time proportionate basis.
- c) Dividend income on equity investments and units of mutual funds 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.

4.16 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.

4.17 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.



4.18 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.

4.19 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.

5 CHANGE IN ACCOUNTING POLICIES

i) IFRS 9 - Financial Instrument

IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instrument, impairment of financial assets and hedge accounting. The adoption of IFRS 9 from July 1, 2018 resulted in changes in accounting policies and adjustments to the amount recognised in the financial statements. The new accounting policies are set out in the note 4.2, 4.3 and 4.4 above. In accordance with the transitional provisions in IFRS 9, corresponding figures have not been restated.

Classifications and remeasurement

On 1 July 2018 (the date of initial application of IFRS 9), the Company's management has assessed which business models apply to the financial assets held by the Company and has classified its financial instruments into the appropriate IFRS 9 categories. The following table and the accompanying notes below explain the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for the Investment Bank's financial assets and financial liabilities as at 1 July 2018.

Financial Assets	Original Classification Under IAS 39	New Classification Under IFRS 9
Investments	Held for trading / Available for sale / Amortised cost	At Fair Value through Profit or loss / Fair Value through OCI / Amortised cost
Loans and finances	Loans and Receivables	Amortized Cost
Net investment in finance lease	Loans and Receivables	Amortized Cost
Long-term deposits	Loans and Receivables	Amortized Cost
Short-term placements	Loans and Receivables	Amortized Cost
Prepayments and other receivables	Loans and Receivables	Amortized Cost
Markup / interest accrued	Loans and Receivables	Amortized Cost
Cash and bank balance	Loans and Receivables	Amortized Cost
Financial Liabilities	Original Classification Under IAS 39	New Classification Under IFRS 9
Security deposit against finance lease	Other Financial Liabilities	Amortized Cost
Deferred liability - Staff gratuity	Other Financial Liabilities	Amortized Cost
Long-term loans	Other Financial Liabilities	Amortized Cost
Short-term running finance facility	Other Financial Liabilities	Amortized Cost
Markup / interest accrued	Other Financial Liabilities	Amortized Cost
Accrued and other payables	Other Financial Liabilities	Amortized Cost



Impairment

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognized.

The Investment Bank has determined and incorporated the effect of such application of IFRS on its financial statements.

ii) IFRS 15 - Revenue from contracts with customers

The adoption of IFRS 15 did not impact the timing or amount of dividend, profit, markup and other investment income and related assets and liabilities recognized by the Investment Bank. Accordingly, there is no impact on comparative information.

A number of other new standards are effective from July 1, 2018 but they do not have a material effect on the Investment Bank's financial information.



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6 PROPERTY AND EQUIPMENT

	Furniture & Fittings	Office equipment	Computers	Air Conditioners	Vehicles	Leasehold Improvements	Total
(Rupees).....						
Year ended June 30, 2018							
Opening net book value	107,711	187,780	562,352	276,728	1,562,192	-	2,696,763
Additions during the year	-	31,499	124,000	-	5,186,260	-	5,341,759
Disposals							
Cost	-	-	-	-	3,284,880	-	3,284,880
Accumulated depreciation	-	-	-	-	(2,720,332)	-	(2,720,332)
Depreciation for the year	(68,373)	(74,359)	(368,981)	(53,783)	(1,052,144)	-	(1,617,640)
Closing net book value	39,338	144,920	317,371	222,945	5,131,760	-	5,856,334
As at June 30, 2018							
Cost	1,141,088	1,961,156	3,922,732	1,536,662	8,722,162	6,200,000	23,483,800
Accumulated depreciation	(1,101,750)	(1,816,236)	(3,605,361)	(1,313,717)	(3,590,402)	(6,200,000)	(17,627,466)
Net book value	39,338	144,920	317,371	222,945	5,131,760	-	5,856,334
Year ended June 30, 2019							
Opening net book value	39,338	144,920	317,371	222,945	5,131,760	-	5,856,334
Additions during the year	-	96,806	317,035	-	-	-	413,841
Disposals							
Cost	-	-	-	-	-	-	-
Accumulated depreciation	-	-	-	-	-	-	-
Depreciation for the year	(39,338)	(79,536)	(189,915)	(53,783)	(1,407,642)	-	(1,770,214)
Closing net book value	-	162,190	444,491	169,162	3,724,118	-	4,499,961
As at June 30, 2019							
Cost	1,141,088	2,057,962	4,239,767	1,536,662	8,722,162	6,200,000	23,897,641
Accumulated depreciation	(1,141,088)	(1,895,772)	(3,795,276)	(1,367,500)	(4,998,044)	(6,200,000)	(19,397,680)
Net book value	-	162,190	444,491	169,162	3,724,118	-	4,499,961
Annual rates of depreciation	15%	20%	33%	15%	20%	20%	



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	Note	2019 Rupees	2018 Rupees
7 INTANGIBLE ASSETS			
-Softwares			
Opening net book value		-	45,345
Additions during the year		-	-
Amortization for the year		-	(45,345)
Closing net book value		-	-
As at June 30			
Cost		2,303,930	2,303,930
Accumulated amortization		(2,303,930)	(2,303,930)
Net book value		-	-
Annual rates of amortization		33%	33%

8 LONG-TERM INVESTMENTS

At amortised cost

- Term finance certificates/sukuk - listed	8.1	17,500,000	27,500,000
- Term finance certificates/sukuk - unlisted	8.2	11,357,224	11,357,224
		28,857,224	38,857,224

At fair value through other comprehensive income

- Quoted shares	8.3	602,717	1,120,715
- Term finance certificates - listed	8.4	-	-
Total investments		29,459,941	39,977,939

8.1 Term finance certificates / sukuk - listed

Number of Certificates		Par Value	Investee	Note	Cost	
2019	2018				2019	2018
					Rupees	
3,995	3,995	5,000	Commercial Bank			
			Summit Bank Limited	8.1.1	19,915,276	19,915,276
10,000	10,000	5,000	Oil & Gas Marketing Company			
			Hascol Petroleum Limited	8.1.2	27,500,000	37,500,000
					47,415,276	57,415,276
			Less: Provision for the period	8.1.1	(9,957,638)	-
			Less: Current maturity	8.1.3	(19,957,638)	(29,915,276)
					17,500,000	27,500,000

8.1.1 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% (2018: 6 month KIBOR+3.25%). These are due to mature on October 27, 2019. The Investment Bank has provided allowance against such investments as required under the Non Banking Finance Companies Regulation and the applicable financial reporting framework.

8.1.2 This represents sukuk certificates issued on January 07, 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+1.5% per annum (2018: 3 month KIBOR+1.5% per annum). These are due to mature on January 06, 2022.



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8.1.3 This includes current maturity related to Hascol Petroleum Limited and Summit Bank Limited amounting to Rupees 10 million and 9.9 million respectively.

8.2 Term finance certificates/sukuk - unlisted

Number of Certificates		Par Value	Investee	Amortized cost	
2019	2018			2019	2018
Rupees					
8,000	8,000	5,000	Cable & electrical goods		
			New Allied Electronics Industries (Private) Limited - sukuk (refer note 8.2.1)	38,160,166	38,160,166
5,000	5,000	5,000	Textile Spinning		
			Amtex Limited - sukuk (refer note 8.2.2)	18,750,001	18,750,001
28,000	28,000	5,000	Three Star Hosiery (Private) Limited - sukuk (refer note 8.2.3)	132,900,000	137,000,000
860	860	5,000	Textile Composite		
			Azgard Nine Limited - TFC (refer note 8.2.4)	4,300,000	4,300,000
10,000	10,000	5,000	Miscellaneous		
			Eden Housing Limited - sukuk (refer note 8.2.5)	6,560,000	6,560,000
				200,670,167	204,770,167
Less: Provision for non-performing				(189,312,943)	(193,412,943)
Less: Current maturity (refer note 13)				-	-
				11,357,224	11,357,224

8.2.1 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 provision of the entire amount.

8.2.2 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 entire amount provision after considering the amount received by registrar Lahore High Court in March 2011.

8.2.3 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 entire amount provision. The Investment Bank has filed suit to recover the amount in Sindh High Court Karachi in year 2013.

8.2.4 This represents term finance certificates issued on March 1, 2014 at 'Zero' rate for a period of three years. These were issued under Master Restructuring Agreements dated December 1, 2010 and matured on March 31, 2017. This has been classified as non performing investment by the Investment Bank under loss category and the Investment Bank has made provision of entire amount.



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8.2.5 This represents sukuk certificates issued on December 31, 2007 for a period of five years and markup rate of 6 month KIBOR + 2.5% with a floor of 7% and cap of 20% payable semi-annually. These certificates have been restructured and rescheduled on January 10, 2010 and matured on June 29, 2014. This has been classified as non performing investment by the Investment Bank under loss category and the Investment Bank has made entire amount provision of the principal amount after considering Forced Sale Value of the collateral as per NBFC's & NE's Regulations.

8.3 Quoted shares

Number of Certificates		Par Value	Investee Company	Carrying value	Market Value	Carrying value	Market Value
2019	2018			2019		2018	
242,055	242,055	10	Agritech Limited	Rupees			
			(refer note 8.3.1)	3,727,647	602,717	5,857,102	1,120,715
				3,727,647	602,717	5,857,102	1,120,715
			Less: Impairment against investments	-	-	(2,129,455)	-
				3,727,647	602,717	3,727,647	1,120,715
			Less: Deficit on remeasurement (refer note 8.6 & 21)	(3,124,930)	-	(2,606,932)	-
				602,717	602,717	1,120,715	1,120,715

8.3.1 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 were subject to restriction on transfer and were pledged in favor of Faysal Bank Limited in its capacity as the trustee of the TFC issue under Share Transfer and Debt Settlement Agreement. During the year the restriction on transfer has been removed and the shares has been transferred to the CDC account of the Investment Bank.

8.4 Term finance certificates - Listed

Number of Certificates		Par Value	Investee Company	Cost	Market Value	Cost	Market Value
2019	2018			2019		2018	
Rupees							
4,000	4,000	5,000	Textile Composite				
			Azgard Nine Limited (refer note 8.4.1)	6,507,678	6,507,678	6,507,678	6,507,678
6,886	6,886	5,000	Technology and Communication				
			Worldcall Telecom Limited (refer note 8.4.2)	11,158,939	11,158,939	13,221,549	13,221,549
				17,666,617	17,666,617	19,729,227	19,729,227
			Less: Provision against non-performing investments	(17,666,617)	(17,666,617)	(19,729,227)	(19,729,227)
				-	-	-	-
			Less: Current maturity (refer note 13)	-	-	-	-
				-	-	-	-



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8.4.1 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 was due to 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.

8.4.2 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 28, 2018 and due to mature on September 20, 2026. This has been classified as non performing investment under loss category and the Investment Bank has made entire amount provision.

	Note	2019 Rupees	2018 Rupees
8.5 PROVISION FOR DIMINUTION IN VALUE OF LONG-TERM INVESTMENTS			
Balance at the beginning of the year		213,142,170	215,692,170
Charged for the year		9,957,638	-
Reversal for the year		(6,162,609)	(2,550,000)
(Reversal) / Provision		3,795,029	(2,550,000)
Balance at the end of the year		216,937,199	213,142,170
8.6 DEFICIT ON REMEASUREMENT OF LONG-TERM INVESTMENTS - Fair value through other comprehensive income			
Balance at the beginning of the year		2,606,932	3,683,448
Charge during the year		517,998	(1,076,516)
Balance at the end of the year	8.3	3,124,930	2,606,932
9 LONG-TERM LOANS AND FINANCES			
Loan to employees	9.1	4,714,309	5,988,335
Loan to others- term finance facility (secured)	9.2	519,394,284	345,911,419
		524,108,593	351,899,754
9.1 Loan to employees			
Housing loan - secured			
- Executives	9.1.1 & 9.1.2	331,619	492,011
- Employees	9.1.2	1,901,456	2,198,588
		2,233,075	2,690,599
Mark-up receivable on house loans	9.1.2	1,724,220	2,327,502
		3,957,295	5,018,101
Other loans - unsecured			
- Executives	9.1.1	1,569,724	1,705,450
- Employees	9.1.3	1,442,244	1,058,270
		3,011,968	2,763,720
Current portion			
- House loans		(1,797,430)	(457,524)
- Other loans		(457,524)	(1,335,962)
	13	(2,254,954)	(1,793,486)
		4,714,309	5,988,335



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9.1.1 Reconciliation of carrying amount of Chief Executives and Executives is as follows:

	2019			2018		
	Chief executive officer	Executives	Total	Chief executive officer	Executives	Total
Rupees.....					
Opening balance	1,705,450	492,011	2,197,461	610,295	652,403	1,262,698
Disbursed	-	919,558	919,558	2,372,800	-	2,372,800
Transfer	-	-	-	-	-	-
Payment/(Receipt)	(889,800)	(325,876)	(1,215,676)	(1,277,645)	(160,392)	(1,438,037)
	<u>815,650</u>	<u>1,085,693</u>	<u>1,901,343</u>	<u>1,705,450</u>	<u>492,011</u>	<u>2,197,461</u>

These loans and advances have been made in compliance with the requirements of the Companies Act, 2017.

9.1.2 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% (2018: 4%) per annum. These loans are secured against mortgage of properties.

9.1.3 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.

