



fcibank

FIRST CREDIT AND INVESTMENT BANK LTD.

ANNUAL REPORT 2018

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
(Subject to approval from SECP)



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. Asad Ullah Saleem
Mr. Naveed Asghar Chaudhry
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 29th Annual General Meeting of the shareholders of First Credit & Investment Bank Limited will be held on Friday, October 26, 2018 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 27, 2017.
2. To receive, consider and adopt the audited financial statements of the Company together with the Auditors' and Directors' Reports thereon for the year ended June 30, 2018.
3. To appoint the statutory auditors for the year ending June 30, 2019 and fix their remuneration. The present auditors M/s. Grant Thornton Anjum Rahman, Chartered Accountants, retire and being legible, have offered themselves for re-appointment.


SEPECIAL BUSINESS.

4. To obtain consent of the shareholders in terms of SRO 470 (1)/2016, issued by Securities and Exchange Commission of Pakistan for transmission of the Annual Reports including the Annual Audited Accounts, Notice of the Annual General Meeting and other information contained therein of the Company either through CD/DVD or USB

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 4, 2018

Notes:

Closure of Share Transfer Book

1. The share transfer books of the Company will remain closed from October 16, 2018 to October 26, 2018 (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 15, 2018, 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 uploaded as per Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity card (CNIC) or original Passport at the time of attending the meeting.
- b) In case of Corporate entity, the board of Directors resolution of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

B. For Appointing Proxies:-

- a) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per Regulations, shall submit the proxy form as per the above requirement.
- b) The proxy form shall be witnessed by two persons whose names, address and CNIC Numbers shall be mentioned on the form.
- c) Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- d) The proxy shall produce his/her original CNIC or original Passport at the time of the meeting.
- e) In case of corporate entity, the Board of Directors resolution/ power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the company.

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.

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.

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:



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"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.

Payment of cash dividend through electronic mode

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

STATEMENT UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the special business, given in agenda items, to be transacted at the Annual General Meeting of the Company to be held on 26th day of October, 2018.

TRANSMISSION OF ANNUAL REPORT THROUGH CD/DVD/USB

Securities and Commission of Pakistan vide SRO 470 (1)/2016 dated May 31, 2016 allowed companies to transmit their Annual Report including the Annual Audit Accounts, Notice of Annual General Meeting and other information contained therein, to its members either CD/DVD or USB at their registered addresses.

In terms of said SRO, consent of the Shareholders is required for transmission on Annual Report through CD/DVD or USB instead of transmitting same in hard copy form. Therefore, Shareholders are requested to accord their approval to comply with the requirements of the said SRO.

However, Shareholders will have option available with them to request for the hard copy free of cost at their registered address subject to duly filled request Form (available on the Company's website i.e. www.fcibl.com.pk). Those Shareholders who wish to receive hard copies for all future Annual Reports shall submit their reference in writing.

Also note that in term of SRO 787 (1)/2014 dated September 08, 2014, the Company will continue to provide Annual Report through email to all those shareholders who have given their consent in this regard. Any change in the email address provided earlier shall be communicated to the Company through request Form available on the website.

All respected shareholders are requested to send scanned duly filled and signed Request Forms to the Company Secretary at aminkhatri@fcibl.com.pk or the same can be submitted in the hard form through courier/post to Company's Share Registrar M/s. THK Associates (Pvt.) Ltd, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi-75400.



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For this purpose following resolution to be considered and, if deemed fit, to be passed as a Special Resolution with or without modification.

"RESOLVED THAT the consent and approval of the members of First Credit and Investment Bank Limited be and is hereby accorded for transmission of the Annual Report including the Annual Audited Accounts, Notice of Annual General Meeting and other information contained therein of the Company either through CD/DVD or USB, instead of transmitting the same in hard copies, to the members for future years commencing from July 01, 2018."

"RESOLVED FURTHER THAT the Chief Executive officer and Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things, take or cause to be taken all necessary actions to comply with all legal formalities and requirements and file necessary documents as be necessary or incidental for the purpose of implementing this resolution."

The Directors, Sponsors, majority shareholders and their relatives are not interested, directly or indirectly, in the above business except to the extent of shares that are hold by them in the Company.



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, 2018 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 29, 2018



FIRST CREDIT AND INVESTMENT BANK LTD.

DIRECTORS' REPORT

On behalf of the Board of Directors, we are pleased to present the 29th Annual Report of the First Credit & Investment Bank Limited (the FCIBL) alongwith the audited financial statements and Auditors' Report thereon, for the year ended June 30, 2018.

Economy Review

The Fiscal Year 2018 witnessed political uncertainty that continued till the end of FY18 in the run up to the elections. The country's economy grew in a 13-year high GDP growth of 5.8% for FY18 compared with 5.3% for FY17. This, however, was overshadowed by weakness in the external sector due to resurgence of twin deficits of current and fiscal accounts. Large Scale Manufacturing increased by 6% YoY on the back of improved energy supplies and better law and order situation. Private Sector Credit grew by 14.7%.

The foreign exchange reserves held by State Bank of Pakistan (SBP) declined from USD 14.6 billion as of June 30, 2017 to USD 9.8 billion as on June 30, 2018. Consequently, the PKR exchange rate against USD depreciated by 16% YoY holding out at PKR 121.5 / per US\$ against PKR 104.8/ per USD in FY17. The weakness in Balance of Payments was driven by rising Current Account Deficit which grew by 43% YoY to reach USD 18.0 billion compared to USD 12.6 billion last year.

Though the inflation and Discount Rate did not increase significantly during FY18, however, based on factors contributing to evolving economic challenges such as (i) the multiplier-effect of a strong fiscal expansion during second half of FY18 is likely to offset the contractionary impact of monetary tightening in recent month on domestic demand for credit; (ii) higher international oil prices; (iii) rising inflation projections and the ensuing fall in real interest rates; and (iv) a notable reduction in PKR and US interest rate differential, the Central Bank increased the policy rate by 100 basis points to 7.5% on July 14, 2018. The Consumer Price Index and Core inflation for June 2018 was at 5.2 and 7.1 percent respectively.

During the year under review, the KSE-100 index witnessed 10% YoY correction to close at 41,911 points. The benchmark index realized a high of 47,084 points and also witnessed a low of 37,919 points (reflecting an erosion of 9,165 points (-19%)). The dismal performance is mainly attributed to 1) Weakness in Balance of Payment and mounting Current Account Deficit, 2) Political uncertainty during the year in the wake of political upheavals and General Elections 3) Foreign outflows, and 4) Rupee devaluation.

Financial Results

Financial results of the FCIBL for 2017-18 are summarized below, comparative data for 2016-17 has also been provided:

	(Rupees in ,000)	
	2017-18	2016-17
Total revenue	102,649	79,945
Operating profit before provisions	16,569	7,543
Profit before taxation	15,802	11,720
Profit after taxation	9,190	7,132
Shareholders' equity	733,093	723,948
Deficit in revaluation of investments	(10,843)	(8,021)
Total assets	1,327,363	1,155,308
Earning per share-basic and diluted (Rs.)	0.14	0.11



Review of Operations

Despite unfavorable conditions for the NBFC sector particularly for investment banks due to liquidity concerns and uncertain political & economical conditions in the country, the FCIBL as always stood to its sustainable footings. Most of the investment banks are continuously facing serious problems in terms of liquidity, profitability and viability. The FCIBL was, however, successful in maintaining its liquidity and viability. During the outgoing year the FCIBL has not only increased its focus on its core business activities but also explored untapped market of Investment Banking which contributed to the increase in earnings. Despite the difficulties being faced, the FCIBL was able to maintain all its financial indicators. The total income of the FCIBL for the FY18 showed a significant increase of 28% to Rs. 102.6 million from Rs.79.9 million in FY17. The FCIBL reported Operating Profit of Rs.16.6 million for FY18 against Rs. 7.5 million reported for FY17 showing increase of Rs. 9.1 million. Further, after taking effect of provision made and reversal / recovery against already provided classified portfolio the FCIBL reported Profit before Tax of Rs.15.8 million for the financial year ended June 30, 2018 against Rs. 11.7 million for the previous year. Similarly, Profit after Tax for the year ended June 30, 2018 was Rs.9.2 million against Rs.7.1 million for the last year. Hence, FCIBL recorded overall improvement in performance and profitability during the year.

Similarly on the Balance Sheet side, the shareholders' equity increased to Rs.733.1 million as at June 30, 2018 from Rs.723.9 million as at June 30, 2017. The increase in shareholders' equity was on account of profit for the year. Total assets of the FCIBL increased to Rs.1,327.4 million as at June 30, 2018 from Rs.1,155.3 million as at June 30 2017. The assets increased due to bank loans and borrowings.

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

Changes in Status to Non Deposit Taking Investment Bank (Minimum Equity Requirement)

During the year under review, your Board of Directors has opted the status of Non Deposit Taking Investment Bank of the FCIBL w.e.f. July 01, 2018 and consequently the FCIBL has met the Minimum Equity Requirement as prescribed under the Non-Banking Finance Companies and Notified Entities Regulations 2008.

Changes since Balance Sheet Date

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

Dividend

Dividend policy of the 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. The Directors do not recommend any dividend for the year ended June 30, 2018.

Credit Rating

JCR-VIS Credit Rating Company Limited vide its report dated December 29, 2017 maintained the medium to long-term entity rating of the 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

The FCIBL is fully aware of its environmental and Corporate Social Responsibilities and is ready to support social and environmental causes of the country. The 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

The 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

The FCIBL's activities are exposed it to a variety of financial risks, market risk (including interest rate risk and price risk), credit risk, liquidity risk and operational risk. Risks of the FCIBL are being managed by the FCIBL's management in accordance with the approved policies of the FCIBL whereas the Board of Directors has the overall oversight of the FCIBL's risk management framework. The 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 the FCIBL at least on annual basis.

Corporate and Financial Reporting Framework

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

- a) These financial statements, prepared by the management of the FCIBL, present fairly its state of affairs, the results of its operations, cash flows and change of equity.
- b) Proper books of accounts of the 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 the 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 the FCIBL for the last six years is as under:

Year ended June 30	2018	2017	2016	2015	2014	2013
					Restated	Restated
Rupees in million						
Total revenue	103	80	99	81	60	93
Profit/ (loss) before taxation	16	12	65	29	4	(14)
Profit/ (loss) after taxation	9	7	44	23	1	(6)
Shareholders' equity	733	724	717	673	649	651
Total assets	1,327	1,155	1,012	693	738	838
Earning/ (loss) per share (Rs)	0.14	0.11	0.67	0.35	0.02	(0.10)



Staff Retirement Benefit Schemes

Value of the investment of Employees' Provident Fund and Gratuity Fund as at June 30, 2018 were Rs.9,690,101/- and Rs.4,075,440/-, 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 two casual vacancies were occurred on the Board due to the resignation of Mr. Wajahat A. Baqai and Mr. Anwar-ul-Haq as director. The Board appointed Mr. Rehmat Ali Hasnie (appointed on August 26, 2017) and Mr. Muhammad Ikram Khan (appointed on July 11, 2018) to fill the casual vacancies.

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

Name of Directors	Number of meetings Eligible to attend	Number of meetings attended
Mr. Rehmat Ali Hasnie	4	4
Mr. Anwar-ul-Haq	4	4
Mr. Asad Ullah Saleem	6	6
Mr. Naveed Asghar Chaudhry	6	6
Mr. Muhammad Naeemuddin	6	6
Mr. Muhammad Iqbal Hussain	6	6
Mr. Muhammad Ameen	6	6
Mr. Muhammad Mohsin Ali	6	6

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. Anwar-ul-Haq	3	3
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 four (4) members. Majority of members are Non-Executive Directors and the Chairman of the Committee is an Independent Director. During the year two (2) 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	2	2
Mr. Asad Ullah Saleem	2	2
Mr. Naveed Asghar Chaudhry	2	2
Mr. Muhammad Mohsin Ali	2	2

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 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 the 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. The FCIBL meets necessary requirement of Directors Training as stipulated in the Listed Companies (Code of Corporate Governance) Regulations 2017 as more than 50% of the Directors on the Board of the FCIBL have certification under Directors Training Program (DTP) form institutions that meet the criteria specified by the SECP.

Auditors

The present auditors M/s. Grant Thornton Anjum Rahman, Chartered Accountants, retire and being eligible offer themselves for re-appointment. As required under the Code of Corporate Governance the Audit Committee has recommended the appointment of M/s. Grant Thornton Anjum Rahman, Chartered Accountants, as auditors for the year ending June 30, 2019.



Emphasis of matter in Auditor's Report

Auditors of the 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. 11.1 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 the FCIBL as on June 30, 2018 is annexed at the end of the annual report. During the year, no trade in shares of the 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 vigilant for expansion of our business focusing on 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 increasing revenue streams, which hopefully will be forthcoming with improvement in economic and business conditions of the country. Your Company would endeavor to restore reasonable quality of its assets, improve its infrastructure, build capacity through training of existing personnel and hiring key professionals, diversify products and services, and updating policies and procedures to meet the requirements of the new challenges and opportunities.

Acknowledgement

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



MUHAMMAD MOHSIN ALI
President & CEO

Karachi
September 29, 2018



MUHAMMAD NAEEMUDDIN
Director



**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, 2018 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 require 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 requirements contained in the Regulations as applicable to the Investment Bank for the year ended June 30, 2018.

Karachi
Date: September 29, 2018



Grant Thornton Anjum Rahman
Chartered Accountants

Khaliq-ur-Rahman
Engagement Partner



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

First Credit and Investment Bank Limited
Year ended June 30, 2018

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 50% 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. Muhammad Naeemuddin	Member
Mr. Anwar-ul-Haq*	Member

*resigned on April 28, 2018

b) HR and Remuneration Committee

Mr. Muhammad Naeemuddin	Chairman
Mr. Asad Ullah Saleem	Member
Mr. Naveed Asghar Chaudhry	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 (quarterly/half yearly/ yearly) of the committee were as per following:

a) Audit Committee	4 Meetings were held during FY 2017-18
b) HR and Remuneration Committee	2 Meetings were held during FY 2017-18
d) Risk Management Committee	3 Meetings were held during FY 2017-18

15. The Board has outsourced the internal audit function to M/s. Rahman Sarfraz Rahim Iqbal Rafiq Chartered Accountants who are considered suitably qualified and experienced for the purpose and are 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 NAEEMUDDIN
Director

Karachi
September 29, 2018



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, which comprise the statement of financial position as at June 30, 2018 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, 2018 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 11.1 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- Valuation of investments

Investment Bank's investment comprises investments in capital market and money market. As at June 30, 2018 total net investments amount to Rs. 154.04 million.

The valuation of these investments might not have been made using appropriate valuation techniques particularly those for which there are no active market.

The Investment Bank's accounting policy and movement in the year in the investments balances are disclosed in note 4.3, 7 and 13.

