



**fcibank**

# ANNUAL REPORT 2021

**FIRST CREDIT AND INVESTMENT BANK LTD.**

**Major Joint Venture Partners:**



## *Vision*

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

## *Mission Statement*

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



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**BOARD OF DIRECTORS**



*Mr. Faisal Ahmed Topra*  
Chairman



*Mr. Muhammad Mohsin Ali*  
President & CEO



*Mr. Naveed Asghar Chaudhry*  
Director



*Mr. Asad Ullah Saleem*  
Director



*Syed Irfan Husnain Rizvi*  
Director



*Mr. Muhammad Naemuddin*  
Director



*Mrs. Nina Afridi*  
Director



*Mr. Jamal Nasim*  
Director



## COMPANY INFORMATION

### AUDIT COMMITTEE:

Mr. Muhammad Naeemuddin Chairman  
Syed Irfan Husnain Rizvi  
Mrs. Nina Afridi

### HR AND REMUNERATION COMMITTEE:

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

### RISK MANAGEMENT COMMITTEE:

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

### COMPANY SECRETARY:

Mr. Muhammad Amin Khatri

### AUDITORS:

Crowe Hussain Chaudhry & Co.  
Chartered Accountants

### LEGAL ADVISOR:

Ahmed & Qazi

### BANKERS:

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

### SHARE REGISTRAR:

THK Associates (Pvt.) Limited  
Plot # 32-C, Jami Commercial Street # 2,  
D.H.A, Phase-VII, Karachi-75500.  
Ph. # +92 (21) 35310191-96  
Fax # +92 (21) 35310190

### HEAD OFFICE / REGISTERED OFFICE:

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



## NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 32nd Annual General Meeting of the shareholders of First Credit & Investment Bank Limited will be held on Tuesday, October 26, 2021 at 5:00 p.m. at Registered Office, 2nd Floor, SIDCO Avenue Centre, Stratchen Road, Karachi to transact the following business:

### ORDINARY BUSINESS

1. To confirm the minutes of the 31st Annual General Meeting held on October 23, 2020.
2. To receive, consider and adopt the audited financial statements of the Company together with the Auditors' Report, Chairman Review and Directors' Reports thereon for the year ended June 30, 2021.
3. To appoint the statutory auditors for the year ending June 30, 2022 and fix their remuneration. The present auditors M/s. Crowe Hussain Chaudhury & Co, Chartered Accountants, retire and being eligible, have offered themselves for re-appointment.

### ANY OTHER BUSINESS

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

By Order of the Board



**Muhammad Amin Khatri**  
Company Secretary

Karachi  
October 2, 2021

### Notes:

#### Closure of Share Transfer Book

1. The share transfer books of the Company will remain closed from October 18, 2021 to October 26, 2021 (both days inclusive). Transfers received in order at the office of our Share Registrar M/s. THK Associates (Pvt.) Ltd, Plot No. 32-C, Jami Commercial Street 2, DHA Phase VII, Karachi-75500 upto the close of business on October 17, 2021, will be considered in time for purpose of entitlement of shareholders to attend and vote at the meeting.

#### Participation in Annual General Meeting

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

#### A. For Attending the Meeting:-

- a) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are upload as per Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity card (CNIC) or original Passport at the time of attending the meeting.



- b) In case of Corporate entity, the board of Directors resolution of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of meeting.

**B. For Appointing Proxies:-**

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

**Coronavirus Contingency Planning for the Annual General Meeting**

In light of the COVID-19 situation, members who intend to attend the AGM through Video-Link are required to register their particulars by sending an email at "[fcib.agm2021@fcibank.com.pk](mailto:fcib.agm2021@fcibank.com.pk)." Such Members are requested to register by providing their credentials as follows with subject "**Registration for FCIBL's AGM**":

Name of shareholder	No. of shares held	Folio Number / CDC Acct no.	CNIC no. with scanned copy (both side)	Cell no.	Email address

Video -link and login details will be shared with only those members whose emails, containing all the required particulars are received at the given email at least 48 hours before the time of AGM

**3. Provision of Copy of Computerized National Identity Card (CNIC)**

In order to comply with the requirements of Securities & Exchange Commission of Pakistan (SECP) SRO19(1)/2014 dated January 10, 2014 those shareholders who have not yet submitted attested copy of their valid CNICs are requested to provide the same with their folio numbers to the Company's Registrar, M/s. THK Associates (Pvt.) Ltd. Members holding shares in CDC/ Participant accounts are also requested to provide the attested copy of their CNICs to their CDC Participant/Investor Account Services.