	Note	2019 Rupees	2018 Rupees
9.2 Loan to others - term finance facility (secured)			
Interest bearing			
Gharibwal Cement Limited	9.2.1	12,160,000	16,720,000
Chenab Limited	9.2.2	14,978,125	14,978,125
Hashwani Hotels Limited	9.2.3	35,714,286	22,626,569
Tandlianwala Sugar Limited	9.2.4	98,750,000	98,750,000
Pioneer Cement Limited	9.2.5	90,268,673	45,854,210
Power Cement Limited	9.2.6	74,573,022	58,395,062
Technology Links Private Limited	9.2.7	8,333,328	13,333,332
Shakarganj Sugar Mills Limited	9.2.8	95,000,000	95,000,000
Pak Hy Oils Limited	9.2.9	90,000,000	-
Hussain Sugar Mills Limited	9.2.10	100,000,000	-
Loans to individuals	9.2.11	4,400,000	8,825,000
		624,177,434	374,482,298
Non - interest bearing		-	-
		624,177,434	374,482,298
Less: Provision for impairments	9.2.12	(929,037)	(929,037)
Less: Current maturity	13	(103,854,113)	(27,641,842)
		519,394,284	345,911,419



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- 9.2.1** This represents term finance facility issued on September 09, 2005 for a period of ten years. Markup payment are made at the rate of 3 month KIBOR. This was restructured on March 01, 2013 and is due to mature on February 28, 2023. This is secured by pari passu charge over all fixed assets of the borrower.
- 9.2.2** 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 due to mature on January 30, 2013. The Investment Bank has classified the amount and accordingly made provision of entire amount 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 the court.
- 9.2.3** This represents participation in syndicated term finance facility. 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 with 25% margin.
- 9.2.4** This represents participation in syndicated term finance facility. 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 installments with 2 years grace period. The facility is secured against first pari passu hypothecation charge over all present and future movable fixed assets with 25% margin. This facility will be matured on March 29, 2023.
- 9.2.5** This represents participation in syndicated term finance facility. The tenor of the facility is seven years inclusive of grace period of two years at markup rate of 6 month KIBOR + 1.1% and the principal is repayable in ten consecutive half yearly installments whereas the markup is repayable calendar quarterly. The facility is secured against first pari passu hypothecation/mortgage charge over all present and future assets of the Company with 25% margin.
- 9.2.6** This represents participation in syndicated term finance facility. The tenor of the facility is eight and half (8.5) years inclusive of grace period of two and half (2.5) years at markup rate of 6 month KIBOR + 2.25% per annum.The facility is secured against charge/mortgage over fixed assets of the Company with 25% margin and is repayable in twelve consecutive half yearly installments.
- 9.2.7** This represents a medium term finance which carries a profit rate of one month KIBOR + 4% per annum and is repayable in equal 36 monthly installments. The facility is secured against mortgage of property and ranking hypothecation charge over current assets of the Company with 35% margin.
- 9.2.8** This represents a medium term finance. The facility carries a profit rate of 3 months KIBOR + 3.5% per annum. The facility is secured against pledge of PSX 100 Index shares with 35% margin and and ranking hypothecation charge over present and future assets of the Company with 25% margin and is repayable in equal six quarterly installments. after grace period of 18 months. Interest is repayable in quarterly installments.
- 9.2.9** This represents term finance facility which carries a mark-up rate of one month KIBOR + 4% per annum payable in equal 60 monthly installments with one year grace period. The facility is secured against pledge of PSX 100 index shares with 30% margin, mortgage of property with 35% margin, ranking charge on all present and future assets of the company with 25% margin and personnel guarantees of Chief Executive and Directors of the Company.



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9.2.10 This represents term finance facility for a period of five years including nine months grace period and carries mark-up rate of 3 months KIBOR + 4% per annum and is repayable in 17 quarterly equal installments. The facility is secured by way of first pari passu charge over all present and future fixed assets of the company with 25% margin. Personnel guarantees of Chairman and Chief Executive of Hussain Sugar Mills and subordination of Director loan of Rs.500 million.

9.2.11 This represents financing to individuals against pledge of units of mutual funds.

	Note	2019 Rupees	2018 Rupees
9.2.12 Provision for impairment			
Balance at the beginning of the year		(929,037)	(929,037)
Provision made during the year for non performing loan		-	-
Balance at the end of the year		<u>(929,037)</u>	<u>(929,037)</u>

10 NET INVESTMENT IN FINANCE LEASE

Lease rental receivable		1,992,698	891,744
Residual value		752,000	333,400
Gross investment in finance lease	10.1	2,744,698	1,225,144
Less: Unearned finance lease Income		(216,262)	(68,311)
		2,528,436	1,156,833
Less: Current maturity of net investment in finance lease	13	(922,451)	(509,568)
Net investment in finance lease		<u>1,605,985</u>	<u>647,265</u>

	2019				2018			
10.1 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	1,103,357	889,341	-	1,992,698	509,568	382,176	-	891,744
Guaranteed residual value	333,400	418,600	-	752,000	-	333,400	-	333,400
	1,436,757	1,307,941	-	2,744,698	509,568	715,576	-	1,225,144
Finance charge for future periods	(145,676)	(70,586)	-	(216,262)	(55,066)	(13,245)	-	(68,311)
Present value of minimum lease payments	1,291,081	1,237,355	-	2,528,436	454,502	702,331	-	1,156,833



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10.1.1 The Investment Bank's implicit rate of return on leases ranges between from 9.92% to 14.1% per annum (2018: 9.09 % to 9.45% per annum). These are secured against leased assets and security deposits generally upto 20% of the cost of leased assets.

10.1.2 Lease rentals received during the year aggregate to Rs. 898,418 (2018: 509,568).

	Note	2019 Rupees	2018 Rupees
11 LONG-TERM DEPOSITS			
Security deposit with Central Depository Company of Pakistan Limited		50,000	50,000
Others		7,500	7,500
		<u>57,500</u>	<u>57,500</u>
12 DEFERRED TAX ASSET			
Deferred tax asset on deductible temporary differences:			
-Provisions		69,927,969	69,450,009
-Accelerated tax depreciation allowance		1,474,532	1,954,487
-Surplus on revaluation of investments		1,792,964	847,864
-Gratuity		863,441	705,065
	12.1 & 12.2	<u>74,058,906</u>	<u>72,957,425</u>

12.1 The management of the Investment Bank has prepared financial projections. The said projections 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.

12.2 Movement in deferred taxation

	2019			
	Balance at June 30, 2018	Recognized in profit & loss	Recognized in equity	Balance at June 30, 2019
Rupees.....			
The following deductible temporary differences arising on account of:				
-Provisions	69,450,009	477,960	-	69,927,969
-Accelerated tax depreciation allowance	1,954,487	(479,955)	-	1,474,532
-Surplus on revaluation of investments	847,864	-	945,100	1,792,964
-Gratuity	705,065	248,248	(89,872)	863,441
	<u>72,957,425</u>	<u>246,253</u>	<u>855,228</u>	<u>74,058,906</u>



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2018			
Balance at June 30, 2017	Recognized in profit & loss	Recognized in equity	Balance at June 30, 2018
.....Rupees.....			

The following deductible temporary differences
arising on account of:

- Provisions	71,539,195	(2,089,186)	-	69,450,009
- Accelerated tax depreciation allowance	2,074,541	(120,054)	-	1,954,487
- Surplus on revaluation of investments	-	-	847,864	847,864
- Gratuity	1,676,025	(990,024)	19,064	705,065
	<u>75,289,761</u>	<u>(3,199,264)</u>	<u>866,928</u>	<u>72,957,425</u>

	Note	2019 Rupees	2018 Rupees
13 CURRENT PORTION OF NON - CURRENT ASSETS			
Investments			
Current portion of term finance certificates - listed	8.1 & 8.4	19,957,638	29,915,276
Loans and finances			
Current portion of loans to employees	9.1	2,254,954	1,793,486
Current portion of loans to other- term finance facility (secured)	9.2	103,854,113	27,641,842
		106,109,067	29,435,328
Net investment in finance lease			
Current maturity of net investment in finance lease	10	922,451	509,568
		126,989,156	59,860,172
14 SHORT-TERM INVESTMENTS			
Fair value through other comprehensive income			
Dewan Cement Limited - Pre IPO term finance certificates	14.1	43,069,617	43,069,617
Quoted shares	14.2	29,861,817	16,435,019
Mutual Funds	14.3	20,263,142	24,642,502
Investments at market value		93,194,576	84,147,138
14.1 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
14.1.1	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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14.2 Quoted shares

Number of Shares		Investee	2019		2018	
			Cost	Market Value	Cost	Market Value
2019	2018		Rupees	Rupees	Rupees	Rupees
(The face value of each share is Rs.10/-)						
Automobile Assembler						
20	-	Indus Motor Co. Ltd.	25,809	24,078	-	-
Cable and Electrical Goods						
500	-	Pak Electron Ltd.	12,993	10,010	-	-
Cement						
1,200	-	Cherat Cement Ltd.	98,150	37,152	-	-
100	-	D. G. Khan Cement Ltd.	9,694	5,654	-	-
180	-	Kohat Cement Co. Ltd.	14,693	9,455	-	-
1,200	-	Lucky Cement Ltd.	573,197	456,564	-	-
8,000	-	Mepal Leaf Cement Factory Ltd.	401,620	191,120	-	-
Chemicals						
815,800	815,800	Agri-tech limited	12,563,320	2,031,342	13,428,068	3,777,152
4,000	-	Engro Polymer & Chemical Ltd.	135,286	107,840	-	-
400	-	Sitara Chemicals	121,731	122,348	-	-
Commercial Banks						
22,900	15,000	Allied Bank Ltd.	2,253,313	2,404,958	1,467,750	1,547,250
2,500	-	Askari Bank Ltd.	53,833	47,275	-	-
23,850	-	Bank Al-Falah Ltd.	1,162,299	1,039,622	-	-
13,500	-	Bank Al-Habib Ltd.	1,084,324	1,058,130	-	-
28,500	-	Bank of Punjab	371,368	260,775	-	-
20,288	10,088	Habib Bank Ltd.	3,327,318	2,297,819	1,813,991	1,679,047
500	-	Habib Metropolitan Bank Ltd.	20,322	18,040	-	-
3,300	-	MCB Bank Ltd.	644,733	575,685	-	-
1,650	-	Meezan Bank Ltd.	136,497	143,814	-	-
70,000	70,000	National Bank Ltd. (refer note 14.2.1)	3,858,395	2,356,200	3,858,395	3,315,900
8,600	-	United Bank Ltd.	1,286,099	1,267,468	-	-
Engineering						
1,700	-	International Steel Ltd.	130,021	67,507	-	-
7,000	-	Mughal Iron & Steel Industries	336,409	176,120	-	-
Fertilizer						
3,910	-	Engro Corporation Ltd.	1,101,395	1,038,496	-	-
15,500	12,500	Engro Fertilizers Ltd.	1,088,191	991,535	743,005	936,375
6,000	-	Engro Fertilizer Bin Qasim Ltd.	252,182	109,380	-	-
11,000	7,500	Fauji Fertilizer Co. Ltd.	1,131,476	959,200	613,539	741,675
Food & Personal Care Products						
4,000	-	Fauji Foods Ltd.	126,723	52,760	-	-
2,800	-	Matco Foods Ltd.	82,475	75,656	-	-
Glass & Ceramics						
2,800	-	Tariq Glass Ltd.	253,894	214,564	-	-
Carry forward			32,657,760	18,150,567	21,924,748	11,997,399



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Number of Shares		Investee	2019		2018	
			Cost	Market Value	Cost	Market Value
2019	2018		Rupees	Rupees	Rupees	Rupees
Brought forward			32,657,760	18,150,567	21,924,748	11,997,399
Insurance						
5,500	-	Adamjee Insurance Ltd.	264,285	192,775	-	-
Oil and Gas Exploration						
5,300	3,000	Pakistan Oilfields Limited	2,199,259	2,151,217	1,326,319	2,015,370
14,280	5,000	Pakistan Petroleum Limited	2,324,429	2,062,460	816,300	1,074,500
770	-	Mari Petroleum Co. Ltd.	981,410	777,184	-	-
11,000	-	Oil & Gas Development Company Ltd.	1,591,610	1,446,390	-	-
Oil and Gas Marketing						
360	-	Attock Petroleum Ltd.	166,618	103,864	-	-
605	-	Hascol Petroleum Ltd.	130,381	41,515	-	-
2,120	-	Pakistan State Oil Co. Ltd.	532,415	359,616	-	-
3,500	-	Sui Northern Gas Pipelines Ltd.	321,532	243,215	-	-
Paper & Board						
3,000	-	Century Paper & Board Mills	202,714	93,450	-	-
1,325	-	Cherat Packaging Ltd.	205,562	106,848	-	-
Pharmaceuticals						
1,000	-	Glaxo Smithkline Pak. Ltd.	115,123	95,330	-	-
Power Generation & Distribution						
25,000	25,000	Kot Addu Power Co. Ltd.	1,512,352	909,500	1,512,352	1,347,750
32,500	-	K-Electric Ltd.	194,326	142,674	-	-
6,500	-	Saif Power Ltd.	164,362	121,940	-	-
15,500	-	The Hub Power Co. Ltd.	1,364,015	1,220,624	-	-
Refinery						
250	-	Attock Refinery Ltd.	41,885	19,317	-	-
400	-	National Refinery Ltd.	129,109	45,387	-	-
Technology & Communication						
4,400	-	Systems Ltd.	412,876	422,267	-	-
Textile Composite						
11,500	-	Gul Ahmed Textile Mills Ltd.	526,242	541,880	-	-
5,000	-	Nishat (Chunian)Ltd.	250,927	175,100	-	-
4,700	-	Nishat Mills Ltd.	643,250	438,697	-	-
			46,932,442	29,861,817	25,579,719	16,435,019
Less: Impairment against investments			-	-	(864,748)	-
Less: Deficit on remeasurement (refer note 21 & 14.4)			(17,070,625)	-	(8,279,952)	-
			29,861,817	29,861,817	16,435,019	16,435,019

14.2.1 This represents investment in shares of associated undertaking which has been made in accordance with the requirements under the Act 2017.



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14.3 Mutual Funds

Number of Units		Investee	2019		2018	
			Cost	Market Value	Cost	Market Value
2019	2018		Rupees	Rupees	Rupees	Rupees
Open-End Mutual Fund						
1,622,639	1,622,639	NBP Stock Fund 14.3.1	25,000,000	19,459,661	25,000,000	23,727,202
30,000	-	HBL Growth Fund	576,000	493,581	-	-
Close-End Mutual Fund						
30,000	30,000	HBL Growth Fund Class A (formerly PICIC Growth Fund)	522,300	309,900	446,248	915,300
			26,098,300	20,263,142	25,446,248	24,642,502
		Less: Deficit on remeasurement	(5,835,158)	-	(803,746)	-
			<u>20,263,142</u>	<u>20,263,142</u>	<u>24,642,502</u>	<u>24,642,502</u>

14.3.1 This represents investment in units of mutual fund of associated undertaking which has been made in accordance with the requirements of the Companies Act, 2017.