How our audit addressed the key audit matter

Valuation of investments were addressed by:

- Evaluated the design and implementation of key control around investments;
- Re-performed valuation to assess that investments are carried as per the valuation methodology specified in the accounting policies;
- Performed purchases and sales testing on sample basis of trades made during the year and checked that transactions were recorded in the correct period;
- Checking the existence of the securities from the Central Depository Company's report;
- We also reviewed management's assessment of whether there are any indicators of impairment including those securities that are not actively traded; and
- Furthermore, we also assessed the adequacy of the respective disclosures relating to investments as disclosed in the financial statements.

2- Provision for non-performing finances

The assessment of provision of non-performing finances provided to customers 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.

The Investment Bank has loans and finances-net as at June 30, 2018 amount to Rs. 373.5 million as disclosed in note 8.2 to the financial statements.

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



3- First time application of Third and Fourth schedules to the Companies Act, 2017

As referred to in note 3.1 to the annexed financial statements, the Third and Fourth Schedules to the Companies Act, 2017 became applicable for the first time for the preparation of the Investment Bank's annual financial statements for the year ended June 30, 2018.

The Companies Act, 2017 (including third and fourth schedules) forms an integral part of the statutory financial reporting framework as applicable to the Investment Bank and amongst others, prescribes the nature and content of disclosures in relation to various elements of the financial statements.

As part of this transition to the requirements of the said Third and Fourth schedules, the management made amendments in disclosures required in the Investment Bank's financial statements.

We consider it as a key audit matter in view of the extensive impacts in the financial statements due to the Companies Act, 2017

Our audit procedures include the following:

- Considering the management's process to identify the necessary amendments required in the Investment Bank's financial statements.
- Evaluating the results of management's analysis and key decisions taken in respect of the transition, using our knowledge of the relevant requirements of the Third and Fourth Schedules to the Companies Act, 2017 and our understanding of the

Investment Bank's operations and business.

- Assessing the adequacy and appropriateness of the additional disclosures and changes to the previous disclosures made in the annexed financial statements based on the new requirements.

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;
- 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 Khaliq-Ur-Rahman.

Karachi
Date: September 29, 2018


Grant Thornton Anjum Rahman
Chartered Accountants

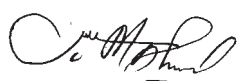


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STATEMENT OF FINANCIAL POSITION

	Note	2018 Rupees	2017 Rupees
ASSETS			
Non-current assets			
Property and equipment	5	5,856,334	2,696,763
Intangible assets	6	-	45,345
Long-term investments	7	39,977,939	70,946,154
Long-term loans and finances	8	351,899,754	122,508,535
Net investment in finance lease	9	647,265	1,150,017
Long-term deposits	10	57,500	57,500
Deferred tax asset	11	72,957,425	75,289,761
Total non-current assets		471,396,217	272,694,075
Current assets			
Current portion of non-current assets	12	59,860,172	70,648,188
Short-term investments	13	84,147,138	60,210,585
Short-term placements	14	430,000,000	464,000,000
Markup/interest accrued	15	59,296,138	59,793,143
Prepayments and other receivables	16	1,240,033	1,194,377
Taxation-net		12,346,934	7,461,830
Cash and bank balances	17	209,076,400	219,306,001
Total current assets		855,966,815	882,614,124
Total assets		1,327,363,032	1,155,308,199

The annexed notes from 1 to 44 form an integral part of these financial statements



MUHAMMAD AMIN KHATRI
Chief Financial Officer



MUHAMMAD MOHSIN ALI
President & CEO



MUHAMMAD NAEEMUDDIN
Director




FIRST CREDIT AND INVESTMENT BANK LTD.

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AS AT JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
EQUITY AND LIABILITIES			
Shareholders' equity			
Authorized share capital 75,000,000 (2017: 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	18	<u>650,000,000</u>	650,000,000
Statutory reserve	19.1	<u>134,582,762</u>	132,744,837
Accumulated loss		<u>(51,489,845)</u>	(58,797,060)
Total shareholders' equity		733,092,917	723,947,777
Deficit on remeasurement of investments - net	20	(10,842,766)	(8,020,695)
Non-current liabilities			
Deferred liability - Staff gratuity	21	<u>2,430,419</u>	5,807,435
Long-term loan	22	<u>125,000,000</u>	187,500,000
Security deposit against finance lease	23	<u>333,400</u>	333,400
Total non-current liabilities		127,763,819	193,640,835
Current liabilities			
Short-term running finance facility	24	<u>402,137,807</u>	165,601,569
Current portion of long-term loan	22	<u>62,500,000</u>	62,500,000
Markup / interest accrued	25	<u>7,022,701</u>	8,282,205
Accrued and other payables	26	<u>5,688,554</u>	9,356,508
Total current liabilities		477,349,062	245,740,282
Total liabilities		605,112,881	439,381,117
Contingencies and commitments	27		
Total equity and liabilities		<u>1,327,363,032</u>	<u>1,155,308,199</u>

The annexed notes from 1 to 44 form an integral part of these financial statements



MUHAMMAD AMIN KHATRI
Chief Financial Officer



MUHAMMAD MOHSIN ALI
President & CEO



MUHAMMAD NAEEMUDDIN
Director



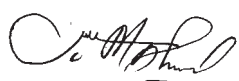
FIRST CREDIT AND INVESTMENT BANK LTD.

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STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
Income from term finances and funds placements	28	89,724,660	66,886,940
Income from investments	29	7,427,031	11,067,818
Fees and commission income	30	3,587,143	572,596
Other income	31	1,910,429	1,418,007
		102,649,263	79,945,361
Finance cost	32	(44,924,081)	(25,850,773)
Administrative and operating expenses	33	(41,156,555)	(46,551,555)
Operating income before provisions		16,568,627	7,543,033
(Provision) / Reversals			
Reversal of diminution in value of long-term investments	7.5	2,550,000	5,309,038
Un-realized gain on re-measurement of investments classified as held-for-trading		-	1,096,958
Impairment in investments classified as available-for-sale		(2,994,203)	(2,000,000)
Profit before taxation and workers' welfare fund		16,124,424	11,949,029
Workers' welfare fund		(322,488)	(228,981)
Profit before taxation		15,801,936	11,720,048
Taxation	34	(6,612,312)	(4,587,950)
Profit after taxation		9,189,624	7,132,098
Earning per share - basic and diluted	35	0.14	0.11

The annexed notes from 1 to 44 form an integral part of these financial statements



MUHAMMAD AMIN KHATRI
Chief Financial Officer



MUHAMMAD MOHSIN ALI
President & CEO



MUHAMMAD NAEEMUDDIN
Director



FIRST CREDIT AND INVESTMENT BANK LTD.

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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
Profit after taxation		9,189,624	7,132,098
Other comprehensive income:			
Components of comprehensive income not reflected in equity:			
Items that may be reclassified to profit and loss account subsequently - net of tax:			
Unrealized (loss) / gain on re-measurement of available-for-sale investment		(2,822,071)	2,503,754
Comprehensive (loss) / income for the year transferred to equity			
Items that will not be subsequently reclassified to profit and loss account - net of tax:			
Remeasurement of net defined benefit liability	21.7	(44,484)	(140,161)
Total comprehensive income for the year		6,323,069	9,495,691

The annexed notes from 1 to 44 form an integral part of these financial statements



MUHAMMAD AMIN KHATRI
Chief Financial Officer



MUHAMMAD MOHSIN ALI
President & CEO



MUHAMMAD NAEEMUDDIN
Director

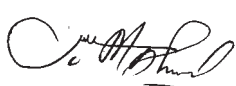


FIRST CREDIT AND INVESTMENT BANK LTD.

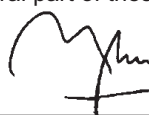
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2018

	Note	2018 Rupees	2017 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		15,801,936	11,720,048
Adjustments for:			
Depreciation	5	1,617,640	1,642,646
Amortization	6	45,345	109,507
Gain on disposal of property and equipment		(330,848)	(1,240,000)
Gratuity expense	21.6 & 21.7	622,984	889,439
Dividend income	29.1	(840,851)	(872,732)
Finance cost	32	44,924,081	25,850,773
Provision for non-performing investments	7.5	(2,550,000)	(5,309,038)
Impairment in investments classified as available-for-sale		2,994,203	2,000,000
Unrealized (gain) on held-for-trading investments		-	(1,096,958)
		46,482,554	21,973,637
Operating cash flows before working capital changes		62,284,490	33,693,685
(Increase) / decrease in current assets			
Prepayments and other receivables	16	(45,656)	(303,352)
Markup/interest accrued	15	497,005	(12,571,395)
		451,349	(12,874,747)
Increase / (decrease) in current liabilities			
Accrued expenses and other liabilities	26	(3,667,954)	(8,354)
Security deposit against finance lease	23	-	333,400
		(3,667,954)	325,046
Cash generated from operations		59,067,885	21,143,984
Income tax paid		(9,209,564)	(5,741,150)
Dividend income received		840,851	872,732
Gratuity paid		(4,000,000)	-
Markup on finance cost paid		(46,183,585)	(19,302,607)
		(58,552,298)	(24,171,025)
Net cash generated from /(used in) operating activities		515,587	(3,027,041)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	5	(5,341,759)	(1,101,860)
Proceed from disposal of property and equipment		895,396	1,240,000
Long-term investments - net		43,660,601	(1,631,458)
Short-term investments	13 & 13.3	(24,801,301)	79,566,143
Long-term finances-net		(233,194,363)	(83,616,861)
Net cash used in investing activities		(218,781,426)	(5,544,036)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term loans paid/(received)		(62,500,000)	60,000,000
Net cash (used in) / generated from financing activities		(62,500,000)	60,000,000
Net (decrease) / increase in cash and cash equivalents		(280,765,839)	51,428,923
Cash and cash equivalents at the beginning of the year		517,704,432	466,275,509
Cash and cash equivalents at the end of the year	36	236,938,593	517,704,432

The annexed notes from 1 to 44 form an integral part of these financial statements



MUHAMMAD AMIN KHATRI
Chief Financial Officer



MUHAMMAD MOHSIN ALI
President & CEO



MUHAMMAD NAEEMUDDIN
Director



FIRST CREDIT AND INVESTMENT BANK LTD.

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STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2018

	Note	Issued, subscribed and paid-up share capital	Reserve		Total	Total shareholder's equity
			Capital	Revenue		
			Statutory Reserve	Accumulated loss		
(Rupees)						
Balance as at July 01, 2016		650,000,000	131,318,417	(64,362,577)	66,955,840	716,955,840
Profit after tax for the year ended June 30, 2017		-	-	7,132,098	7,132,098	7,132,098
Other comprehensive loss		-	-	(140,161)	(140,161)	(140,161)
		-	-	6,991,937	6,991,937	6,991,937
Transfer to statutory reserve	19.1	-	1,426,420	(1,426,420)	-	-
Transactions with owners recognized directly in equity		-	-	-	-	-
Balance as at June 30, 2017		650,000,000	132,744,837	(58,797,060)	73,947,777	723,947,777
Balance as at July 01, 2017		650,000,000	132,744,837	(58,797,060)	73,947,777	723,947,777
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)	(44,484)
		-	-	9,145,140	9,145,140	9,145,140
Transfer to statutory reserve	19.1	-	1,837,925	(1,837,925)	-	-
Transactions with owners recognized directly in equity		-	-	-	-	-
Balance as at June 30, 2018		650,000,000	134,582,762	(51,489,845)	83,092,917	733,092,917

The annexed notes from 1 to 44 form an integral part of these financial statements



MUHAMMAD AMIN KHATRI
Chief Financial Officer



MUHAMMAD MOHSIN ALI
President & CEO



MUHAMMAD NAEEMUDDIN
Director



FIRST CREDIT AND INVESTMENT BANK LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

1 LEGAL STATUS AND OPERATIONS

- 1.1** First Credit and Investment Bank Limited ("the Investment Bank") was incorporated in Pakistan on August 31, 1989 as a private company with its liability limited by shares under the name of 'First Credit and Discount Corporation (Private) Limited', converted in to a public company. Subsequently, the name of the Investment Bank was changed to First Credit and Investment Bank Limited. During the year ended June 30, 2009, the Investment Bank was listed on the Karachi Stock Exchange (now Pakistan Stock Exchange) limited by way of issue of shares to general public. The registered office of the Investment Bank is situated at 2nd floor, Sidco Avenue Centre, Stratchen Road, R.A. Lines, Karachi, Pakistan. The Investment Bank is an associated undertaking of Water and Power Development Authority (WAPDA) and National Bank of Pakistan (NBP) which each holds 30.77% holding in the Investment Bank.
- 1.2** The Investment Bank is licensed to undertake business of investment finance services as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 ("the NBFC Rules") issued by the Securities and Exchange Commission of Pakistan (SECP).

The JCR-VIS has assigned the investment bank a credit rating of 'A-' long & medium term and 'A-2' short term on December 29, 2017. The outlook of the rating is stable.

2 SIGNIFICANT TRANSACTIONS AND EVENTS AFFECTING THE BANK'S FINANCIAL POSITION AND PERFORMANCE

- (a) The Investment Bank has granted loans to new parties amounting to Rs.214.2 million (refer note from 8.2.5 to 8.2.8).
- (b) For a detailed discussion about the Investment Bank performance, please refer to the Directors' report.

3 BASIS OF PREPARATION

3.1 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.

The Investment Bank has changed its status from Deposit Taking Investment Bank to Non- deposit taking Investment Bank with effect from July 1st, 2018. Approval in this regard has also been received from Securities and Exchange Commission of Pakistan vide letter no SC/NBFC/-51/FCIB/2018 dated July 11, 2018



The Companies Act, 2017 (the Act), has also brought certain changes with regard to preparation and presentation of annual and interim financial statements of the company. Further, the disclosure requirements contained in the fourth schedule to the Act have been revised, resulting in additional disclosure of management assessment of sufficiency of tax provision in the financial statement (refer note 34.3), change in the threshold for identification of executives (refer note 33.3) and additional detailed relationship requirement of related parties (refer note 41) etc.

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

3.2 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.

3.3 Functional and presentation currency

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

3.4 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 4.11 and 11.1)
- (b) - Impairment and impairment of investments (Note 4.2 and 4.3)
- (c) - Provisions (Note 4.16)
- (d) - Staff retirement benefits (Note 4.12)
- (e) - Depreciation and amortization on fixed and intangible assets (Note 4.1)

3.5 Standards, Amendments and Interpretations to Approved Accounting

3.5.1 Promulgation of Companies Act, 2017

The Companies Act 2017, applicable for periods ending after December 31, 2017 which result in additional disclosures and certain changes in financial statements presentation.



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3.5.2 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.

Standard or Interpretation	Effective Date (Annual periods beginning on or after)
IAS 7 - Disclosure Initiative (Amendments to IAS 7)	January 1, 2017
IAS 12 - Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12)	January 1, 2017
IFRS 12 - Annual Improvements to IFRS 2014-2016	January 1, 2017

Adoption of the above revisions, amendments and interpretations of the standards have no significant effect on the amounts for the year ended June 30, 2017 and 2018.