**4. Change in Address**

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



**5. Deposit of physical shares in CDC Account**

As per section 72 of the Companies Act, 2017 every listed company is required to replace its physical shares with book-entry form. Therefore, the shareholders having physical shares requested to convert the shares into book entry.

**6. Attendance of Meeting by Video-Link**

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

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

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

\_\_\_\_\_  
Signature of Member"

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



## CHAIRMAN'S REVIEW REPORT

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

As required under the Code of Corporate Governance 2019, an annual evaluation of the Board of Directors (the "Board") of **First Credit and Investment Bank Limited** (the "Investment Bank") is carried out. This evaluation is conducted to ensure the Board's overall performance and effectiveness for the betterment, progress and growth in the context of objectives set for the Investment Bank. Areas where improvements are required are duly considered and action plans are framed.

The Board of the Investment Bank has laid down a detailed performance evaluation mechanism and criteria of evaluation duly approved by it. As per the recently conducted annual self-evaluation for the year ended **June 30, 2021** and I report that:

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

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

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



**Faisal Ahmed Topra**  
Chairman

Karachi: September 25, 2021



**FIRST CREDIT AND INVESTMENT BANK LTD.**

## DIRECTORS' REPORT

On behalf of the Board of Directors, we are pleased to present 32nd Annual Report of the **First Credit & Investment Bank Limited** (FCIBL) alongwith the audited financial statements and Auditors' Report, for the year ended June 30, 2021.

### Economic Review

Despite myriad of challenges, Pakistan's economy is moving positively on the basis of various measures adopted during the year. Pakistan's economy was recovering from macroeconomic imbalances however, COVID-19 slowed down the pace. The advent of 2nd and 3rd wave developed more challenges which were met by the timely prudent rapid vaccination alongwith smart lockdowns. Monetary and Physical measures such as financial relief to the down to earth households in the form of income support and tax cuts eased to some extent the damage caused by lockdown. National Command and Operating Centre (NCOC) a single organization was created to take key decisions in collaboration with the provinces. Hence, number of daily COVID-19 cases has presently witnessed declining trend.

Due to timely prudent decisions by the government, economy has witnessed a V - shaped recovery. Current account posted a surplus of \$ 0.8 billion, during July-April, FY2021 for the first time in 17 years. Manufacturing sector has witnessed broad-based growth as major sectors of LSM have shown significant improvement. Inflows of foreign exchange through the Roshan Digital Account (RDA) crossed the \$1 billion mark. During July-April FY2021, workers' remittances posted historically high growth of 29 percent and reached \$ 24.2 billion. GDP growth was estimated to be around 3.94% which is not only substantially higher than the previous two years (-0.47 and 2.08 percent in FY2020 and FY2019 respectively) but also surpassed the target of 2.1% for FY2021. Foreign Direct Investment posted a negative growth and fell by 35% to US\$ 1.40 billion during the first nine months of the fiscal year 2021 as compared to US\$ 2.15 billion in the same period last year. The fiscal deficit was contained at 3.5% of GDP during July-March FY2021 against 4.1% of GDP in the same period of last year. Keeping in view the significant performance, potential of exports and e-commerce, Pakistan has been added into the Amazon's seller list.