	Note	2019 Rupees	2018 Rupees
14.4 DEFICIT ON REMEASUREMENT OF INVESTMENTS			
Fair value through other comprehensive income			
Balance at the beginning of the year		9,083,698	4,337,247
Charged for the year		13,822,085	4,746,451
Reversal for the year		-	-
		<u>13,822,085</u>	<u>4,746,451</u>
Balance at the end of the year	14.2 & 14.3	<u>22,905,783</u>	<u>9,083,698</u>

15 SHORT-TERM PLACEMENTS

Term deposit receipts (TDR)	15.1	<u>420,000,000</u>	<u>430,000,000</u>
-----------------------------	------	--------------------	--------------------

15.1 This represents placements with financial institutions under term deposit receipts carrying markup rate of 12.5% to 14% per annum (2018: 8.6% to 10% per annum).

16 MARKUP / INTEREST ACCRUED

Accrued profit/markup/interest on:

- Term finance certificates/sukuk	24,952,734	24,836,190
- Term finances	50,805,354	41,989,391
- Placements	9,988,500	16,802,523
	<u>85,746,588</u>	<u>83,628,104</u>
Less : provision for markup/interest	<u>(24,678,110)</u>	<u>(24,331,966)</u>
	<u>61,068,478</u>	<u>59,296,138</u>



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	Note	2019 Rupees	2018 Rupees
17 PREPAYMENTS AND OTHER RECEIVABLES			
Prepayments		845,613	1,095,965
Other receivable			
- Dividend receivable		-	13,125
- Miscellaneous		66,000	130,943
		<u>911,613</u>	<u>1,240,033</u>
18 CASH AND BANK BALANCES			
Balance with banks			
- Deposit accounts	18.1	35,996,693	208,789,997
- Current account with State Bank of Pakistan		262,932	268,383
Cash in hand		3,420	18,020
		<u>36,263,045</u>	<u>209,076,400</u>
18.1	Effective markup rate in respect of deposit accounts ranges from 4.5 % to 12 % (2018: 3.75 % to 8 %) per annum.		
	Note	2019 Rupees	2018 Rupees
19 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL			
28,500,000 (2018: 28,500,000) Ordinary shares of Rs. 10 each issued as fully paid in cash.		285,000,000	285,000,000
36,500,000 (2018: 36,500,000) Ordinary shares of Rs. 10 each issued as fully paid bonus shares.		<u>365,000,000</u>	<u>365,000,000</u>
		<u>650,000,000</u>	<u>650,000,000</u>
20 RESERVES			
Capital			
Statutory reserve	20.1	-	134,582,762
Revenue			
Accumulated Profit / (loss)		<u>92,830,246</u>	<u>(51,489,845)</u>
		<u>92,830,246</u>	<u>83,092,917</u>
20.1 Statutory reserve			
Opening balance		134,582,762	132,744,837
Transferred from profit or loss account		-	1,837,925
Transferred to general reserve	20.2	<u>(134,582,762)</u>	<u>-</u>
Closing balance		<u>-</u>	<u>134,582,762</u>
20.2	As per the requirement of regulation no. 16 of the Non Banking Finance Companies Regulations 2008, the requirement of creating Statutory Reserves has ceased to be applicable for the Investment Bank subsequent of its opting to act as Non Deposit taking Investment Bank status w.e.f July 01, 2018. Accordingly, the entire statutory reserve amount is transferred to general reserve.		



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	Note	2019 Rupees	2018 Rupees
21 DEFICIT ON REMEASUREMENT OF INVESTMENTS - NET			
Fair value through other comprehensive income			
Shares-long term	8.3	(3,124,930)	(2,606,932)
Shares-short term	14.2	(17,070,625)	(7,810,900)
Mutual Fund	14.3	(5,835,158)	(1,272,798)
Related deferred tax (asset)		1,792,964	847,864
		<u>(24,237,749)</u>	<u>(10,842,766)</u>
22 DEFERRED LIABILITY - STAFF GRATUITY			
22.1 Actuarial Assumptions			
As disclosed in note 4.12.1, the Investment Bank operates a funded gratuity scheme for its staff employees. The latest actuarial valuation was carried out as at June 30, 2019 using the Projected Unit Credit Actuarial Cost Method.			
	Note	2019 Rupees	2018 Rupees
22.2 Defined benefit liability recognized in balance sheet			
Present value of defined benefit obligation	22.3	6,660,846	5,954,769
Fair value of plan assets	22.4	(3,578,669)	(3,524,350)
Benefits due but not paid		-	-
Defined benefit liability recognized		<u>3,082,177</u>	<u>2,430,419</u>
22.3 Changes in the present value of the defined benefit obligation			
Opening defined benefit obligation		5,954,769	5,026,310
Current service cost		742,922	533,378
Interest cost		535,930	397,850
Benefits due but not paid		-	-
Benefits paid		-	(106,358)
Re-measurements chargeable in other comprehensive income		(572,775)	103,589
		<u>6,660,846</u>	<u>5,954,769</u>
22.4 Changes in the fair value of plan assets			
Opening fair value of plan assets		3,524,350	6,182,293
Contribution		-	4,000,000
Interest income on plan assets		317,192	371,792
Benefits paid		-	(7,069,776)
Return on plan assets, excluding interest income		(262,873)	40,041
		<u>3,578,669</u>	<u>3,524,350</u>



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	Note	2019 Rupees	2018 Rupees		
22.5 Movement in net liability					
Opening liability		2,430,419	5,807,435		
Expense recognized in profit and loss	22.6	961,660	559,436		
Re-measurements recognized in other comprehensive income	22.7	(309,902)	63,548		
Contribution		-	(4,000,000)		
Closing liability		<u>3,082,177</u>	<u>2,430,419</u>		
22.6 Expense recognized in statement of profit or loss					
Current service cost		742,922	533,378		
Interest cost		535,930	397,850		
Expected return on plan assets		(317,192)	(371,792)		
		<u>961,660</u>	<u>559,436</u>		
22.7 Re-measurements recognized in other comprehensive income					
Experience adjustments		(572,775)	103,589		
Return on plan assets - excluding interest income		262,873	(40,041)		
		(309,902)	63,548		
Related deferred tax (asset)		89,872	(19,064)		
		<u>(220,030)</u>	<u>44,484</u>		
22.8 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:					
	2019	2018	2017	2016	2015
	-----Rupees-----				
Present value of defined obligation	6,660,846	5,954,769	5,026,310	10,640,382	9,966,985
Fair value of plan assets	(3,578,669)	(3,524,350)	(6,182,293)	(5,922,616)	(6,041,285)
	<u>3,082,177</u>	<u>2,430,419</u>	<u>(1,155,983)</u>	<u>4,717,766</u>	<u>3,925,700</u>
			2019 Rupees	2018 Rupees	
Breakup of Investments - at fair value					
Investment in National Savings (including accrued interest)			-	3,639,155	
Investment in KAPCO Shares - 500 Shares @ Rs. 36.38 each (2018: 53.91 each)			18,190	26,955	
Cash at bank			4,783,173	404,239	
Less: assets for Defined Contribution Scheme			(1,222,694)	(545,999)	
			<u>3,578,669</u>	<u>3,524,350</u>	



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Significant Actuarial Assumption

Discount rate used for interest cost in profit and loss charge	9.00%	8.00%
Discount rate used for year end obligation	14.25%	9.00%

Maturity profile of Present value of defined benefit obligation

Weighted average duration of the Present value of defined benefit obligation (in years)

8 9

Plan Assets Comprise

Bond	0.00%	89.41%
Equity	0.38%	0.66%
Cash and /or deposits	99.62%	9.93%
	<u>100.00%</u>	<u>100.00%</u>

Sensitivity Analysis on significant actuarial assumptions:

	2019 Rupees	2018 Rupees
Discount Rate +100 bps	6,135,238	5,454,518
Discount Rate - 100 bps	7,258,603	6,528,201
Expected rate of salary increase + 100 bps	7,253,072	6,522,620
Expected rate of salary increase - 100 bps	6,130,886	5,450,191

These figures are based on the latest actuarial valuation as at June 30, 2019. 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, 2020 works out to be Rs.1.220 million.

23 LONG-TERM LOAN

From Banking Companies - Secured

	Note	2019 Rupees	2018 Rupees
National Bank of Pakistan (NBP) - an associated undertaking	23.1	140,625,000	187,500,000
Current portion of long term loans		<u>(78,125,000)</u>	<u>(62,500,000)</u>
		<u>62,500,000</u>	<u>125,000,000</u>

- 23.1** The Investment Bank has obtained a five year term loan in FY-2016 from National Bank of Pakistan, 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 (2018: KIBOR plus 0.75%), maturing in June 2021. The loan is secured by first pari passu hypothecation charge over all present and future assets of the Bank.



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	Note	2019 Rupees	2018 Rupees
24 SECURITY DEPOSIT AGAINST FINANCE LEASE			
	24.1	<u>752,000</u>	<u>333,400</u>
24.1	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	2019 Rupees	2018 Rupees
25 SHORT-TERM RUNNING FINANCE FACILITY			
MCB Bank Limited	25.1	375,978,184	302,137,856
National Bank of Pakistan - an associated undertaking	25.2	<u>99,999,951</u>	<u>99,999,951</u>
		<u>475,978,135</u>	<u>402,137,807</u>
25.1	This represents short term running finance obtained against TDR from MCB Bank Limited carrying markup rate of 3 month KIBOR plus 0.6% (2018: 3 month KIBOR plus 0.6%) per annum.		
25.2	This represents short term running finance obtained with a limit of Rs.100 million (2018: 100 million) carrying markup at a rate based on 3 month KIBOR plus 1% (2018: 3 month KIBOR + 1%) per annum. The running finance is secured by first pari passu hypothecation charge against all present and future assets of the Investment Bank with 25% margin.		
	Note	2019 Rupees	2018 Rupees
26 MARKUP / INTEREST ACCRUED			
Mark-up accrued on:			
<i>Secured</i>			
Loans and borrowings including running finance facility	26.1	15,139,704	5,462,564
<i>Unsecured</i>			
Certificates of deposits		<u>1,560,137</u>	<u>1,560,137</u>
		<u>16,699,841</u>	<u>7,022,701</u>
26.1	This amount includes markup due to National Bank of Pakistan, an associated undertaking.		



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	Note	2019 Rupees	2018 Rupees
27 ACCRUED AND OTHER PAYABLES			
Guarantee margin	27.1	24,000,000	-
Accrued expenses		2,648,124	3,327,861
Other liabilities		2,970,633	2,360,693
		<u>29,618,757</u>	<u>5,688,554</u>
27.1	It represents cash margin from Shakanganj Sugar Mills Limited against shortfall on value of shares pledged.		
28 CONTINGENCIES AND COMMITMENTS			
Contingencies			
There are no material contingencies as at the reporting date (2018: Nil)			
Commitments			
Standby letter of credit	28.1	43,907,813	33,848,438
Letter of credit exposure - Pioneer Cement Ltd.	28.2	9,731,326	28,561,667
Letter of credit exposure Power Cement Ltd.	28.3	1,637,762	7,647,405
		<u>55,276,801</u>	<u>69,057,510</u>
28.1	This represents the Investment Bank's share in standby letter of credit under agreement of participation dated December 13, 2010 with Allied Bank Limited that is a primary party to the Hubco Power Company Limited for the purpose to guarantee the equity investment, over running of Laraib project and short falling in debt servicing reserve account. 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, 2019.		
28.2	This represents the Investment Bank's participation in syndicated Term Finance L/C facility to the extent of Rs.100 million for import of plant and machinery. Initially the facility will be non-funded and the Investment Bank has recorded it as contingencies liability, subsequently upon requirement of L/C documents the payment will be made through the facility will become funded.		
28.3	This represents the Investment Bank's participation in syndicated Term Finance L/C facility to the extent of Rs.100 million for import of plant and machinery (subsequently reduced to Rs.75.0 million). Initially the facility will be non-funded and the Investment Bank has recorded it as contingencies liability, subsequently upon requirement of L/C documents the payment will be made through the facility will become funded.		
	Note	2019 Rupees	2018 Rupees
29 INCOME FROM TERM FINANCES AND FUNDS PLACEMENTS			
Income from long-term finances		57,393,193	14,839,176
Return on fund placements with financial institutions	29.1	48,045,190	74,885,484
		<u>105,438,383</u>	<u>89,724,660</u>
29.1 Return on fund placements with financial institutions			
- bank balance		13,660,595	31,511,628
- term deposit receipts		34,384,595	43,373,856
		<u>48,045,190</u>	<u>74,885,484</u>



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	Note	2019 Rupees	2018 Rupees
30 INCOME FROM INVESTMENTS			
Return on term finance certificates / sukuks		3,526,747	6,586,180
Dividend income on fair value through other comprehensive income investments	30.1	1,849,975	840,851
Capital gain on securities		248,690	-
		<u>5,625,412</u>	<u>7,427,031</u>
30.1 Scrip wise details of dividend is as follows:			
Adamjee Insurance Company Limited		13,750	-
Allied Bank Limited		185,800	108,750
Askari Bank Limited		2,500	-
Attock Petroleum Limited		11,100	-
Bank Al-Falah Limited		58,775	-
Bank Al-Habib Limited		33,750	-
Bank of Punjab		25,500	-
Ceuntry Paper & Board Mills		2,250	-
Cherat Cement Limited		2,800	-
Cherat Packaging Limited		10,813	-
D.G.Khan Cement Company		5,950	-
Engro Corporation Limited		86,770	-
Engro Fertilizer Limited		208,000	106,250
Engro Polymer & Chemical Limited		11,100	-
Fauji Fertilizer Bin Qasim Limited		6,000	-
Fauji Fertilizer Limited		96,750	54,375
Glaxo Smithkline Pakistan Limited		7,000	-
Gul Ahmed Textile Mills Limited		15,000	-
Habib Bank Limited		84,220	55,484
Habib Metropolitan Bank Limited		1,000	-
Hascol Petroleum Limited		2,100	-
Indus Motor Company Limited		4,200	-
International Steel Limited		15,450	-
JS Principal Secured Fund		101,312	-
Kohat Cement Company Limited		3,000	-
Kot Addu Power Company Limited		157,500	227,500
Lucky Cement Limited		8,800	-
Mari Petroleum Company		5,090	-
Matco Foods Limited		2,400	-
MCB Bank Limited		52,400	-
Meezan Bank Limited		4,500	-
Millat Tractor Ltd.		10,500	-
Carry forward		1,236,080	552,359