3.5.3 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, 2017 are considered not to be relevant or to have any significant effect on the Investment Bank's financial reporting and operations and are therefore not presented here.

3.5.4 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)
IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Postponed
IFRS 2 - Classification and Measurement of Share-based Payment Transaction (Amendments to IFRS 2)	January 1, 2018
IFRS 1 and IAS 28 - Annual Improvements to IFRSs 2014-2016	January 1, 2018
IFRIC 22 - Foreign Currency Transactions and Advance Consideration	January 1, 2018
IAS 40 - Transfers of Investment Property (Amendments to IAS 40)	January 1, 2018
IFRS 15 - Revenue from Contracts with Customers	July 1, 2018
IFRS 9 - Financial Instruments	July 1, 2018
IFRS 16 - Leases	January 1, 2019



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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
IFRS 9 - Prepayment Features with Negative Compensation (Amendments to IFRS 9)	January 1, 2019
IAS 19 - Plan Amendment, Curtail or Settlement (Amendments to IAS 19)	January 1, 2019

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

3.5.5 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, 2016
IFRS 17 - Insurance Contracts	January 1, 2021

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 and loss account using the straight line method whereby the depreciable cost of an asset is written-off over its estimated useful life at straight line rates specified in note 5 to the financial statements. In respect of additions and disposals during the year, depreciation is charged from the month of acquisition and up to the month preceding the disposal, respectively.

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

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

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



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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 6 to the financial statements.

4.2 Impairment

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

4.3 Investments

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

a) Classification of investments

Held-for-trading

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

Available-for-sale

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

Held-to-maturity

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

b) Initial and subsequent measurement

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

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

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

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



4.4 Trade date accounting

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

4.5 Derivatives instruments

Derivative instruments held by the Investment Bank generally comprise of future and forward contracts in the capital and money markets. These are stated at fair value at the statement of financial position 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 statement of financial position date. Derivatives with positive market values (unrealized gains) are included in other assets and derivatives with negative market values (unrealized losses) are included in other liabilities. The corresponding gains and losses are included in the profit and loss account.

4.6 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.

4.7 Margin Trading System (MTS) transactions

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

4.8 Term finance / credit facilities / loans

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

4.9 Net investment in finance lease

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



4.10 Cash and cash equivalents

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

4.11 Taxation

Current

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

Deferred

Deferred tax is recognized using the liability method in respect of all temporary differences at the 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.

4.12 Staff retirement benefits

4.12.1 Defined benefit plan

The Investment Bank operates an approved funded gratuity scheme for its permanent employees. The net defined benefit liability recognized in the 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 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.

4.12.2 Defined contribution plan

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

4.13 Term financing- term finance certificates (TFCs)

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



4.14 Finances, certificate of deposits and other borrowings

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

4.15 Return on certificates of deposit

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

4.16 Provisions, contingent assets and contingent liabilities

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

4.17 Accrued and other liabilities

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

4.18 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.

4.19 Finance cost

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



4.20 Revenue recognition

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

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

- b) Return on government securities and term finance certificates represents interest income earned using effective interest rate.
- 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.

4.21 Earnings per share (EPS)

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

4.22 Financial instruments

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

4.23 Offsetting of financial assets and financial liabilities

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

4.24 Related party transactions

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



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5 PROPERTY AND EQUIPMENT

	Furniture & Fittings	Office equipment	Computers	Air Conditioners	Vehicles	Leasehold Improvements	Total
.....(Rupees).....							
Year ended June 30, 2017							
Opening net book value	179,144	277,570	730,750	324,034	1,726,051	-	3,237,549
Additions during the year	-	-	266,220	114,940	720,700	-	1,101,860
Disposals							
Cost	-	-	-	-	2,096,050	-	2,096,050
Accumulated depreciation	-	-	-	-	(2,096,050)	-	(2,096,050)
Depreciation for the year	(71,433)	(89,790)	(434,618)	(162,246)	(884,559)	-	(1,642,646)
Closing net book value	107,711	187,780	562,352	276,728	1,562,192	-	2,696,763
As at June 30, 2017							
Cost	1,141,088	1,929,657	3,798,732	1,536,662	6,820,782	6,200,000	21,426,921
Accumulated depreciation	(1,033,377)	(1,741,877)	(3,236,380)	(1,259,934)	(5,258,590)	(6,200,000)	(18,730,158)
Net book value	107,711	187,780	562,352	276,728	1,562,192	-	2,696,763
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
Annual rates of depreciation	15%	20%	33%	15%	20%	20%	



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5.1 Following items of property and equipment having written down value below Rs. 500,000 each were disposed off during the year:

Description of asset sold	Note	Cost / revalued amount	Accumulated Depreciation	Net book value	Sale proceeds	Gain / (loss)
As at June 30, 2018				Rupees		
Vehicles						
Suzuki Cultus AVR-265	5.1.1	966,330	966,330	-	38,654	38,654
Toyota Corolla Gli - AWW-074	5.1.2	1,597,850	1,597,850	-	191,742	191,742
Suzuki Mehran -BHE-013	5.1.3	720,700	156,152	564,548	665,000	100,452

5.1.1 This include vehicle disposed off to an ex-employee Mr. Ahsanullah Khan as per Company policy being fully depreciated assets

5.1.2 This include vehicle disposed off to an employee Mr. Muhammad Mohsin Ali as per Company policy being fully depreciated assets

5.1.3 This include vehicle claim received from Adamjee Insurance against total loss.

	Note	2018 Rupees	2017 Rupees
6 INTANGIBLE ASSETS			
-Softwares			
Opening net book value		45,345	154,852
Additions during the year		-	-
Amortization for the year		(45,345)	(109,507)
Closing net book value		-	45,345
As at June 30			
Cost		2,303,930	3,753,930
Accumulated amortization		(2,303,930)	(3,708,585)
Net book value		-	45,345
Annual rates of amortization		33%	33%

7 LONG-TERM INVESTMENTS

Held-to-maturity

- Term finance certificates/sukuk - listed	7.1	27,500,000	57,415,276
- Term finance certificates/sukuk - unlisted	7.2	11,357,224	11,357,224

38,857,224 68,772,500

Available-for-sale

- Quoted shares	7.3	1,120,715	2,173,654
- Term finance certificates - listed	7.4	-	-

Total investments * **39,977,939** **70,946,154**

*Total investments taken to statement of financial position at mark to market



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7.1 Term finance certificates / sukuk - listed

Number of Certificates		Par Value	Investee		2018	2017
2018	2017				Amortized cost	
					Rupees	Rupees
Commercial Banks						
3,995	3,995	5,000	Summit Bank Limited	7.1.1	19,915,276	19,924,464
Petroleum						
10,000	10,000	5,000	Hascol Petroleum Limited	7.1.2	37,500,000	47,500,000
					57,415,276	67,424,464
			Less: current maturity	12	(29,915,276)	(10,009,188)
					27,500,000	57,415,276

7.1.1 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% (2017: 6 month KIBOR+3.25%). These are due to mature on October 26, 2018.

7.1.2 This represents sukuk certificates issued on January 7, 2016 for a period of six years including one year grace period. Profit payment are due for on quarterly basis at the rate of 3 month KIBOR+1.5% per annum (2017: 3 month KIBOR+1.5% per annum). These are due to mature on January 6, 2022.

7.2 Term finance certificates/sukuk - unlisted

Number of Certificates		Par Value	Investee		2018	2017
2018	2017				Amortized cost	
					Rupees	Rupees
Cable & electrical goods						
-	4,000	5,000	Pak Electron Limited - sukuk		-	20,000,000
8,000	8,000	5,000	"New Allied Electronics Industries (Private) limited - sukuk (refer note 7.2.1)		38,160,166	38,160,166
Textile						
5,000	5,000	5,000	Amtex Limited - sukuk (refer note 7.2.2)		18,750,001	18,750,001
28,000	28,000	5,000	Three Star Hosiery (Private) Limited - sukuk (refer note 7.2.3)		137,000,000	139,550,000
Textile Composite						
860	860	5,000	Azgard Nine Limited - TFC		4,300,000	4,300,000
Miscellaneous						
10,000	10,000	5,000	Eden Housing Limited - sukuk		6,560,000	6,560,000
-	6,000	5,000	NRSP Micro finance Bank Limited - TFC		-	15,000,000
					204,770,167	242,320,167
			Less: Provision for non-performing investments (refer note 7.5)		(193,412,943)	(195,962,943)
			"Less: Current maturity (refer note 12)		-	(35,000,000)
					11,357,224	11,357,224



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

7.3 Quoted shares

Number of Certificates		Par Value	Investee Company	2018		2017	
2018	2017			Cost Rupees	Market Value Rupees	Cost Rupees	Market Value Rupees
242,055	242,055	10	Agritech Limited (refer note 7.3.1)	5,857,102	1,120,715	7,857,102	2,173,654
				5,857,102	1,120,715	7,857,102	2,173,654
			Less: Impairment against investments	(2,129,455)	-	(2,000,000)	-
				3,727,647	1,120,715	5,857,102	2,173,654
			Less: Deficit on remeasurement (refer note 7.6 & 20)	(2,606,932)	-	(3,683,448)	-
				1,120,715	1,120,715	2,173,654	2,173,654

- 7.3.1** 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.



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7.4 Term finance certificates - Listed

				2018		2017	
Number of Certificates		Par Value	Investee Company	Cost	Market Value	Cost	Market Value
2018	2017			Rupees	Rupees	Rupees	Rupees
Textile Composite							
4,000	4,000	5,000	Azgard Nine Limited				
			(refer note 7.4.1)	6,507,678	6,507,678	6,507,678	6,507,678
Technology and Communication							
6,886	6,886	5,000	Worldcall Telecom Limited				
			(refer note 7.4.2)	13,221,549	13,221,549	13,221,549	13,221,549
				19,729,227	19,729,227	19,729,227	19,729,227
			Less: Provision against non-performing investments	(19,729,227)	(19,729,227)	(19,729,227)	(19,729,227)
				-	-	-	-
			Less: Current maturity (refer note 12)	-	-	-	-
				-	-	-	-

7.4.1 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.

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

	Note	2018 Rupees	2017 Rupees
7.5 PROVISION FOR DIMINUTION IN VALUE OF LONG-TERM INVESTMENTS			
Balance at the beginning of the year		215,692,170	221,001,208
Charged for the year		-	1,700,962
Reversal for the year		(2,550,000)	(7,010,000)
(Reversal) / Provision		(2,550,000)	(5,309,038)
Balance at the end of the year		213,142,170	215,692,170

7.6 DEFICIT ON REMEASUREMENT OF LONG-TERM INVESTMENTS - Available for sale

Balance at the beginning of the year		3,683,448	5,777,849
Charge during the year		(1,076,516)	(2,094,401)
Balance at the end of the year	7.3	2,606,932	3,683,448



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	Note	2018 Rupees	2017 Rupees
8 LONG-TERM LOANS AND FINANCES			
Loan to employees	8.1	5,988,335	5,023,957
Loan to others- term finance facility (secured)	8.2	345,911,419	117,484,578
		<u>351,899,754</u>	<u>122,508,535</u>
8.1 Loan to employees			
Housing loan - secured			
- Executives	8.1.1 & 8.1.2	492,011	1,262,698
- Employees	8.1.2	2,198,588	2,495,720
		<u>2,690,599</u>	<u>3,758,418</u>
Mark-up receivable on house loans	8.1.2	2,327,502	2,290,542
		<u>5,018,101</u>	<u>6,048,960</u>
Other loans - unsecured			
- Executives		1,705,450	-
- Employees	8.1.3	1,058,270	98,742
		<u>2,763,720</u>	<u>98,742</u>
Current portion			
- House loans		(457,524)	(1,067,819)
- Other loans		(1,335,962)	(55,926)
	12	<u>(1,793,486)</u>	<u>(1,123,745)</u>
		<u>5,988,335</u>	<u>5,023,957</u>

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

	2018			2017		
	Chief executive officer	Executives	Total	Chief executive officer	Executives	Total
Rupees.....					
Opening balance	610,295	652,403	1,262,698	-	1,937,407	1,937,407
Disbursed	2,372,800	-	2,372,800	-	-	-
Transfer	-	-	-	668,838	(668,838)	-
Payment/(Receipt)	(1,277,645)	(160,392)	(1,438,037)	(58,543)	(616,166)	(674,709)
	<u>1,705,450</u>	<u>492,011</u>	<u>2,197,461</u>	<u>610,295</u>	<u>652,403</u>	<u>1,262,698</u>

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

8.1.2 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% (2017: 4%) per annum. These loans are secured against mortgage of properties.

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



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	Note	2018 Rupees	2017 Rupees
8.2	Loan to others - term finance facility (secured)		
Interest bearing			
Gharibwal Cement Limited	8.2.1	16,720,000	21,280,000
Chenab Limited	8.2.2	14,978,125	14,978,125
Hashwani Hotels Limited	8.2.3	22,626,569	18,873,804
Tandlianwala Sugar Limited	8.2.4	98,750,000	81,250,000
Pioneer Cement Limited	8.2.5	45,854,210	-
Power Cement Limited	8.2.6	58,395,062	-
Technology Links Private Limited	8.2.7	13,333,332	-
Shakarganj Sugar Mills Limited	8.2.8	95,000,000	-
Loans to individuals	8.2.9	8,825,000	6,125,000
		374,482,298	142,506,929
Non - interest bearing			
		-	-
		374,482,298	142,506,929
Less: Provision for non-performing finances	8.2.10	(929,037)	(929,037)
Less: Current maturity	12	(27,641,842)	(24,093,314)
		345,911,419	117,484,578
8.2.1	This represents term finance facility issued on September 9, 2005 for a period of ten years. Markup payment are made at the rate of 3 month KIBOR. This was restructured on March 1, 2013 and is due to mature on February 28, 2023. This is secured by pari passu charge over all fixed assets of the borrower.		
8.2.2	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 balance and accordingly made 100% provision after considering FSV of the collateral held as per NBFC and NE regulations. The Investment Bank has filed suit to recover the outstanding amount in Banking Court. The case is still pending in the court.		
8.2.3	This represents participation in syndicated term finance facility to the extent of Rs. 50 million out of which Rs. 22.626 million have been disbursed. The tenor of the facility is six years at markup rate of 6 month KIBOR+ 2.30% upto two principal repayments and thereafter 6 month KIBOR+ 1.80%. Facility is secured by way of charge over fixed assets of the Marriott hotel karachi with 25% margin.		
8.2.4	This represents participation in syndicated term finance facility to the extent of Rs. 100 million out of which Rs. 98.75 million have been disbursed. The tenor of the facility is six years at markup rate of 3 month KIBOR + 2% and the principal is repayable in 16 quarterly equal 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.		
8.2.5	This represents participation in syndicated term finance facility to the extent of Rs. 100 million out of which Rs. 45.854 million have been disbursed. 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.		