During FY2021, SBP has continued to follow accommodative monetary policy stance with 7.0 percent policy rate which has supported the economic recovery while keeping inflation expectations under control and safeguarding financial stability. Besides sharply lowering the borrowing cost, SBP introduced a host of measures aimed at supporting the businesses and households during the challenging time. These measures, along with a fiscal stimulus package especially for revival of construction, led to a quick turnaround in economic activity in the country during FY2021.

During the year under review, KSE 100 index witnessed significant growth of 37.57% and closed at 47,356 points. On 27th May 2021, PSX witnessed an all-time high daily trading volume with 2.21 billion shares traded in a single session. Due to its impressive growth, Pakistan Stock Exchange earned the title of being the best Asian stock market and fourth best-performing market across the world in 2020.

### Financial Results

Financial results of FCIBL for 2020-21 are summarized below, comparative data for 2019-20 has also been provided:

	(Rupees in ,000)	
	2020-21	2019-20
Total revenue	145,036	154,762
Operating profit	17,006	35,332
Profit before taxation	28,846	37,810
Profit after taxation	20,535	28,703
Shareholders' equity	764,708	745,027
Deficit on revaluation of investments	(14,757)	(6,237)
Shareholders' equity-net	749,951	738,790
Total assets	2,272,038	1,667,186
Earning per share-basic and diluted (Rs.)	0.32	0.44



## **Review of Operations**

Amid COVID-19 challenges which remained persistent in almost the FY21, FCIBL has managed to maintain its profitability and posted 36% enhancement in its footings. This was achieved in spite of unfavorable conditions for the NBFC sector particularly for investment banks due to liquidity crunch. During the FY21, the total income earned by FCIBL was Rs. 145.0 million compared to Rs.154.8 million earned in FY20. FCIBL reported Operating Profit of Rs.17.0 million for FY21 against Rs. 35.3 million reported for FY20. Further, after taking effect of provision made and reversal / recovery against already provided classified portfolio FCIBL reported Profit before Tax of Rs.28.8 million for the financial year ended June 30, 2021 from Rs. 37.8 million reported for the previous year. Similarly, FCIBL has registered Profit after Tax for the year ended June 30, 2021 of Rs.20.5 million from Rs.28.7 million reported for the last year.

On the Balance Sheet side, the shareholders' equity net of deficit on re-measurement of investments increased to Rs.749.9 million as of June 30, 2021 from Rs.738.8 million as of June 30, 2020. Total assets of FCIBL increased to Rs.2,272.0 million as of June 30, 2021 from Rs.1,667.2 million as at June 30 2020.

## **Covid-19 effects and measures**

FCIBL continued to operate under the challenge of the COVID-19 Pandemic. The Management of FCIBL has been able to maintain strict SOPs for combating the COVID-19 pandemic to keep the team and the workplace safe under these challenging circumstances. We will continue to adopt these measures till the Pandemic is fully eradicated.

## **Changes since Balance Sheet Date**

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

## **Dividend**

Dividend policy of the FCIBL in the past has been a mix of offering attractive cash dividends, bonus shares to the shareholders. In order to have adequate funds available to meet its investment and expansion plans, the Directors do not recommend any dividend for the year ended June 30, 2021

## **Credit Rating**

JCR-VIS Credit Rating Company Limited vide its report dated December 31, 2020 maintained the medium to long-term entity rating of FCIBL at 'A-' (Single A Minus) and Short-term rating at 'A-2' (A-Two). The outlook of the rating is 'Stable'.

## **Environmental and Corporate Social Responsibility**

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

## **Risk Assessment Framework**

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





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### Staff Retirement Benefit Schemes

Value of the investment of Employees' Provident Fund and Gratuity Fund as at June 30, 2021 were Rs.18,747,759/- and Rs.7,301,743/-, respectively.

### Board of Directors

The composition of the Board as of June 30, 2021 is as follows:

#### Total number of Directors:

- (a) Male: 7 (including the appointed CEO)
- (b) Female: 1

#### Composition:

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

\* The Executive Director is the President and CEO whose appointment is on contract basis. During the year, three casual vacancies occurred on the Board which were filled in within the stipulated time.