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	Note	2019 Rupees	2018 Rupees
Brought forward		1,236,080	552,359
Mughal Iron & Steel Industries		5,500	-
Nishat (Chunian) Limited		43,000	-
Nishat Mills Limited		19,950	-
Oil & Gas Development Limited		86,900	28,492
Pakistan Oil Fields Limited		231,000	127,500
Pakistan Petroleum Limited		16,800	50,000
Pakistan State Oil Company		22,600	-
PICIC Growth Fund		-	82,500
Pioneer Cement Ltd.		24,420	-
Saif Power Limited		8,450	-
Sui North Gas Pipelines Limited		24,675	-
Systems Limited		8,000	-
Tariq Glass Limited		18,000	-
The Hub Power Company Limited		23,800	-
United Bank Ltd.		80,800	-
		<u>1,849,975</u>	<u>840,851</u>
31 FEES AND COMMISSION INCOME			
Guarantee commission		277,457	437,143
Processing & participation fee		4,983,469	3,150,000
		<u>5,260,926</u>	<u>3,587,143</u>
32 OTHER INCOME			
Interest income on loan to employees		99,235	129,181
Gain on disposal of fixed asset		-	330,848
Miscellaneous		419,735	1,450,400
		<u>518,970</u>	<u>1,910,429</u>
33 FINANCE COSTS			
Markup/Interest on:			
- Long-term loans		16,176,309	15,762,629
- Short-term running finance facility		35,818,721	28,969,624
- Other charges		217,820	191,828
		<u>52,212,850</u>	<u>44,924,081</u>



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	Note	2019 Rupees	2018 Rupees
34 ADMINISTRATIVE AND OPERATING EXPENSES			
Salaries and allowances	34.1 to 34.3	24,193,470	20,614,712
Travelling, conveyance and meeting charges		3,861,580	3,566,675
Printing and stationery		370,325	400,662
Rent, rates and taxes		4,254,867	4,363,173
Legal and professional		836,979	1,210,796
Repairs and maintenance		491,606	641,295
Auditors' remuneration	34.4	1,016,000	954,760
Newspaper and periodicals		22,355	19,818
Postage and courier services		37,363	96,415
Telephone, telex and fax		389,341	395,805
Electricity, gas and water charges		1,075,337	983,710
Advertisement and business promotion		507,136	583,391
Fees and subscription		2,230,603	2,680,285
Security guards		382,800	500,732
Insurance		723,746	662,875
Brokerage and commission		54,949	58,807
Motor vehicle running expenses		1,721,277	1,200,589
Office supplies		195,513	205,536
IT support		496,738	298,884
Training		40,000	54,650
Depreciation	6	1,770,214	1,617,640
Amortization	7	-	45,345
Corporate Social Responsibility		200,000	-
		44,872,199	41,156,555
34.1 It includes charge for gratuity and provident fund as follows:			
- Gratuity		961,660	559,436
- Provident fund		734,497	500,623
		1,696,157	1,060,059
		Unaudited	Audited
		Rupees	
34.2 Disclosures relating to provident fund			
(i) Size of the fund - net assets		11,399,481	9,726,798
(ii) Cost of Investment made		11,274,059	9,690,101
(iii) Percentage of Investment made		98.90%	99.62%
Breakup of Investment -at fair value			
Investment in National Savings		-	8,472,685
Deposit with Bank Accounts		11,274,059	1,217,416
		11,274,059	9,690,101
Percentage of Investment			
Investment in National Savings		0.0%	87.4%
Deposit Account		100.0%	12.6%
		100%	100%



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34.2.1 These investments are made meeting the requirement of Section 218 of the Companies Act, 2017 and Employee's Provident Fund Rules, 1996.

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

	2019			
	President & Chief Executive Officer	Executive	Directors	Total
Rupees.....			
Director's meeting fee	-	-	2,520,000	2,520,000
Managerial remuneration	3,604,500	2,097,048	-	5,701,548
Annual allowance	2,162,700	1,502,952	-	3,665,652
Retirement benefits	548,481	217,500	-	765,981
Others	300,375	349,508	-	649,883
Total	<u>6,616,056</u>	<u>4,167,008</u>	<u>2,520,000</u>	<u>13,303,064</u>
Total numbers	1	3	7	

	2018			
	President & Chief Executive Officer	Executive	Directors	Total
Rupees.....			
Director's meeting fee	-	-	2,000,000	2,000,000
Managerial remuneration	3,337,500	1,561,512	-	4,899,012
Annual allowance	2,057,607	1,378,633	-	3,436,240
Retirement benefits	508,425	109,575	-	618,000
Others	278,125	-	-	278,125
Total	<u>6,181,657</u>	<u>3,049,720</u>	<u>2,000,000</u>	<u>11,231,377</u>
Total numbers	1	3	7	

34.3.1 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.



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	Note	2019 Rupees	2018 Rupees
34.4 Auditors' remuneration			
Statutory audit		565,000	510,000
Half yearly review		220,000	200,000
Other services	34.4.1	75,000	94,000
Out of pocket expenses		80,740	80,037
		940,740	884,037
Sales tax		75,260	70,723
		<u>1,016,000</u>	<u>954,760</u>
34.4.1 It represents various certification provided under different rules and regulations.			
35 TAXATION			
Current		6,284,468	3,767,787
Prior		(352,668)	(354,739)
Deferred	12.2	(246,253)	3,199,264
		<u>5,685,547</u>	<u>6,612,312</u>
35.1 Relationship between tax expense and accounting profit			
Profit before taxation		15,202,846	15,801,936
Tax at applicable rate of 29% (2018: 30%)		29%	30%
Tax calculated at applicable tax rate		4,408,825	4,740,581
Impact of taxability at different rate		(264,062)	(357,361)
Prior year tax adjustment		(352,668)	(354,739)
Tax effect other than temporary difference		4,325,366	5,012,533
Effect of change in tax rate		(2,431,914)	(2,428,702)
Tax charge for the year		<u>5,685,547</u>	<u>6,612,312</u>
35.2 The income tax assessment of the Investment Bank has been finalized up to the tax year 2018 under self assessment scheme.			
36 EARNINGS PER SHARE -Basic and Diluted		2019	2018
		Rupees	Rupees
Profit after taxation		9,517,299	9,189,624
Number of shares		Number of shares	
Weighted average number of shares outstanding during the year		65,000,000	65,000,000
		Rupees	Rupees
Earnings per share (EPS)		0.15	0.14

There are no dilutive potential ordinary shares outstanding as at June 30, 2019 and June 30, 2018.



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	Note	2019 Rupees	2018 Rupees
37 CASH AND CASH EQUIVALENT			
Cash and bank balances	18	36,263,045	209,076,400
Short-term placements	15	420,000,000	430,000,000
Short-term running finance facility	25	(475,978,135)	(402,137,807)
		<u>(19,715,090)</u>	<u>236,938,593</u>
38 FINANCIAL INSTRUMENTS BY CATEGORY			
Financial assets as per statement of financial position			
At amortised cost			
Investments		48,814,862	68,772,500
Loans and finances		630,217,660	381,335,082
Net investment in finance lease		2,528,436	1,156,833
Long term deposit's		57,500	57,500
Short-term placements		420,000,000	430,000,000
Markup/interest accrued		61,068,478	59,296,138
Other receivables		66,000	144,068
Cash and bank balances		36,263,045	209,076,400
		<u>1,199,015,981</u>	<u>1,149,838,521</u>
Fair value through other comprehensive income			
Investments		93,797,293	85,267,853
		<u>1,292,813,274</u>	<u>1,235,106,374</u>
Financial liabilities as per statement of financial position			
Loans and receivables at amortised cost			
Security deposit against finance lease		752,000	333,400
Long-term loan		140,625,000	187,500,000
Short-term running finance facility		475,978,135	402,137,807
Markup / interest accrued		16,699,841	7,022,701
Accrued expenses and other payables		27,063,238	3,762,617
		<u>661,118,214</u>	<u>600,756,525</u>

39 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.

39.1 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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39.1.1 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.

39.1.2 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. 1,197.87 million (2018: Rs. 1,154.08 million) and Rs. 616.60 million (2018: Rs. 589.64 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
As at June 30, 2019						
Rupees						
Financial Assets						
Investments	11.07%	142,612,155	63,027,255	49,120,366	-	30,464,534
Loans and finances	13.00%	630,217,660	106,053,141	505,057,673	16,094,878	3,011,968
Net investment in finance lease	9.08%	2,528,436	922,451	1,605,985	-	-
Long-term deposits		57,500	-	-	-	57,500
Short-term placements	13.27%	420,000,000	420,000,000	-	-	-
Markup / interest accrued		61,068,478	-	-	-	61,068,478
Other receivables		66,000	-	-	-	66,000
Cash and bank balance	9.88%	36,263,045	35,996,693	-	-	266,352
		1,292,813,274	625,999,540	555,784,024	16,094,878	94,934,832
Financial Liabilities						
Security deposit against finance lease		752,000	-	-	-	752,000
Long-term loans	11.99%	140,625,000	78,125,000	62,500,000	-	-
Short-term running finance facility	11.73%	475,978,135	475,978,135	-	-	-
Markup / interest accrued		16,699,841	-	-	-	16,699,841
Accrued expenses and other payables		27,063,238	-	-	-	27,063,238
		661,118,214	554,103,135	62,500,000	-	44,515,079
On-balance sheet gap		631,695,060	71,896,405	493,284,024	16,094,878	50,419,753



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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, 2018						
Financial Assets						
Investments	8.73%	154,040,353	72,984,893	62,584,426	-	18,471,034
Loans and finances	7.78%	381,335,082	29,379,402	333,097,082	16,094,878	2,763,720
Net investment in finance lease	9.09%	1,156,833	509,568	647,265	-	-
Long-term deposits		57,500	-	-	-	57,500
Short-term placements	9%	430,000,000	430,000,000	-	-	-
Markup / interest accrued		59,296,138	-	-	-	59,296,138
Other receivables		144,068	-	-	-	144,068
Cash and bank balance	7%	209,076,400	208,789,997	-	-	286,403
		1,235,106,374	741,663,860	396,328,773	16,094,878	81,018,863
Financial Liabilities						
Security deposit against finance lease		333,400	-	-	-	333,400
Long-term loans	7.00%	187,500,000	62,500,000	125,000,000	-	-
Short-term running finance facility	7.04%	402,137,807	402,137,807	-	-	-
Markup / interest accrued		7,022,701	-	-	-	7,022,701
Accrued expenses and other payables		3,762,617	-	-	-	3,762,617
		600,756,525	464,637,807	125,000,000	-	11,118,718
On-balance sheet gap		634,349,849	277,026,053	271,328,773	16,094,878	69,900,145

39.1.3 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. 68.2 million (2018: 69.9 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

The table below summarizes Investment Bank's equity price risk as of June 30, 2019 and 2018 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, 2019	77,879,810	10% increase	85,667,791	7,787,981	7,787,981
		10% decrease	70,091,829	(7,787,981)	(7,787,981)
June 30, 2018	74,971,010	10% increase	82,468,111	7,497,101	7,497,101
		10% decrease	67,473,909	(7,497,101)	(7,497,101)

39.2 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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Investment and Finances *	2019		2018	
	Rupees	%	Rupees	%
Automobile Assembler	24,078	0.00%	-	0.00%
Constructions	6,560,000	0.85%	6,560,000	1.30%
Cable & Electrical Goods	10,010	0.00%	2,504,583	0.50%
Cement	220,771,258	28.53%	164,038,889	31.40%
Chemical	2,864,247	0.37%	6,575,917	1.30%
Close - End Mutual Fund	309,900	0.04%	-	0.00%
Open - End Mutual Fund	19,953,242	2.58%	-	0.00%
Commercial Banks	31,385,061	4.06%	50,185,811	9.60%
Engineering	243,627	0.03%	13,333,332	2.60%
Fertilizer	3,098,611	0.40%	-	0.00%
Food & Personal Care Products	128,416	0.02%	-	0.00%
Glass & Ceramics	214,564	0.03%	-	0.00%
Insurance	192,775	0.02%	915,300	0.20%
Oil & Gas Exploration Companies	6,437,252	0.83%	3,089,870	0.60%
Oil & Gas Marketing Companies	118,248,209	15.28%	37,500,000	7.20%
Paper & Board	200,298	0.03%	-	0.00%
Pharmaceuticals	95,330	0.01%	-	0.00%
Power Generation & Distribution	4,948,519	0.64%	-	0.00%
Refinery	64,706	0.01%	-	0.00%
Hotel Industries	35,714,286	4.62%	22,626,569	4.30%
Sugar & Allied Industries	293,750,000	37.96%	193,750,000	37.20%
Technology & Communication	8,755,596	1.13%	-	0.00%
Textile Composite	14,985,057	1.94%	19,775,349	3.80%
Textile Spinning	4,797,224	0.62%	-	0.00%
	773,752,266	100%	520,855,620	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
MCB Bank Ltd.	PACRA	A1+	AAA
National Bank of Pakistan	JCR-VIS	A1+	AAA
Allied Bank Ltd	PACRA	A1+	AAA
Khushhali Microfinance Bank	JCR-VIS	A-1	A+
Tameer Microfinance Bank Limited	PACRA	A1	A+
NRSP Microfinance Bank Limited	PACRA	A1	A
FINCA Microfinance Bank	JCR-VIS	A-1	A
U Microfinance Bank	JCR-VIS	A-1	A
The First Microfinance Bank	JCR-VIS	A-1	A+

39.3 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.