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- 8.2.6** This represents participation in NBP lead syndicated term finance facility to the extent of Rs. 100 million (subsequently reduced to Rs.74.5 million) out of which Rs.58.395 million is disbursed. 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
- 8.2.7** This represents providing a medium term finance of Rs.15 million 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 urban property of third party having value of at least Rs.15 million and ranking hypothecation charge over current assets of the Company with 35% margin.
- 8.2.8** This represents providing a medium term finance of Rs.100 million approved on April 28, 2018 out of which Rs.95 million disbursed. 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 ranking hypothecation charge over present and future asset 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.
- 8.2.9** This represents financing to individuals against pledge of units of mutual funds.

	Note	2018 Rupees	2017 Rupees
8.2.10 Provision for non-performing finances			
Balance at the beginning of the year		(929,037)	(929,037)
Reversal during the year		-	-
Balance at the end of the year		<u>(929,037)</u>	<u>(929,037)</u>
9 NET INVESTMENT IN FINANCE LEASE			
Lease rental receivable		891,744	1,401,312
Residual value		333,400	333,400
Gross investment in finance lease	9.1	1,225,144	1,734,712
Less: Unearned finance lease Income		<u>(68,311)</u>	(162,754)
		1,156,833	1,571,958
Less: Current maturity of net investment in finance lease	12	<u>(509,568)</u>	(421,941)
Net investment in finance lease		<u>647,265</u>	<u>1,150,017</u>



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9.1	Description	2018				2017			
		Not later than one year	Later than one and less than five years	Later than five years	Total	Not later than one year	Later than one and less than five years	Later than five years	Total
		Rupees							
	Lease rentals receivable	509,568	382,176	-	891,744	509,568	891,744	-	1,401,312
	Guaranteed residual value	-	333,400	-	333,400	-	333,400	-	333,400
		509,568	715,576	-	1,225,144	509,568	1,225,144	-	1,734,712
	Finance charge for future periods	(55,066)	(13,245)	-	(68,311)	(87,627)	(75,127)	-	(162,754)
	Present value of minimum lease payments	454,502	702,331	-	1,156,833	421,941	1,150,017	-	1,571,958

9.1.1 The Investment Bank's implicit rate of return on leases ranges between from 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.

9.1.2 Lease rentals received during the year aggregate to Rs. 509,568

	Note	2018 Rupees	2017 Rupees
10 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>
11 DEFERRED TAX ASSET			
Deferred tax asset on deductible temporary differences:			
-Provisions		69,450,009	71,539,195
-Accelerated tax depreciation allowance		1,954,487	2,074,541
-Surplus on revaluation of investments		847,864	-
-Gratuity		705,065	1,676,025
	11.1 & 11.2	<u>72,957,425</u>	<u>75,289,761</u>



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- 11.1** 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.

11.2 Movement in deferred taxation

	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>
	Balance at June 30, 2016	Recognized in profit & loss	Recognized in equity	Balance at June 30, 2017
Rupees.....			
The following deductible temporary differences arising on account of:				
-Provisions	74,223,108	(2,683,913)	-	71,539,195
-Accelerated tax depreciation allowance	1,888,659	125,813	60,069	2,074,541
-Gratuity	1,377,540	298,485	-	1,676,025
	<u>77,489,307</u>	<u>(2,259,615)</u>	<u>60,069</u>	<u>75,289,761</u>



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	Note	2018 Rupees	2017 Rupees
12 CURRENT PORTION OF NON - CURRENT ASSETS			
Investments			
Current portion of term finance certificates - listed	7.1 & 7.4	29,915,276	10,009,188
Current portion of term finance certificates - unlisted	7.2	-	35,000,000
		29,915,276	45,009,188
Loans and finances			
Current portion of loans to employees	8.1	1,793,486	1,123,745
Current portion of loans to other- term finance facility (secured)	8.2	27,641,842	24,093,314
		29,435,328	25,217,059
Net investment in finance lease			
Current maturity of net investment in finance lease	9	509,568	421,941
		59,860,172	70,648,188
13 SHORT-TERM INVESTMENTS			
Available-for-sale			
Dewan Cement Limited - Pre IPO term finance certificates	13.1	43,069,617	43,069,617
Quoted shares	13.2	17,350,319	17,140,968
Mutual Funds	13.3	23,727,202	-
		84,147,138	60,210,585
Investments at market value			
13.1 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
13.1.1	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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13.2 Quoted shares

Number of Shares		Investee	2018		2017	
			Cost	Market Value	Cost	Market Value
2018	2017		Rupees	Rupees	Rupees	Rupees

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

		Commercial Banks				
70,000	50,000	National Bank Limited (refer note 13.2.1)	3,858,395	3,315,900	2,636,846	2,950,500
10,088	10,088	Habib Bank Limited	1,813,991	1,679,047	1,813,991	2,715,084
15,000	15,000	Allied Bank Limited	1,467,750	1,547,250	1,467,750	1,344,300
		Chemicals				
815,800	815,800	Agri-tech limited	13,428,068	3,777,152	13,428,068	7,325,884
12,500	7,500	Engro Fertilizers Limited	743,005	936,375	462,900	414,300
7,500	-	Fauji Fertilizer Company Limited	613,539	741,675	-	-
		Oil and Gas				
5,000	5,000	Pakistan Petroleum Limited	816,300	1,074,500	816,300	740,700
3,000	-	Pakistan Oilfields Limited	1,326,319	2,015,370	-	-
		Equity Investment Instruments				
30,000	30,000	PICIC Growth Fund	446,248	915,300	446,248	930,000
		Electricity				
25,000	10,000	Kot Addu Power Company Limited	1,512,352	1,347,750	406,112	720,200
			26,025,967	17,350,319	21,478,215	17,140,968
		Less: Impairment against investments	(864,748)	-	-	-
		Less: Deficit on remeasurement (refer note 20 & 13.4)	(7,810,900)	-	(4,337,247)	-
			17,350,319	17,350,319	17,140,968	17,140,968

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

13.3 Mutual Funds

Number of Units		Investee	2018		2017	
			Cost	Market Value	Cost	Market Value
2018	2017		Rupees	Rupees	Rupees	Rupees
1,622,639	-	NBP Stock Fund	25,000,000	23,728,338	-	-
		Less: Deficit on remeasurement	(1,272,798)	-	-	-
			23,727,202	23,728,338	-	-

13.3.1 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.



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	Note	2018 Rupees	2017 Rupees
13.4 DEFICIT ON REMEASUREMENT OF INVESTMENTS			
Held for trading			
Opening balance		-	2,383,841
Charged for the year		-	-
Reversal for the year		-	(1,096,958)
		-	(1,096,958)
Transfer of held for trading investments to available for sale investments		-	(1,286,883)
Balance at the end of the year		-	-
Available-for-sale			
Balance at the beginning of the year		4,337,247	4,746,600
Charged for the year		4,746,451	7,406,288
Reversal for the year		-	(7,815,641)
		4,746,451	(409,353)
Balance at the end of the year	13.2 & 13.3	9,083,698	4,337,247
14 SHORT-TERM PLACEMENTS			
Term deposit receipts (TDR)	14.1	430,000,000	464,000,000
:		430,000,000	464,000,000
14.1 This represents placements with financial institutions under term deposit receipts carrying markup rate of 8.6% to 10% per annum (2017: 7.2% to 10.75% per annum).			
		2018 Rupees	2017 Rupees
15 MARKUP / INTEREST ACCRUED			
Accrued profit/markup/interest on:			
- Term finance certificates/sukuk		24,836,190	25,154,258
- Term finances		41,989,391	41,082,902
- Placements		16,802,523	17,887,949
		83,628,104	84,125,109
Less : provision for markup/interest on non-performing investment		(24,331,966)	(24,331,966)
		59,296,138	59,793,143



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	Note	2018 Rupees	2017 Rupees
16 PREPAYMENTS AND OTHER RECEIVABLES			
Prepayments		1,095,965	1,194,377
Other receivable			
- Dividend receivable		13,125	-
- Miscellaneous		130,943	-
		<u>1,240,033</u>	<u>1,194,377</u>
17 CASH AND BANK BALANCES			
Balance with banks			
- Deposit accounts	17.1	208,789,997	218,993,509
- Current account with State Bank of Pakistan		268,383	280,442
Cash in hand		18,020	32,050
		<u>209,076,400</u>	<u>219,306,001</u>
17.1 Effective markup rate in respect of deposit accounts ranges from 3.75 % to 8 % (2017: 3.75 % to 8 %) per annum.			
	Note	2018 Rupees	2017 Rupees
18 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL			
28,500,000 (2017: 28,500,000) Ordinary shares of Rs. 10 each issued as fully paid in cash.		285,000,000	285,000,000
36,500,000 (2017: 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>
19 RESERVES			
Capital			
Statutory reserve	19.1	134,582,762	132,744,837
Revenue			
Accumulated loss		<u>(51,489,845)</u>	<u>(58,797,060)</u>
		<u>83,092,917</u>	<u>73,947,777</u>
19.1 Statutory reserve			
Opening balance		132,744,837	131,318,417
Transferred from profit and loss account	19.2	1,837,925	1,426,420
Closing balance		<u>134,582,762</u>	<u>132,744,837</u>
19.2 Statutory reserve represents amount set aside at the rate of 20% of profit for the year after taxation as per the requirements of clause 16 of Non-Banking Finance Companies and Notified Entities Regulations, 2008.			



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	Note	2018 Rupees	2017 Rupees
20 DEFICIT ON REMEASUREMENT OF INVESTMENTS - NET			
Available for sale			
Mutual Fund	13.3	(1,272,798)	-
Shares-long term	7.3	(2,606,932)	(3,683,448)
Shares-short term	13.2	(7,810,900)	(4,337,247)
Related deferred tax (asset)		847,864	-
		<u>(10,842,766)</u>	<u>(8,020,695)</u>
21 DEFERRED LIABILITY - STAFF GRATUITY			
21.1 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, 2018 using the Projected Unit Credit Actuarial Cost Method.			
	Note	2018 Rupees	2017 Rupees
21.2 Defined benefit liability recognized in balance sheet			
Present value of defined benefit obligation	21.3	5,954,769	5,026,310
Fair value of plan assets	21.4	(3,524,350)	(6,182,293)
Benefits due but not paid		-	6,963,418
Defined benefit liability recognized		<u>2,430,419</u>	<u>5,807,435</u>
21.3 Changes in the present value of the defined benefit obligation			
Opening defined benefit obligation		5,026,310	10,640,382
Current service cost		533,378	799,825
Interest cost		397,850	519,004
Benefits due but not paid		-	(6,963,418)
Benefits paid		(106,358)	-
Re-measurements chargeable in other comprehensive income		103,589	30,517
		<u>5,954,769</u>	<u>5,026,310</u>
21.4 Changes in the fair value of plan assets			
Opening fair value of plan assets		6,182,293	5,922,616
Contribution		4,000,000	-
Interest income on plan assets		371,792	429,390
Benefits paid		(7,069,776)	-
Return on plan assets, excluding interest income		40,041	(169,713)
		<u>3,524,350</u>	<u>6,182,293</u>



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	Note	2018 Rupees	2017 Rupees		
21.5 Movement in net liability					
Opening liability		5,807,435	4,717,766		
Expense recognized in profit and loss	21.6	559,436	889,439		
Re-measurements recognized in other comprehensive income	21.7	63,548	200,230		
Contribution		(4,000,000)	-		
Closing liability		<u>2,430,419</u>	<u>5,807,435</u>		
21.6 Expense recognized in profit and loss					
Current service cost		533,378	799,825		
Interest cost		397,850	519,004		
Expected return on plan assets		(371,792)	(429,390)		
		<u>559,436</u>	<u>889,439</u>		
21.7 Re-measurements recognized in other comprehensive income					
Experience adjustments		103,589	30,517		
Return on plan assets - excluding interest income		(40,041)	169,713		
		63,548	200,230		
Related deferred tax (asset)		(19,064)	60,069		
		<u>44,484</u>	<u>140,161</u>		
21.8 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:					
	2018	2017	2016	2015	2014
	-----Rupees-----				
Present value of defined obligation	5,954,769	5,026,310	10,640,382	9,966,985	10,222,305
Fair value of plan assets	(3,524,350)	(6,182,293)	(5,922,616)	(6,041,285)	(7,053,851)
	<u>2,430,419</u>	<u>(1,155,983)</u>	<u>4,717,766</u>	<u>3,925,700</u>	<u>3,168,454</u>
			2018 Rupees	2017 Rupees	
Breakup of Investments - at fair value					
Investment in National Savings (including accrued interest)			3,639,155	7,232,566	
Investment in KAPCO Shares - 500 Shares @ Rs. 53.91 each (2017: 72.07 each)			26,955	36,035	
Cash at bank			404,239	644,323	
Less: assets for Defined Contribution Scheme			(545,999)	(1,730,631)	
			<u>3,524,350</u>	<u>6,182,293</u>	



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Significant Actuarial Assumption

Discount rate used for interest cost in profit and loss charge	8.00%	7.25%
Discount rate used for year end obligation	9.00%	8.00%

Maturity profile of Present value of defined benefit obligation

Weighted average duration of the Present value of defined benefit obligation (in years)	9	9
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Plan Assets Comprise

Bond	89.41%	91.40%
Equity	0.66%	0.46%
Cash and /or deposits	9.93%	8.14%
	<u>100.00%</u>	<u>100.00%</u>

Sensitivity Analysis on significant actuarial assumptions:

	2018 Rupees	2017 Rupees
Discount Rate +100 bps	5,454,518	4,566,135
Discount Rate - 100 bps	6,528,201	5,491,567
Expected rate of salary increase + 100 bps	6,522,620	5,486,698
Expected rate of salary increase - 100 bps	5,450,191	4,562,383

These figures are based on the latest actuarial valuation as at June 30, 2018. 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, 2019 works out to be Rs. 0.542 million.

22 LONG-TERM LOAN

From Banking Companies - Secured

	Note	2018 Rupees	2017 Rupees
National Bank of Pakistan (NBP) - an associated undertaking	22.1	187,500,000	250,000,000
Current portion of long term loans		<u>(62,500,000)</u>	<u>(62,500,000)</u>
		<u>125,000,000</u>	<u>187,500,000</u>

- 22.1** 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 (2017: 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	2018 Rupees	2017 Rupees
23 SECURITY DEPOSIT AGAINST FINANCE LEASE			
	23.1	<u>333,400</u>	<u>333,400</u>

23.1 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	2018 Rupees	2017 Rupees
24 SHORT-TERM RUNNING FINANCE FACILITY			
MCB Bank Limited	24.1	302,137,856	97,899,065
Allied Bank Limited		-	67,702,504
National Bank of Pakistan - an associated undertaking	24.2	<u>99,999,951</u>	<u>-</u>
		<u>402,137,807</u>	<u>165,601,569</u>

24.1 This represents short term running finance obtained against TDR from MCB Bank Limited carrying markup rate of 3 month KIBOR plus 0.6% (2017: 3 month KIBOR plus 0.85%) per annum.