During the year, four (4) Board meetings were held, in which Directors' attendance was as follows:

Name of Directors	Number of meetings eligible to attend	Number of meetings attended
Mr. Asad Ullah Saleem	4	4
Mr. Faisal Ahmed Topra	0	0
Mr. Naveed Asghar Chaudhry	4	4
Syed Irfan Husnain Rizvi	4	4
Mr. Muhammad Naeemuddin	4	4
Mr. Jamal Nasim	0	0
Ms. Nina Afridi	4	4
Mr. Muhammad Mohsin Ali	4	4

### Audit Committee and Internal Controls

Audit Committee of the Board comprises of three (3) Non-Executive Directors majority of which are independent directors including the Chairman of the Committee. Terms of reference of the Audit Committee have been formulated by the Board in accordance with the Listed Companies (Code of Corporate Governance) Regulations 2019. During the year four (4) meetings of Audit Committee were held, in which Directors' attendance was as follows:

Name of Directors	No. of meetings eligible to attend	No. of meetings attended
Mr. Muhammad Naeemuddin	4	4
Syed Irfan Husnain Rizvi	4	4
Ms. Nina Afridi	4	4



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### HR and Remuneration Committee

Board constituted its HR and Remuneration Committee to assist the Directors in discharging their responsibilities with regard to selection, evaluation and succession planning of key management personnel / Board. The Committee consists of four (4) members. Majority of members are Non-Executive Directors and the Chairman of the Committee is an Independent Director. During the year two (2) meetings of HR and Remuneration Committee were held, in which Directors' attendance was as follows:

Name of Directors	No. of meetings eligible to attend	No. of meetings attended
Mr. Muhammad Naeemuddin	2	2
Mr. Naveed Asghar Chaudhry	2	2
Mr. Asad Ullah Saleem	2	2
Mr. Muhammad Mohsin Ali	2	2

### Risk Management Committee

Board constituted its Risk Management Committee to assist the Directors in discharging their responsibilities including risk identification and its mitigation/management measures in respect of company's business activities. The Committee consists of four (4) members majority of which are Non-Executive Directors and the Chairman of the Committee is an Independent Director. During the year one (1) meeting of Risk Management Committee was held, in which Directors' attendance was as follows:

Name of Directors	No. of meetings eligible to attend	No. of meetings attended
Mr. Asad Ullah Saleem	1	1
Mr. Naveed Asghar Chaudhry	1	1
Mr. Muhammad Naeemuddin	1	1
Mr. Muhammad Mohsin Ali	1	1

### Director's Remuneration Policy

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

### Related Party Transactions

In order to comply with the requirements of the Listed Companies (Code of Corporate Governance) Regulations 2019 and other applicable enactments, the Company has presented all related party transactions before the Audit Committee and Board for their review and approval. These transactions have been approved by the Audit Committee and thereafter by the Board in their respective meetings. All Related Party Transactions carried out by the Company during the year were at arm's length. The details of all related party transactions have been provided under Note 44 of the annexed audited financial statements.



## **Training Programs**

FCIBL meets necessary requirement of Directors Training as stipulated in the Listed Companies (Code of Corporate Governance) Regulations 2019 as more than 80% of the Directors on the Board of FCIBL are in compliance of requirements under Directors Training Program (DTP) as stipulated in CCG. The directors have also been provided with copies of Rule Book (Listing Regulations) of the Pakistan Stock Exchange, NBFC Rules 2003, NBFC & NE Regulations 2008 and Memorandum and Articles of Association and they are well conversant with their duties and responsibilities.

## **Auditors**

The present auditors M/s. Crowe Hussain Chaudhury & Co, Chartered Accountants, was to retire as being eligible offer themselves for re-appointment. As required under the Code of Corporate Governance the Audit Committee has recommended the appointment of M/s. Crowe Hussain Chaudhury & Co, Chartered Accountants, as auditors for the year ending June 30, 2022.