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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.

	Total	Within one year	More than one year and less than five years	More than five years
-----Rupees-----				
As at June 30, 2019				
Financial Assets				
Investments	142,612,155	113,152,214	29,459,941	-
Loans and finances	630,217,660	106,109,067	508,013,715	16,094,878
Net investment in finance lease	2,528,436	922,451	1,605,985	-
Long-term deposits	57,500	-	57,500	-
Short-term placements	420,000,000	420,000,000	-	-
Markup / interest accrued	61,068,478	61,068,478	-	-
Other receivables	66,000	66,000	-	-
Cash and bank balance	36,263,045	36,263,045	-	-
	1,292,813,274	737,581,255	539,137,141	16,094,878
Financial Liabilities				
Security deposit against finance lease	752,000	333,400	418,600	-
Long-term loans	140,625,000	78,125,000	62,500,000	-
Short-term running finance facility	475,978,135	475,978,135	-	-
Markup / interest accrued	16,699,841	16,699,841	-	-
Accrued expenses and other payables	27,063,238	27,063,238	-	-
	661,118,214	598,199,614	62,918,600	-
On-balance sheet gap	631,695,060	139,381,641	476,218,541	16,094,878

	Total	Within one year	More than one year and less than five years	More than five years
-----Rupees-----				
As at June 30, 2018				
Financial Assets				
Investments	154,040,353	114,062,414	39,977,939	-
Loans and finances	381,335,082	29,435,328	335,804,876	16,094,878
Net investment in finance lease	1,156,833	509,568	647,265	-
Long-term deposits	57,500	-	57,500	-
Short-term placements	430,000,000	430,000,000	-	-
Markup / interest accrued	59,296,138	59,296,138	-	-
Other receivables	144,068	144,068	-	-
Cash and bank balance	209,076,400	209,076,400	-	-
	1,235,106,374	842,523,916	376,487,580	16,094,878
Financial Liabilities				
Security deposit against finance lease	333,400	-	333,400	-
Long-term loans	187,500,000	62,500,000	125,000,000	-
Short-term running finance facility	402,137,807	402,137,807	-	-
Markup / interest accrued	7,022,701	7,022,701	-	-
Accrued expenses and other payables	3,762,617	3,762,617	-	-
	600,756,525	475,423,125	125,333,400	-
On-balance sheet gap	634,349,849	367,100,791	251,154,180	16,094,878



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40 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.

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 NBFC's & NE's Regulations 2008 issued by SECP prescribed the minimum equity requirements for NBFCs licensed by the Commission to undertake different form of business.

41 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.

		2019		
		Level 1	Level 2	Level 3
		----- Rupees -----		
Listed securities		88,185,314	-	-
Unlisted securities		-	11,357,224	-
		<u>88,185,314</u>	<u>11,357,224</u>	<u>-</u>
		2018		
		Level 1	Level 2	Level 3
		----- Rupees -----		
Listed securities		99,613,512	-	-
Unlisted securities		-	11,357,224	-
		<u>99,613,512</u>	<u>11,357,224</u>	<u>-</u>

c) Other financial instruments

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

42 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 other than disclosed elsewhere in these financial statements are as follows:

	Note	2019 Rupees	2018 Rupees
Associated Undertakings			
Transactions during the year			
National Bank of Pakistan (NBP holds 30.77% of FCIBL Shares)			
Mark-up on long-term loan	33	<u>16,176,309</u>	<u>15,762,629</u>
Mark-up on running finance	33	<u>10,106,031</u>	<u>3,110,957</u>
Rent paid		<u>4,106,020</u>	<u>4,182,310</u>
Taurus Securities Limited (NBP holds 58.32% of Taurus Securities Limited Shares)			
Brokerage expense		<u>26,886</u>	<u>3,250</u>




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	Note	2019 Rupees	2018 Rupees
Balance at year end			
National Bank of Pakistan (NBP holds 30.77% of FCIBL Shares)			
Investment in shares at cost	14.2	<u>3,858,395</u>	<u>3,858,395</u>
Long-term loan	23.1	<u>140,625,000</u>	<u>187,500,000</u>
Short term running finance	25.2	<u>99,999,951</u>	<u>99,999,951</u>
NAFA Stock Fund (NBP holds 54% shares of NBP Fund Management Limited - Management Company of the Fund)	14.3	<u>25,000,000</u>	<u>25,000,000</u>
Key Management Personnel			
Salaries, benefits and other allowances	34.3	<u>10,783,064</u>	<u>9,231,377</u>
Retirement benefits	34.3	<u>765,981</u>	<u>618,000</u>
Return on long-term loans		<u>-</u>	<u>34,800</u>
Balance at year end		<u>3,001,405</u>	<u>3,983,301</u>
Staff Retirement Plans			
Contribution to staff retirement Plans	34.1	<u>734,497</u>	<u>500,623</u>
43 EMPLOYEES		2019	2018
		Numbers	
Employees at the end of the year		<u>18</u>	<u>18</u>
Average employees during the year		<u>18</u>	<u>17</u>
44 GENERAL			
Figures have been rounded off to the nearest rupees.			
45 SUBSEQUENT EVENT			
The Board of Directors in their meeting held on September 28, 2019 has proposed final dividend of Rs.0.30 per share (i.e. 3%) for the year ended June 30, 2019 amounting to PKR 19,500,000/- (2018: Nil) for the approval of shareholders at the Annual General Meeting to be held on October 25, 2019. These financial statements do not reflect these appropriations and the proposed dividend payable.			
46 DATE OF AUTHORIZATION FOR ISSUE			
These financial statements was authorized for issue on September 28, 2019 by the Board of Directors of the Investment Bank.			


MUHAMMAD KAMRAN
 Chief Financial Officer


MUHAMMAD MOHSIN ALI
 President & CEO


MUHAMMAD AMEEN
 Director



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PATTERN OF SHAREHOLDING AS AT JUNE 30, 2019

Number of Shareholders	Shareholding		Total number of Shares held	Percentage %
	From	To		
258	1	100	5,020	0.0072
546	101	500	253,002	0.3892
68	501	1,000	65,743	0.1011
54	1,001	5,000	139,408	0.2145
9	5,001	10,000	68,000	0.1046
4	10,001	15,000	49,000	0.0754
2	30,001	35,000	65,000	0.1000
1	155,001	160,000	56,500	0.2408
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
947			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	98.7667%
General Public			
Local	292	765,536	1.1776%
Foreign	7	29,637	0.0456%
Others	2	3,500	0.0054%
Total	947	65,000,000	100.0000%



PATTERN OF SHAREHOLDING AS REQUIRED UNDER THE CODE OF CORPORATE GOVERNANCE AS AT JUNE 30, 2019

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	936	795,173	1.2233%
Others	2	3,500	0.0054%
Total	947	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 25, 2019 at 05:30 p.m. at PIIA (Pakistan Institute of International Affairs) Auditorium, Aiwan-e-Saddar
Road, Karachi.

Signed this _____ day of _____ 2019.

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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Registrar:
THK Associates (Pvt.) Limited
40-C, First Floor, Block-6,
PECHS, Karachi-75400.

**AFFIX
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POSTAGE**

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پراکسی فارم

کمپنی سیکرٹری

فرسٹ کریڈٹ اینڈ انویسٹمنٹ بینک لمیٹڈ

سیکنڈ فلور سید کوئینز اسٹریٹ ریل روڈ

کراچی 74200

میں / ہم کسی / مسماۃ _____ ساکن _____ بحیثیت ممبر فرسٹ کریڈٹ اینڈ انویسٹمنٹ بینک لمیٹڈ اور حامل
عام حصص، رجسٹرڈ فلیو نمبر _____ کے تحت اور یا سی ڈی سی شراکتہ آر آئی ڈی نمبر _____ اور ڈیلی اکاؤنٹ نمبر _____
یہاں محترم / محترمہ _____ ساکن _____ یا ان کی جگہ محترم / محترمہ _____
ساکن _____ کو بطور اپنا حق راہروٹ دینے کیلئے اپنا پراکسی تقرر کرتا / کرتی ہوں جو میری جگہ کمپنی کے سالانہ اجلاس عام جو بروز جمعہ 25 اکتوبر 2019
بوقت شام 05:30 بجے PHA آڈیٹوریم ایوان صدر روڈ کراچی میں منعقد ہو رہا ہے شرکت کرے۔

بروز _____ تاریخ _____ 2019 کو دستخط کیا گیا۔

گواہ نمبر ۱۔

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

دستخط

نام _____
پتہ _____
پاسپورٹ / CNIC نمبر _____
دستخط _____

گواہ نمبر ۲۔

نام _____
پتہ _____
پاسپورٹ / CNIC نمبر _____
دستخط _____

اہم نکات۔

باضابطہ موثر ہونے کیلئے دستخط شدہ ممبر شدہ اور دو گواہوں کے دستخط کے نام پتے اور کمپیوٹرائزڈ 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 پرائیویٹ لمیٹڈ کے دفتر بمقام فرسٹ فلور C-40، بلاک 6، PECHS، کراچی میں جمع کرنا لازمی ہے۔
انفرادی مالکان کی صورت میں بینیفیشل مالکان اور پراکسی کمپیوٹرائزڈ 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 آف انارنی 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 کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ اور فلیو نمبر بھی ہمراہ لانا ہوگا۔



ٹکٹ چسپاں
کریں۔

فرسٹ کریڈٹ اینڈ انویسٹمنٹ بینک لمیٹڈ

شیئرز رجسٹرار:

THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ

40-C فرسٹ فلور، بلاک نمبر 6، PECHS

کراچی۔ 75400

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کمپنی میں خیر ہولڈنگ 30 جون 2019 کو کمپنی میں خیر ہولڈنگ

خیر کا فیصد %	خیر کی تعداد	خیر ہولڈرز کی تعداد	خیر ہولڈنگ کی درجہ بندی
			متعلقہ کمپنیز مقررہ اور متعلقہ فریقین اسپانسرز اور انکواریز
30.7692%	20,000,000	1	نیشنل بینک آف پاکستان
30.7692%	20,000,000	1	واٹر اینڈ پاور ڈولپمنٹ اتھارٹی
19.6775%	12,790,378	1	سردار محمد اشرف ڈی. بلوچ
			اینڈ کو. (پرائیویٹ) لمیٹڈ
10.1635%	6,606,246	1	لٹی انٹر نیٹس (پرائیویٹ) لمیٹڈ
7.3872%	4,801,703	1	سردار محمد اشرف ڈی. بلوچ
			(پرائیویٹ) لمیٹڈ
98.7666%	64,198,327	5	باہمی فنڈز
			این آئی سی اور آئی سی بی
			ڈائریکٹرز چیف ایگزیکٹو آفیسر،
			شوہر / بیوی اور نامبالغ بچے
0.0008%	500	1	مسٹر محمد فہیم الدین
0.0008%	500	1	مسٹر محمد اقبال حسین
0.0008%	500	1	مسٹر محمد امین
0.0023%	1,500	1	مسٹر محمد محسن علی
			ایگزیکٹو
			پبلک سیکٹر کمپنیز اور کارپوریشن
			بینک، ڈولپمنٹ فنانس ادارے
			نان بینک فنانس کمپنیز باہمی فنڈز
1.2233%	795,173	936	جنرل پبلک
0.0054%	3,500	2	دیگر
100.0000%	65,000,000	947	کل

خیر ہولڈنگ 5% اور ذائد

30.7692%	20,000,000	1	نیشنل بینک آف پاکستان
30.7692%	20,000,000	1	واٹر اینڈ پاور ڈولپمنٹ اتھارٹی
			سردار محمد اشرف ڈی. بلوچ
19.6775%	12,790,378	1	اینڈ کو. (پرائیویٹ) لمیٹڈ
			لٹی انٹر نیٹس (پرائیویٹ) لمیٹڈ
10.1635%	6,606,246	1	سردار محمد اشرف ڈی. بلوچ
7.3872%	4,801,703	1	(پرائیویٹ) لمیٹڈ



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شیر ہولڈنگ پیٹرن بمطابق 30 جون 2019

شیر ہولڈرز کی تعداد	شیر ہولڈنگ سے	شیر ہولڈنگ تک	کل شیر کی ملکیت	فیصد %
258	1	100	5,020	0.0072
546	101	500	253,002	0.3892
68	501	1,000	65,743	0.1011
54	1,001	5,000	139,408	0.2145
9	5,001	10,000	68,000	0.1046
4	10,001	15,000	49,000	0.0754
2	30,001	35,000	65,000	0.1000
1	155,001	160,000	56,500	0.2408
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
947			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	98.7667%
جنرل پبلک			
لوکل	292	765,536	1.1776%
غیر ملکی	7	29,637	0.0456%
دیگر	2	3,500	0.0054%
ٹوٹل	947	65,000,000	100.0000%



First Credit And Investment Bank Ltd.

وڈیولنک کے ذریعے میٹنگ میں شرکت:

وڈیولنک کے ذریعے میٹنگ میں شرکت کے لیے ۱۰% یا زیادہ اور وڈیولنک کے ذریعے حصہ لینے کیلئے کمپنی سے مطالبہ کر سکتے ہیں۔ اور اگر آپ یہ سہولت حاصل کرنا چاہتے ہیں تو براہ مہربانی درج ذیل فارم پر کر کے رجسٹرڈ پتہ پر میٹنگ سے سات دن پہلے جمع کرائیں۔

میں / ہم (شیر ہولڈر کا نام)..... شہر کا نام..... ایف سی آئی بی ایل کا ممبر ہونے کے تحت..... عمومی شیرز برطانیہ فلیو ای سی / انویسٹرا کاؤنٹ

نمبر..... بذریعہ ہذا مقام..... میں میٹنگ میں وڈیولنک کی سہولت حاصل کرنا چاہتا / چاہتی ہوں۔

ممبر کے دستخط.....