24.2 This represents short term running finance obtained with a limit of Rs.100 million (2017: Nil) carrying markup at a rate based on 3 month KIBOR plus 1% (2017: Nil) per annum. The running finance is secured by first pari passu hypothecation charge against all present and future assets of the Company with 25% margin.

	Note	2018 Rupees	2017 Rupees
25 MARKUP / INTEREST ACCRUED			
Mark-up accrued on:			
<i>Secured</i>			
Loans and borrowings including running finance facility	25.1	5,462,564	6,704,533
<i>Unsecured</i>			
Certificates of deposits		1,560,137	1,560,137
Others		-	17,535
		<u>7,022,701</u>	<u>8,282,205</u>

25.1 This amount includes markup due to National Bank of Pakistan, an associated undertaking.



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	Note	2018 Rupees	2017 Rupees
26 ACCRUED AND OTHER PAYABLES			
Accrued expenses		3,327,861	6,210,203
Other liabilities		2,360,693	3,146,305
		<u>5,688,554</u>	<u>9,356,508</u>
27 CONTINGENCIES AND COMMITMENTS			
Contingencies			
There are no material contingencies as at the reporting date (2017: Nil)			
Commitments			
Standby letter of credit	27.1	33,848,438	29,009,063
Letter of credit exposure - Pioneer Cement Ltd.	27.2	28,561,667	-
Letter of credit exposure Power Cement Ltd.	27.3	7,647,405	-
		<u>69,057,510</u>	<u>29,009,063</u>
27.1	This represents the Investment Bank's share in standby letter of credit under agreement of participation dated December 13, 2010 with Allied Bank Limited. Under the said agreement, the Investment Bank irrevocably agrees and undertakes with Allied Bank Limited to take undivided share of 2.5% in standby letter of credit up to November 17, 2019.		
27.2	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 FCIBL has recorded it as contingencies liability, subsequently upon requirement of L/C documents the payment will be made through the facility will become funded.		
27.3	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 FCIBL 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	2018 Rupees	2017 Rupees
28 INCOME FROM TERM FINANCES AND FUNDS PLACEMENTS			
Income from long-term finances		14,839,176	4,323,420
Return on fund placements with financial institutions	28.1	74,885,484	62,563,520
		<u>89,724,660</u>	<u>66,886,940</u>
28.1	Return on fund placements with financial institutions		
- bank balance		31,511,628	12,443,695
- term deposit receipts		43,373,856	45,781,524
- reverse repo placements		-	4,152,348
- clean placement		-	185,953
		<u>74,885,484</u>	<u>62,563,520</u>



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	Note	2018 Rupees	2017 Rupees
29 INCOME FROM INVESTMENTS			
Return on term finance certificates / sukuks		6,586,180	9,131,257
Dividend income on available-for-sale investments	29.1	840,851	872,732
Capital gain on securities		-	1,063,829
		<u>7,427,031</u>	<u>11,067,818</u>
29.1 Scrip wise details of dividend is as follows:			
National Bank Of Pakistan		-	375,000
Habib Bank Limited		55,484	162,232
Allied Bank Limited		108,750	127,500
Kot Addu Power Company Limited		227,500	90,500
Engro Fertilizer Limited		106,250	52,500
Fauji Fertilizer Limited		54,375	-
Pakistan Petroleum Limited		50,000	32,500
Pakistan Oil Fields Limited		127,500	-
Treet Corporation Limited		-	10,000
Oil & Gas Development Limited		28,492	
PICIC Growth Fund		82,500	22,500
		<u>840,851</u>	<u>872,732</u>
30 FEES AND COMMISSION INCOME			
Guarantee commission		437,143	416,596
Processing & participation fee		3,150,000	156,000
		<u>3,587,143</u>	<u>572,596</u>
31 OTHER INCOME			
Interest income on loan to employees		129,181	178,007
Gain / loss on disposal of fixed asset		330,848	1,240,000
Miscellaneous		1,450,400	-
		<u>1,910,429</u>	<u>1,418,007</u>
32 FINANCE COSTS			
Markup/Interest on:			
- Long-term loans		15,762,629	16,146,987
- Short-term repo borrowings		-	2,754,003
- Short-term running finance facility		28,969,624	6,718,342
- Other charges		191,828	231,441
		<u>44,924,081</u>	<u>25,850,773</u>



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	Note	2018 Rupees	2017 Rupees
33 ADMINISTRATIVE AND OPERATING EXPENSES			
Salaries and allowances	33.1 to 33.3	20,614,712	25,824,937
Travelling, conveyance and meeting charges		3,566,675	4,211,949
Printing and stationery		400,662	521,613
Rent, rates and taxes		4,363,173	3,472,332
Legal and professional		1,210,796	1,846,665
Repairs and maintenance		641,295	712,037
Auditors' remuneration	33.4	954,760	862,500
Newspaper and periodicals		19,818	20,544
Postage and courier services		96,415	99,407
Telephone, telex and fax		395,805	475,159
Electricity, gas and water charges		983,710	886,613
Advertisement and business promotion		583,391	684,960
Fees and subscription		2,680,285	1,975,224
Security guards		500,732	382,800
Insurance		662,875	797,420
Brokerage and commission		58,807	91,934
Motor vehicle running expenses		1,200,589	1,196,043
Office supplies		205,536	223,645
IT support		298,884	429,898
Training		54,650	83,722
Depreciation	5	1,617,640	1,642,646
Amortization	6	45,345	109,507
		<u>41,156,555</u>	<u>46,551,555</u>
33.1 It includes charge for gratuity and provident fund as follows:			
- Gratuity		559,436	889,439
- Provident fund		500,623	547,601
		<u>1,060,059</u>	<u>1,437,040</u>
		<u>Unaudited</u>	<u>Audited</u>
		<u>Rupees</u>	
33.2 Disclosures relating to provident fund			
(i) Size of the fund - net assets		9,726,798	17,020,103
(ii) Cost of Investment made		9,690,101	16,870,887
(iii) Percentage of Investment made		99.62%	99.12%
Breakup of Investment -at fair value			
Investment in National Savings		8,472,685	9,591,940
Deposit with NBP NIDA Account		1,217,416	7,278,947
		<u>9,690,101</u>	<u>16,870,887</u>
Percentage of Investment			
Investment in National Savings		87.4%	56.9%
Deposit Account		12.6%	43.1%
		<u>100%</u>	<u>100%</u>



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

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

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>

2017				(Restated)
	President & Chief Executive Officer	Executive	Directors	Total
Rupees.....			
Director's meeting fee	-	-	2,250,000	2,250,000
Managerial remuneration	6,737,338	2,717,089	-	9,454,427
Annual allowance	281,685	2,183,777	-	2,465,462
Retirement benefits	508,331	2,433,569	-	2,941,900
Others	581,685	-	-	581,685
Total	<u>8,109,039</u>	<u>7,334,435</u>	<u>2,250,000</u>	<u>17,693,474</u>

* Comparatives have been amended to reflect changes in the definition of executive as per the Companies Act, 2017.

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



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	Note	2018 Rupees	2017 Rupees
33.4 Auditors' remuneration			
Statutory audit		510,000	510,000
Half yearly review		200,000	200,000
Other services		94,000	40,000
Out of pocket expenses		80,037	52,500
		884,037	802,500
Sales tax		70,723	60,000
		954,760	862,500
34 TAXATION			
Current		3,767,787	2,539,761
Prior		(354,739)	(211,426)
Deferred	11.2	3,199,264	2,259,615
		6,612,312	4,587,950
34.1 Relationship between tax expense and accounting profit			
Profit before taxation		15,801,936	11,720,048
Tax at applicable rate of 30% (2017: 31%)		30%	31%
Tax calculated at applicable tax rate		4,740,581	3,633,215
Impact of taxability at different rate		(357,361)	431,430
Tax effect other than temporary difference		5,012,533	3,311,272
Effect of change in tax rate		(2,428,702)	(2,421,541)
Prior year tax adjustment		(354,739)	(211,426)
Tax charge for the year		6,612,312	4,742,950
34.2 The income tax assessment of the Investment Bank has been finalized up to the tax year 2017 under self assessment scheme.			
34.3 As per management's assessment, sufficient tax provision has been made in the financial statements. Following are the details of tax provision as per accounts and tax assessment for last 3 years:			
Tax year	2017	2016	2015
	----- Rupees -----		
Tax provision in the accounts	2,328,335	7,039,088	5,202,367
Tax assessment	2,185,022	8,247,342	3,548,244
35 EARNINGS PER SHARE			
Profit after taxation		9,189,624	7,132,098
Weighted average number of shares outstanding during the year		Number of shares 65,000,000	65,000,000
		----- Rupees -----	
Earnings per share (EPS)		0.14	0.11

There are no dilutive potential ordinary shares outstanding as at June 30, 2018 and 2017.



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	Note	2018 Rupees	2017 Rupees
36 CASH AND CASH EQUIVALENT			
Cash and bank balances	17	209,076,400	219,306,001
Short-term placements	14	430,000,000	464,000,000
Short-term running finance facility	24	(402,137,807)	(165,601,569)
		<u>236,938,593</u>	<u>517,704,432</u>
37 FINANCIAL INSTRUMENTS BY CATEGORY			
Financial assets as per statement of financial position			
Loans and receivables at amortised cost			
Investments		68,772,500	113,781,688
Loans and finances		381,335,082	147,725,594
Net investment in finance lease		1,156,833	1,571,958
Long-term deposits		57,500	57,500
Short-term placements		430,000,000	464,000,000
Markup/interest accrued		59,296,138	59,793,143
Cash and bank balances		209,076,400	219,306,001
		<u>1,149,694,453</u>	<u>1,006,235,884</u>
Available for sale			
Investments		85,267,853	62,384,239
		<u>1,234,962,306</u>	<u>1,068,620,123</u>
Financial liabilities as per statement of financial position			
Loans and receivables at amortised cost			
Security deposit against finance lease		333,400	333,400
Deferred liability - Staff gratuity		2,430,419	5,807,435
Long-term loan		187,500,000	250,000,000
Short-term running finance		402,137,807	165,601,569
Markup / interest accrued		7,022,701	8,282,205
Accrued and other payables		3,762,617	7,796,853
		<u>603,186,944</u>	<u>437,821,462</u>

38 FINANCIAL RISK MANAGEMENT

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

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

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

38.1 Market risk

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

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



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38.1.1 Currency risk

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

38.1.2 Interest rate risk

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

Financial assets and liabilities include balances of Rs. 1,154.08 million (2017: Rs. 986.75 million) and Rs. million 592.06 million (2017: Rs. 421.41 million) respectively, which are subject to interest / markup rate risk. Applicable interest / mark-up rates for financial assets and liabilities have been indicated in respective notes.

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

Exposed to yield / market rate risk						
	Effective rate %	Total	Within one year	More than one year and less than five years	More than five years	Not exposed to yield / market rate risk
Rupees						
As at June 30, 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
Cash and bank balance	7%	209,076,400	208,789,997	-	-	286,403
		1,234,962,306	741,663,860	396,328,773	16,094,878	80,874,795
Financial Liabilities						
Security deposit against finance lease		333,400	-	-	-	333,400
Deferred liability - Staff gratuity	8.00%	2,430,419	-	2,430,419	-	-
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 and other payables		3,762,617	-	-	-	3,762,617
		603,186,944	464,637,807	127,430,419	-	11,118,718
On-balance sheet gap		631,775,362	277,026,053	268,898,354	16,094,878	69,756,077



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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, 2017						
Financial Assets						
Investments	7.97%	176,165,927	88,078,805	68,772,500	-	19,314,622
Loans and finances	6.05%	147,725,594	25,161,133	104,080,299	16,094,878	2,389,284
Net investment in finance lease	9.09%	1,571,958	421,941	1,150,017	-	-
Long-term deposits		57,500	-	-	-	57,500
Short-term placements	9%	464,000,000	464,000,000	-	-	-
Markup / interest accrued		59,793,143	-	-	-	59,793,143
Cash and bank balance	7%	219,306,001	218,993,509	-	-	312,492
		1,068,620,123	796,655,388	174,002,816	16,094,878	81,867,041
Financial Liabilities						
Security deposit against finance lease		333,400	-	-	-	333,400
Deferred liability - Staff gratuity	8.00%	5,807,435	-	5,807,435	-	-
Long-term loans	6.88%	250,000,000	62,500,000	187,500,000	-	-
Short-term running finance facility	6.96%	165,601,569	165,601,569	-	-	-
Markup / interest accrued		8,282,205	-	-	-	8,282,205
Accrued and other payables		7,796,853	-	-	-	7,796,853
		437,821,462	228,101,569	193,307,435	-	16,412,458
On-balance sheet gap		630,798,661	568,553,819	(19,304,619)	16,094,878	65,454,583

38.1.3 Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate as a result of changes in the market prices (other than those arising from interest/ mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. Presently, daily stock market fluctuation is controlled by government authorities with cap and floor of 5%. The restriction of floor prices reduces the volatility of prices of equity and debt securities and the chances of market crash at any moment. The Investment Bank manages the price risk through diversification and placing limits on individual and total equity and debt instruments in accordance with NBFC's regulation and internal investment policy. Reports on the equity and debt portfolio are submitted to the Investment Bank's senior management on regular basis. The Investment Bank's board of directors reviews and approves all equity and debt investment decisions. The Investment Bank is exposed to price risk since it has investments in quoted equity and debt securities amounting to Rs. 69.9 million (2017: 86.7 million).



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

Sensitivity analysis

For the purpose of price risk sensitivity analysis it is observed that the benchmark KSE 100 Index has decreased by 11.10% during the financial year.