## **Pattern of Shareholdings**

The Pattern of Shareholding including Categories of Shareholders of FCIBL as on June 30, 2021 is annexed at the end of the annual report. During the year, no trade in shares of FCIBL was carried out by the Directors, CEO, CFO, Company Secretary and their spouses and minor children, except as those reported in pattern of shareholding.

## **Future Outlook & Strategy**

We are focusing on expansion of our existing core business as well as diversification into new businesses as permitted under the NBF regulatory framework. Our vertical as well horizontal expansion strategy will increase revenue streams, which hopefully will be forthcoming with improvement in economic and business conditions of the country. Your Company will continue to improve its assets quality, infrastructure, build capacity through training of existing personnel and engaging professionals to diversify products and services, updating policies and procedures to meet the requirements of the new challenges and opportunities.

## **Acknowledgement**

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

**MUHAMMAD MOHSIN ALI**  
Chief Executive Officer

**MUHAMMAD NAEEMUDDIN**  
Director

Karachi  
September 25, 2021



## **Independent Auditor's Review Report**

### **To the Members of First Credit and Investment Bank Limited**

#### **Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the 'Regulations') prepared by Board of Directors of **First Credit and Investment Bank Limited** (the 'Investment Bank'), for the year ended June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of Investment Bank. Our responsibility is to review whether the Statement of Compliance reflects the status of the Investment Bank's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Investment Bank's personnel and review of various documents prepared by the Investment Bank to comply with the Regulations.

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

The Regulations require the Investment Bank to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Investment Bank's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Investment Bank's compliance for and on behalf of the Investment Bank, in all material respects, with the requirements contained in the Regulations as applicable to the Investment Bank for the year ended June 30, 2021.

*Crowe Hussain Chaudhury*

**Crowe Hussain Chaudhury & Co.**

Chartered Accountants

Karachi.

Dated: September 25, 2021



**FIRST CREDIT AND INVESTMENT BANK LTD.**

## **STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

**First Credit and Investment Bank Limited**  
**Year ended June 30, 2021**

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

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

a.	Male	Seven (7)
b.	Female	One (1)

2. The composition of Board is as follows:

i)	Independent Directors	2
ii)	Other Non-Executive Directors	4
iii)	Executive Directors*	1
iv)	Female Director - Independent	1

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

3. The directors have confirmed that none of them is serving as a director on more than Seven listed companies, including this company.
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of significant policies along with their dates of approval is maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
8. The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. More than 80% of the Board is compliant with the requirement of Directors Training Program.
10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the Board.



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

**a) Audit Committee**

Mr. Muhammad Naeemuddin	Chairman
Syed Irfan Husnain Rizvi	Member
Mrs. Nina Afridi	Member

**b) HR and Remuneration Committee**

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

**c) Risk Management Committee**

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

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

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

a) Audit Committee	4 Meetings were held during FY 2020-21
b) HR and Remuneration Committee	2 Meetings were held during FY 2020-21
d) Risk Management Committee	1 Meetings were held during FY 2020-21

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

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company;

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

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with.



**MUHAMMAD MOHSIN ALI**  
Chief Executive Officer



**MUHAMMAD NAEEMUDDIN**  
Director

Karachi  
Dated : 25 September 2021



**FIRST CREDIT AND INVESTMENT BANK LTD.**

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

**REPORT ON THE AUDIT OF FINANCIAL STATEMENT**

**Opinion**

We have audited the annexed financial statements of the **First Credit and Investment Bank Limited (the Investment Bank)**, which comprise the statement of financial position as at June 30, 2021 and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss statement and the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Investment Bank's affairs as at June 30, 2021 and of its profit and other comprehensive income, the changes in equity and its cash flows for the year then ended.

