Annual Report 2014

fcibank

First Credit And Investment Bank Ltd.

Major Joint Venture Partners:

NBP
National Bank of Pakistan

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Vision

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

Mission Statement

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

CONTENTS

COMPANY INFORMATION

AUDIT COMMITTEE:

Mr. Najib Tariq	Chairman
Mr. Anwar-ul-Haq	
Mr. Muhammad Naeemuddin	

HR AND REMUNERATION COMMITTEE:

Mr. Asad Ullah Saleem	Chairman
Mr. Najib Tariq	
Mr. Muhammad Naeemuddin	
Mr. Ahsanullah Khan	

COMPANY SECRETARY:

Mr. Muhammad Mohsin Ali

AUDITORS:

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

LEGAL ADVISOR:

Mohsin Tayebaly & Company

BANKERS:

MCB Bank Limited
National Bank of Pakistan

SHARE REGISTRAR:

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Website: www.fcibank.com.pk

BOARD OF DIRECTORS

Mr. Wajahat A. Baqai
Chairman

Mr. Ahsanullah Khan
President & CEO

Mr. Najib Tariq
Director

Mr. Anwar-ul-Haq
Director

Mr. Asad Ullah Saleem
Director

Mr. Muhammad Naeemuddin
Director

Mr. Imdad Ali Shaikh
Director
(subject to approval from SECP)

Mr. Jehangir Akber
Director
(subject to approval from SECP)

Mr. Saghir Ahmed
Director
(subject to approval from SECP)

Mr. Muhammad Ameen
Director
(subject to approval from SECP)

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 25th Annual General Meeting of the shareholders of First Credit & Investment Bank Limited will be held on Wednesday, October 29, 2014 at 5:30 p.m. at PIIA (Pakistan Institute of International Affairs) Auditorium, Aiwan-e-Saddar Road, Karachi to transact the following business:

1. To confirm the minutes of the Extra Ordinary General Meeting held on June 10, 2014.
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, 2014.
3. To appoint the statutory auditors for the year ending June 30, 2015 and fix their remuneration. The retiring auditors M/s. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, have completed their maximum period of five years as allowed under the Listing Regulations of KSE. On the recommendation of Audit Committee, the Board of Directors recommends the shareholders appointment of M/s. Anjum Asim Shahid Rahman, Chartered Accountants, as auditors of the Company for the year ending June 30, 2015.
4. To transact any other business with the permission of the Chair.

By Order of the Board

Muhammad Mohsin Ali
Company Secretary

Karachi
October 3, 2014

Notes:

1. The share transfer books of the Company will remain closed from October 19, 2014 to October 29, 2014 (both days inclusive). Transfers received in order at the office of our Share Registrar M/s. THK Associates (Pvt.) Ltd, Second Floor, State Life Building # 3, Dr. Ziauddin Ahmed Road, Karachi, 75530 upto the close of business on October 18, 2014, will be considered in time for purpose of entitlement of shareholders to attend and vote at the meeting.
2. A member entitled to attend, speak and vote at the Annual General Meeting is entitled to appoint another person as his/her proxy in writing to attend the meeting who shall have such rights as respects attending, speaking and voting at the meeting as are available to a member. A proxy need not be a member of the Company.
3. In order to be effective, proxy form must be received at the office of our Registrar not later than forty eight (48) hours before the meeting, duly signed, stamped and witnessed by two persons with their names, address, CNIC numbers and signatures.
4. In case of individuals, attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
5. In case of the proxy by a corporate entity, Board of Directors resolution/ power of attorney and attested copy of CNIC or passport of the proxy shall be submitted alongwith the proxy form.
6. Accountholders and sub-accountholders holding book entries securities of the Company in the Central Depository Company of Pakistan Ltd, who wish to attend the meeting, are requested to bring their original CNIC with copies thereof duly attested for identification purpose.
7. The shareholders are requested to timely notify any change in their addresses to our Registrar office.

DIRECTORS' REPORT TO THE MEMBERS

On behalf of the Board of Directors, I am pleased to present to you the 25th Annual Report of the First Credit & Investment Bank Limited alongwith the audited financial statements and Auditors' Report thereon, for the year ended June 30, 2014.

State of Pakistan's Economy

During the period under review, improvement was witnessed in some key macroeconomic indicators including picking up of economic growth, inflation contained at single digit, improvement in tax collection, reduction in fiscal deficit, achieving the GSP plus status by EU, remittances touched new height, successful launching of Euro Bond, auction of long pending 3G and 4G licenses, increase in foreign exchange reserves and stock market created new history. Stock Exchange recorded a bullish tendency as KSE 100 index reached to record high peak to 29,652 points as of June 30, 2014.

The foreign exchange reserves improved to US$ 14.6 billion as on July 04, 2014 The inflation as measured by CPI has come down to 8.2 % in June 2014 from 9.9% last year resulting in appreciation of Pak Rupee of over 5% against US Dollar during the period. The real GDP growth of 4.1 percent during FY14, highest in the past five years, was driven primarily by the industrial sector, which grew by 5.8 percent in FY14. The fiscal deficit during the first nine months of FY14 was recorded at 3.2 percent of GDP, which is significantly lower than the average gap of 4.6 percent posted in the last five years. However, the tax mobilization still remains lackluster with total collections of just Rs. 1,575 billion during the period July-Mar14, against a revised target of Rs. 2,275 billion for FY14.

The Government's external inflows, anticipated for many years, specifically from auction of 3G / 4G licenses fetching US$1,113 million; inflows of US$2,000 million through successful floatation of Eurobonds against target of US$500 million; receipt of US$ 725 million against Coalition Support Fund (CSF); program loans from the IFIs; US$1,500 million assistance from a friendly country have significantly improved the outlook of the country's external sector. The country also received a record US$15,832 million in remittances from overseas Pakistanis in fiscal year 2013-14, an increase of 13.7 percent over the previous year. The foreign exchange inflows not only stabilized the exchange rate, but have substantially increased SBP's FX reserves providing some level of comfort for both domestic and foreign investment.

Monetary policy has been tight since September 2013 (there were two consecutive 50 bps increases in the policy rate in September 2013 and November 2013), which has also helped to cap inflation. SBP's policy rate has been kept unchanged at 10% since then.

The Government still needs to aggressively pursue enhancement in power generation capacity in the country while simultaneously reduce line losses due to theft and non-payments of bills. Circular debt issue, partially settled in FY-13, has again risen to approximately Rs. 300 billion.

In view of the prevailing economic challenges, your Company continued to focus on steady growth by maintaining quality assets portfolio and enhanced business efficiencies through various cost controlling measures and implementing possible business prospects in spite of impediments faced by investment banking sector.

Financial Results

Financial results of the Company for 2013-14 are summarized below, comparative data for 2012-13 has also been provided:

	2013-14	**2012-13 Restated**
	(Rupees in ,000)	(Rupees in ,000)
Total revenue	**60,453**	92,611
Operating profit before taxation & provisions	**5,597**	2,068
Profit/ (loss) before taxation	**4,023**	(14,334)
Profit/ (loss) after taxation	**3,054**	(6,271)
Shareholders' equity	**649,417**	651,246
Deficit in revaluation of investments	**(10,385)**	(10,213)
Total assets	**737,554**	838,130
Profit/ (loss) per share-basic and diluted (Rs.)	**0.05**	(0.10)

Review of Operations

Previous few years were bad for the NBFC sector particularly for investment banks due to adverse market and economic conditions and overall law and order situation in the country. Most of the investment banks are continuously facing serious problems in terms of liquidity, profitability and viability. Your Company was, however, successful in maintaining its liquidity and viability. Prudent approach was adopted while undertaking new business due to lack of viable opportunities. Despite all the difficulties being faced, the Company was able to report operating profit of Rs.5.6 million for the year ended June 30, 2014 against operating profit of Rs.2.1 million reported for the year ended June 30, 2013. Further, due to reduction in provision made and recovery against already provided classified portfolio, the Profit before Tax increased by Rs.18.3 million. The Company reported Profit before Tax of Rs.4.0 million against Loss before Tax of Rs.14.3 million for the previous year (restated). Similarly, Profit after Tax was Rs.3.1 million against Loss after Tax of Rs.6.3 million for the last year (restated), showing an improvement of Rs.9.4 million in Profit after Tax.

During the period, to account for revised actuarial assumptions due to adoption of revised International Accounting Standard 19, charge for defined benefit plan was revised with corresponding revision of pre-tax and after tax loss for June 30, 2013 which were restated at Rs.14.33 million and Rs.6.27 million as against last year reported amount of Rs.14.39 million and Rs.6.33 million respectively. Similarly, due to same reason, an amount of Rs.4.88 million has been charged under statement of changes in equity on account of deficit on re-measurement of net defined benefit liability during the current year against Rs.0.06 million charged to previous year. A positive effect of Rs.0.79 million has also been accounted for in last year shareholders' equity. Due to these changes the shareholders equity as at June 30, 2013 has been revised to Rs.651.25 million as against reported shareholders equity of Rs.650.45 million.

On the Balance Sheet side, the shareholders' equity decreased by Rs.1.8 million to Rs.649.4 million as at June 30, 2014 from Rs.651.2 million as at June 30, 2013 (restated). The reduction in shareholders equity is the net impact of profit after tax of Rs.3.1 million and deficit on re-measurement of net defied benefit liability of Rs.4.9 million. Total assets of the Company declined to Rs.737.6 million as at June 30, 2014 from Rs.838.1 million as at June 30 2013 (restated). Total assets declined due to repayment of loans, reduction in money market borrowings and repayment of deposits due to restriction imposed on the Company by SECP on deposit raising/ rollover.

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

Minimum Equity Requirement

The auditors of the Company in their report to the members on audit of financial statement have invited attention in respect of minimum equity requirements prescribed under the Non-Banking Finance Companies and Notified Entities Regulations 2008. The management of the Company has explained the same in detail under Note 1.2 annexed to the financial statements.

Changes since Balance Sheet Date

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

Dividend

Dividend policy of the Company 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. Due to after-tax loss for FY13, the Directors do not recommend any dividend for the year ended June 30, 2014.

Credit Rating

JCR-VIS Credit Rating Company Limited vide its report dated December 31, 2013 maintained the medium to long-term entity rating of the Company at 'A-' (Single A Minus) and Short-term rating at 'A-2' (A-Two).

Corporate and Financial Reporting Framework

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

a) These financial statements, prepared by the management of the Company, present fairly its state of affairs, the results of its operations, cash flows and change of equity.

b) Proper books of accounts of the company have been maintained.

c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment.

d) International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.

e) The system of internal control, which is in place, is sound in design and has been effectively implemented and monitored.

f) There are no significant doubts upon the Company's ability to continue as a going concern.

g) There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

Key operating and financial data

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

Year ended June 30	2014	2013 Restated	2012 Restated	2011	2010	2009
			Rupees in million			
Total revenue	60	93	139	138	164	214
Profit/ (loss) before taxation	4	(14)	(85)	(136)	5	13
Profit/ (loss) after taxation	3	(6)	(71)	(88)	8	8
Shareholders' equity	649	651	658	727	816	809
Total assets	738	838	1,222	1,518	1,465	1,800
Earning/ (loss) per share (Rs)	0.05	(0.10)	(1.10)	(1.36)	0.12	0.12

Staff Retirement Benefit Schemes

Value of the investment of Employees' Provident Fund and Gratuity Fund based on their latest audited financial statements were Rs.12,655,294/- and Rs.5,380,038/-, respectively.

Election of Directors

At the Extraordinary General Meeting of the Company held on June 10, 2014, the following Directors were elected unopposed to constitute the new Board for a term of three years, subject to approval from SECP under Fit & Proper Test:

1. Mr. Wajahat A. Baqai
2. Mr. Najib Tariq
3. Mr. Anwar-ul-Haq
4. Mr. Asad Ullah Saleem
5. Mr. Muhammad Naeemuddin
6. Mr. Jehangir Akber*
7. Mr. Saghir Ahmed*
8. Mr. Imad Ali Shaikh*
9. Mr. Muhammad Ameen*

* Approval under Fit & Proper criteria from SECP is awaited.