کمپنی میٹنگ سے کم از کم پانچ دن پہلے تمام مکمل معلومات فراہم کرے گی جو انہیں اس سہولت تک رسائی کے قابل بنائیں گی۔

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بینک اکاؤنٹ نمبر آئی بی اے این	
بینک کا نام	
بینک کی برانچ اور کوڈ نمبر	
بینک کا پتہ	

IBAN مہیا نہ کرنے کی صورت میں ایس ای سی پی کی ہدایات کی روشنی میں کمپنی ایسے حصص داران کے نقد ڈیویڈنڈ کی ادائیگی روکنے کی پابند ہوگی۔

(۴)۔ ڈیویڈنڈ پر دودھولڈنگ ٹیکس۔

(۱) فنانس ایکٹ ۲۰۱۹ کے مطابق ڈیویڈنڈ کی ادائیگی پر آگم ٹیکس آرڈیننس ۲۰۱۹ کے تحت درج ذیل آگم ٹیکس کی کوٹنی کی جائے گی۔

(الف) آگم ٹیکس فاکٹر ذیل کے ۱۵% کے حساب سے۔

(ب) نان فاکٹر ذیل کے ۳۰% کے حساب سے۔

ایسے حصص داران جو کہ فاکٹر ہونے کے باوجود ابھی تک اپنا نام ایف بی آر کی ویب سائٹ پر ایکٹیو فاکٹر کی فہرست میں نہیں ڈلواسکے ہیں ان سے گزارش کی جاتے ہے کہ اپنے نام مکرورہ فہرست میں ڈلوالیں تاکہ کمپنی ان کی ڈیویڈنڈ آمدن سے ۳۰% کے بجائے ۱۵% کے حساب سے آگم ٹیکس کی کوٹنی کرے اور ناموں کا اندراج نقد ڈیویڈنڈ کے علان یعنی ۱۵ اکتوبر ۲۰۱۹ سے پہلے کیا جانا لازم ہے بصورت دیگر ۱۵% کے بجائے ۳۰% کے حساب سے آگم ٹیکس کی کوٹنی کی جائے گی۔

(۲) سی ڈی سی کے حامل کارپوریٹ حصص داران پر لازم کے اپنے متعلقہ شرائط دار کے ساتھ اپنے این ٹی این کی تجدید کروالیں جبکہ فزیکل رکافڈی صورت میں حصص کے حاملین پر لازم ہے کہ اپنے یا اپنے متعلقہ شیئرز رجسٹرار کے این ٹی این یا این ٹی این سرٹیفکیٹ کی کاپی کمپنی کے پاس جمع کرا دیں۔ جیسی بھی صورتحال ہوا رسال کرتے وقت کمپنی کے نام اوی ڈی سی نمبر کا حوالہ لازماً دیا جائے۔

(۳) ایف بی آر کی جانب سے جاری کی جانے والی وضاحت کے مطابق، دودھولڈنگ ٹیکس کا نفاذ بنیادی حصص داران کے تناسب۔ حصص داری کو مد نظر رکھتے ہوئے ان کے فاکٹر رٹان فاکٹر ہونے کے اعتبار سے کیا جائے گا۔

اگر حصص داری کے تناسب کا تعین نہ کیا جاسکے تو پھر تمام حصص داری میں برابر تصور کیا جائے گا اور دودھولڈنگ ٹیکس کی کوٹنی اسی تناسب سے کی جائے گی۔ لہذا ایسے تمام حصص داران جو کہ شرکت داری کے ساتھ حاملین حصص ہیں پر لازم ہے کہ رجسٹرار کے پاس موجود بنیادی حصص داران کے تناسب حصص داری کو درج ذیل طریقے کار پر واضح کریں۔

فولیوری ڈی سی اکاؤنٹ نمبر	حصص داران کا نام	تناسب حصص داری حصص کی کل تعداد	سی این آئی سی نمبر	دستخط
	بنیادی رشریک حصص داران			

کمپیوٹرائزڈ قومی شناختی کارڈ کاپی کی فراہمی:

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان سے جاری کردہ ایس آر او نمبر ۲۰۱۳ (۱) مورچہ ۱۰ جنوری ۲۰۱۳ 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 کمپنی کے شیئرز رجسٹرار سٹیزز THK ایسوسی ایشن (پرائیویٹ) لمیٹڈ کو ارسال کریں وہ ممبران جو ڈی سی میں کھیر رکھتے ہیں ان سے بھی التماس کی جاتی ہے کہ وہ اپنے قومی شناختی کارڈ کی تصدیق شدہ کاپی ڈی سی یا اینڈیسٹراکٹ ڈسٹروکٹو نمبر کو بھجوائیں۔

پتہ میں تبدیلی:

شیئرز ہولڈرز سے گزارش ہے کہ وہ اپنا پتہ تبدیل ہونے کے بارے میں کمپنی کے شیئرز رجسٹرار کو یا ڈی سی شرکت دارا انویسٹراکٹ ڈسٹروکٹو نمبر کو فوری طور پر مطلع کریں جو بھی صورت ہو۔



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(اے)۔ اجلاس میں شرکت کیلئے۔

- (الف) 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 کمپیوٹرائزڈ قومی شناختی کارڈ (سی۔ این۔ آئی۔ سی) یا اصل پاسپورٹ کے ذریعے اجلاس میں شرکت کے وقت اپنی شناخت کی توثیق کرنا ہوگی۔
- (ب) کارپوریٹ ادارے کی صورت میں، انارنی کے لئے پورڈ آف ڈائریکٹران کی قرارداد کے مطابق نامزد شخص کے مخصوص دستخط (اگر یہ اس سے قبل فراہم نہیں کئے گئے) مینٹگ کے وقت پیش کرنا ہونگے۔

(بی)۔ پراکسی کی تقرری کیلئے۔

- (الف) 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 پراکسی فارم مذکورہ ضروریات کے تحت جمع ہونے چاہئے۔
- (ب) پراکسی فارم دو افرادی جانب سے گواہی کے ساتھ ہونا چاہئے، چنگے نام، پیدوسی این آئی سی نمبر فارم پر درج ہونے چاہئے۔
- (پ) پراکسی فارم کے ساتھ سی۔ این۔ آئی۔ سی مصدقہ کاپیاں یا حق دار مالکان کا پاسپورٹ اور پراکسی پیش کرنا ہوگا۔
- (ت) پراکسی کو اپنے اصل سی۔ این۔ آئی۔ سی یا پاسپورٹ اجلاس کے وقت پیش کرنا ہوگا۔
- (ج) کارپوریٹ ادارے کی صورت میں کمپنی کو پراکسی فارم کے ساتھ پورڈ آف ڈائریکٹران کی قرارداد اور پورڈ آف انارنی جمع مخصوص دستخط جمع کرانے ہونگے۔ (اگر یہ اس سے قبل فراہم نہیں کئے گئے)۔

(۳)۔ نقد ڈیویڈنڈ کی ادائیگی بذریعہ الیکٹرانک ذرائع (لازمی شرط):

کمپنیز ایکٹ اوکٹینیز (ڈسٹری بیوٹن برائے ڈیویڈنڈ) ریگولیشن ۲۰۱۷ کے سیکشن ۲۳۲ کے تحت تمام لسٹڈ کمپنیاں اپنے حصص داران کو نقد ڈیویڈنڈ کی ادائیگی ان کے نامزد کردہ انٹرنیشنل بینک اکاؤنٹ میں بذریعہ الیکٹرانک ذرائع کرنے کی پابند ہیں۔ اس سلسلے میں کمپنی کی جانب سے پہلے ہی حصص داران کو خطوط اور الیکٹرانک کریڈٹ مینڈیٹ فارم ارسال کئے جانے چاہئے ہیں تاکہ انٹرنیشنل بینک اکاؤنٹ نمبر (آئی بی اے این) فراہم کرنے کے سلسلے میں حصص داران متعلقہ قواعد کی پابندی کریں۔

ایسے حصص داران جن کی جانب سے ابھی تک آئی بی اے این مہیا نہیں کئے گئے ہیں سے ایک مرتبہ پھر درخواست کی جاتی ہے ذیل میں موجود یا کمپنی کی ویب سائٹ پر دیئے گئے الیکٹرانک مینڈیٹ فارم کو پُر کر کے اپنے دستخط اور کارآمد قومی شناختی کارڈ کی نقل کے ساتھ سی ڈی سی شراکت داری سی ڈی سی الونسٹرا اکاؤنٹ سروسز (اگر حصص داری بصورت بک انٹری ہو) یا کمپنی کے ہیمر رجسٹرار ٹیمرز THK ایوی سی ایش (پرائیویٹ) لمیٹڈ، فرسٹ فلور، ۴۰۰-۶، بلاک ۶، PECHS، کراچی ۷۵۴۰۰ (اگر حصص داری کاغذی رجسٹری صورت میں ہو) بمجوادیں۔

۱۔	تفصیلات برائے حصص دار
	فولیو نمبر
	پارٹیشن آئی ڈی نمبر
	سب اکاؤنٹ نمبر
	نام
	سی این آئی سی رٹانگیو پراسپورٹ ماین ٹی این نمبر (کاپی منسلک کریں)
	والدشوہر کا نام
	موبائل ریلینڈ لائن نمبر (کوئی ایک)
	حصص دار کا پتہ
	حصص داران کے بینک سے متعلق تفصیلات
	نام (بینک اکاؤنٹ کے ریکارڈ کے مطابق)



سالانہ اجلاس عام کی اطلاع

ذریعہ اطلاع دی جاتی ہے کہ فرسٹ کریڈٹ اینڈ انویسٹمنٹ بینک لمیٹڈ کے شیئر ہولڈرز کا ۳۰ واں سالانہ اجلاس عام بروز جمعہ ۲۵ اکتوبر ۲۰۱۹ شام ۵:۳۰ بجے برہمہ PIIA (پاکستان انشٹیٹیوٹ آف انٹرنیشنل انویسٹمنٹ) آڈیٹوریم ایوان صدر روڈ کراچی میں منعقد ہوگا جس میں مندرجہ ذیل امور انجام دیے جائیں گے۔

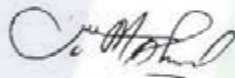
عمومی امور :

- (الف) سالانہ اجلاس عام منعقدہ ۲۶ اکتوبر ۲۰۱۸ کی کارروائی کی توثیق۔
- (ب) ۳۰ جون ۲۰۱۹ کو ختم شدہ سال کیلئے کمپنی کے آڈٹ شدہ مالیاتی اسٹیٹمنٹس مع ان پراڈیٹرز اور ڈائریکٹرز پر رٹوں کی وصولی انغور و خوش اور منگوری۔
- (پ) بورڈ کی سفارشات کے مطابق حتمی نقد منافع برائے مالی سال ۲۰۱۹ جون ۳۰ بحساب ۳% فی حصص (یعنی ۰.۳۰ روپے) کی ادائیگی پر غور و خوش اور منگوری۔
- (ت) ۳۰ جون ۲۰۲۰ کو ختم ہونے والے سال کیلئے قانونی آڈیٹرز کا تقرر اور ان کے مشاہرہ کا تعین کرنا۔ سبکدوش ہونے والے آڈیٹرز میسرز گرانٹ تھورنٹن انجمن ٹرسٹن چارٹرڈ اکاؤنٹنٹس مطلوبہ پانچ سال کی مطلوبہ مدت پوری کر چکے ہیں اس لیے دوبارہ مقرر کیے گئے اہل نہیں لہذا بورڈ آف ڈائریکٹرز نے میسرز ہور و جھ حسین چودھری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو ۳۰ جون ۲۰۲۰ کو ختم ہونے والے سال کے لئے تقرر کی آڈٹ کمپنی کی سفارشات کی توثیق کی ہے۔

دیگر امور :

(ج) صدر اجلاس کی اجازت سے دیگر امور انجام دینا۔

حسب الحکم بورڈ



محمد امین کھٹری

کمپنی سیکریٹری

کراچی

۳ اکتوبر ۲۰۱۹

نوٹ۔

حصص کی کتب کی منتقلی کی بندش۔

(۱) کمپنی کی حصص منتقلی کی کتاب ۱۵ اکتوبر ۲۰۱۹ تا ۲۵ اکتوبر ۲۰۱۹ (بشمول دونوں ایام) بند رہے گی۔ جو مشکلیات ۱۵ اکتوبر ۲۰۱۸ کو کاروبار کے اختتام تک ہمارے شیئر رجسٹرار میسرز THK الیوسی ایٹس (پرائیویٹ) لمیٹڈ، فرسٹ فلور، C-۴۰، بلاک ۶، PECHS، کراچی ۷۴۰۰۰ کے دفتر میں باضابطہ طور پر موصول ہوگی انھیں اجلاس میں شرکت کرنے اور ووٹ دینے کی غرض سے شیئر ہولڈرز کے استحقاق کے مقصد کیلئے بروقت سمجھا جائے گا۔

سالانہ اجلاس عام میں شرکت۔

(۲) 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 پراکسی مقرر کر سکتا ہے۔ پراکسی کی تقرری کی اطلاع کمپنی کو اجلاس سے کم از کم ۳۸ گھنٹے قبل دینی ہوگی۔ سی۔ ڈی۔ سی اکاؤنٹس رکھنے والوں کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان سے جاری سرٹیفکٹ نمبر ۲۶ جنوری ۲۰۰۰ میں دی گئی ہدایات پر عملدرآمد کرنا ہوگا۔



شیر ہولڈنگ پیٹرن:

۳۰ جون ۲۰۱۹ پر شیر ہولڈنگ پیٹرن بشمول کمپنی کے حصص یافتگان کی کٹنگری سالانہ رپورٹ کے ساتھ منسلک ہے۔ دوران سال شیر ہولڈنگ پیٹرن کے مطابق ڈائریکٹرز، ای او، ای ایف او، کمپنی سیکریٹری اور ان کی بیوی، بچوں کی طرف سے کمپنی کے حصص کا کاروبار نہیں کیا گیا یا سوائے جو کہ شیر ہولڈنگ پیٹرن میں دکھایا گیا ہے۔