**Basis for Opinion**

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

**Key Audit Matter**

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



## ANNUAL REPORT 2021

Following are the Key audit matters:

S.No	Key Audit Matter	How the matter was addressed in our audit
01	<p><b>Provision for non-performing finances</b></p> <p>Refer note 5.6 and 9.2 to the annexed financial statements</p> <p>The assessment of provision of non-performing finances provided to customer involves significant judgement and use of management assumptions both subjectively and objectively. The identification of the provision and the determination of the recoverable amount involve various assumptions and factors including the financial conditions of the counter party, timing and amount of expected future cash flows including the forced sale value (FSV) benefits on the securities pledged.</p> <p>The Investment Banks records provision objectively based on schedule X of Non-Banking Finance Companies and Notified Entities Regulations, 2008 (NBFC Regulations) in addition to the requirement of IFRS 9 and subjectively based on adequacy of security inclusive of realizable value, financial positions and credit worthiness of the customers and other evidences of impairment.</p> <p>We consider this matter as a key audit matter due to significance of provision balance and estimation involved.</p>	<p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> <li>- We evaluated and tested the overall design, implementation and effectiveness of key controls related to the credit approval process, post approval credit management, loan grading system, collateral monitoring and loan impairment assessment.</li> <li>- We checked the customers' repayment behavior and evaluated the Investment Bank's loan classification taking into consideration the credit committee reports, customers' financial information collateral valuation report and other available information.</li> <li>- We assess the adequacy of the provision for loan losses by testing the key assumptions and calculations as required by NBFC Regulations, 2008 in addition to requirements of IFRS 9 and management's assumptions.</li> <li>- Furthermore, we also assessed the adequacy of the respective disclosures relating to loan and finances stated in the financial statements.</li> </ul>
02	<p><b>Valuation of investment</b></p> <p><b>Refer note 9 and 14 to the annexed financial statements</b></p> <p>As at June 30, 2021, the investment bank has investments classified as 'At amortized cost' and 'At fair value through other comprehensive income' and "At fair value through profit or loss' amounting to Rs 1,515.44 million which in aggregate represent 67% of the total assets of the investment bank.</p> <p>Investments are carried at cost or fair value in accordance with the investment banks accounting policy relating to their recognition. Provision against investments is based on impairment policy of the Investment Bank which includes both objective and subjective factors.</p> <p>We identified the valuation of investments including determination of impairment allowance on investments as a key audit matter because their significance in relation to the total assets to the bank and judgement involved in assessing impairment allowance.</p>	<p>Our audit procedures include the following:</p> <ul style="list-style-type: none"> <li>- Assessing the design and tested the operating effectiveness of the relevant controls in place relating to valuation of investments.</li> <li>- checking on a sample basis, the valuation of investments to support documents, externally quoted market prices and break-up values, and</li> <li>- evaluating the management's assessment of investments for any additional impairment in accordance with the Investment Bank's accounting policies and performed in independent assessment of the assumptions.</li> <li>- obtained independent confirmations for verifying the existence of the investment portfolio as at June 30, 2021 and reconciled it with the books and record of the investment bank.</li> </ul>



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

The management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

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

## **Responsibilities of Management and Board of Directors for the Financial Statements**

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

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

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

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Investment Bank's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Investment Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Investment Bank's to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

### **Report on Other Legal and Regulatory Requirements**

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

- a) proper books of account have been kept by the Investment Bank as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Investment Bank's business; and
- d) zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Investment Bank and deposited in the Central Zakat Fund established under section 7 of that Ordinance.

The engagement partner on the audit resulting in this independent auditor's report is Imran Shaikh.