Board of Directors

During the year casual vacancies occurred in the Board due to the resignations of Dr. Asif A. Brohi, Mr. Khalid Mahmood and Chaudhry Tahir Hussain. The Board appointed Mr. Khalid Mahmood, Mr. Shahzad Akhter Shami and Mr. Muhammad Naeemuddin as directors to fill the casual vacancies, subject to approval from SECP.

The Board appointed Mr. Ahsanullah Khan as President & CEO of the Company for a period of three years effective June 2, 2014.

During the year eight (8) Board meetings were held, in which Directors' attendance was as follows:

Name of Directors	Eligible to attend	Number of meetings attended
Mr. Ziaullah Khan	8	7
Mr. Wajahat A. Baqai	8	8
Mr. Najib Tariq	8	7
Chaudhry Tahir Hussain	3	1
Mr. Anwar-ul-Haq	8	6
Mr. Imdad Ali Shaikh	8	7
Mr. Khalid Mehmood	--	--
Mr. Shahzad Shami	--	--
Mr. Muhammad Naeemuddin	--	--
Mr. Muhammad Mohsin Ali	7	7
Mr. Ahsanullah Khan	1	1

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

Audit Committee and Internal Controls

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

	Name of Directors	No. of meetings attended
1.	Mr. Najib Tariq	4
2.	Mr. Wajahat A. Baqai	4
3.	Mr. Anwar-ul-Haq	4
4.	Mr. Imdad Ali Shaikh	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. The committee consists of four members. Majority of members are non-executive directors including the Chairman of the Committee.

Training Programs

The directors have been provided with copies of Listing Regulations of the Karachi Stock Exchange, Memorandum and Articles of Association, NBFCs Rules 2003 and NBFCs & NEs Regulation 2008 and they are well conversant with their duties and responsibilities. During the year one director obtained the certification under directors training program. Similarly, training opportunities will be provided to employees for upgrading their skills for the long term growth of the Company.

Auditors

Auditors of the Company, M/s. Rahman Sarfaraz Rahim Iqbal Rafiq, Chartered Accountants, retire after completing the audit for the year ended June 30, 2014. According to clause (xli) of Code of Corporate Governance, all listed companies in the financial sector shall change their external auditors every five years. As the present auditors of the Company have completed their term of five years, the Board of Directors proposes, on recommendations of the Audit Committee, appointment of M/s. Anjum Asim Shahid Rehman, Chartered Accountants, as auditors for the year ending June 30, 2015.

Pattern of Shareholdings

The Pattern of Shareholding including Categories of Shareholders of the Company as on June 30, 2014 is annexed at the end of the annual report. During the year, no trade of shares of the Company was carried out by the Directors, CEO, CFO, Company Secretary and their spouses and minor children, except as those reported in pattern of shareholding.

Future Outlook & Strategy

We are vigilant for diversifying our business and increasing revenue streams, which hopefully will be forthcoming with improvement in economic and business conditions of the country. Your Company would endeavour 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 Karachi Stock Exchange for their continued guidance and support. We also acknowledge hard work and dedication of the employees.

By order of the Board

Ahsanullah Khan
President & CEO

Karachi
September 27, 2014

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

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of First Credit and Investment Bank Limited for the year ended June 30, 2014 to comply with the requirements of Listing Regulation No(s) 35 (Chapter XI) of the Karachi Stock Exchange Limited, where the Company is listed.

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

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

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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2014.

Further, we highlight instance of non compliance with the requirement of the code as mentioned below which is also stated in the statement of compliance.

> In point 3 of statement of compliance All the resident directors of the company, except Mr. Saghir Ahmed, are registered as taxpayers and none of them, except Mr. Muhammad Ameen, has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

Rahman Sh Rafiq

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
Engagement Partner: Muhammad Waseem

Karachi
Date: September 27, 2014

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

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in Regulation No.35 of listing regulations of Karachi Stock Exchange (Guarantee) Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

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

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

Name of Directors	Category		
	Independent Directors	Non-Executive Directors	Executive Directors
Mr. Wajahat A. Baqai		✓	
Mr. Najib Tariq		✓	
Mr. Anwar-ul-Haq		✓	
Mr. Imdad Ali Shaikh*	✓	✓	
Mr. Asad Ullah Saleem		✓	
Mr. Jehangir Akber*		✓	
Mr. Saghir Ahmed*		✓	
Mr. Muhammad Naeemuddin	✓	✓	
Mr. Muhammad Ameen*	✓	✓	
Mr. Ahsanullah Khan			✓

* approval under Fit & Proper criteria from SECP is awaited.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.

3. All the resident directors of the company, except Mr. Saghir Ahmed, are registered as taxpayers and none of them, except Mr. Muhammad Ameen, has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4. During the year three causal vacancies of the directors were arisen which were duly filled within the stipulated time period.

5. The company has prepared a "Statement of Ethics and Business Practices" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

6. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the Board.

8. The meetings of the board were presided over by the Chairman and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9. The directors have been provided with copies of Listing Regulations of the Karachi Stock Exchange, Memorandum and Articles of Association, NBFCs Rules and NBFCs & NEs Regulations and they are well conversant with their duties and responsibilities. One director has obtained certification under Directors' Training Program. All other directors have been requested to comply with this requirement by the cut off time i.e. June 2016.

10. There was no new appointment of CFO, Company Secretary or Head of Internal Audit during the year under reviewed.

11. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12. The financial statements of the company were duly endorsed by CEO and CFO before approval of the board.

13. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.

14. The company has complied with all the corporate and financial reporting requirements of the CCG.

15. The board has formed an Audit Committee. It comprises three members, of whom all are non-executive directors including the chairman of the Audit Committee.

16. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17. The Board has formed an HR & Remuneration Committee. It comprises four members, of whom three are non-executive directors including the chairman of the HRR Committee.

18. The board has set up an effective internal audit function manned by suitably qualified and experienced personnel who are conversant with the policies and procedures of the company.

19. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange.

22. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.

23. We confirm that all other material principles enshrined in the CCG have been complied with.

By order of the Board

Karachi
September 27, 2014

Ahsanullah Khan
President & CEO

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of **First Credit and Investment Bank Limited** ("the Company") as at **30th June, 2014** and the related profit and loss account, statement of comprehensive income, statement of cash flows and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

(a) in our opinion, proper books of account have been kept by the Compariy as required by the Companies Ordinance, 1984;

(b) in our opinion;

i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with, the Companies Ordinance, 1984; and are in agreement with the books of account and are further in accordance with accounting policies consistently applied; .

ii) the expenditure incurred during the year was for the purpose of the Company's business; and·

iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company.

c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, statement of cash flows and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at **30th June, 2014** and of the profit its total comprehensive loss, cash flows and changes in equity for the year then ended; and .

d) in our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

We draw attention to Note 1,1 to the financial statement which describes the minimum capital requirements of the Company which is below by Rs. 350.58 million. Our opinion is not qualified in respect of this matter.

Rahman Sh Rafiq

Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants
Engagement Partner : Muhammed Waseem

Karachi
September 27, 2014

BALANCE SHEET

	Note	2014 Rupees	2013 Rupees (Re-stated)	2012 Rupees (Re-stated)
ASSETS				
Non-Current Assets				
Fixed assets				
Property, Plant and Equipment	4	**6,101,657**	8,272,110	10,966,102
Intangible assets	5	**496,727**	1,124,921	2,059,149
Long-term investments	6	**413,543,663**	265,544,107	560,575,495
Long-term loans and finances	7	**41,983,792**	48,224,092	58,472,493
Long-term security deposits	8	**50,000**	1,050,000	1,050,000
Deferred tax asset	9	**92,526,192**	92,717,867	83,798,027
		554,702,031	416,933,097	716,921,266
Current Assets				
Short-term investments	10	**71,319,699**	79,861,809	237,728,850
Short-term placements	11	**-**	170,000,000	100,000,000
Current portion of non-current assets				
-Long term investments	12	**63,127,188**	128,669,302	94,221,008
-Long term loans and finances	12	**9,380,833**	7,928,082	16,266,712
Markup/interest accrued	13	**23,742,603**	11,829,168	37,938,915
Advances, prepayments and other receivables	14	**1,111,621**	3,136,366	3,503,818
Advance tax - net		**13,788,017**	14,137,807	10,777,477
Cash and bank balances	15	**381,619**	5,634,049	4,514,160
		182,851,580	421,196,583	504,950,940
		737,553,611	838,129,680	1,221,872,206

AHSANULLAH KHAN
President & CEO

AS AT JUNE 30, 2014

	Note	2014 Rupees	2013 Rupees (Re-stated)	2012 Rupees (Re-stated)
EQUITY AND LIABILITIES				
Share Capital and Reserves				
Authorized capital				
75,000,000 (2013: 75,000,000) ordinary shares of Rs. 10 each		**750,000,000**	750,000,000	750,000,000
Issued, subscribed and paid-up capital	16	**650,000,000**	650,000,000	650,000,000
Reserves	17	**(582,510)**	1,245,604	7,576,921
		649,417,490	651,245,604	657,576,921
Deficit on Revaluation of Investments - Net	18	**(10,385,063)**	(10,212,943)	(19,446,884)
Non-Current Liabilities				
Long-term loan	19	**-**	62,500,000	125,000,000
Long-term certificates of deposits	20	**5,000,000**	17,500,000	9,200,000
Deffered Liability - Staff Gratuity		**3,168,454**	-	-
		8,168,454	80,000,000	134,200,000
Current Liabilities				
Short-term borrowings				279,162,800
Short-term running finance	22	**3,238,403**	-	37,415,695
Current portion of long-term loan	19	**78,125,000**	78,125,000	78,125,000
Short-term certificates of deposits	23	**-**	29,060,000	32,740,000
Accrued markup	24	**2,784,511**	4,851,743	13,060,926
Accrued expenses and other liabilities	25	**6,204,816**	5,060,276	9,037,748
		90,352,730	117,097,019	449,542,169
Contingencies and Commitments	26	**-**	-	-
		737,553,611	838,129,680	1,221,872,206

The annexed notes from 1 to 40 form an integral part of these financial statements.

MUHAMMAD NAEEMUDDIN
Director

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2014

	Note	2014 Rupees	2013 Rupees (Re-stated)
Income			
Income from term finances and funds placements	27	**13,184,567**	4,831,467
Income from investments	28	**46,432,703**	86,559,614
Fees and commission	29	**413,006**	763,417
Other income		**423,141**	456,024
		60,453,417	92,610,522
Expenditure			
Finance cost	30	**12,401,622**	36,130,657
Administrative and operating expenses	31	**42,454,533**	54,411,563
		54,856,155	90,542,220
Operating profit before taxation and provisions		**5,597,262**	2,068,302
Provision for markup/ interest accrued		**-**	568,129
Provision for non-performing investments	6.6	**(3,605,037)**	(10,202,777)
Provision for non-performing finances	7.2.5	**1,666,670**	(2,470,729)
Unrealized (loss) / gain on held-for-trading investments	10.5	**(388,188)**	5,809
Reversal of provision for non-performing investment	6.6	**833,330**	697,947
Permanent diminution in value of investments	10.2	**-**	(5,000,854)
Profit / (loss) before taxation and Wokers welfare fund		**4,104,037**	(14,334,173)
Workers welfare fund		**(81,356)**	-
Profit / (loss) before taxation		**4,022,681**	(14,334,173)
Provision for taxation	32	**(968,538)**	8,063,268
Profit / (loss) for the year		**3,054,143**	(6,270,905)
Profit / (loss) per Share - basic and diluted	33	**0.05**	(0.10)

The annexed notes from 1 to 40 form an integral part of these financial statements.

AHSANULLAH KHAN
President & CEO

MUHAMMAD NAEEMUDDIN
Director

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2014

	2014 Rupees	2013 Rupees (Re-stated)
Profit / (loss) after taxation	**3,054,143**	(6,270,905)
Other comprehensive income for the year		
- Items that will not be subsequently reclassified to profit or loss:		
Unrealized gain / (loss) on re-measurement of available for sale investment	**(172,120)**	-
Remeasurement of net defined benefit liability - Deficit	**(4,882,257)**	(60,412)
Total comprehensive loss for the year	**(2,000,234)**	(6,331,317)

The annexed notes from 1 to 40 form an integral part of these financial statements.