The table below summarizes Investment Bank's equity price risk as of June 30, 2018 and 2017 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, 2018	75,886,310	10% increase	83,474,941	7,588,631	7,588,631
		10% decrease	68,297,679	(7,588,631)	(7,588,631)
June 30, 2017	86,739,086	10% increase	95,412,995	8,673,909	8,673,909
		10% decrease	78,065,177	(8,673,909)	(8,673,909)

38.2 Credit risk

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

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

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

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



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	2018		2017	
	Rupees	%	Rupees	%
Investment and Finances *				
Cement	164,038,889	31.4%	64,349,617	24.10%
Chemical	6,575,917	1.3%	9,913,838	4.60%
Oil and Gas	3,089,870	0.6%	740,700	24.00%
Cable and electrical goods	-	0.0%	20,000,000	0.40%
Textile	19,775,349	3.8%	19,775,349	9.70%
Financial institutions	50,185,811	9.6%	41,934,348	28.80%
Construction	6,560,000	1.3%	6,560,000	0.00%
Insurance	915,300	0.2%	930,000	0.20%
Engineering	13,333,332	2.6%	-	0.20%
Electricity	2,504,583	0.5%	2,292,158	0.90%
Sugar	193,750,000	37.2%	81,250,000	0.20%
Hotel Industries	22,626,569	4.3%	18,873,804	0.00%
Petroleum	37,500,000	7.2%	47,500,000	0.00%
	520,855,620	100%	314,119,814	93%

* 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	PACRA	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-2	A
The First Microfinance Bank	JCR-VIS	A-1	A+

38.3 Liquidity risk

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

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



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	Total	Within one year	More than one year and less than five years	More than five years
	-----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	-	-
Cash and bank balance	209,076,400	209,076,400	-	-
	1,234,962,306	842,379,848	376,487,580	16,094,878

Financial Liabilities

Security deposit against finance lease	333,400	-	333,400	-
Deferred liability - Staff gratuity	2,430,419	-	2,430,419	-
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 and other payables	3,762,617	4,128,899	-	-
	603,186,944	475,789,407	127,763,819	-
On-balance sheet gap	631,775,362	366,590,441	248,723,761	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, 2017

Financial Assets

Investments	176,165,927	105,219,773	70,946,154	-
Loans and finances	147,725,594	25,217,059	106,413,657	16,094,878
Net investment in finance lease	1,571,958	421,941	1,150,017	-
Long-term deposits	57,500	-	57,500	-
Short-term placements	464,000,000	464,000,000	-	-
Markup / interest accrued	59,793,143	59,793,143	-	-
Cash and bank balance	219,306,001	219,306,001	-	-
	1,068,620,123	873,957,917	178,567,328	16,094,878

Financial Liabilities

Security deposit against finance lease	333,400	-	333,400	-
Deferred liability - Staff gratuity	5,807,435	-	5,807,435	-
Long-term loans	250,000,000	62,500,000	187,500,000	-
Short-term running finance facility	165,601,569	165,601,569	-	-
Markup / interest accrued	8,282,205	8,282,205	-	-
Accrued and other payables	7,796,853	7,796,853	-	-
	437,821,462	244,180,627	193,640,835	-
On-balance sheet gap	630,798,661	629,777,290	(15,073,507)	16,094,878



FIRST CREDIT AND INVESTMENT BANK LTD.

39 CAPITAL RISK MANAGEMENT

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

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.

40 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

a) Finance and certificates of deposit

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

b) Investments

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



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

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

		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>
		2017		
		Level 1	Level 2	Level 3
		----- Rupees -----		
Listed securities		19,314,622	67,424,464	-
Unlisted securities		-	-	-
		<u>19,314,622</u>	<u>67,424,464</u>	<u>-</u>

c) Other financial instruments

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

41 TRANSACTIONS WITH RELATED PARTIES

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

Associated Undertakings	Note	2018 Rupees	2017 Rupees
Transactions during the year			
National Bank of Pakistan (NBP holds 30.77% of FCIBL Shares)			
Mark-up on repo transactions		-	1,831,500
Mark-up on long-term loan	32	<u>15,762,629</u>	<u>16,146,987</u>
Mark-up on running finance	32	<u>3,110,957</u>	<u>-</u>
Capital gain on listed securities		<u>-</u>	<u>305,680</u>
Dividend income		<u>-</u>	<u>375,000</u>
Rent paid		<u>4,182,310</u>	<u>3,318,220</u>
Taurus Securities Limited (NBP holds 58.32% of Taurus Securities Limited Shares)			
Brokerage expense		<u>3,250</u>	<u>-</u>



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	Note	2018 Rupees	2017 Rupees
Balance at year end			
National Bank of Pakistan (NBP holds 30.77% of FCIBL Shares)			
Investment in shares at cost	13.2	<u>3,858,395</u>	<u>2,636,846</u>
Long-term loan	22.1	<u>187,500,000</u>	<u>250,000,000</u>
Short term running finance	24.2	<u>99,999,951</u>	<u>-</u>
NAFA Stock Fund (NBP holds 54% shares of NBP Fund Management Limited - Management Company of the Fund)	13.3	<u>25,000,000</u>	<u>-</u>
Key Management Personnel			
Salaries, benefits and other allowances	33.3	<u>8,953,252</u>	<u>16,826,206</u>
Retirement benefits	33.3	<u>618,000</u>	<u>1,193,067</u>
Return on long-term loans		<u>34,800</u>	<u>65,440</u>
Balance at year end		<u>3,983,301</u>	<u>3,105,959</u>
Staff Retirement Plans			
Contribution to staff retirement Plans	33.1	<u>500,623</u>	<u>547,601</u>
		————— Numbers —————	
42 EMPLOYEES			
Employees at the end of the year		<u>18</u>	<u>15</u>
Average employees during the year		<u>17</u>	<u>18</u>

43 GENERAL

Figures have been rounded off to the nearest rupees.

44 DATE OF AUTHORIZATION FOR ISSUE

These financial statements was authorized for issue on September 29, 2018 by the Board of Directors of the Investment Bank.



MUHAMMAD AMIN KHATRI
Chief Financial Officer



MUHAMMAD MOHSIN ALI
President & CEO



MUHAMMAD NAEEMUDDIN
Director



FIRST CREDIT AND INVESTMENT BANK LTD.

PATTERN OF SHAREHOLDING AS AT JUNE 30, 2018

Number of Shareholders	From	Shareholding To	Total number of Shares held	Percentage %
282	1	100	6,471	0.0100
552	101	500	258,070	0.3970
74	501	1,000	70,722	0.1088
50	1,001	5,000	121,910	0.1876
8	5,001	10,000	62,000	0.0954
4	10,001	15,000	48,500	0.0746
1	25,001	30,000	29,000	0.0446
1	30,001	35,000	34,500	0.0531
1	70,001	75,000	72,500	0.1115
1	95,001	100,000	98,000	0.1508
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
979			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	963	782,436	1.2037%
Foreign	4	11,237	0.0173%
Others	3	5,000	0.0077%
Total	979	65,000,000	100.0000%



PATTERN OF SHAREHOLDING AS REQUIRED UNDER THE CODE OF CORPORATE GOVERNANCE AS AT JUNE 30, 2018

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	967	793,673	1.2210%
Others	3	5,000	0.0077%
Total	979	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 26, 2018 at 05:30 p.m. at PIIA (Pakistan Institute of International Affairs) Auditorium, Aiwan-e-Saddar
Road, Karachi.

Signed this _____ day of _____ 2018.

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.



FIRST CREDIT AND INVESTMENT BANK LTD.



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FIRST CREDIT AND INVESTMENT BANK LTD.

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

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FIRST CREDIT AND INVESTMENT BANK LTD.



پراکسی فارم

کمپنی سیکرٹری

فرسٹ کریڈٹ اینڈ انویسٹمنٹ بینک لمیٹڈ

سیکنڈ فلور سڈ کوئینسٹریٹ چکن روڈ

کراچی 74200

میں / ہم مسمیٰ / مسماء _____ ساکن _____ بحیثیت ممبر فرسٹ کریڈٹ اینڈ انویسٹمنٹ بینک لمیٹڈ اور حامل
عام حصص، رجسٹرڈ فلیو نمبر _____ کے تحت اور یاسی ڈی سی شراکتہ آر آئی ڈی نمبر _____ اور ذیلی اکاؤنٹ نمبر _____
یہاں محترم / محترمہ _____ ساکن _____ یا ان کی جگہ محترم / محترمہ _____
ساکن _____ کو بطور اپنا مختار اور ووٹ دینے کیلئے اپنا پراکسی تقرر کرتا / کرتی ہوں جو میری جگہ کمپنی کے سالانہ اجلاس عام جو بروز جمعہ 26 اکتوبر 2018
بوقت شام 05:30 بجے PHIA آڈیٹوریم ایوان صدر روڈ کراچی میں منعقد ہو رہا ہے شرکت کرے۔

بروز _____ بتاریخ _____ 2018 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 و موثر ہونے کیلئے دستخط شدہ مہر 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 تین فیض 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 پر اور آف اٹارنی سی این 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۔



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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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FIRST CREDIT AND INVESTMENT BANK LTD.



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کمپنی میں شیئر ہولڈنگ 30 جون 2018 کو کمپنی میں شیئر ہولڈنگ

شیئر کا فیصد %	شیئر کی تعداد	شیئر ہولڈرز کی تعداد	شیئر ہولڈنگ کی درجہ بندی
			متعلقہ کمپنیز مقررہ اور متعلقہ فریقین اسپانسرز اور ایگزیکیوٹو
30.7692%	20,000,000	1	نیشنل بینک آف پاکستان
30.7692%	20,000,000	1	واٹر اینڈ پاور ڈویلپمنٹ اتھارٹی
19.6775%	12,790,378	1	سردار محمد اشرف ڈی. بلوچ
			اینڈ کو. (پرائیویٹ) لمیٹڈ
10.1635%	6,606,246	1	لٹی انٹرنیشنل (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 ٹی اور آئی سی بی
			ڈائریکٹرز چیف ایگزیکٹو آفیسر، شوہر / بیوی اور نابالغ بچے
0.0008%	500	1	مسٹر محمد نعیم 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، ڈویلپمنٹ فنانس ادارے
			نان بینکنگ فنانس کمپنیز باہمی فنڈز
1.2210%	793,673	967	جنرل پبلک
0.0077%	5,000	3	دیگر
100.0000%	65,000,000	979	ٹوٹل

			شیئر ہولڈنگ 5% اور ذائد
30.7692%	20,000,000	1	نیشنل بینک آف پاکستان
30.7692%	20,000,000	1	واٹر اینڈ پاور ڈویلپمنٹ اتھارٹی
			سردار محمد اشرف ڈی. بلوچ
19.6775%	12,790,378	1	اینڈ کو. (پرائیویٹ) لمیٹڈ
			لٹی انٹرنیشنل (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 2018

شیر ہولڈرز کی تعداد	شیر ہولڈنگ سے	تک	کل شیر کی ملکیت	فیصد %
282	1	100	6,471	0.0100
552	101	500	258,070	0.3970
74	501	1,000	70,722	0.1088
50	1,001	5,000	121,910	0.1876
8	5,001	10,000	62,000	0.0954
4	10,001	15,000	48,500	0.0746
1	25,001	30,000	29,000	0.0446
1	30,001	35,000	34,500	0.0531
1	70,001	75,000	72,500	0.1115
1	95,001	100,000	98,000	0.1508
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
979			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	963	782,436	1.2037%
غیر ملکی	4	11,237	0.0173%
دیگر	3	5,000	0.0077%
ٹوٹل	979	65,000,000	100.0000%



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کیش ڈیویڈنڈ کی الیکٹرانک موڈ کے ذریعے ادائیگی۔

مستقبل میں تمام ڈیویڈنڈ کے لیے کمپنیز ایکٹ ۲۰۱۷ کے سیکشن ۲۴۲ کے تحت SECP نے اپنے سرکلر نمبر ۱۸/۲۰۱۷ بتاریخ یکم اگست ۲۰۱۷ میں تمام لسٹڈ کمپنیوں کو ہدایت جاری کی ہیں کہ وہ الیکٹرانک ڈیویڈنڈ مینڈیٹ حاصل کریں کیونکہ یکم نومبر ۲۰۱۷ سے منافع منقسمہ کی تمام ادائیگاں صرف اور صرف الیکٹرانک طریقے سے ادا کی جائیں گی۔ تمام شیئر ہولڈرز کو بھی درخواست ہے کہ اپنے اکاؤنٹ کو بحال رکھتے ہوئے الیکٹرانک ڈیویڈنڈ مینڈیٹ فراہم کریں۔ ریکورڈ فارم ہماری ویب سائٹ www.fcibank.com.pk پر موجود ہے۔

اسٹیٹمنٹ انڈر سیکشن (۳) کمپنیز ایکٹ، ۲۰۱۷:

یہ اسٹیٹمنٹ ۲۶ اکتوبر ۲۰۱۸ کو منعقد ہونے والے سالانہ اجلاس میں ہونے والے خصوصی امور کے بارے میں قابل ذکر حقائق کا تعین کرتا ہے۔

USB/DVD/CD کے ذریعے سالانہ رپورٹ کی ترسیل:

SECP کے ایس آر او نمبر ۲۰۱۶ (۱۱) ۴۷۰ بتاریخ ۳۱ مئی ۲۰۱۶ کے تحت سالانہ رپورٹ، سالانہ آڈٹ رپورٹ، سالانہ اجلاس نوٹس اور دیگر معلومات شیئر ہولڈرز کو بذریعہ USB/DVD/CD رجسٹرڈ پتہ پر ترسیل کی اجازت دیتا ہے۔ SRO کے مطابق شیئر ہولڈرز کو سالانہ رپورٹ کتابی شکل کے بجائے USB/DVD/CD میں ترسیل کے لیے شیئر ہولڈرز کی رضامندی درکار ہے لہذا شیئر ہولڈرز سے درخواست کے جاتی ہے کہ SRO کے تحت ان کی تحریری رضامندی دیں۔

تاہم شیئر ہولڈرز کو اختیار حاصل ہے کہ وہ سالانہ رپورٹ کی فری کتابی شکل رجسٹرڈ پتہ پر متعلقہ فارم (کمپنی کی ویب سائٹ www.fcibank.com.pk پر فارم موجود ہے) جمع کر کے حاصل کر سکتے ہیں جو شیئر ہولڈرز مستقبل کی تمام سالانہ رپورٹس کتابی شکل میں حاصل کرنا چاہتے ہیں وہ تحریری حوالہ جمع کروائیں۔

برائے کرم نوٹ فرمائیں ایس آر او نمبر ۲۰۱۶ (۱) ۸۷۷ بتاریخ ۸ ستمبر ۲۰۱۶ میں کمپنی کو ان تمام شیئر ہولڈرز جو سالانہ رپورٹ بذریعہ ای میل چاہتے ہیں فراہم کرنے کی اجازت دیتا ہے۔ اس بارے میں کمپنی کو کسی بھی ای میل ایڈرس کی تبدیلی سے فوری آگاہ کریں، فارم متعلقہ ویب سائٹ پر موجود ہے۔

تمام معزز شیئر ہولڈرز سے گزارش ہے کہ ضروری خانہ پری و دستخط شدہ اسکین درخواست فارم کمپنی سیکریٹری aminkhatri@fcibank.com.pk پر بھیجیں یا وہی فارم کمپنی کے رجسٹر اریلر THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، فرسٹ فلور، C-۴۰، بلاک ۶، PECHS، کراچی۔ ۷۵۴۰۰ پر ارسال کریں۔

اس مقصد کیلئے درج ذیل ریزولیشن بطور خصوصی قرارداد کے طور پر من و عن پاس کی جائے گی۔