*Arumi Hussain Che*

**Crowe Hussain Chaudhury & Co.**

Chartered Accountants

Karachi

Date: September 25, 2021



**FIRST CREDIT AND INVESTMENT BANK LTD.**

# ANNUAL REPORT 2021


## STATEMENT OF FINANCIAL POSITION

	Note	2021 Rupees	2020 Rupees
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	6	17,429,948	23,098,249
Intangible assets	7	-	-
Long-term investments	8	365,964,739	756,452,079
Long-term loans and finances	9	273,150,714	483,368,698
Net investment in finance lease	10	-	567,487
Long-term deposits	11	57,500	57,500
Deferred tax asset	12	69,249,846	69,969,650
<b>Total non-current assets</b>		<b>725,852,747</b>	<b>1,333,513,663</b>
<b>Current assets</b>			
Current portion of non-current assets	13	194,215,555	82,195,933
Short-term investments	14	1,149,472,390	107,304,365
Short-term placements	15	-	40,000,000
Markup/interest accrued	16	42,647,462	68,500,445
Prepayments and other receivables	17	4,981,560	1,651,591
Taxation-net		15,917,244	6,413,550
Cash and bank balances	18	138,951,392	27,606,009
<b>Total current assets</b>		<b>1,546,185,603</b>	<b>333,671,893</b>
 <b>Total assets</b>		 <b><u>2,272,038,350</u></b>	 <b><u>1,667,185,556</u></b>

The annexed notes from 1 to 47 form an integral part of these financial statements



**MUHAMMAD KAMRAN**  
Chief Financial Officer



**MUHAMMAD MOHSIN ALI**  
President & CEO



**MUHAMMAD NAEEMUDDIN**  
Director



**FIRST CREDIT AND INVESTMENT BANK LTD.**

## ANNUAL REPORT 2021

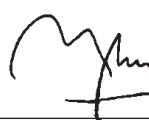
### AS AT JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
<b>Authorized share capital</b>	19	<u>750,000,000</u>	<u>750,000,000</u>
Issued, subscribed and paid-up share capital	20	650,000,000	650,000,000
Accumulated profit		114,707,652	95,027,077
Deficit on remeasurement of investments - net	21	(14,756,757)	(6,236,650)
<b>Total shareholders' equity</b>		<b>749,950,895</b>	<b>738,790,427</b>
<b>Non-current liabilities</b>			
Deferred liability - Staff gratuity	22	6,134,957	4,213,027
Lease liability	23	8,766,345	8,637,094
Long-term loan	24	-	62,500,000
Security deposit against finance lease	25	418,600	418,600
<b>Total non-current liabilities</b>		<b>15,319,902</b>	<b>75,768,721</b>
<b>Current liabilities</b>			
Current portion of long-term loan	24	78,125,000	31,250,000
Current portion of lease liability	23	4,941,627	3,826,380
Short-term running finance facility	26	49,992,033	82,238,480
Short-term repo borrowing	27	350,000,000	650,000,000
Un-paid dividend		7,348,477	7,350,852
Markup / interest accrued	28	5,458,268	9,299,007
Accrued expenses and other payables	29	1,010,902,148	68,661,689
<b>Total current liabilities</b>		<b>1,506,767,553</b>	<b>852,626,408</b>
<b>Total liabilities</b>		<b>1,522,087,455</b>	<b>928,395,129</b>
<b>Contingencies and commitments</b>	30	-	-
<b>Total equity and liabilities</b>		<b><u>2,272,038,350</u></b>	<b><u>1,667,185,556</u></b>

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**FIRST CREDIT AND INVESTMENT BANK LTD.**

## ANNUAL REPORT 2021

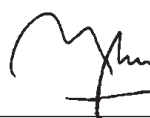
### STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
Income from term finances and funds placements	31	60,942,704	113,907,816
Income from investments	32	74,650,786	47,267,955
Unrealized gain/ (loss) in investemnt classified as fair value through profit or loss		5,475,226	(7,396,091)
Fees and commission income	33	3,305,465	326,958
Other income	34	662,003	655,961
		<u>145,036,184</u>	<u>154,762,599</u>
Finance costs	35	(65,125,082)	(57,771,364)
Administrative and operating expenses	36	(62,904,634)	(61,659,070)
<b>Operating income before provisions</b>		<b>17,006,468</b>	<b>35,332,165</b>
<b>Reversal / (Provsion)</b>			
Provision against accrued mark-up		3,720	-
Reversal/(Provsions) of diminution in value of long-term investments	8.7	12,424,347	3,400,000
<b>Profit before taxation and workers' welfare fund</b>		<b>29,434,535</b>	<b>38,732,165</b>
Workers' welfare fund		(588,691)	(922,565)
<b>Profit before taxation</b>		<b>28,845,844</b>	<b>37,809,600</b>
Taxation	37	(8,310,883)	(9,106,161)
<b>Profit after taxation</b>		<b>20,534,961</b>	<b>28,703,439</b>
Earning per share - basic and diluted	38	0.32	0.44