AHSANULLAH KHAN
President & CEO

MUHAMMAD NAEEMUDDIN
Director

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014

	2014 Rupees	2013 Rupees
A. Cash Flows from Operating Activities		
Profit / (loss) before taxation	**4,022,681**	(14,334,173)
Less: dividend income	**(960,307)**	(1,347,943)
Adjustments for:		
Depreciation	**2,819,647**	2,907,395
Amortization	**824,754**	934,228
Provision for the gratuity	**414,246**	733,779
(Gain) on disposal of property, plant and equipment	**(99,993)**	(69,000)
Reversal of suspended markup	**-**	(3,732,260)
Permanent diminution in value of investments	**388,188**	5,000,854
Provision for markup/ interest accrued	**-**	(568,129)
Provision for non-performing finances	**(1,666,670)**	2,470,729
Provision for non-performing investments	**2,771,707**	9,504,830
Unrealized loss on held-for-trading investments	**-**	(5,809)
	5,451,879	17,176,617
Operating cash flows before working capital changes	**8,514,253**	1,494,501
(Increase) / decrease in current assets		
- Short-term investments	**8,542,110**	157,867,041
- Short-term placements	**170,000,000**	(70,000,000)
- Markup/interest accrued	**(11,913,435)**	26,109,747
- Advances, prepayments and other receivables	**2,024,745**	367,452
	168,653,420	114,344,240
Increase / (decrease) in current liabilities		
- Accrued expenses and other liabilities	**1,144,540**	(3,977,472)
- Accrued markup	**(2,067,232)**	(8,209,183)
- Short-term borrowings	**-**	(279,162,800)
	(922,692)	(291,349,455)
Cash (used in) / generated from operations	**176,244,981**	(175,510,714)
Gratuity contribution paid	**-**	(929,414)
Income tax paid	**(747,645)**	(3,896,330)
	(747,645)	(4,825,744)
Net cash (used in) / generated from operating activities	**175,497,336**	(180,336,458)
B. Cash Flows from Investing Activities		
Acquisition of property, plant and equipment	**(661,203)**	(213,403)
Acquisition of intangible assets	**(196,560)**	-
Proceed from disposal of property, plant and equipment	**112,002**	69,000
Long term deposits received	**1,000,000**	-
Long-term investments - net	**(83,464,833)**	256,961,471
Dividend received	**960,307**	1,347,943
Long-term finances	**2,322,118**	18,587,031
Net cash generated from investing activities	**(79,928,169)**	276,752,042
C. Cash Flows from Financing Activities		
Repayment of long term loans	**(62,500,000)**	(62,500,000)
Short-term running finance	**3,238,403**	(37,415,695)
Certificates of deposit	**(41,560,000)**	4,620,000
Net cash (used in) financing activities	**(100,821,597)**	(95,295,695)
Net increase in cash and cash equivalents	**(5,252,430)**	1,119,889
Cash and cash equivalents at the beginning of the year	**5,634,049**	4,514,160
Cash and cash equivalents at the end of the year	**381,619**	5,634,049

The annexed notes from 1 to 40 form an integral part of these financial statements.

AHSANULLAH KHAN
President & CEO

MUHAMMAD NAEEMUDDIN
Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2014

	Issued, subscribed and paid-up capital	Statutory Reserve	Unappropriated loss	Total
	................................(Rupees)................................			
Balance as at July 01, 2012	650,000,000	117,663,484	(110,880,633)	656,782,851
Effect of retrospective change in accounting policy with respect to accounting for actuarial gains and losses referred in 3.11.1			794,070	794,070
Balance as at July 1, 2012 - restated	**650,000,000**	**117,663,484**	**(110,086,563)**	**657,576,921**
Changes in equity for the year 2013				
Loss for the year	-	-	(6,270,905)	(6,270,905)
Remeasurement of net defined benefit liability - Deficit	-	-	(60,412)	(60,412)
	-	-	(6,331,317)	(6,331,317)
Transfer to statutory reserve	-	-	-	-
Balance as at June 30, 2013	**650,000,000**	**117,663,484**	**(116,417,880)**	**651,245,604**
Balance as at July 01, 2013	650,000,000	117,663,484	(116,417,880)	651,245,604
Changes in equity for the year 2014				
Profit for the year	-	-	3,054,143	3,054,143
Remeasurement of net defined benefit liability - Deficit			(4,882,257)	(4,882,257)
	-	-	(1,828,114)	(1,828,114)
Transfer to statutory reserve	-	610,829	(610,829)	-
Balance as at June 30, 2014	**650,000,000**	**118,274,313**	**(118,856,822)**	**649,417,490**

The annexed notes from 1 to 40 form an integral part of these financial statements.

AHSANULLAH KHAN
President & CEO

MUHAMMAD NAEEMUDDIN
Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2014

1 Legal Status and Operations

First Credit and Investment Bank Limited ("the Company") was incorporated in Pakistan on August 31, 1989 as a private limited company under the name of First Credit and Discount Corporation (Private) Limited and thereafter converted in to a public limited company. Subsequently, the name of the Company was changed to First Credit and Investment Bank Limited. During 2008-09, the Company was listed on Karachi Stock Exchange by way of issue of shares to general public. The registered office of the Company is situated at 2nd floor, Sidco Avenue Centre, Stratchen Road, R.A. Lines, Karachi, Pakistan. The Company is an associated undertaking of Water and Power Development Authority (WAPDA) and National Bank of Pakistan (NBP) and each holds 30.77% holding in the Company.

The Company is licensed to undertake business of investment finance services as a Non-Banking Finance Company ("NBFC") 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 company as per rule 5 of NBFC Rules, 2003 applied to SECP for renewal of the license w.e.f January 16, 2014 for a period three years vide letter dated December 9, 2013. The medium to long term credit rating of the Company, rated by JCR-VIS Credit Rating Company, on December 31,2013 is 'A-' and Short term rating of the Company is 'A-2'. The outlook of the rating is negative.

1.2 Minimum equity requirement as per NBFCs & NEs Regulations 2008 for the companies undertaking business of investment finance services as at June 30, 2014 is Rs.1.0 billion (2013: Rs.1.0 billion). Further, the regulation 4 of the said NBFCs Regulations prescribed the procedure for applying to the Commission for obtaining relaxation in case minimum equity requirement is not met. The Non-Banking Financial Sector Reform Committee of SECP in its report issued for public comments in March 2013 has suggested that the minimum equity for companies undertaking business of investment finance services be fixed at Rs.300 million for the time being, to be enhanced to Rs.600 million till June 30, 2016 and further enhanced to Rs.1.0 billion by June 30, 2018. In view of the above the company awaits for the finalization of minimum equity requirement to be complied by NBFC thereupon.

2 Basis of Preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984 ("the Ordinance"), the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 ("the NBFC Regulations") and the directives issued by the SECP. Wherever the requirements of the Ordinance, the NBFC Rules, the NBFC Regulations or the directives issued by SECP differ with the requirements of IFRS, the requirements of the Ordinance, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

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

2.2 Basis of measurement

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

2.3 Functional and presentation currency

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

2.4 Use of estimates and judgments

The preparation of 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 expenses. Actual results may differ from these estimates.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

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

- Provision for current and deferred taxation (Note 3.10)
- Classification, impairment and provisioning of investments (Note 3.2, 3.3 and 3.15)
- Provision against finances (Note 3.15)
- Staff retirement benefits (Note 3.11)
- Depreciation and amortization on fixed and intangible assets (Note 3.1.1 and 3.1.2)

2.5 Initial application of standards, amendments or an interpretation to existing standards

a) Standards, amendments or interpretations which became effective during the year:

Standards, amendments to published standards and interpretations that are effective in year beginning from July 01, 2013 and are relevant to the company:

- IAS 1, 'Financial statement presentation' regarding other comprehensive income, emphasises on the requirement for entities to group items presented in other comprehensive income (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The application of the amendment has not affected the results or net assets of the Company as it is only concerned with presentation and disclosures.

- IAS 16 Property, Plant and Equipment is amended to clarify the accounting of spare parts, stand-by equipment and servicing equipment. Applicable to annual periods beginning on or after January 1, 2013.

- IAS 32 Financial Instruments: Presentation - Applicable to annual periods beginning on or after 1 January 2013 ,is amended to clarify that IAS 12 Income Taxes applies to the accounting for income taxes relating to distributions to holders of an equity instrument and transaction costs of an equity transaction.

- IAS 34 Interim Financial Reporting is amended, Applicable to annual periods beginning on or after 1 January 2013, to align the disclosure requirements for segment assets and segment liabilities in interim financial reports with those in IFRS 8 Operating Segments.

- IAS 28 "Investments in Associates and Joint Ventures", applicable to annual reporting periods beginning on or after January 1, 2013.

- IFRS 12, 'Disclosure of interests in other entities', effective for annual periods beginning on or after January 1, 2013.

- IFRS 13, 'Fair value measurement', effective for annual periods beginning on or after January 1, 2013.

- IAS 19 (revised) ‘Employee Benefits’ has eliminated the corridor approach and requires to calculate finance cost on net funding bases. The Company has applied this change in accounting policy retrospectively in accordance with IAS 8 ‘Accounting Policies, Changes in Accounting Estimates and Errors’ and recorded unrecognized actuarial losses net of taxes associated with retirement benefit plan by adjusting the opening balance of unappropriated profit and retirement benefit for the prior years presented.

b) New / revised accounting standards, amendments to published accounting standards, and interpretations that are not yet effective:

- IFRIC 21- Levies ‘an Interpretation on the accounting for levies imposed by governments’ (effective for annual periods beginning on or after 1 January 2014). IFRIC 21 is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation is not likely to have an impact on Company’s financial statements.

- Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32) – (effective for annual periods beginning on or after 1 January 2014). The amendments address inconsistencies in current practice when applying the offsetting criteria in IAS 32 Financial Instruments: Presentation. The amendments clarify the meaning of ‘currently has a legally enforceable right of set-off’; and that some gross settlement systems may be considered equivalent to net settlement. The amendments are not likely to have an impact on Company’s financial statements.

- Amendment to IAS 36 “Impairment of Assets” Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after 1 January 2014). These narrow-scope amendments to IAS 36 Impairment of Assets address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

- Amendments to IAS 39 “Financial Instruments: Recognition and Measurement” Continuing hedge accounting after derivative novation (effective for annual periods beginning on or after 1 January 2014). The amendments add a limited exception to IAS 39, to provide relief from discontinuing an existing hedging relationship when a novation that was not contemplated in the original hedging documentation meets specific criteria.

- Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortisation methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are ‘highly correlated’, or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Company’s financial statements.

- Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction.

Amendments to IAS 27 'Separate Financial Statements' (effective for annual period beginning on or after 1 January 2016). The amendments to IAS 27 allow entities to use equity method to account for its investment in subsidiaries, joint ventures and associates in the Separate Financial Statements. Management is currently evaluating the implication of the amendment.

Annual Improvements 2010-2012 and 2011-2013 cycles (most amendments will apply prospectively for annual period beginning on or after 1 July 2014). The new cycle of improvements contain amendments to the following standards:

- IFRS 2 'Share-based Payment'. IFRS 2 has been amended to clarify the definition of 'vesting condition' by separately defining 'performance condition' and 'service condition'. The amendment also clarifies both: how to distinguish between a market condition and a non-market performance condition and the basis on which a performance condition can be differentiated from a vesting condition.

- IFRS 3 'Business Combinations'. These amendments clarify the classification and measurement of contingent consideration in a business combination. Further IFRS 3 has also been amended to clarify that the standard does not apply to the accounting for the formation of all types of joint arrangements including joint operations in the financial statements of the joint arrangement themselves.

- IFRS 8 'Operating Segments' has been amended to explicitly require the disclosure of judgments made by management in applying the aggregation criteria. In addition this amendment clarifies that a reconciliation of the total of the reportable segment's assets to the entity assets is required only if this information is regularly provided to the entity's chief operating decision maker. This change aligns the disclosure requirements with those for segment liabilities.

- Amendments to IAS 16'Property, plant and equipment' and IAS 38 'Intangible Assets'. The amendments clarify the requirements of the revaluation model in IAS 16 and IAS 38, recognizing that the restatement of accumulated depreciation (amortization) is not always proportionate to the change in the gross carrying amount of the asset.

- IAS 24 'Related Party Disclosure'. The definition of related party is extended to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity.

- IAS 40 'Investment Property'. IAS 40 has been amended to clarify that an entity should: assess whether an acquired property is an investment property under IAS 40 and perform a separate assessment under IFRS 3 to determine whether the acquisition of the investment property constitutes a business combination.