قرارداد منظور کی جاتی ہے کہ FCIBL کے ممبران کی اجازت اور منظوری ہو اور اس کے نتیجے کے مطابق سال یکم جولائی ۲۰۱۸ سے مستقبل میں آنے والے سالوں میں شیئر ہولڈرز کو سالانہ رپورٹس مع سالانہ آڈٹ رپورٹ، اکاؤنٹس، سالانہ اجلاس نوٹس اور کمپنی کی دیگر معلومات کتابی شکل کے بجائے USB/DVD/CD میں ترسیل کی جائے گی۔

مذید براہ قرارداد منظور کی جاتی ہے کہ کمپنی کے سی ای او اور کمپنی سیکریٹری اس قرارداد کی عملداری کیلئے تمام معاملات، دستاویز، شے قبول کرنا اور قبول کرنے کے موجب تمام ضروری افعال اور تمام قانونی انتظام اور ضروریات اور ضروری کاغذات جو کہ ضروری ہوں یا فنی فائل کرنے کے مجاز ہوں گے۔

ڈائریکٹرز، اسپانسرز، مینجورٹی شیئر ہولڈرز اور معائنہ کے رشتہ دار براہ راست یا بلا واسطہ مندرجہ بالا سرگرمیوں میں شریک نہیں ہیں ماسوائے جو شیئر ہولڈنگ کمپنی میں پہلے سے ہے۔



(۱)۔ 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 لیے بورڈ آف ڈائریکٹران کی قرارداد کے مطابق نامزد شخص کے مخصوص دستخط (اگر یہ اس سے قبل فراہم نہیں کئے گئے) میٹنگ کے وقت پیش کرنا ہونگے۔

(۲)۔ 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 چاہیئے۔
- (ب) پراکسی فارم دو افراد کی جانب سے گواہی کے ساتھ ہونا چاہئے، جنکے نام، پتہ اور سی این آئی سی نمبر فارم پر درج ہونے چاہیئے۔
- (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 بورڈ آف ڈائریکٹران کی قرارداد اور پورا آف انارنی بمع مخصوص دستخط جمع کرانے ہونگے۔ (اگر یہ اس سے قبل فراہم نہیں کئے گئے)۔

کمپیوٹرائزڈ قومی شناختی کارڈ کاپی کی فراہمی:

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان سے جاری کردہ ایس آر او نمبر ۲۰۱۲ (۱۹) مورخہ ۱۰ جنوری ۲۰۱۲ 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 بمع فوٹو نمبر جلد از جلد کمپنی کے سینٹر رجسٹرار میسرز THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کو ارسال کریں وہ ممبران جوبی ڈی سی میں شئیر زکھتے ہیں ان سے بھی التماس کی جاتی ہے کہ وہ اپنے قومی شناختی کارڈ کی تصدیق شدہ کاپی سی ڈی سی یا اینویسٹراکاؤنٹ سروسز کو بھجوائیں۔

پتہ میں تبدیلی:

شئیر ہولڈرز سے گزارش ہے کہ وہ اپنا پتہ تبدیل ہونے کے بارے میں کمپنی کے سینٹر رجسٹرار کو ایسی ڈی سی شراکت دار / انویسٹراکاؤنٹ سروسز کو فوری طور پر مطلع کریں جو بھی صورت ہو۔

وڈیولنک کے ذریعے میٹنگ میں شرکت:

وہ شئیر ہولڈرز جن کی مجموعی شئیر ہولڈنگ ۱۰% یا زائد ہے اور وہ میٹنگ میں 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 (شئیر ہولڈر کا نام)..... شہر کا نام..... سے ایف سی آئی بی ایل کا ممبر ہونے کے تحت..... عمومی شئیر ز بمطابق فوٹو / سی / انویسٹراکاؤنٹ نمبر..... بذریعہ ہذا بمقام..... 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۔



سالانہ اجلاس عام کی اطلاع

ذریعہ ہذا اطلاع دی جاتی ہے کہ فرسٹ کریڈٹ اینڈ انویسٹمنٹ بینک لمیٹڈ کے شیئرز ہولڈرز کا ۲۹ واں سالانہ اجلاس عام بروز جمعہ ۲۶ اکتوبر ۲۰۱۸ شام ۵:۳۰ بجے بمقام PIA (پاکستان انسٹیٹیوٹ آف انٹرنیشنل افیئرز) آڈیٹوریم ایوان صدر روڈ کراچی میں منعقد ہوگا جس میں مندرجہ ذیل امور انجام دیئے جائیں گے:

عمومی امور :

- (الف) سالانہ اجلاس عام منعقدہ ۲۷ اکتوبر ۲۰۱۷ کی کارروائی کی توثیق۔
- (ب) ۳۰ جون ۲۰۱۸ کو ختم شدہ سال کیلئے کمپنی کے آڈٹ شدہ مالیاتی اسٹیٹمنٹس مع ان پراڈیٹرز اور ڈائریکٹرز رپورٹ کی وصولی غور و خوض اور منظوری۔
- (پ) ۳۰ جون ۲۰۱۹ کو ختم ہونے والے سال کیلئے قانونی آڈیٹرز کا تقرر اور ان کے مشاہرہ کا تعین کرنا۔ سیکدش ہونے والے آڈیٹرز میسرز گرانٹ تھورن انجمن رجن چارٹرڈ اکاؤنٹنٹس کی جانب سے خود کو دوبارہ تقرری کیلئے پیش کیا گیا۔

خصوصی امور :

- (ج) سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے ایس آر او نمبر ۲۰۱۶ (۱) ۲۷۰ جس کے تحت شیئر ہولڈرز کو سالانہ رپورٹ، سالانہ آڈٹ شدہ مالیاتی اسٹیٹمنٹس، سالانہ اجلاس کا نوٹس اور دیگر معلومات بذریعہ CD/DVD اور USB فراہم کرنے کے لیے شیئر ہولڈرز کی منظوری درکار۔

دیگر امور :

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

حسب الحکم بورڈ



محمد امین کھتری

کمپنی سیکریٹری

کراچی

۴ اکتوبر ۲۰۱۸

نوٹ۔

حصص کی کتب کی منتقلی کی بندش۔

- (الف) کمپنی کی حصص منتقلی کی کتاب ۱۶ اکتوبر ۲۰۱۸ تا ۲۶ اکتوبر ۲۰۱۸ (بشمول دونوں ایام) بند رہے گی۔ جو مشقیات ۱۵ اکتوبر ۲۰۱۸ کو کاروبار کے اختتام تک ہمارے شیئرز رجسٹرار میسرز THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، فرسٹ فلور، C-۴۰، بلاک ۶، PECHS، کراچی ۷۵۴۰۰ 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۔

- (ب) 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 / کر سکتی ہے۔ پراکسی کی تقرری کی اطلاع کمپنی کو اجلاس سے کم از کم ۲۸ گھنٹہ قبل دینی ہوگی۔ سی۔ ڈی۔ سی اکاؤنٹس رکھنے والوں کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان سے جاری سرکلر نمبر ۱ بتاریخ ۲۶ جنوری ۲۰۰۰ میں دی گئی ہدایات پر عملدرآمد کرنا ہوگا۔



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شیر ہولڈنگ پیٹرن:

۳۰ جون ۲۰۱۸ پر شیر ہولڈنگ پیٹرن بشمول کمپنی کے حصص یافتگان کی ٹیکسری سالانہ رپورٹ کے ساتھ منسلک ہے۔ دوران سال شیر ہولڈنگ پیٹرن کے مطابق ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکریٹری اور ان کی بیوی اور بچوں کی طرف سے کمپنی کے حصص کا کاروبار نہیں کیا گیا سوائے جو کہ شیر ہولڈنگ پیٹرن میں دکھایا گیا ہے۔

مستقبل کے امکانات اور حکمت عملی:

ہم اپنے کاروبار میں توسیع کے لیے نہ صرف کاربند ہیں اور نہ صرف موجودہ بنیادی کاروباری سرگرمیوں پر بھی پوری توجہ مرکوز ہے اور ہم ریگولیٹری فریم ورک میں رہتے ہوئے کاروبار میں تنوع پیدا کرنے کے لیے 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 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 ٹیکنیکل 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 سامنے کرنے کے لیے اپنی پالیسیاں اور طریقہ کار کو اپ ڈیٹ کر رہی ہے۔

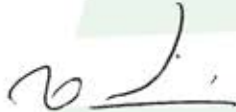
اظہار تشکر:

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



محمد علی
پریذیڈنٹ سی ای او

بجائے بورڈ



محمد عظیم الدین
ڈائریکٹر

کراچی

۲۹ ستمبر، ۲۰۱۸

ڈائریکٹر کا نام	مینیجر کی تعداد جن میں شریک ہونے کے اہل تھے	مینیجر کی تعداد جن میں شریک ہوئے
جناب محمد نعیم الدین	۲	۲
جناب اسد اللہ سلیم	۲	۲
جناب نوید اصغر چوہدری	۲	۲
جناب محمد حسن علی	۲	۲

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 سد باب کرنے میں معاونت کر سکیں۔ یہ کمیٹی چار (۴) ممبران پر مشتمل ہے جن میں زیادہ تر ممبران نان ایگزیکٹو ڈائریکٹرز ہیں جبکہ چیئر مین کمیٹی اٹل سوہنہ اینڈ ڈائریکٹرز ہیں سال کے دوران کمیٹی کی تین (۳) مینٹنگز منعقد کی گئیں، جس میں درج ذیل ڈائریکٹرز نے شرکت کی:

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

مشاہرہ پالیسی برائے ڈائریکٹرز :

بورڈ نے ڈائریکٹرز کے لیے مشاہرہ پالیسی نافذ عمل کی ہے اس پالیسی کے مطابق تمام نان ایگزیکٹو ڈائریکٹرز بورڈ مینٹنگ فیس کے حصول کے مجاز ہونگے۔ کمیٹی کی کمیٹیٹرز اور شیئرز ہولڈرز و قافو قفا مشاہرہ کی مالیت تعین کرنے کے مجاز ہونگے۔ ایگزیکٹو ڈائریکٹرز اور سی ای او کے مشاہرے کا تعین بورڈ آف ڈائریکٹرز کے ذمہ ہوگا پالیسی کے مطابق بورڈ مینٹنگز میں شرکت پر ڈائریکٹرز کے جو بھی اخراجات ہونگے وہ کمیٹی کے ذمہ واجب الادا ہونگے۔

ٹریڈنگ پروگرامز:

ڈائریکٹرز کو پاکستان اسٹاک ایکسچینج کی لسٹنگ ریگولیشن، میمورنڈم 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 فراہم اورڈ سے داریوں سے اچھی طرح واقف ہیں FCIBL کے ۵۰ فیصد سے زائد ڈائریکٹرز نے ضروری ڈائریکٹرز ٹریڈنگ پروگرام سرٹیفیکیٹ (DTP) حاصل کیے ہوئے ہیں جو کہ لسٹڈ کمپنیز (کوڈ آف کارپوریشن گورننس) ریگولیشن ۲۰۱۷ کے تحت ہے اور SECP کے مقرر کردہ معیار کے مطابق ہے۔

آڈیٹرز:

موجودہ آڈیٹرز میسرز گرانٹ تھارنٹن انجمن رحمان چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور وہ دوبارہ تقرری کے اہل ہیں اور انہوں نے اپنے آپ کو دوبارہ تقرری کے لئے پیش کیا ہے کوڈ آف کارپوریشن گورننس کے تحت آڈٹ کمیٹی نے ۳۰ جون ۲۰۱۸ کو ختم ہونے والے سال کے لئے میسرز گرانٹ تھارنٹن انجمن رحمان چارٹرڈ اکاؤنٹنٹس کو تقرر کرنے کی سفارش کی ہے۔

آڈٹ رپورٹ میں ڈیفیڈنسیس کے معاملات پر زور:

FCIBL کے آڈیٹرز نے اپنی رپورٹ میں موثر (ڈیفیڈنسیس) کے معاملے پر زور دیا ہے جس کے بارے میں مالیاتی تفصیلات کے گوشوارے میں نوٹ نمبر ۱۱ میں بینک کی انتظامیہ نے تفصیل سے اپنا نقطہ نظر پیش کیا ہے واضح رہے آڈیٹرز نے اپنی رپورٹ میں اس معاملے کو وائیٹ واش نہیں کیا ہے۔



کمپوزیشن:

- (i) انڈیپنڈنٹ ڈائریکٹرز: ۳
(ii) نان-ایگزیکٹو ڈائریکٹرز: ۴
(iii) ایگزیکٹو ڈائریکٹرز: ۱*

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

اس سال کے دوران دو ڈائریکٹرز جناب و جاہت اے بھائی اور جناب انوار الحق کے استعفوں کے باعث وقتی (اتفاقی) آسامیاں خالی ہوئیں۔ بورڈ نے جناب رحمت علی حسنی (تقرری بتاریخ ۲۶ اگست ۲۰۱۷) اور جناب محمد اکرام خان (تقرری بتاریخ ۱۱ جولائی ۲۰۱۸) ڈائریکٹرز کی حیثیت سے ان وقتی آسامیوں کو بھرنے کے لئے پابند کیا۔ دوران سال چھ (۶) بورڈ میٹنگز منعقد ہوئیں جن میں ڈائریکٹرز کی حاضری کارڈ مندرجہ ذیل ہے۔

ڈائریکٹرز کے نام	میٹنگ کی تعداد جن میں شامل ہونے کے اہل ہیں	میٹنگ کی تعداد جن میں شامل ہوئے
جناب رحمت علی حسنی	۴	۴
جناب انوار الحق*	۴	۴
جناب اسد اللہ سلیم	۶	۶
جناب نوید اصغر چودھری	۶	۶
جناب محمد فہیم الدین	۶	۶
جناب محمد اقبال حسین	۶	۶
جناب محمد امین	۶	۶
جناب محمد حسن علی	۶	۶

آڈٹ کمیٹی اور داخلی کنٹرول:

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

ڈائریکٹر کا نام	میٹنگز کی تعداد جن میں شریک ہونے کے اہل تھے	میٹنگز کی تعداد جن میں شریک ہوئے
جناب محمد امین	۴	۴
جناب انوار الحق	۳	۳
جناب فہیم الدین	۴	۴

انسانی وسائل مشاورہ کمیٹی:

بورڈ آف ڈائریکٹرز نے کلیدی عہدوں کے انتخاب، تجویز اور تبادلہ پلاننگ 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 چار ممبران پر مشتمل ہے زیادہ تر ممبران نان ایگزیکٹو ڈائریکٹرز ہیں جبکہ چیئر مین کمیٹی انڈیپنڈنٹ ڈائریکٹر ہیں۔ سال کے دوران کمیٹی کی دو (۲) میٹنگز منعقد کی گئیں جس میں درج ذیل ڈائریکٹرز نے شرکت کی:



کی نگرانی پر عمل پیرا ہیں۔ کمپنی کا مجموعی رسک مینجمنٹ کا پروگرام موثر سرمایہ کاری کے ساتھ ساتھ مالیاتی اور مارکیٹ کے اتار چڑھاؤ کے خطرات سے نمٹنے پر مرکوز ہے اور حصص یافتگان زیادہ منافع فراہم کرنے میں کوشاں ہے۔ بورڈ آف ڈائریکٹرز سالانہ بنیاد پر مجموعی رسک مینجمنٹ پر نظر ثانی کرتے ہیں۔

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک:

کارپوریٹ کے انتظامی قوانین کے مطابق ڈائریکٹرز درج ذیل رپورٹ پیش کرتے ہوئے خوش محسوس کرتے ہیں:

- کمپنی کی انتظامیہ کے تیار کردہ مالی گوشواروں میں اس کے امور، عملدرآمد کے نتائج، نقدی بہاؤ اور ایکٹیوٹی میں تبدیلیاں واضح اور منصفانہ طور پر پیش کی گئی ہیں۔
- کمپنی کے حساب کی کتابوں کو باقاعدگی سے تیار کیا گیا ہے۔
- مالی گوشواروں کی تیاری میں اکاؤنٹنگ پالیسیاں تسلسل کے ساتھ بروئے کار لائی گئی ہیں اور مستقبل کے اندازے معقول اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- بین الاقوامی حساب کتاب کے معیارات (IFRS) جو پاکستان میں نافذ عمل ہیں ان گوشواروں کی تیاری میں اپنایا گیا ہے اور کسی بھی تبدیلی کو باقاعدگی سے ظاہر کیا گیا ہے۔
- کمپنی میں اندرونی مالیاتی کنٹرول کا نظام قائم کیا گیا ہے وہ ڈیزائن میں مضبوط ہے اور اس پر 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 ای بنیاد پر تیار کیا گیا ہے۔
- سلسلے 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 جو ۳۰ جون کو ختم ہوا	۲۰۱۸	۲۰۱۷	۲۰۱۶	۲۰۱۵	۲۰۱۴	۲۰۱۳
					صحیح شدہ	صحیح شدہ
کل آمدنی	۱۰۳	۸۰	۹۹	۸۱	۶۰	۹۳
قبل از ٹیکس منافع / (تقصان)	۱۶	۱۲	۶۵	۲۹	۴	(۱۴)
بعد از ٹیکس منافع / (تقصان)	۹	۷	۴۴	۲۳	۱	(۶)
حصص یافتگان کا سرمایہ	۷۳۳	۷۲۴	۷۱۷	۶۷۳	۶۴۹	۶۵۱
کل اخراجات	۱,۳۳۷	۱,۱۵۵	۱,۰۱۲	۶۹۳	۷۳۸	۸۳۸
فی حصص منافع / نقصان (روپے میں)	۰.۱۴	۰.۱۱	۰.۶۷	۰.۳۵	۰.۰۲	(۰.۱۰)

اسٹاف ریٹائرمنٹ پیفٹ اسکیم:

ایسٹابلیشمنٹ پراویڈنٹ فنڈ اور گریجویٹ فنڈ کی سرمایہ کاری کا تخمینہ بمطابق ۳۰ جون ۲۰۱۸ کو بالترتیب ۱,۰۱۰,۶۹۰ روپے اور ۱,۰۷۵,۴۴۰ روپے ہے۔

بورڈ آف ڈائریکٹرز:

بورڈ کی موجودہ ساخت مندرجہ ذیل ہے۔

ڈائریکٹرز کی کل تعداد:

الف) مرد: ۸ (بشمول مقرر کردہ سی ای او)

ب) خاتون: کوئی نہیں



آپریشن کا جائزہ:

این بی ایف سی سیکٹر مخصوص انویسٹمنٹ بینکنگ کیلئے غیر موافق حالات جیسے لیکویڈیٹی کے مسائل، غیر یقینی اقتصادی و سیاسی حالات کے باوجود کمپنی ہمیشہ کی طرح اپنے پاؤں پر کھڑی رہی ہے۔ زیادہ تر انویسٹمنٹ بینک لیکویڈیٹی، منفعت سازی اور عدم استحکام جیسے سنگین مسائل میں مسلسل گھرے نظر آتے ہیں۔ کمپنی بہر حال لیکویڈیٹی اور قاعدیت کو برقرار رکھنے میں کامیاب ہے۔ سال گزشتہ کے دوران کمپنی نے نہ صرف تمام تر توجہ اپنی بنیادی کاروباری سرگرمیوں پر مرکوز رکھی بلکہ انویسٹمنٹ بینکنگ کی احتمالی مارکیٹ میں بھی دریافت جاری رکھی جو آمدنی کے سلسلے میں اضافے کا باعث بنا، مشکلات کے باوجود کمپنی نے اپنے تمام مالی اہداف کو بخوبی پورا کیا۔ کمپنی نے FY18 کے لئے مجموعی آمدنی ۲۸% اضافے کے بعد ۲۰۲۶ ملین روپے جبکہ FY1۷ میں ۱۶.۹ ملین روپے تھی۔ کمپنی نے FY18 کے لئے ۱۶.۶ ملین روپے کا آپریٹنگ منافع حاصل کیا جبکہ FY1۷ کا آپریٹنگ منافع ۷.۵ ملین روپے تھا۔ اس طرح ۹.۱ 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 FY18 میں قبل از ٹیکس منافع ۱۵.۸ ملین روپے کا منافع رپورٹ کیا جبکہ پچھلے سال قبل از ٹیکس منافع ۱۱.۷ ملین روپے تھا۔ اسی طرح ۳۰ جون ۲۰۱۸ کو ختم ہونے والے سال کے لئے بعد از ٹیکس منافع ۹.۲ ملین روپے ریکارڈ کیا گیا۔ گزشتہ سال کا بعد از ٹیکس منافع ۷.۱ ملین روپے تھا۔ لہذا دوران سال مجموعی طور پر منفعیت اور کارکردگی بہتر رہی۔

۳۰ جون ۲۰۱۸ کی بیلنس شیٹ کے مطابق حصص یافتگان کا سرمایہ اضافہ کے بعد ۲۳.۳ ملین روپے ہو گیا جبکہ یہ ۳۰ جون ۲۰۱۷ کو ۲۳.۹ ملین روپے تھے۔ حصص یافتگان کے سرمائے میں اضافے کی وجہ دوران سال ہونے والا منافع ہے۔ ۳۰ جون ۲۰۱۸ کے اختتام پر کمپنی کے کل اثاثے بڑھ کر ۱۱.۳۷ ارب روپے ہو گئے جبکہ ۳۰ جون ۲۰۱۷ کو کل اثاثے ۱۱.۵۳ ارب روپے تھے۔ یہ اضافہ بینکوں سے قرضوں کی وجہ سے ہوا۔

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

نان ڈپازٹ بینکنگ بینک کی حیثیت سے تبدیلی (کم از کم سرمائے کی حد):

دوران مدت کے تحت جائزہ میں آپ کے بورڈ آف ڈائریکٹرز نے کمپنی کیلئے نان ڈپازٹ بینکنگ انویسٹمنٹ بینک کی حیثیت کا انتخاب کیا ہے جو کہ ۰۱ جولائی ۲۰۱۸ سے لاگو ہوگا۔ اسکے نتیجے میں غیر بینکنگ مالیاتی مہینیز ریگولیشن ۲۰۱۸ء کے تحت کم از کم سرمائے کی حد کی ضروریات کو پورا کیا گیا۔

بیلنس شیٹ کی تاریخ سے اب تک تبدیلی:

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

حصص پر منافع (ڈیویڈنڈ):

ماضی میں کمپنی کی حصص پر منافع (ڈیویڈنڈ) کی پالیسی میں پرکشش نقد منافع، حصص یافتگان کو بونس حصص، کریڈٹ ریٹنگ میں اضافہ سرمایہ کاری کی ضرورت اور توسیعی منصوبے کے مطابق وافر سرمایہ کی دستیابی وغیرہ سب شامل تھے۔ ڈائریکٹرز نے ۳۰ جون ۲۰۱۸ ختم ہونے والے مالی سال کے لئے حصص پر منافع دینے کی کوئی غارش نہیں کی ہے۔

کریڈٹ ریٹنگ:

JCR-VIS کریڈٹ ریٹنگ کمپنی نے اپنی رپورٹ مورچہ ۲۹ دسمبر ۲۰۱۷ میں کمپنی کی درمیانے سے طویل مدتی ادارتی 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 بخوبی متحرک ہے علاوہ ازیں کمپنی تمام سرکاری، انٹرنل، بیلیٹ، حفاظت اور ماحولیاتی قواعد کی تعمیل کرتی رہی 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۔

رسک کی تشخیص کا فریم ورک (رسک اسمبلی فریم ورک):

کمپنی کا مجموعی رسک منجمنٹ کا پروگرام ایف سی آئی بی کی مالی کارکردگی پر مالیاتی منڈیوں 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 (انٹریسٹ ریٹ رسک اور پرائس رسک) کریڈٹ رسک، لیکویڈیٹی رسک اور آپریشنل رسک 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 رسک منجمنٹ فریم ورک



ڈائریکٹر رپورٹ

ہم فرسٹ کریڈٹ اینڈ انویسٹمنٹ بینک لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ۲۰۱۸ سالانہ رپورٹ، بشمول مالیاتی تفصیلات کا گوشوارہ اور 'ڈائریکٹر کی رپورٹ' برائے سال ۲۰۱۸، پیش کرتے ہوئے طمانیت محسوس کرتے ہیں۔

معاشی جائزہ:

مالی سال ۲۰۱۸ کے آخر تک ملک انتہائی کمزوری سے سیاسی غیر یقینی کا شکار رہا۔ پاکستان کی معیشت کی ترقی کی شرح موسمیال ۲۰۱۸ میں پچھلے ۱۳ سالوں میں سب سے زیادہ ۵.۸% رہی جبکہ سال ۲۰۱۷ میں شرح نمو ۵.۳% تھی تاہم اس اضافہ کے اثرات، یکے بعد دیگرے کرنٹ اور مالیاتی اکاؤنٹس کے خسارے اور بیرونی شعبوں میں کمزوری کے باعث پس منظر میں چلے گئے۔ بڑے صنعتی اداروں کی پیداوار میں ۶% اضافہ ہوا جسکی وجہ توانائی کی سپلائی میں اضافہ اور امن و امان کی صورتحال میں بہتری ہے۔ نجی شعبے کے قرضوں میں ۱۳.۷% اضافہ ہوا۔ اسٹیٹ بینک آف پاکستان (ایس بی پی) کے زیرِ انتظام غیر ملکی زرمبادلہ کے ذخائر کی شرح کے بعد ۲۰۱۷ میں ۱۳.۶ ارب ڈالر سے ۲۰۱۸ میں ۹.۸ بلین ڈالر رہ گئے نتیجے میں پاکستانی روپے کی مالیت ڈالر کے مقابلے میں ۱۶% کمی کے بعد ڈالر ۱۰۳.۸ روپے سے بڑھ کر ۱۲۱.۵ روپے تک پہنچ گیا۔ کرنٹ اکاؤنٹ کا خسارہ ۳۳% سالانہ اضافے کے بعد پچھلے سال کے مقابلے میں ۲.۶ ارب ڈالر سے بڑھ کر ۱۸ بلین ڈالر ہو گیا جسکی بنیادی وجہ ادائیگیوں کے توازن میں کمزوری ہے۔

سال ۲۰۱۸ میں اگرچہ افراط زر اور ڈسکاؤنٹ ریٹ میں نمایاں اضافہ نہیں ہوا تاہم مندرجہ ذیل عوامل اقتصادی چیلنجوں کا سامنا رہا۔ (۱) سال ۲۰۱۸ کی دوسری ششماہی کے دوران وسیع مالی توسیع کے کئی گنا اثرات (ملٹی پلائر ایکٹ) کی وجہ سے قرضوں کی مقامی طلب میں کمی واقع ہوئی جس کی وجہ سے مختلف النوع مالی مشکلات کا سامنا رہا۔ (۲) تیل کی عالمی قیمتوں میں نمایاں اضافہ۔ (۳) بڑھتی ہوئی افراط زر کے اندازے اور حقیقی سود کی شرح میں کمی اور (۴) پاکستانی اور امریکی شرح سود فریق میں قابل ذکر کمی کے مد نظر مرکزی بینک کی جانب سے ۱۴ جولائی ۲۰۱۸ کو پالیسی شرح ۱۰۰ بنیاد پوائنٹس میں ۵.۵ فیصد اضافہ کیا گیا۔ جون ۲۰۱۸ میں افراط زر کی شرح ۱۶ فیصد تھی۔

دوران مدت تحت جائزہ دیکھا گیا کہ کراچی اسٹاک ایکسچینج ۱۱۰۰ انڈیکس ۱۰% سالانہ تصحیح کے بعد ۳۱۹۱۱ پوائنٹس پر بند ہوا۔ شیخ مارک انڈیکس زیادہ سے زیادہ ۰.۸۴ پوائنٹس اور کم از کم ۰.۹۱۹ پوائنٹس تک جاتا دیکھا گیا (دونوں انتہاؤں میں ۹.۱۶۵ پوائنٹس کا فرق رہا) (۱۹% -) اس مایوس کن کارکردگی کی وجوہات درج ذیل ہیں۔

(۱) کمزور ادائیگی کے توازن اور بڑھتے ہوئے کرنٹ اکاؤنٹ کا خسارہ۔ (۲) سیاسی تغیرات اور جنرل الیکشن کی وجہ سے دوران سال سیاسی بے یقینی کی فضا۔ (۳) غیر ملکی زرمبادلہ میں تخفیف اور (۴) روپیہ تخفیف زر۔

مالیاتی نتائج:

کھپنی کے ۱۸۔۲۰۱۷ کے لئے مالیاتی نتائج کا خلاصہ ذیل میں دیا گیا ہے ۲۰۱۶-۱۷ کا تقابلی جائزہ بھی درج ذیل ہے۔

(روپے ۰۰۰ میں)

۲۰۱۶-۱۷	۲۰۱۷-۱۸	
۷۹,۹۳۵	۱۰۲,۶۳۹	کل آمدنی
۷,۵۳۳	۱۶,۵۶۹	آپریٹنگ منافع
۱۱,۷۲۰	۱۵,۸۰۲	قبل از ٹیکس منافع
۷,۱۳۲	۹,۱۹۰	بعد از ٹیکس منافع
۷۲۳,۹۳۸	۷۳۳,۰۹۳	حصص یافتگان کا سرمایہ
(۸,۰۲۱)	(۱۰,۸۳۳)	سرمایہ کاری کی قدرہ قیمت کے تعین نو میں خسارہ
۱,۱۵۵,۳۰۸	۱,۳۲۷,۳۶۳	کل اثاثہ جات
۰.۱۱	۰.۱۳	فی حصص بنیادی آمدنی اور تخفیف کے ساتھ



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