مستقبل کے امکانات اور حکمت عملی:

ہم اپنے کاروبار میں توسیع کے لئے نہ صرف کاربند ہیں بلکہ موجودہ بنیادی کاروباری سرگرمیوں پر پوری توجہ مرکوز ہے اور ہم ریگولیٹری فریم ورک میں رہتے ہوئے کاروبار میں تنوع پیدا کرنے کے لئے مستعد ہیں۔ ہماری عمودی اور افقی کی توسیع کی حکمت عملی سے آمدنی میں اضافہ ہوگا جس سے امید ہے کہ ملک کی اقتصادی اور کاروباری حالات بھی بہتر ہوں گے۔ آپ کی کمپنی اپنے اثاثوں کے معیار کو بحال کرنے، اور موجودہ عملہ اور اہم پیشہ ورانہ عملہ کی خدمات حاصل کر کے ان کو ٹریننگ کے ذریعہ اپنے انفراسٹرکچر میں بہتری لانے، مختلف النوع پروڈکٹ اور خدمات کی بحالی کی مناسب کوششیں کر رہی ہے، اور نئے مواقع اور نئے چیلنجز کا سامنا کرنے کے لئے اپنی پالیسیاں اور طریقہ کار کو اپ ڈیٹ کر رہی ہے۔

اظہار تشکر:

ڈائریکٹرز اپنے اسٹیک ہولڈرز، قابل قدر صارفین اور مالیاتی اداروں کا ان کی مسلسل اعتماد اور سرپرستی اپنی تشکر کا اظہار کرتے ہیں۔ ہم ریگولیٹری اداروں خاص طور پر سیکورٹیز اور انویسٹمنٹ کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان اور پاکستان اسٹاک انویسٹمنٹ کی مسلسل رہنمائی اور تعاون کے بھی شکر گزار ہیں۔ ہم انتظامیہ اور ملازمین کی محنت اور لگن سے کام کرنے کا اعتراف بھی کرتے ہیں۔

محکم بورڈ

محمد امین

ڈائریکٹر

محمد حسن علی

چیف ایگزیکٹو آفیسر

کراچی

۲۸ ستمبر، ۲۰۱۹

ANNUAL REPORT 2019

ڈائریکٹر کا نام	مینگلز کی تعداد جن میں شریک ہونے کے اہل تھے	مینگلز کی تعداد جن میں شریک ہوئے
جناب محمد نعیم الدین	۳	۳
جناب محمد اکرام خان	۲	۲
جناب اسد اللہ سلیم	۳	۳
جناب نوید امیر چوہدری	۱	۱
جناب محمد اقبال حسین	۲	۲
جناب محمد محسن علی	۳	۳

ریسک مینجمنٹ کمیٹی:

بورڈ نے ایک ریسک مینجمنٹ کمیٹی تشکیل دی ہے تاکہ وہ ڈائریکٹرز کو مستقبل میں درپیش نقصانات کے تعین اور اس کے سبب باپ کرنے میں معاونت کر سکیں۔ یہ کمیٹی چار (۴) ممبران پر مشتمل ہے جن میں زیادہ تر ممبران نان ایگزیکٹو ڈائریکٹرز ہیں جبکہ چیئرمین کمیٹی انڈیپنڈنٹ ڈائریکٹر ہیں سال کے دوران کمیٹی کی تین (۳) مینگلز منعقد کی گئیں، جس میں درج ذیل ڈائریکٹرز نے شرکت کی:

ڈائریکٹر کا نام	مینگلز کی تعداد جن میں شریک ہونے کے اہل تھے	مینگلز کی تعداد جن میں شریک ہوئے
جناب محمد اقبال حسین	۳	۳
جناب اسد اللہ سلیم	۳	۳
جناب نوید امیر چوہدری	۳	۳
جناب محمد محسن علی	۳	۳

ڈائریکٹرز مشاہرہ پالیسی:

بورڈ نے ڈائریکٹرز مشاہرہ پالیسی نافذ العمل کی ہے اس پالیسی کے مطابق تمام نان ایگزیکٹو ڈائریکٹرز بورڈ مینگلز فیس کے حصول کے مجاز ہوں گے۔ کمیٹی کی کمیٹی اور خیر ہولڈرز وقتاً فوقتاً مشاہرہ کی مالیت تعین کرنے کے مجاز ہوں گے۔ ایگزیکٹو ڈائریکٹرز اور سی ای او کے مشاہرے کا تعین بورڈ آف ڈائریکٹرز کے ذمہ ہوگا پالیسی کے مطابق بورڈ مینگلز میں شرکت پر ڈائریکٹرز کے جو بھی اخراجات ہوں گے وہ کمیٹی کے ذمہ واجب الادا ہوں گے۔

ٹریڈنگ پروگرامز:

ڈائریکٹرز کو پاکستان اسٹاک ایکسچینج کی لسٹنگ ریگولیشن، میورنٹم اینڈ آرٹیکل آف ایسوسی ایشن، این بی ایف سی رولز ۲۰۰۳ اور این ای سیز ریگولیشن ۲۰۰۸ کی کاپیاں فراہم کی گئی ہیں اور وہ اپنی فرائض اور ذمہ داریوں سے اچھی طرح واقف ہیں FCIBL کے ۷۰% سے ڈاکو ڈائریکٹرز نے ضروری ڈائریکٹرز ٹریڈنگ پروگرام سرٹیفکیٹ (DTP) حاصل کیے ہوئے ہیں جو کہ لکھنؤ (کوڈ آف کارپوریٹ گورننس) ریگولیشن ۲۰۱۷ کے تحت ہے اور SECRC کے مقرر کردہ معیاری سی جی ۱ کے مطابق ہے۔

آڈیٹرز:

کمیٹی کے موجودہ آڈیٹرز میسرز گرانٹ تھارٹن انٹرمیڈیٹ چارٹرڈ اکاؤنٹنٹس، ریناٹز ہوٹلے ہیں اور لکھنؤ ریگولیشنز ۲۰۱۷ (کوڈ آف کارپوریٹ گورننس) کی شق نمبر ۳۳ کے تحت پانچ سال کی مطلوبہ مدت پوری کر چکے ہیں لہذا بورڈ آف ڈائریکٹرز نے میسرز ہووٹھ حسین چوہدری اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو ۳۰ جون ۲۰۲۰ کو ختم ہونے والے سال کے لئے تقرری کی آڈٹ کمیٹی کی سفارشات کی توثیق کی ہے۔

آڈٹ رپورٹ میں ڈیفیڈنٹس کے معاملات پر زور:

ایف سی آئی ایل کے آڈیٹرز نے اپنی رپورٹ میں موخر (ڈیفیڈنٹس) کے معاملے پر زور دیا ہے جس کے بارے میں مالیاتی تفصیلات کے گوشوارے میں نوٹ نمبر ۱۳ میں بینک کی انتظامیہ نے تفصیل سے اپنا نقطہ نظر پیش کیا ہے واضح رہے آڈیٹرز نے اپنی رپورٹ میں اس معاملے کو کوالیفائیڈ نہیں کیا ہے۔



FIRST CREDIT AND INVESTMENT BANK LTD.

کمپوزیشن:

(i) انڈیپنڈنٹ ڈائریکٹرز: ۳

(ii) نان-ایگزیکٹو ڈائریکٹرز: ۴

(iii) ایگزیکٹو ڈائریکٹرز: ۱*

* ایگزیکٹو ڈائریکٹر صدر ہی ای او ہیں جن کا تقرری کا ٹرمیکٹ پر ہے۔

دوران سال بورڈ میں کسی بھی طرح کی عارضی آسامیاں خالی نہیں ہوئیں۔

دوران سال چار (۴) بورڈ مینٹگز منعقد ہوئیں جن میں ڈائریکٹرز کی حاضری کا ریکارڈ مندرجہ درج ذیل ہے۔

ڈائریکٹرز کے نام	مینٹگ کی تعداد جن میں شامل ہونے کے اہل ہیں	مینٹگ کی تعداد جن میں شامل ہوئے
جناب رحمت علی حسنی	۳	۳
جناب محمد اکرام خان	۳	۳
جناب اسد اللہ سلیم	۳	۳
جناب نوید امین چودھری	۳	۳
جناب محمد نعیم الدین	۳	۳
جناب محمد اقبال حسین	۳	۳
جناب محمد امین	۳	۳
جناب محمد محسن علی	۳	۳

آڈٹ کمیٹی اور داخلی کنٹرول:

بورڈ کی آڈٹ کمیٹی تین (۳) نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے جن میں بشمول چیئرمین کمیٹی زیادہ تر آزاد ڈائریکٹرز ہیں۔ بورڈ نے کارپوریٹ قانون و قواعد کے مطابق کام کرنے کے مروجہ امور (Terms of reference) لسٹڈ کمپنیز ریگولیشن ۲۰۱۷ کے تحت تعین کیا ہے۔ سال کے دوران آڈٹ کمیٹی کی چار (۴) مینٹگز منعقد کی گئیں جس میں درج ذیل ڈائریکٹرز نے شرکت کی:

ڈائریکٹر کا نام	مینٹگ کی تعداد جن میں شریک ہونے کے اہل تھے	مینٹگ کی تعداد جن میں شریک ہوئے
جناب محمد امین	۳	۳
جناب نوید امین چودھری	۳	۳
جناب نعیم الدین	۳	۳

انسانی وسائل اور معاوضوں کی کمیٹی:

بورڈ آف ڈائریکٹرز نے کلیدی عہدوں کے انتخاب، تحفے اور تبادلہ پائلٹ کے حوالے سے اپنی ذمہ داریوں کو پورا کرنے میں مدد کے لیے ایک انسانی وسائل اور معاوضے کی کمیٹی تشکیل دی ہے۔ یہ کمیٹی پانچ (۵) ممبران پر مشتمل ہے زیادہ تر ممبران نان ایگزیکٹو ڈائریکٹرز ہیں جبکہ چیئرمین کمیٹی انڈیپنڈنٹ ڈائریکٹر ہیں۔ سال کے دوران کمیٹی کی تین (۳) مینٹگز منعقد کی گئیں، جس میں درج ذیل ڈائریکٹرز نے شرکت کی:



کارپوریٹ اور مالیات کی رپورٹنگ فریم ورک:

کمپنی نے گزشتہ کارپوریٹ گورننس کی عملداری یقینی بنانے کے لیے تمام ضروری اقدامات اٹھائے ہیں۔ سلیڈ کوڈ آف کارپوریٹ گورننس (سی سی جی) کے انتظامی قوانین کے مطابق بورڈ ورچ ڈیل رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں:

- کمپنی کی انتظامیہ کے تیار کردہ مالی گوشواروں میں اس کے امور، عملدرآمد کے نتائج، نقدی بہاؤ اور انکیٹیوٹی میں تبدیلیاں واضح اور منصفانہ طور پر پیش کی گئی۔
- کمپنی کے حساب کی کتابوں کو باقاعدگی سے تیار کیا گیا ہے۔
- مالی گوشواروں کی تیاری میں اکاؤنٹنگ پالیسیاں مسلسل کے ساتھ برائے کار لائی گئی ہیں اور مستقبل کے اندازے معقول اور آشنیدار فیصلوں پر مبنی ہے۔
- بین الاقوامی حساب کتاب کے معیارات (IFRS) جو پاکستان میں نافذ عمل ہیں ان کو گوشواروں کی تیاری میں اپنایا گیا ہے اور کسی بھی تبدیلی کو باقاعدہ طور پر کیا گیا۔
- انتزاعی اندرونی مالیاتی کنٹرول کا نظام قائم کیا ہے وہ ڈیزائن میں مضبوط ہے اور موثر انداز میں عملدرآمد کیا گیا ہے۔
- کمپنی کے مستقبل میں کام کرنے کی صلاحیت پر کوئی قابل ذکر تشویش نہیں ہے اور مالی گوشواروں کو اسی بنیاد پر تیار کیا گیا ہے۔
- رہنما کے ضابطوں میں موجود کارپوریٹ گورننس کے بہترین طریقہ کار سے کوئی مادی انحراف نہیں کیا گیا۔

کلیدی آپریٹنگ اور مالیاتی نتائج:

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

سال ۲۰۱۳	۲۰۱۵	۲۰۱۶	۲۰۱۷	۲۰۱۸	۲۰۱۹	سال ۲۰۲۰ جون کو ختم ہوا
صحیح شدہ						
ملین روپوں میں						
۶۰	۸۱	۹۹	۸۰	۱۰۳	۱۱۷	کل آمدنی
۴	۲۹	۶۵	۱۲	۱۶	۱۵	قبل از ٹیکس منافع / (تقصان)
۱	۲۳	۴۴	۷	۹	۱۰	بعد از ٹیکس منافع / (تقصان)
۶۴۹	۶۷۳	۷۱۷	۷۲۳	۷۲۲	۷۱۹	حصص یافتگان کا سرمایہ
۷۲۸	۶۹۳	۱,۰۱۲	۱,۱۵۵	۱,۳۲۷	۱,۳۸۵	کل اثاثے
۰.۰۲	۰.۳۵	۰.۶۷	۰.۱۱	۰.۱۴	۰.۱۵	منافع / نقصان فی حصص (روپے میں)

اسٹاف ریٹائرمنٹ پیمنٹ اسکیمز:

ایسپلائز پرائیویٹ فنڈ اور گریجویٹ فنڈ کی سرمایہ کاری کا تخمینہ ۳۰ جون ۲۰۱۹ کے مطابق بالترتیب ۱۱,۲۷,۰۵۹ روپے اور ۴,۷۵۱,۷۹۱ روپے ہے۔

بورڈ آف ڈائریکٹرز:

بورڈ کی موجودہ ساخت مندرجہ ذیل ہے۔

ڈائریکٹرز کی کل تعداد:

(a) مرد: ۸ (بشمول مقرر کردہ ای او)

(b) خاتون: کوئی نہیں



آپریشن کا جائزہ:

مالی سال ۲۰۱۹ کے دوران این بی ایف سی نیٹ ورک فرموں کے مطابق حالات کا شکار رہا۔ خصوصاً انویسٹمنٹ بینک لیکویڈیٹی اور ملکی معاشی عدم استحکام کی وجہ سے مسلسل سنگین مسائل میں گھرے نظر آتے ہیں۔ ایف سی آئی بی ایف سی لیکویڈیٹی اور افادیت برقرار رکھنے میں کامیاب ہے۔ سال گزشتہ کے دوران کمپنی نے نہ صرف تمام اپنی توجہ بنیادی کاروباری سرگرمیوں پر مرکوز رکھی بلکہ کاروبار کو مستحکم بنانے کا سلسلہ جاری رکھنے میں کامیاب ہے۔ مشکلات کے باوجود کمپنی نے اپنے تمام مالی اہداف کو بخوبی عبور کیا۔ کمپنی نے FY۱۹ کے لئے مجموعی آمدنی ۱۳.۸% اضافے کے بعد ۱۱۶.۸ ملین روپے جبکہ FY۱۸ میں ۱۰۲.۶ ملین روپے تھی۔ کمپنی نے FY۱۹ کے لئے ۱۹.۸ ملین روپے کا آپریٹنگ منافع حاصل کیا جبکہ FY۱۸ کا آپریٹنگ منافع ۱۶.۶ ملین روپے تھا اس طرح ۳.۲ ملین روپے کا اضافہ ریکارڈ کیا۔ مزید یہ کہ کچھ صارفین کے اکاؤنٹ میں بہتری کی وجہ سے نقصان کے خدشات جو پچھلے سالوں میں متعین کئے گئے تھے وہ اس سال واپس ہو گئے کمپنی نے FY۱۹ میں قبل از ٹیکس منافع ۱۵.۲ ملین روپے کا منافع رپورٹ کیا جبکہ پچھلے سال کا قبل از ٹیکس منافع ۱۵.۸ ملین روپے تھا۔ اسی طرح ۳۰ جون ۲۰۱۹ کو ختم ہونے والے سال کے لئے بعد از ٹیکس منافع ۹.۵ ملین روپے ریکارڈ کیا گیا۔ گزشتہ سال کا بعد از ٹیکس منافع ۹.۲ ملین روپے تھا۔ لہذا دو سال کی کمپنی کی منصفیت اور کارکردگی مجموعی طور پر برقرار رہی۔

۳۰ جون ۲۰۱۹ کی بیلنس شیٹ کے مطابق حصص یافتگان کی سرمایہ کاری کی از سر نو پیکس کے بعد ایکویٹی کم ہو کر ۱۸.۶ ملین روپے رہ گئی جبکہ ۳۰ جون ۲۰۱۸ کو ۲۲.۲ ملین روپے تھے۔ حصص یافتگان کی ایکویٹی میں یہ کمی سرمایہ کاری کی دوبارہ تعین نو پر خسارے میں اضافے کی وجہ سے تھی۔ ۳۰ جون ۲۰۱۹ کے اختتام پر کمپنی کے کل اثاثے بڑھ کر ۱,۲۸۵.۳ ملین روپے ہو گئے جبکہ ۳۰ جون ۲۰۱۸ کو کل ۱,۲۴۷.۳ ملین روپے تھے۔

NBFCs کے شرائط و ضوابط کی پیروی کرنے کے لئے ۲۰% کے مساوی رقم بعد از ٹیکس منافع کو اسٹیچوری ریزرو میں ٹرانسفر کر دیا گیا ہے۔

بیلنس شیٹ کی تاریخ سے اب تک تبدیلی:

بیلنس شیٹ کی تاریخ سے اب تک کوئی بھی مادی تبدیلی رونما نہیں ہوئی جس کو منسلک مالیاتی گوشوارہ کے ساتھ ہم آہنگ کرنے کی ضرورت ہو، سوائے ان کے جو پہلے ہی ظاہر کر دی گئیں ہیں۔

حصص پر منافع (ڈویڈنڈ):

ماضی میں کمپنی کی حصص پر منافع (ڈویڈنڈ) کی پالیسی میں پرکشش نقد منافع، حصص یافتگان کو بونس حصص، کریڈٹ ریٹینگ میں اضافہ سرمایہ کاری کی ضرورت اور توسیعی منصوبے کے مطابق وافر فنڈ کی دستیابی وغیرہ سب شامل تھے۔ لہذا ایورڈ نے ۲۵ اکتوبر ۲۰۱۹ کو ہونے والے سالانہ اجلاس عام میں منظوری کیلئے ۳۰ روپے فی حصص (یعنی ۳%) نقد منافع کی تجویز پیش کی ہے۔

کریڈٹ ریٹنگ:

JCR-VIS کریڈٹ ریٹنگ کمپنی نے اپنی رپورٹ مورخہ ۲۸ دسمبر ۲۰۱۸ میں کمپنی کی درمیانے سے طویل مدتی ریٹنگ کو 'A' (سنگل A منفی) اور مختصر مدتی ریٹنگ کو 'A-2' پر برقرار رکھا ہے۔ ریٹنگ کا آؤٹ لک مستحکم ہے۔

ماحولیاتی اور کارپوریٹ سماجی ذمہ داریاں:

کمپنی ماحولیاتی اور کارپوریٹ سماجی ذمہ داریوں سے بخوبی آگاہ ہے اور اس سلسلے میں ملک میں متحرک تحریک کے ساتھ کھڑی ہے علاوہ ازیں کمپنی تمام سرکاری، انٹرنل، ہیلتھ، حفاظت اور ماحولیاتی قواعد کی تعمیل کرتی ہے۔ سہولیات اور آپریشن کا عمل ایسے طریقے سے ڈیزائن کیا گیا ہے جو انسانی صحت اور ماحول سے متعلق خطرات سے محفوظ رکھتا ہے۔

رہسک کی تشخیص کا فریم ورک (رہسک اسسٹمنٹ فریم ورک):

کمپنی کا مجموعی رہسک مینجمنٹ کا پروگرام ایف سی آئی بی کی مالی کارکردگی پر مالیاتی مندیوں کے غیر متوقع منفی اثرات کو کم کرنے کی کوششوں پر مرکوز ہے۔ کمپنی کی سرگرمیوں میں مختلف قسم کے مالیاتی خطرات، مارکیٹ کے خطرات (انٹریٹ ریٹ رہسک اور پرنس رہسک) کریڈٹ رہسک، لیکویڈیٹی رہسک اور آپریشنل رہسک کو بخوبی پیش نظر رکھا جاتا ہے۔ کمپنی کو درپیش خطرات کو کمپنی کی انتظامیہ کی طرف سے کمپنی کی منظور شدہ پالیسیوں کے مطابق منظم کیا جا رہا ہے۔ علاوہ ازیں کمپنی کے بورڈ آف ڈائریکٹرز بھی کمپنی کے رہسک مینجمنٹ فریم ورک کی نگرانی کے ذمہ دار ہیں۔ کمپنی کا مجموعی رہسک مینجمنٹ کا پروگرام موثر سرمایہ کاری کے ساتھ ساتھ مالیاتی اور مارکیٹ کے اتار چڑھاؤ کے خطرات سے نمٹنے پر مرکوز ہے اور خیر زہولڈرز کو زیادہ منافع فراہم کرنے میں کوشاں ہے۔ بورڈ آف ڈائریکٹرز سالانہ بنیاد پر مجموعی رہسک مینجمنٹ پر نظر ثانی کرتے ہیں۔



ڈائریکٹرز رپورٹ

ہم فرسٹ کریڈٹ اینڈ انویسٹمنٹ بینک لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ۳۰ ویں سالانہ رپورٹ بشمول مالیاتی تفصیلات کا گوشوارہ اور آڈیٹرز کی رپورٹ برائے سال ۲۰۱۹ جون ۲۰۱۹، پیش کرتے ہوئے طمانیت محسوس کرتے ہیں۔

معاشی جائزہ:

مالی سال ۲۰۱۸-۱۹ میں معاشی مومیں تخفیف کی وجہ سے ترقی کی شرح موسست روی کا موجب بنی اور مقررہ ہدف ۶.۲% کے مقابلے میں ۳.۳% رہی۔ ان عوامل کی وجہ سے ملکی ذرمبادلہ کے ذخائر پر غیر معمولی دباؤ دیکھا گیا۔ تاہم سعودی عرب، متحدہ عرب امارات اور چائنا کے اسٹیٹ بینک آف پاکستان کے پاس تقریباً ۹.۲ بلین ڈالرز کے ڈپازٹس معصیت کیلئے تازہ ہوا کے جھونکے ثابت ہوئے۔ مجموعی سرمایہ کاری بطوری ڈی پی ۱۵.۳% اور کارڈ کی گئی جبکہ مطلوبہ ہدف ۱۷.۲% مقرر کیا گیا تھا۔ ادائیگیوں کی طرف نظر کریں تو ایکسیج ریت میں کمی کے باوجود برآمدات میں ۱.۹% اور درآمدات میں ۹.۹% کی واقع ہوئی جسکی وجہ سے ماہ جولائی، اپریل ۲۰۱۹ کے دوران تجارتی خسارے میں ۳% کمی واقع ہوئی۔ افرادی ترسیلات زر نے جی ڈی پی کا ۰.۳% کرنٹ اکاؤنٹ کا خسارہ کم کرنے میں اہم کردار ادا کیا۔

جون ۲۰۱۸ کے بعد سے پاکستانی کرنسی کی زرخور میں تقریباً ۲۸.۷% کی واقع ہوئی ہے جسکے نتیجے میں قرضہ کی لاگت کے ساتھ ساتھ مہنگائی کے دباؤ میں بھی اضافہ دیکھا گیا۔ اس کے علاوہ حکومت کیلئے بڑھا ہوا مالی خسارہ ایک بہت بڑا چیلنج تھا مزید بڑھتے ہوئے اخراجات کو پورا کرنے کیلئے ہماری ملکی اور غیر ملکی قرضوں کا حصول ناگزیر تھا۔

موجودہ مالی سال کے دوران خسارہ کا حجم مجموعی ملکی پیداوار کا ۵% رہا جبکہ پچھلے سال اسی مدت کے دوران ۳.۳% تھا۔ کل آمدنی بڑھ کر ۳,۵۸۳.۳ بلین روپے ہو گئی (جی ڈی پی کا ۹.۳%) جبکہ پچھلے سال اسی مدت کے دوران ۳,۵۸۲.۴ بلین روپے (جی ڈی پی کا ۱۰.۳%) تھی۔ ترقی کی شرح موثر تقریباً صفر رہی جبکہ پچھلے اسی عرصے کے دوران ۱۳.۹% تھی۔ ٹیکس محصولات میں ۱.۸% کی معمولی نمو اور غیر ٹیکس محصولات میں ۱۶.۷% کی منفی نمو بنیادی طور پر مجموعی آمدنی کی کمی کا باعث بنی۔

روان مالی سال کے دوران سی پی آئی میں بڑھتا ہوا رجحان دیکھا گیا گیس، اشیائے صرف کی قیمتوں میں اضافہ اور ذرمبادلہ کی قدر میں کمی کے دباؤ کی وجہ سے جولائی ۲۰۱۸ میں سی پی آئی ۵.۸% سے بڑھ کر جون ۲۰۱۹ میں ۸.۹% ہو گئی ہے۔ مالی سال ۲۰۲۰ کے بجٹ میں ذرمبادلہ کی شرح میں کمی اور اشیائے صرف کی قیمتوں اور دیگر اقدامات کے ایڈجسٹمنٹ کے یکطرفہ اثر اور مہنگائی میں اضافہ کے دباؤ کے پیش نظر اسٹیٹ بینک آف پاکستان نے جولائی ۲۰۱۹ کی پالیسی میں شرح سود بڑھا کر ۱۳.۲۵% کر دیا۔

زیر جائزہ سال کے دوران کراچی اسٹاک ایکسیج ۱۰۰ انڈیکس میں ۱۹% کمی کے بعد ۳۳,۹۰۱ پوائنٹس پر بند ہوا شیخ مارک انڈیکس زیادہ سے زیادہ ۳۳,۵۵۷ پوائنٹس اور کم از کم ۳۳,۱۶ پوائنٹس تک جاتا دیکھا گیا۔ (دونوں انتخاباؤں میں ۱۰,۳۹۰ پوائنٹس کا فرق رہا) اس مایوس کن کارکردگی کی بنیادی وجوہات میں نامناسب سخت مانیٹرنگ پالیسی، ملکی کرنسی کی قدر میں ۳% کمی اور سادگی پر مبنی سال ۲۰۲۰ کا بجٹ ہیں۔

مالیاتی نتائج:

کمپنی کے ۲۰۱۸-۱۹ کے لئے مالیاتی نتائج کا خلاصہ ذیل میں دیا گیا ہے۔ ۱۸-۲۰۱۷ کا تھامی ڈیٹا بھی درج ذیل ہیں۔

(روپے ۰۰۰ میں)

۲۰۱۷-۱۸	۲۰۱۸-۱۹	
۱۰۴,۶۳۹	۱۱۶,۸۳۳	کل آمدنی
۱۶,۵۶۹	۱۹,۷۵۹	آپریٹنگ منافع
۱۵,۸۰۲	۱۵,۲۰۳	قبل از ٹیکس منافع
۹,۱۹۰	۹,۵۱۷	بعد از ٹیکس منافع
۷۳۳,۰۹۳	۷۳۲,۸۳۰	بھروسہ یافتگان کا سرمایہ
(۱۰,۸۳۳)	(۲۲,۲۳۸)	سرمایہ کاری کی قدر و قیمت کے تغیرات میں خسارہ
۷۲۲,۲۵۰	۷۱۰,۵۹۲	بھروسہ یافتگان کا سرمایہ (خالص بعد از خسارہ)
۱,۳۲۷,۳۶۳	۱,۳۸۵,۳۰۱	کل اثاثہ
۰.۱۳	۰.۱۵	فی شخص آمدنی بینک اور ڈائریکٹرز



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