IFRIC 21- Levies 'an Interpretation on the accounting for levies imposed by governments' (effective for annual periods beginning on or after 1 January 2014). IFRIC 21 is an interpretation of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy.

Amendment to IAS 36 "Impairment of Assets" Recoverable Amount Disclosures for Non-Financial Assets (effective for annual periods beginning on or after 1 January 2014). These narrow-scope amendments to IAS 36 Impairment of Assets address the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. These are not expected to have any impact other than increased disclosures.

Securities and Exchange Commission of Pakistan (SECP) vide SRO 633(1)/2014 dated 10th July 2014 has approved the below IFRSs:

- IFRS 10 'Consolidated Financial Statements"
- IFRS 11 'Joint Arrangements'
- IFRS 12 'Disclosure of interests in other entities'
- IFRS 13 'Fair Value Measurement'

3 Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of the financial statements are set out below. These policies have been applied consistently to all the year presented.

3.1 Fixed assets

3.1.1 Property, plant 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 cost of an asset is written-off over its estimated useful life at rates specified in note 4 to the financial statements. In respect of additions and disposals during the year, depreciation is charged from the month of acquisition and up to the month preceding the disposal, respectively.

Subsequent costs are included in the carrying amount as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company 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, plant and equipment are taken to profit and loss account.

3.1.2 Intangible assets

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

3.2 Impairment

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

3.3 Investments

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

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 Company has the positive intention and ability to hold to maturity.

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

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

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

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

3.4 Trade date accounting

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

3.5 Derivatives instruments

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

3.6 Securities under repurchase and reverse repurchase agreements

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

Repurchase agreements

Securities sold with a simultaneous commitment to repurchase at a specified future date (repo) continue to be recognised in the balance sheet and are measured in accordance with accounting policies for investments. The counterparty 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 recognised in the balance sheet. Amounts paid under these agreements are recorded as fund placements. The difference between purchase and resale price is treated as return from fund placements with financial institutions and accrued over the life of the reverse repo agreement.

3.7 Margin Trading System (MTS) transactions

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

3.8 Term finance / Credit facilities

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

3.9 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose statement of cash flows, cash and cash equivalents consist of cash and bank balances.

3.10 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 / finalised during the year.

Deferred

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

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

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

3.11 Staff retirement benefits

3.11.1 Defined benefit plan

IAS 19 (Revised) 'Employee Benefits' amends the accounting for the employee. benefits. The standard requires immediate recognition of past service cost and also replaces the interest cost on defined benefit obligation and the expected return on plan assets with a net interest cost / (income) at discount rate measured at the beginning of the year. Further the standard requires all unrecognised acturial gains / losses to be recognised in the current period immediately eliminating the corridor approach as previously defined with a charge to other comprehensive income in the period in which they occur, which are not later classified to profit and loss account. Thus has been applied retrospectively in accordance with the transitional provisions of the standard and comparative figures have been restated.The effect of the adoption of IAS 19 (revised) has been summarised below:

Effects of change in accounting policy are as follows:

	As at June 30, 2013		As at June 30, 2012	
	Before restatement	As re-stated	Before restatement	As re-stated
	Rupees			
Effect on statement of financial postion:				
Staff gratuity recievable/(payable)	1,333,979	(2,128,049)	1,198,756	1,992,826
Unappropriated profit	-	794,070	-	794,070
Effect on other comprehensive income:				
Remeasurement of net defined benefit liability - Deficit	-	60,412	-	60,412

Defined contribution plan

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

3.12 Long term financing- Term finance certificates (TFCs)

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

3.13 Finances, Certificate of deposits and other borrowings

These financial liabilities are initially recognised atr fair value plus directly attriobutable cost, if any, and subsequently carried at amortised cost using effective interest rate method.

3.14 Return on certificates of deposit

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

3.15 Provisions

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

3.16 Accrued and other liabilities

Accrued and other liabilities are measured at cost which is the fair value of the consideration to be paid in the future for goods and services received whether billed to the Company or not.

3.17 Proposed dividend and transfer between reserves

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

3.18 Borrowing costs

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

3.19 Revenue recognition

a) Return on term finances and funds placements, is recognised 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 recognised in accordance with the guidelines given in the NBFC Regulations.

b) Return on government securities and term finance certificates is recognised on time proportion basis.

c) Dividend income on equity investments is recognised when the right to receive the dividend is established.

d) Income from fees, commission and brokerage is recognised, when such services are provided.

e) Other income is recognised as and when incurred.

3.20 Earnings per share (EPS)

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

3.21 Financial instruments

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

3.22 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 Company has a legally enforceable right to set-off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.23 Related Party Transactions

The Company enters into transactions with related parties on arm's length basis. Prices for transactions with related parties are determined using admissible valuation method.

4 PROPERTY, PLANT AND EQUIPMENT

	Furniture & Fittings	Office equipment	Computers	Air Conditioners	Vehicles	Leasehold Improvements	Total
As at July 1, 2012							
Cost	1,467,908	2,146,350	3,842,594	1,534,905	11,917,035	6,865,218	27,774,010
Accumulated depreciation	(895,767)	(2,051,815)	(2,908,378)	(795,066)	(8,148,329)	(2,008,553)	(16,807,908)
Net book value	572,141	94,535	934,216	739,839	3,768,706	4,856,665	10,966,102
Year ended June 30, 2013							
Opening net book value	572,141	94,535	934,216	739,839	3,768,706	4,856,665	10,966,102
Additions during the year	-	16,820	196,583	-	-	-	213,403
Disposals / transfers							
Cost	79,200	195,799	445,395	-	1,112,560	-	1,832,954
Accumulated depreciation	(79,200)	(195,799)	(445,395)	-	(1,112,560)	-	(1,832,954)
Net book value	-	-	-	-	-	-	-
Depreciation for the year	(146,534)	(29,516)	(479,015)	(173,690)	(838,640)	(1,240,000)	(2,907,395)
Closing net book value	425,607	81,839	651,784	566,149	2,930,066	3,616,665	8,272,110
As at June 30, 2013							
Cost	1,388,708	1,967,371	3,593,782	1,534,905	10,804,475	6,865,218	26,154,459
Accumulated depreciation	(963,101)	(1,885,532)	(2,941,998)	(968,756)	(7,874,409)	(3,248,553)	(17,882,349)
Net book value	425,607	81,839	651,784	566,149	2,930,066	3,616,665	8,272,110
Year ended June 30, 2014							
Opening net book value	425,607	81,839	651,784	566,149	2,930,066	3,616,665	8,272,110
Additions during the year	-	127,305	452,898	81,000	-	-	661,203
Disposals / transfers							
Cost	247,620	239,708	1,295,598	121,277	1,286,250	665,218	3,855,671
Accumulated depreciation	(239,890)	(239,708)	(1,295,598)	(116,998)	(1,286,250)	(665,218)	(3,843,662)
Net book value	(7,730)	-	-	(4,279)	-	-	(12,009)
Depreciation for the year	(91,722)	(25,801)	(467,132)	(156,352)	(838,640)	(1,240,000)	(2,819,647)
Closing net book value	326,155	183,343	637,550	486,518	2,091,426	2,376,665	6,101,657
As at June 30, 2014							
Cost	1,141,088	1,854,968	2,751,082	1,494,628	9,518,225	6,200,000	22,959,991
Accumulated depreciation	(814,933)	(1,671,625)	(2,113,532)	(1,008,110)	(7,426,799)	(3,823,335)	(16,858,334)
Net book value	326,155	183,343	637,550	486,518	2,091,426	2,376,665	6,101,657
Annual rates of depreciation	**15%**	**20%**	**33%**	**15%**	**20%**	**20%**	

4.1 Particulars of disposal of property, plant and equipments, having carrying value of Rs.50,000 or to related party disposed off during the year.

Particulars	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Gain / (Loss)	Party account	Mode of Disposals
Vehicle							
Cuore ANG-805	442,900	442,900	-	-	-	Khurshid Anwar (Employee)	As per Company policy
Honda City AHZ-711	843,350	843,350	-	-	-	Afzal Hussain (Employee)	As per Company policy
	1,286,250	**1,286,250**					
Assets having carrying value below Rs.50,000							
	1,090,823	1,078,811	12,012	112,000	99,988		
Total	**2,377,073**	**2,365,061**	**12,012**	**112,000**	**99,988**		

5 Intangible Assets

	Rupees
As at July 01, 2012	
Cost	3,409,056
Accumulated amortization	(1,349,907)
Net book value	2,059,149
Year ended June 30, 2013	
Opening net book value	2,059,149
Additions during the year	-
Disposals / transfers	
Cost	-
Accumulated amortization	-
Net book value	-
Amortization for the year	(934,228)
Closing net book value	1,124,921
As at June 30, 2013	
Cost	3,409,056
Accumulated amortization	(2,284,135)
Net book value	1,124,921
Year ended June 30, 2014	
Opening net book value	1,124,921
Additions during the year	196,560
Disposals / transfers	
Cost	-
Accumulated amortization	-
Net book value	-
Amortization for the year	(824,754)
Closing net book value	496,727
As at June 30, 2014	
Cost	3,605,616
Accumulated amortization	(3,108,889)
Net book value	496,727
Annual rates of Amortization	**33%**

6 Long-Term Investments	Note	2014 Rupees	2013 Rupees
Held-to-maturity			
- Term finance certificates/Sukuk - Unlisted	6.1	**182,313,526**	191,380,903
- Term finance certificates - Listed	6.2	**49,797,017**	49,818,174
- Government securities - PIB's	6.3	**172,266,812**	-
		404,377,355	241,199,077
Available-for-sale			
- Government securities - PIB's	6.3	**-**	-
- Investment in listed shares	6.4	**2,490,749**	2,802,994
- Term finance certificates - Listed	6.5	**6,675,558**	21,542,036
		413,543,663	265,544,107

6.1 Term finance certificates/Sukuk - Unlisted

Number of Certificates 2014	Number of Certificates 2013	Investee Company	Note	2014 Cost Rupees	2013 Cost Rupees
		Cement			
8,000	8,000	Gharibwal Cement Limited	6.1.1	**37,024,840**	37,024,840
		Chemical			
30,000	30,000	Engro Chemical Pakistan Limited	6.1.2	**134,753,500**	134,753,500
		Cable & electrical goods			
15,900	15,900	Pak Electron Limited	6.1.3	**31,516,212**	31,516,212
8,000	8,000	New Allied Electronics Industries (Pvt.) Limited	6.1.4	**38,410,166**	39,243,496
		Textile			
5,000	5,000	Amtex Limited	6.1.5	**18,750,001**	18,750,001
28,000	28,000	Three Star Hosiery (Private) Limited	6.1.6	**140,000,000**	140,000,000
		Financial Institutions			
-	2,000	Jahangir Siddiqui & Co. Limited	6.1.7	**-**	4,453,575
-	13,000	House Building Finance Corporation	6.1.8	**-**	11,960,000
4,995	4,995	Pak Libya Holding Company (Pvt.) Limited	6.1.9	**16,636,680**	24,955,020
		Textile Composite			
860	860	Azgard Nine Limited	6.1.10	**4,300,000**	4,300,000
		Miscellaneous			
10,000	10,000	Eden Housing Limited	6.1.11	**6,560,000**	15,930,000
				427,951,399	462,886,644
		Less: provision for non-performing investments	6.6	**(192,362,943)**	(193,196,273)
				235,588,456	269,690,371
		Less: current maturity	12	**(53,274,930)**	(78,309,468)
				182,313,526	191,380,903

6.1.1 This represents Term Finance Certificates issued on January 19, 2008 at the rate of 3 month KIBOR. It is restructured on April 01, 2010 and its maturity date is October 01, 2016.The issue is secure by pari passu charge over all fixed assets of the issuer. This has been classified as non performing investment by the Company as per the Regulation 25 of NBFC and NE 2008, however no provision has been charged after considering the forced sale value of Rs.176 million under the said regulation.

6.1.2 This represents Term Finance Certificates issued on March 18, 2008 for a period of ten years. Markup payment made semi annually at the rate of 6 month KIBOR + 1.7% to 2.5%. Entire principal will be redeemed at the end of the term as a bullet payment. The issue is secure against hypothecation charge over assets of issuer. The fund based exposure to this Term Finance Certifiates was 20.7% of net equity as on June 30, 2014. The said exposure is in violation of exposure limits given in NBFC Regulation 17. The management expects that the non comliance will stand addressed with the resolution of minimum equity capital requirement as disclosed in Note 1.2.

6.1.3 This represents Term Finance Certificates issued on September 28, 2007. markup payments are made quarterly at the rate of 3 month KIBOR + 1.75% with a floor of 10% and cap of 25%. Initially it was restructured on June 30, 2010, thereafter the issue was restructured with effect from March 28, 2013. and has maturity date of September 28, 2016. The issue is secure against first pari passu charge over assets of the issuer.

6.1.4 This represents Sukuk Certificate issued on December 3, 2007 for a period of five years. Markup payments are made semi annually at the rate of 6 months KIBOR + 2.2% with a floor of 7% and cap of 20%. These were due to mature on December 3, 2012. The certificates are secure against pari passu charge over all present and future assets of the issuer This has been classified as non performing investment by the company as per the Regulation 25 of NBFC and the company has made 100% provision in respect thereof to comply with the NBFC regulation.

6.1.5 This represents Sukuk Certificates issued on October 12, 2007 for a period of five years. Markup payment are made quarterly at the rate of 3 month KIBOR + 2% with a floor of 11% and cap of 25%. These certificates are secure against bank guarantee of Bank of Punjab. This has been classified as non performing investment by the company and the company has made 100% provision after considering the amount received by Lahore high court verdict.

6.1.6 This represents Sukuk Certificates issued on August 5, 2008 for a period of five years. markup payment are made at the rate of 3 month KIBOR + 3.25% with a floor of 11% and cap of 25%. These certificates are secure against ranking hypothecation charge on assets of the investee with 25% margin and bank guarantee of First Dawood Investment Bank of the total financing amount including profit and rental payments. This was due to mature on August 6, 2013. The company has made 100% provision in respect thereof to comply with the NBFC regulation.The company has filed suit to recover the amount in Sindh High Court Karachi last year. The case is still pending in court.

6.1.7 This represents Term Finance Certificates issued on July 4, 2007 for a period of six years. Markup payment are made semi annually at the rate of 6 month KIBOR + 1.70%. The certificates are secure against first pari passu floating charges on all present and future moveable assets of the investee. These matured on July 4, 2013 during the current year.

6.1.8 This represents Sukuk Certificates issued on May 8, 2008 for a period of six years. Markup payment are made semi annually at the rate of 6 month KIBOR + 1.00% . The certificates are secure against first charge over specific assets of the investee Company. These matured on May 7, 2014 during the current year.

6.1.9 This represents Term Finance Certificates issued on February 7, 2011 for a period of five years. Markup payment are made semi annually at the rate of 6 month KIBOR + 1.60% . The certificates are secure by first pari passu charge by way of hypothecation over loan and lease receivable of investee company. These are due to mature on February 7, 2016.

6.1.10 This represents Term Finance Certificates issued on April 01, 2012 for a period of five years against accrued markup up till march 2012 on Azgard 9 TFC II issue. These are due to mature in September 2017.

6.1.11 This represents Sukuk Certificates issued on December 31, 2007. Markup payment made semi annually at the rate of 6 month KIBOR + 2.5% with a floor of 7% and cap of 20%.These certificates are secure by charge over land and related developments and equitable mortgage over project land and development. It was restructured on June 29, 2010 and its maturity date is June 29, 2014.

6.2 Term finance certificates - listed

Number of Certificates 2014	Number of Certificates 2013	Investee Company	Note	2014 Cost Rupees	2013 Cost Rupees
		Commercial Banks			
5,984	5,984	Allied Bank Limited	6.2.1	**29,866,144**	29,878,112
3,995	3,995	Summit Bank Limited	6.2.2	**19,952,029**	19,961,218
				49,818,173	49,839,330
		Less: current maturity	12	**(21,156)**	(21,156)
				49,797,017	49,818,174

6.2.1 This represents Term Finance Certificates issued on August 28, 2009 for a period of ten years. Markup payment are made semi annually at the rate of 6 month KIBOR+0.85% to 1.30%. These are due to mature on August 28, 2019.

6.2.2 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%. These are due to mature on October 26, 2018.

6.3 Government Securities - Pakistan Investment Bonds	**Note**	**2014 Rupees**	**2013 Rupees**
Cost			
Opening		**53,970,600**	282,848,059
Purchased during the year		**172,185,000**	-
Matured during the year		**(53,970,600)**	-
Sold during the year		**-**	(228,877,459)
		172,185,000	53,970,600
Amortization			
Opening		**3,434,979**	29,428,945
Charged during the year		**617,433**	620,356
Matured during the year		**(3,970,600)**	(26,614,322)
		81,812	3,434,979
	6.3.1	**172,266,812**	50,535,621
(Deficit) / surplus on remeasurement	18	**-**	(915,921)
		172,266,812	49,619,700
Current portion	12	**-**	(49,619,700)
		172,266,812	-

6.3.1 This represents investments in 10 years bonds issued by the Government of Pakistan. This is due to mature on 19th July, 2022 and carry markup rate (coupon rate) at 12 % per annum (2013: 8% per annum). The said investment has been classifed as Held to Maturity.

These represent investment in government securities to comply with the requirement of Regulation 14(4)(i) of NBFC Regulations.

6.4 Investment in Listed Shares

Number of Shares 2014	Number of Shares 2013	Investee Company	Note	2014 Cost Rupees	2014 Market Value Rupees	2013 Cost Rupees	2013 Market Value Rupees
242,055	242,055	Agritech Limited	6.4.1	**8,471,922**	**2,490,749**	8,471,922	2,802,997
				8,471,922	**2,490,749**	8,471,922	2,802,997
		Less: Deficit on remeasurement	18	**(5,981,173)**	**-**	(5,668,928)	-
				2,490,749	**2,490,749**	2,802,994	2,802,997

6.4.1 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 acquired at an agreed price of Rs.35 per share. The market value of these shares at June 30, 2014 amounted Rs. 10.29 per share resulting in a deficit in revaluation of Rs.5.981 million. These shares have been transferred and pledge in favor of Faysal Bank Limited in its capacity as the trustee of the TFC issue under Share Transfer and Debt Settlement Agreement. The subject shares are to be held by the trustee subject to the terms and condition of the Shareholder Investor Agreement dated July 26, 2012 (also refer note 6.5.1).

6.5 Term finance certificates - Listed

Number of Certificates 2014	Number of Certificates 2013	Investee Company	Note	2014 Cost Rupees	2014 Market Value Rupees	2013 Cost Rupees	2013 Market Value Rupees
		Textile Composite					
4,000	4,000	Azgard Nine Limited	6.5.1	**6,507,678**	**6,507,678**	6,507,678	6,507,678
		Commercial Banks					
-	455	NIB Bank Limited	6.5.2	**-**	**-**	2,156,929	2,149,317
		Technology and Communication					
6,886	6,886	Worldcall Telecom Ltd	6.5.3	**14,746,711**	**14,805,698**	14,746,711	14,805,698
				21,254,389	**21,313,376**	23,411,318	23,462,693
		Less:Provisions against non-performing investments	6.6	**(4,806,716)**	**(4,806,716)**	(1,201,679)	(1,201,679)
		(Deficit)/surplus on remeasurement	18	**58,987**	**-**	51,375	-
				16,506,660	**16,506,660**	22,261,014	22,261,014
		Less: current maturity	12	**(9,831,102)**	**(9,831,102)**	(718,978)	(718,978)
				6,675,558	**6,675,558**	21,542,036	21,542,036

6.5.1 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 reschulded under Master Restructuring Agreement (MRA) dated December 1, 2010, and shall now mature on September 20, 2017. The Company received additional 860 term finance certificates (Refer note 6.1) in settlement of accrued markup as on March 31, 2012 amounting to Rs.4,300,000/- as part of debt settlement agreement. The Company also received 242,055 shares in the Agritech Limited (Refer note 6.4) valuing Rs.8.472 million against redemption of part settlement of outstanding principal amount. However issuer defaulted in markup and principal repayment as per MRA. The Company has classified the balance and accordingly made provision in respect thereof at 100 % of the over due amount after considering FSV of the collateral as per NBFC & NE Regulation. These certificates are secured by firstpari passu charge on the present and future assets of the investee company.

6.5.2 This represents Term Finance Certificates issued on March 5, 2008 for a period of eight years. Markup payment are made semi annually at the rate of 6 month KIBOR + 1.15%. It was due to be matured on March 5th, 2016 but the bank redeemed the TFCs early on 5th September, 2013.

6.5.3 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 are due to mature on October 7, 2015.

		Note	2014 Rupees	2013 Rupees
6.6	**Provision for non-performing investments**			
	Opening balance			
	Long term Investment		**194,397,952**	184,893,122
	Short term Investment		**25,000,000**	25,000,000
			219,397,952	209,893,122
	Charged for the year			
	Term finance certificates/Sukuk - Unlisted	6.1	**-**	10,202,777
	Term finance certificates -listed	6.5	**3,605,037**	-
			3,605,037	10,202,777
	Reversal for the year			
	Term finance certificates -listed	6.1	**(833,330)**	(697,947)
	Closing balance		**222,169,659**	219,397,952
7	**Long-Term Loans and finances**			
	Loan to employees	7.1	**7,992,314**	8,172,614
	Loan to others- Term finance facility	7.2	**33,991,478**	40,051,478
			41,983,792	48,224,092

		Note	2014 Rupees	2013 Rupees
7.1	**House loans to staff - Secured**			
	- Executives		**3,252,607**	6,121,279
	- Employees		**3,442,519**	78,851
		7.1.2	**6,695,126**	6,200,130
	Mark-up receivable on house loans to staff	7.1.2	**1,692,601**	1,841,647
			8,387,727	8,041,777
	Other loans - unsecured			
	- Executives		**715,776**	1,823,342
	- Employees		**981,320**	375,577
		7.1.3	**1,697,096**	2,198,919
	Current portion			
	- House loans		**(978,180)**	(979,380)
	- Other loans		**(1,114,329)**	(1,088,702)
		12	**(2,092,509)**	(2,068,082)
			7,992,314	8,172,614

7.1.1 Reconciliation of carrying amount of long-term loans to Chief Executive and Executives:

	2014 Chief Executive	2014 Executive	2013 Chief Executive	2013 Executive
	....	..Rupees..	....	
Opening balance	-	**6,121,279**	3,409,246	6,008,204
Disbursements during the year	-	-	-	1,040,000
Payment/(Receipts) during the year	-	**(2,868,672)**	(3,409,246)	(926,925)
Transfer to executive category	-	-	-	-
	-	**3,252,607**	-	6,121,279

7.1.2 These represent loans provided to the executives and employees for purchase of property in accordance with the terms of employment and are repayable on monthly basis over a period of 15 years. These loans carry mark-up rate at 4% (2013: 4%) per annum and are recoverable after recovery of principal amount. These loans are secured against mortgage of properties.

7.1.3 These represent loans provided to the executives and employees and are repayable on monthly basis over a period of 3 years. These loans are unsecured and interest free. The maximum aggregate balance due at the end of any month during the year from executive is Rs. 6,041,618 (2013: Rs.2,267,667/-).

7.2 Loan to others -Term finance facility (Secured)

Investee Company	Note	2014 Cost Rupees	2013 Cost Rupees
Gharibwal Cement Limited	7.2.1	**34,959,807**	39,519,807
Chenab Limited	7.2.2	**15,078,125**	15,078,125
Al - Zamin Leasing Modaraba	7.2.3	**5,091,671**	6,391,671
New Allied Electronics	7.2.4	**-**	1,666,670
Hasnain Raza		**1,228,324**	-
		56,357,927	62,656,273
Less: Provision for Non-performing finances	7.2.5	**(15,078,125)**	(16,744,795)
		41,279,802	45,911,478
Less: Current maturity		**(7,288,324)**	(5,860,000)
		33,991,478	40,051,478

7.2.1 This represents Term Finance Facility issued on September 9, 2005 for a period of ten years. Markup payment are made at the rate of 3 month KIBOR + 0% . This was restructured on March 1, 2013 and is due to mature on February 28, 2023. This is secured by pari passu charge over all fixed assets of the borrower.

7.2.2 This represents Term Finance Facility issued on January 30, 2008 for a period of five years. markup payment are made at the rate of 6 month KIBOR + 3% .The facility is secured against first pari passu charge over fixed assets. This was due to be mature on January 30, 2013. The Company made full provision at 100% of outstanding balance as per the NBFC & NE regulation. The company has filed suit to recover the principal amount of Rs. 15 million in banking court in current year. The case is still pending in court.

7.2.3 This represents Term Finance Facility issued on January 30, 2008 for a period of four years. This facility is secured by hypothecation charge of assets of the investee company. This is restructured on May 7,2012 due to be mature on March 20, 2017.

7.2.4 This represents Term Finance Facility issued on September 30, 2004 for a period of five years. markup payment are made at the rate of 6 month KIBOR + 4.5% . This was due to mature on June 28, 2009. During the current year, final payment was recieved from the investee company and therefore provision was reversed as it was 100% provided facility.

	Note	2014 Rupees	2013 Rupees
7.2.5 Provision for non-performing finances			
Opening balance		**(16,744,795)**	(14,274,066)
Charge for the year		**-**	(2,470,729)
Reversal during the year	7.2	**1,666,670**	-
Closing balance		**(15,078,125)**	(16,744,795)

8 Long Term Security Deposit

		2014	2013
National Clearing Company		**-**	1,000,000
CDC		**50,000**	50,000
		50,000	1,050,000

		Note	2014 Rupees	2013 Rupees
9	**Deferred Tax Asset**			
	Deferred tax asset on deductible temporary differences:			
	-Unused tax losses		**6,303,700**	6,489,103
	-Provisions		**83,961,533**	86,044,227
	-Government securities		**-**	320,572
	-Accelerated tax depreciation allowance		**672,139**	97,236
	-Minimum tax on turnover		**511,547**	511,547
			91,448,918	93,462,684
	Deferred tax liability on taxable temporary differences:			
	- On gratuity		**1,077,274**	(744,817)
		9.1	**92,526,192**	92,717,867

9.1 The management of the Company has prepared financial projections. The said projection are based on certain key assumptions made for the estimation of future taxable profit projection in the plan. The determination of future taxable profits is most sensitive to certain key assumptions such as cost to income ratio, deposit composition, growth of certificate of deposits, investment returns etc. A significant change in the key assumption may have an effect on the realisability of the deferred tax asset. The management believes that it is probable that the company 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.

		Note	2014 Rupees	2013 Rupees
10	**Short-Term Investments**			
	Available-for-sale			
	- Dewan Cement Limited - Pre IPO term finance certificates	10.1	**50,000,000**	50,000,000
	- Investment in Shares- Listed	10.2	**16,609,022**	21,488,475
	- Investment in Mutual Funds	10.3	**11,588,802**	18,373,334
	- Investment in Preference shares	10.4	**15,000,000**	15,000,000
			93,197,824	104,861,809
	Provision for non-performing investments	6.6 / 10.1	**(25,000,000)**	(25,000,000)
			68,197,824	79,861,809
	Held-for-trading			
	- Investment in shares - Listed	10.5	**3,121,875**	-
			71,319,699	79,861,809

10.1 This investment has been classified under loss category and provision has been made accordingly after considering the forced sale value of Rs. 36.6 million as per NBFC and NE Regulations no. 25.

10.2 Investment in shares - Listed

Number of Shares 2014	Number of Shares 2013	Investee Company	Note	2014 Cost Rupees	2014 Market Value Rupees	2013 Cost Rupees	2013 Market Value Rupees
		Automobile and parts				**15,500,200**	**8,394,582**
-	3,000	Agriauto Industries Limited		-	-	107,999	225,390
		Commercial Banks					
50,000	92,000	National Bank Limited	10.2.1	**2,269,029**	**3,111,500**	4,175,013	3,783,040
		Chemicals					
815,800	815,800	Agritech limited		**15,500,200**	**8,394,582**	20,501,054	9,446,964
-	15,000	Fatima Fertilizer Company Limited		-	-	80,000	198,640
		Financial services					
60,500	60,500	Arif HabibCorporation Ltd.		**2,158,395**	**1,684,320**	2,158,395	1,340,680
		Equity Investment Instruments					
40,000	87,618	PICIC Growth Fund		**594,997**	**1,269,600**	1,303,311	2,115,975
		Oil and Gas					
-	1,250	Mari Gas Company Limited		-	-	67,290	170,713
3,000	3,500	Pakistan Petroleum Limited		**278,087**	**673,020**	389,322	740,530
-	1,000	Oil & Gas Development Company Limited		-	-	108,329	228,750
-	3,600	Pakistan State Oil Company Ltd.		-	-	738,225	1,153,368
-	1,000	Attock Refinery Limited		-	-	119,322	172,550
		Electricity					
25,000	30,000	Kot Addu Power Company Limited		**1,015,277**	**1,476,000**	1,218,333	1,856,400
		Fixed line Telecommunication					
-	2,500	Pakistan Telecommunication Company Limited		-	-	51,395	55,475
				21,815,985	**16,609,022**	31,017,988	21,488,475
		Permanent Diminution in value of Investment	10.2.2	-	**5,206,963**	(5,000,854)	
		Deficit on remeasurement	18	**(5,206,963)**		(4,528,659)	-
				16,609,022	**16,609,022**	21,488,475	21,488,475

(Unless otherwise specified the face value of each share is Rs.10/-)

10.2.1 This represents an investment in shares of associated undertaking.

10.2.2 This represents the permanent diminution in the value of shares of Agritech Limited.

10.3 Investment in mutual funds

Number of Units		Investee Company	Note	2014		2013	
				Cost	Market Value	Cost	Market Value
2014	2013			Rupees	Rupees	Rupees	Rupees
1,931,467	1,624,762	Namco Balanced Fund		10,844,716	11,588,802	10,844,716	11,373,334
-	77,925	JS Income Fund		-	-	7,000,000	7,000,000
				10,844,716	11,588,802	17,844,716	18,373,334
		Surplus / (deficit) on remeasurement	18	744,086	-	528,618	-
				11,588,802	11,588,802	18,373,334	18,373,334

10.4 Investment in preference shares

Number of Units		Investee Company	Note	2014		2013	
				Cost	Market Value	Cost	Market Value
2014	2013			Rupees	Rupees	Rupees	Rupees
Listed Shares							
		Cable and Electrical Goods					
1,500,000	1,500,000	Pak Electron Limited		15,000,000	15,000,000	15,000,000	15,000,000
				15,000,000	15,000,000	15,000,000	15,000,000
		Surplus on remeasurement		-	-	-	-
				15,000,000	15,000,000	15,055,000	15,055,000

10.5 Investments in shares - Listed

Number of Shares		Investee Company	Note	2014		2013	
				Cost	Market Value	Cost	Market Value
2014	2013			Rupees	Rupees	Rupees	Rupees
		Oil and Gas					
5,000	-	Pakistan Petroleum		1,190,684	1,121,700	-	-
		Chemicals					
2,500	-	Dawood Hercules Corporation		225,255	174,475	-	-
10,000	-	Engro Polymer & Chemicals		169,097	135,300	-	-
		Industrail Metals & Mining					
5,000	-	Crescent Steel & Allied Products		250,539	217,550	-	-
		Personal Goods					
10,000	-	Nishat (Chunain) Limited		485,629	423,900	-	-
5,000	-	Treet Corporation		675,764	573,350	-	-
		Electricity					
5,000	-	Kot Addu Power Company Limited		300,494	295,200	-	-
10,000	-	Pakgen Power		212,601	180,400	-	-
				3,510,063	3,121,875	-	-
		Less: Deficit on remeasurement		(388,188)	-	-	-
				3,121,875	3,121,875	-	-

		Note	2014 Rupees	2013 Rupees
11	**Short-Term Placements**			
	Unsecured placements - considered good		-	170,000,000

		Note	2014 Rupees	2013 Rupees
12	**Current portion of Non-Current Assets**			
	Investments			
	Current portion of term finance certificates - unlisted	6.1	**53,274,930**	78,309,468
	Current portion of government securities -PIB's	6.3	**-**	49,619,700
	Current portion of term finance certificates - listed	6.2&6.5	**9,852,258**	740,134
			63,127,188	128,669,302
	Advances			
	Current portion of long-term loans to employees	7.1	**2,092,509**	2,068,082
	Current portion of long-term loans to other	7.2	**7,288,324**	5,860,000
			9,380,833	7,928,082
			72,508,021	136,597,384
13	**Markup / Interest Accrued**			
	Accrued profit/markup/interest on:			
	- Term finance certificates/Sukuk		**41,529,334**	42,217,832
	- Government securities		**9,774,304**	599,243
	- Term finances		**8,648,873**	4,990,306
	- Placements		**-**	231,695
			59,952,511	48,039,076
	Less : provision for markup/interest on non-performing investment		**(36,209,908)**	(36,209,908)
			23,742,603	11,829,168
14	**Advance, Prepayments and Other Receivables**			
	Prepayments - Considered good		**1,075,226**	956,118
	Other receivables			
	- Dividend receivable		**4,999**	2,999
	- Receivable from gratuity fund		**-**	2,128,049
	- Other receivables		**1,606,396**	1,624,200
			2,686,621	4,711,366
	Less : provision against other receivables		**(1,575,000)**	(1,575,000)
			1,111,621	3,136,366
	Staff Grautity Scheme		**-**	2,128,049

		Note	2014 Rupees	2013 Rupees
15	**Cash and Bank Balances**			
	Balance with banks			
	- Deposit accounts	15.1	**306,466**	3,258,662
	- Current account with SBP		**60,468**	563,956
	- Reserve account with SBP		**-**	1,750,000
	Cash in hand		**14,685**	61,432
			381,619	5,634,049

15.1 Effective markup rate in respect of deposit accounts ranges from 6 % to 7 % (2013: 6 % to 7 %) per annum.

16 Issued, Subscribed and Paid-Up Capital

2014 No. of Shares	2013 No. of Shares		2014 Rupees	2013 Rupees
28,500,000	28,500,000	Ordinary shares of Rs. 10 each issued as fully paid in cash	**285,000,000**	285,000,000
36,500,000	36,500,000	Ordinary shares of Rs. 10 each issued as fully paid Bonus shares	**365,000,000**	365,000,000
65,000,000	65,000,000		**650,000,000**	650,000,000

		Note	2014 Rupees	2013 Rupees
17	**Reserves**			
	Capital			
	- statutory reserve	17.1	**118,274,313**	117,663,484
	Revenue			
	- unappropriated (loss) / profit		**(118,856,822)**	(116,417,880)
			(582,510)	1,245,604
17.1	**Statutory reserve**			
	Opening balance		**117,663,484**	117,663,484
	Transferred from profit and loss account	17.2	**610,829**	-
	Closing balance		**118,274,313**	117,663,484

17.2 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.

		Note	2014 Rupees	2013 Rupees
18	**Deficit on Remeasurement of Investments - Net of tax**			
	Available-for-sale - government securities			
	Government Securities PIBs	6.3	-	(915,921)
	Related deferred tax		-	320,572
			-	(595,349)
	Available-for-sale - listed securities			
	Term finance certificates	6.5	**58,987**	51,375
	Shares	6.4 &10.2	**(11,188,136)**	(10,197,587)
	Mutual funds	10.3	**744,086**	528,618
			(10,385,063)	(9,617,594)
			(10,385,063)	(10,212,943)

19 Long-Term Loans

From Banking Companies - Secured

	2014 Rupees	2013 Rupees
National Bank of Pakistan (NBP) - an associated undertaking	**78,125,000**	140,625,000
Current portion of long term loans	**(78,125,000)**	(78,125,000)
	-	62,500,000

On June 30, 2010, the Company obtained a five year term loan facility of Rs. 250 million from NBP with a grace period of one year. The loan is repayable in 16 equal quarterly installments commencing from September 11, 2011 and carried markup @ 3 months KIBOR plus 0.4% per annum, maturing on June 30,2015. The loan is secured by first pari passu hypothecation charge against all present and future assets of the Company.

		Note	2014 Rupees	2013 Rupees
20	**Long-Term Certificate of Deposit**		**5,000,000**	17,500,000

This represents certificate issued for a term of three years at the rate of 11% (2013: 13%) per annum payable half yearly.

21 Deffered Liability - Staff Gratiuty

21.1.1 Actuarial Assumptions

As disclosed in note 3.11.1, the company operates a funded gratuity scheme for its staff employees. The latest actuarial valuation was carried out as at June 30, 2014, using the “Projected Unit Credit Method”.

21.1.2 Defined benefit liability/(asset) recognized in balance sheet:

	2014	2013
Present value of defined benefit obligation	**10,222,305**	11,966,231
Fair value of plan assets	**(7,053,851)**	(14,094,280)
Unrecognized actuarial gains / (losses)	**-**	-
Defined benefit liability/(asset) recognized	**3,168,454**	(2,128,049)

	Note	2014 Rupees	2013 Rupees
21.1.3 Changes in the present value of the defined benefit obligation			
Opening defined benefit obligation		**11,966,231**	9,657,498
Current service cost		**751,305**	1,053,258
Interest cost		**1,125,986**	1,255,475
Benefits paid		**(6,609,594)**	-
Remeasurements chargeable in other comprehensive income		**2,988,377**	-
		10,222,305	11,966,231
21.1.4 Changes in the fair value of plan assets			
Fair value of plan asset as at July 01:		**14,094,280**	11,650,324
Interest Income on plan assets		**1,463,045**	1,574,954
Contribution		**-**	929,414
Benefits paid		**(6,609,594)**	-
Return on plan assets, excluding interest income		**(1,893,880)**	(60,412)
		7,053,851	14,094,280
21.1.5 Movement in net (asset)/liability			
Opening (asset)/liability		**(2,128,049)**	(1,992,826)
Expense recognized in P & L		**414,246**	733,779
Remeasurements recognized in other comprehensive income		**4,882,257**	60,412
Contributions		**-**	(929,414)
Closing (asset)/liability		**3,168,454**	(2,128,049)
21.1.6 Expense recognized in P & L			
Current service cost		**751,305**	1,053,258
Interest cost		**1,125,986**	1,255,475
Expected return on plan assets		**(1,463,045)**	(1,574,954)
		414,246	733,779
21.1.7 Remeasurements recognized in other comprehensive income			
Actuarial gains / losses from changes in demographic assumptions		**-**	-
Actuarial gains / losses from changes in financial assumptions		**-**	-
Experience adjustments	14.1.3	**2,988,377**	-
Return on plan assets, excluding interest income	14.1.4	**1,893,880**	60,412
Total remeasurements chargeable in other comprehensive income		**4,882,257**	60,412

21.1.8 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:

	2014	2013	2012	2011	2010
	--------	--------	Rupees	--------	--------
Present value of defined obligation	10,222,305	11,966,231	9,657,498	8,801,252	7,000,667
Fair value of plan assets	(7,053,851)	(14,094,280)	(11,650,324)	(9,911,262)	(8,251,696)
Deficit/(surplus)	3,168,454	(2,128,049)	(1,992,826)	(1,110,010)	(1,251,029)

	2014 Rupees	2013 Rupees
22 Short-Term Running Finance - Secured		
National Bank of Pakistan (NBP)-an associated undertaking	**3,238,403**	-

This represent short term running finance obtained from NBP with a limit of Rs. 50,000,000 (2013: Rs 50,000,000) carrying markup at a rate based on 3 month KIBOR plus 1.5% (2013: 3 month KIBOR plus 1.5%) 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.

	2014 Rupees	2013 Rupees
23 Short-Term Certificates of Deposit- Unsecured	**-**	29,060,000

These have been issued to various customers for terms ranging from one month to one year and expected return on these certificates ranges from 10% to13% (2012: 11% to13.86%) per annum payable monthly, quarterly, semi annually or on maturity.

	Note	2014 Rupees	2013 Rupees
24 Accrued Markup			
Mark-up allocated on:			
Secured			
- Loans and borrowings including running finance	24.1	**2,075,607**	3,528,644
Unsecured			
- Certificates of deposits		**708,904**	1,323,099
		2,784,511	4,851,743

24.1 This amount represents markup due to National Bank of Pakistan, an associated undertaking.

25 Accrued Expenses and Other Liabilities		
Accrued expenses	**4,315,582**	2,642,395
Other liabilities	**1,889,234**	2,417,881
	6,204,816	5,060,276

26 Contingencies and Commitments

Contingencies

There are no material contingencies as at the reporting date (2013: Nil)

	Note		
Commitments			
Bank guarantee		**5,000,000**	5,000,000
Standby letter of credit facility	26.1	**57,183,750**	57,183,750
		62,183,750	62,183,750

26.1 This represents the company's share in standby letter of credit under agreement of participation dated December 13, 2010 with Allied Bank Limited. Under the said agreement, the company irrovocably agrees and undertakes with Allied Bank Limited to take undivided share of 2.5% in standby letter of credit upto November 17, 2015.

	Note	2014 Rupees	2013 Rupees
27 Income from Term Finances and Funds Placements			
Income from long-term finances		**3,658,565**	92,693
Return on fund placements with financial institutions	27.1	**9,526,002**	4,738,774
		13,184,567	4,831,467
27.1 Return on fund placements with financial institutions			
Return on:			
- bank deposits		**267,906**	411,575
- certificates of investment		**430,064**	2,409,504
- reverse repo		**231,477**	69,490
- fund placements		**8,596,555**	1,848,205
		9,526,002	4,738,774
28 Income from Investments			
Return on government securities		**8,296,047**	29,153,447
Return on term finance certificates / sukuks		**34,130,359**	45,963,392
Dividend income on available-for-sale investments		**960,307**	1,347,943
Mutual Funds		**64,053**	-
Capital gain on sale of securities		**2,981,937**	10,094,832
		46,432,703	86,559,614
29 Fees and Commission			
Guarantee commission		**413,006**	713,417
Consultancy and corporate advisory fees		**-**	50,000
		413,006	763,417
30 Finance Costs			
Markup/Interest on:			
- Long-term loans		**10,190,757**	17,684,991
- Short-term borrowings		**-**	12,479,724
- Short-term running finances		**254,499**	357,126
- Certificate of deposits		**1,910,443**	5,554,279
- Other charges		**45,923**	54,537
		12,401,622	36,130,657

	Note	2014 Rupees	2013 Rupees
31 Administrative and Operating Expenses			
Salaries and allowances	30.1 - 30.3	**21,049,804**	26,402,170
Travelling, conveyance and meeting charges		**2,682,714**	5,857,542
Printing and stationery		**659,444**	747,506
Rent, rates and taxes		**2,547,054**	3,010,014
Legal and professional		**1,417,400**	1,185,200
Repairs and maintenance		**613,139**	931,331
Auditors' remuneration	31.4	**778,850**	777,500
Brokerage and commission		**117,579**	232,981
Motor vehicle running expenses		**2,105,841**	2,892,456
Telephone, telex and fax		**369,068**	484,107
Electricity, gas and water charges		**1,256,661**	1,397,645
Advertisement and business promotion		**385,815**	985,190
Newspaper and periodicals		**32,691**	52,879
Postage and courier services		**113,106**	90,224
Fees and subscription		**1,457,212**	1,461,363
Security guards		**264,600**	252,000
Insurance		**636,131**	805,730
Medical		**1,719,639**	1,861,176
Office supplies		**280,077**	320,914
IT support		**226,801**	457,372
Training		**96,500**	364,640
Depreciation	4	**2,819,653**	2,907,395
Amortization	5	**824,754**	934,228
		42,454,533	54,411,563

	Note	2014 Rupees	2013 Rupees
31.1 It includes charge for gratuity and provident fund as follows:			
- Gratuity		**414,246**	733,779
- Provident fund		**806,418**	928,247
		1,220,664	1,662,026

31.2 DISCLOSURES RELATING TO PROVIDENT FUND

	2014	2013
(i) Size of the fund	**14,651,919**	12,655,294
(ii) Cost of Investment made	**14,601,872**	12,438,554
(iii) Percentage of Investment made	**99.7%**	98.3%
Breakup of Investment -at fair value		
Investment in National Savings	**13,495,894**	11,914,104
Deposit with NBP NIDA Account	**1,105,978**	524,450
	14,601,872	12,438,554
Percentage of Investment		
Investment in National Savings	**92.4%**	95.8%
Deposit Account	**7.6%**	4.2%
	100%	100%

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

31.3 The aggregate amounts incurred during the year for remuneration including all benefits to Chief Executive, directors and executives of the Company are given below:

	2014		**2013**	
	Chief Executive	**Executive**	Chief Executive	Executive
	......................**Rupees**	....		
Managerial remuneration	386,667	7,848,592	6,543,413	8,798,087
Retirement benefits	36,650	823,470	1,109,043	366,131
Total	423,317	8,672,062	7,652,456	9,164,218
Number of persons	1	4	1	4

31.3.1 In addition, the chief executive and executives are provided with free use of company provided cars in accordance with the terms of their employment.

31.3.2 Fee of Rs.1,650,000 (2013: Rs.1,510,000/-) was paid to directors for attending the Board and its Committee Meetings.

31.3.3 The total number of employees as at June 30 are 26 (2013: 29) and the average number of employees during the year are 28 (2013: 28).

	2014 Rupees	**2013 Rupees**
31.4 Auditor's remuneration		
Statutory audit	**475,000**	475,000
Half - yearly review	**135,000**	125,000
Other services	**131,600**	140,000
Out of pocket expenses	**37,250**	37,500
	778,850	777,500
32 Taxation		
Current	**1,097,435**	536,000
Deferred	**(128,897)**	(8,599,268)
	968,538	(8,063,268)
32.1 Relationship between tax expense and accounting profit		
Profit before taxation	**4,104,037**	-
Applicable tax rate	**34%**	-
Tax calculated at applicable tax rate	**1,395,373**	-
Impact of taxability at different rate	**(235,943)**	-
Tax effect of other than temporary differences	**163,859**	-
Effect of change in Tax rate	**(21,855)**	-
	1,301,434	-

32.2 The income tax assessment of the Company has been finalized up to the tax year 2013.

		Note	2014 Rupees	2013 Rupees
33	**Earnings per Share - basic and diluted**			
	Profit / (loss) for the year		**3,054,143**	(6,270,905)
	Weighted average number of shares outstanding during the year		**65,000,000**	65,000,000
	Earnings / (loss) per share - basic and diluted		**0.05**	(0.10)

34 Financial Instruments

Financial assets as per balance sheet

	2014 Rupees	2013 Rupees
Long-term investments	**413,543,663**	265,544,107
Long-Term loans and finances	**41,983,792**	48,224,092
Long-term security deposits	**50,000**	1,050,000
Short-term investments	**71,319,699**	79,861,809
Short-term placements	**-**	170,000,000
Current portion of non-current assets		
-Long term investments	**63,127,188**	128,669,302
-Long term loans and finances	**9,380,833**	7,928,082
Markup/interest accrued	**23,742,603**	11,829,168
Advances and other receivables	**36,395**	1,374,407
Cash and bank balances	**381,619**	5,634,049
	623,565,792	720,115,016

Financial liabilities as per balance sheet

	2014 Rupees	2013 Rupees
Long-term loans	**-**	62,500,000
Long-term certificate of deposit	**5,000,000**	17,500,000
Short-term running finance	**3,238,403**	-
Current portion of long-term loans	**78,125,000**	78,125,000
Short-term certificates of deposit	**-**	29,060,000
Accrued markup	**2,784,511**	4,851,743
Accrued expenses and other liabilities	**6,204,816**	5,060,276
	95,352,730	197,097,019

35 Financial Risk Management

Financial risk factors

The Company'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. The Company'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 Company's Finance Department under policies approved by the Board.

35.1 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 Company is exposed to market risk as a result of mismatches or gaps in the amounts of financial assets and financial liabilities that mature or reprice in a given period. The Company manages this risk by matching the repricing of financial assets and liabilities through risk management strategies.

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

34.1.1 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 Company, at present is not exposed to currency risk as all transactions are carried out in Pak Rupees.

34.1.2 Interest rate risk

Yield risk is the risk of decline in earnings due to adverse movements of the yield curve. Market rate risk arises from the possibility that changes in market rates of return will affect the value of the financial instruments. An entity is exposed to yield / market rate risk as a result of mismatches or gaps in the amounts of financial assets and financial liabilities that mature or reprice in a given period. the Company manages this risk by matching the repricing of financial assets and liabilities through risk management strategies.

Financial assets and liabilities include balances of Rs. 588,021,771 (2013: Rs.591,549,723) and Rs. 86,363,403 (2013: Rs.187,185,000) 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 Company's exposure to yield / market rate risk and the effective rates on its financial assets and liabilities are summarized as follows:

			Exposed to yield / market rate risk			
	Effective rate %	Total	Within one year	More than one year and less than five years	More than five years	Not exposed to yield / market rate risk
As at June 30, 2014						
Financial Assets						
Investments	12.70%	547,990,550	91,249,063	192,878,025	230,053,014	33,810,448
Long term loans and finances	13.34%	51,364,625	8,266,504	25,601,039	15,799,986	1,697,096
Long-term security deposits		50,000	-	-	-	50,000
Placements	10%	-	-	-	-	-
Markup / interest accrued		23,742,603	23,742,603	-	-	-
Other receivables		5,000	-	-	-	5,000
Cash and bank balance	7%	381,619	306,466	-	-	75,153
		623,534,397	123,564,636	218,479,064	245,853,000	35,637,697
Financial Liabilities						
Term Loans	10.58%	78,125,000	78,125,000	-	-	-
Certificates of deposit	11.50%	5,000,000	-	5,000,000	-	-
Short-term running finance	11.18%	3,238,403	3,238,403	-	-	-
Interest and markup accrued		2,784,511	-	-	-	2,784,511
Accrued expenses and other liabilities		6,204,816	-	-	-	6,204,816
		95,352,730	81,363,403	5,000,000	-	8,989,327
On-balance sheet gap		528,181,667	42,201,233	213,479,064	245,853,000	26,648,370

	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
			Exposed to yield / market rate risk			
As at June 30, 2013						
Financial Assets						
Investments	12.02%	474,075,218	208,531,111	108,145,754	49,733,550	107,664,803
Long term loans and finances	4.80%	40,051,478	5,860,000	17,471,478	16,720,000	-
Long-term security deposits		1,050,000	-	-	-	1,050,000
Placements	10%	170,000,000	170,000,000	-	-	-
Markup / interest accrued		11,829,168	11,829,168	-	-	-
Other receivables		1,627,199	-	-	-	1,627,199
Cash and bank balance	7%	5,634,049	3,258,662	-	-	2,375,388
		704,267,112	399,478,941	125,617,232	66,453,550	112,717,390
Financial Liabilities						
Term Loans	10.76%	140,625,000	78,125,000	62,500,000	-	-
Certificates of deposit	12.12%	46,560,000	29,060,000	17,500,000	-	-
Short-term running finance	10.52	-	-	-	-	-
Interest and markup accrued		4,851,743	-	-	-	4,851,743
Accrued expenses and other liabilities		5,060,276	-	-	-	5,060,276
		197,097,019	107,185,000	80,000,000	-	9,912,019
On-balance sheet gap		507,170,093	292,293,941	45,617,232	66,453,550	102,805,371

34.1.3 Other price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because 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 crush at any moment. The company 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 company's senior management on regular basis. The company's Board of Directors reviews and approves all equity and debt investment decisions. The Company is exposed to price risk since it has investments in quoted equity and debt securities amounting to Rs. 126.22 million (2013: 126.22 million).

Sensitivity analysis

For the purpose of price risk sensitivity analysis it is observed that the benchmark KSE 100 Index has increased by 52.3% during the financial year.

The table below summarizes Company's equity price risk as of 30 June 2014 and 2013 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 Company'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
June 30, 2014	**Rupees**	**99,670,400**	**10% increase**	**109,637,439**	**9,967,040**	**9,967,040**
			10% decrease	**89,703,360**	**-9,967,040**	**-9,967,040**
June 30, 2013	Rupees	126,222,019	10% increase	138,844,221	12,622,202	12,622,202
			10% decrease	113,599,817	-12,622,202	-12,622,202

35.2 Credit risk and concentrations of 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 Company 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 Company follows two sets of guidelines. It has its own operating policy and the management of the Company 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 Company 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 Company are given below:

	2014 Rupees	2014 %	2013 Rupees	2013 %
	.... Rupees		....	
Investment and Finances *				
Sugar and allied indutry	-	-	-	0.00%
Cement	**96,984,647**	**15.54%**	101,544,647	15%
Chemical	**146,621,626**	**23.50%**	144,399,104	21%
Cable and electrical goods	**85,401,978**	**13.69%**	89,282,778	13%
Textile	**185,633,054**	**29.75%**	180,335,804	27%
Financial institutions	**87,931,146**	**14.09%**	125,361,942	19%
Tecnology and communication	**14,805,698**	**2.37%**	14,802,186	2%
Pharmaceuticals	-	**0.00%**	-	0%
Construction	**6,560,000**	**1.05%**	15,930,000	2%
Miscellaneous	-	**0.00%**	2,518,751	0%
	623,938,149	**100%**	674,175,212	100%

* Investment and finances are gross of provisions.

35.3 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 Company 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 Company 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 summarises the maturity profile of the Company 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 Company'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 realised / settled.

As at June 30, 2014	**Total**	**Within one year**	**More than one year and less than five years**	**More than five years**
	-------------------------------Rupees		---------------------------------	
Financial Assets				
Investments	547,983,993	168,257,335	149,673,644	230,053,014
Long term loans and finances	51,364,625	5,860,000	17,471,478	16,720,000
Long-term security deposits	50,000	-	-	50,000
Placements	-	-	-	-
Markup / interest accrued	23,742,603	23,742,603	-	-
Advances, and other receivables	1,111,621	1,111,621	-	-
Cash and bank balance	381,619	381,619	-	-
	624,634,461	199,353,178	167,145,122	246,823,014
Financial Liabilities				
Term loans	78,125,000	78,125,000	-	-
Certificates of deposit	5,000,000	-	5,000,000	-
Short-term running finance	3,238,403	3,238,403		
Interest and markup accrued	2,784,511	2,784,511	-	-
Accrued expenses and other liabilities	6,204,816	6,204,816	-	-
	95,352,730	90,352,730	5,000,000	-
	618,429,645	109,000,448	162,145,122	246,823,014

As at June 30, 2013	Total	Within one year	More than one year and less than five years	More than five years
	--------Rupees--------			
Financial Assets				
Investments	480,660,067	316,195,914	114,730,603	49,733,550
Long term loans and finances	40,051,478	5,860,000	17,471,478	16,720,000
Long-term security deposits	1,050,000	-	-	
Placements	170,000,000	170,000,000	-	-
Markup / interest accrued	11,829,168	11,829,168	-	-
Advances, and other receivables	1,627,199	-	-	-
Cash and bank balance	5,634,049	3,258,662	-	-
	710,851,961	507,143,744	132,202,081	66,453,550
Financial Liabilities				
Term loans	140,625,000	78,125,000	62,500,000	-
Certificates of deposit	46,560,000	29,060,000	17,500,000	-
Short-term borrowings	-	-	-	-
Interest and markup accrued	4,851,743	550	-	-
Accrued expenses and other liabilities	4,759,726	-	-	-
	196,796,469	107,185,550	80,000,000	-
	514,055,492	399,958,194	52,202,081	66,453,550

36 Capital risk management

The objective of managing capital is to safeguard the Company 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 Company 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 Company recognises 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 Company consist of equity comprising issued share capital, statutory reserves and unappropriated profits.

Goals of managing capital

The goals of managing capital of the Company are as follows:

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

- Maintain strong ratings and to protect against unexpected events;

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

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

37 Fair value of Financial Instruments

37.1 As at June 30, 2014, the fair values of all financial instruments 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 repricing 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.

c) Other financial instruments

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

38 Transactions with Related Parties

The related parties comprise associated undertakings, key management personnel and post employment benefit schemes. The Company 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:

	2014 Rupees	2013 Rupees
Associated Undertakings		
Mark-up on repo borrowings	**-**	11,835,026
Mark-up on long-term loans	**10,190,757**	17,684,991
Mark-up on short-term running finance	**254,499**	357,126
Rent paid	**2,111,343**	2,111,343
Balance at year end	**81,363,148**	140,625,000
Key Management Personnel		
Salaries, benefits and other allowances	**8,235,259**	15,341,500
Retirement benefits	**860,119**	2,194,734
Return on long-term loans	**207,700**	371,500
Balance at year end	**5,518,196**	9,757,251
Staff Retirement Plans		
Contribution to staff retirement Plans	**1,339,046**	1,922,845

39 Date of Authorization for Issue

These financial statements have been authorized for issue on September 27, 2014 by the Board of Directors of the Company.

40 General

Figures have been rounded off to the nearest rupee

AHSANULLAH KHAN
President & CEO

MUHAMMAD NAEEMUDDIN
Director

PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2014

Number of Shareholders	Shareholding From	To	Total number of Shares held	Percentage %
322	1	100	14,576	0.0224
572	101	500	280,263	0.4312
78	501	1,000	77,600	0.1194
52	1,001	5,000	117,998	0.1815
11	5,001	10,000	91,500	0.1408
1	10,001	15,000	13,500	0.0208
1	20,001	25,000	21,000	0.0323
1	45,001	50,000	45,500	0.0700
1	55,001	60,000	56,236	0.0865
1	80,001	85,000	82,500	0.1269
1	4,800,001	4,805,000	4,801,703	7.3872
1	6,295,001	6,300,000	6,296,478	9.6869
1	6,490,001	6,495,000	6,494,900	9.9922
1	6,605,001	6,610,000	6,606,246	10.1635
2	19,995,001	2,0000,000	40,000,000	61.5385
1,046		**Company Total**	**65000000**	**100.0000**

The Slabs representing nil holding have been omitted

Categories of Shareholders	Number	Shares Held	Percentage
Directors	5	6,497,900	9.9968%
Associated companies, undertakings & related parties	2	40,000,000	61.5384%
General Public			
Local	1,033	18,417,900	28.3353%
Foreign	3	83,100	0.1278%
Others	3	1,100	0.0017%
Total	**1,046**	**65,000,000**	**100.0000%**

PATTERN OF SHAREHOLDING INFORMATION REQUIRED UNDER THE CODE OF CORPORATE GOVERNANCE

Categories of Shareholders	Number of Shareholders	Shares Held	Percentage %
Associated Companies, Undertakings and Related Parties			
National Bank of Pakistan	1	20,000,000	30.7692%
Water and Power Development Authority (WAPDA)	1	20,000,000	30.7692%
	2	40,000,000	61.5384%
Mutual Fund	-	-	-
NIT and ICP	-	-	-
Directors, Chief Executive and their spouse and minor children			
Mr. Muhammad Naeemuddin	1	500	0.0008%
Mr. Imdad Ali	1	6,494,900	9.9922%
Mr. Jehangir Akber	1	1,000	0.0015%
Mr. Saghir Ahmed	1	1,000	0.0015%
Mr. Muhammad Ameen	1	500	0.0008%
	05	6,497900	9.9968%
Executives	03	7,500	0.0115%
Public Sector Companies & Corporations	-	-	-
Banks, Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies and Mutual Funds	-	-	-
General Public	1033	18,493,500	28.4516%
Others	3	1,100	0.0017%
Total	**1,046**	**65,000,000**	**100.00%**

Shareholders holding 5% or more voting interest

National Bank of Pakistan	1	20,000,000	30.77%
Water and Power Development Authority (WAPDA)	1	20,000,000	30.77%
Chaudhry Tahir Hussain	1	6,606,246	10.16%
Mr. Imdad Ali	1	6,494,900	9.99%
Syed Shoaib Khursheed	1	6,296,478	9.69%
Mr. Javed Ali Khan	1	4,801,703	7.39%

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 Wednesday, October 29, 2014 at 05:30 p.m. at PIIA (Pakistan Institute of International Affairs) Auditorium, Aiwan-e-Saddar Road, Karachi.

Signed this ____________________ day of __________ 2014.

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, Second Floor, State Life Building-3, Dr. Ziauddin Ahmed Road, Karachi 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.

AFFIX
CORRECT
POSTAGE

First Credit And Investment Bank Ltd.

Registrar:
THK Associates (Pvt.) Limited
Second Floor, State Life Building-3
Dr. Ziauddin Ahmed Road,
Karachi. 75530

Fold : Here **Fold : Here**

Fold : Here **Fold : Here**