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**FIRST CREDIT AND INVESTMENT BANK LTD.**

## ANNUAL REPORT 2021

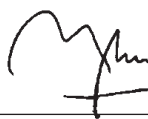
### STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
Profit after taxation		20,534,961	28,703,439
<b>Other comprehensive income :</b>			
<b>Items that will not be subsequently reclassified to statement of profit or loss- net of tax:</b>			
Unrealized (loss)/gain on re-measurement of fair value through other comprehensive income investments		(8,520,107)	18,001,099
Remeasurement of net defined benefit liability	22.7	(394,959)	96,411
Other comprehensive (loss) / income		(8,915,066)	18,097,510
<b>Total comprehensive income for the year</b>		<b>11,619,895</b>	<b>46,800,949</b>

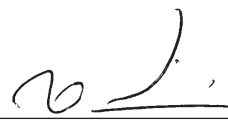
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**FIRST CREDIT AND INVESTMENT BANK LTD.**

## ANNUAL REPORT 2021

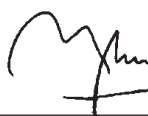
### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2021

	Issued, subscribed and paid-up share capital	Reserve		Total	Deficit on remeasurement of investment classified as fair value through other comprehensive income	Total shareholder's equity
		Capital Statutory Reserve	Revenue Accumulated profit			
<b>Note</b>	..... (Rupees) .....					
Balance as at July 01, 2019	650,000,000	-	92,830,246	92,830,246	(24,237,749)	718,592,497
Profit after tax	-	-	28,703,439	28,703,439	-	28,703,439
Transfer from OCI on account of disposal	-	-	(7,103,019)	(7,103,019)	-	-
Other comprehensive income	-	-	96,411	96,411	18,001,099	18,097,510
	-	-	21,696,831	21,696,831	18,001,099	39,697,930
Final dividend for the year June 30, 2019	-	-	(19,500,000)	(19,500,000)	-	(19,500,000)
Balance as at June 30, 2020	650,000,000	-	95,027,077	95,027,077	(6,236,650)	738,790,427
Balance as at July 01, 2020	650,000,000	-	95,027,077	95,027,077	(6,236,650)	738,790,427
Profit after tax	-	-	20,534,961	20,534,961	-	20,534,961
Transfer from OCI on account of disposal	-	-	(459,427)	(459,427)	-	(459,427)
Other comprehensive income	-	-	(394,959)	(394,959)	(8,520,107)	(8,915,066)
	-	-	19,680,575	19,680,575	(8,520,107)	11,160,468
Balance as at June 30, 2021	650,000,000	-	114,707,652	114,707,652	(14,756,757)	749,950,895

The annexed notes from 1 to 47 form an integral part of these financial statements



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## ANNUAL REPORT 2021

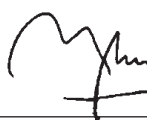
### STATEMENT OF CASH FLOWS FOR THE YEAR ENDED JUNE 30, 2021

	Note	2021 Rupees	2020 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		28,845,844	37,809,600
<b>Adjustments for:</b>			
Depreciation	6	7,619,479	2,058,998
Gain on disposal of property and equipment		(197,821)	(32,628)
Gratuity expense	22.6	1,365,650	1,266,640
Dividend income	32	(2,417,045)	(1,821,264)
Finance cost	35	64,261,982	57,771,364
Provision for non-performing investments	8.7	(12,424,347)	(3,400,000)
Reversal of provision for accrued markup		(3,720)	-
		<u>58,204,178</u>	<u>55,843,110</u>
Operating cash flows before working capital changes		87,050,022	93,652,710
<b>(Increase) / decrease in current assets</b>			
Prepayments and other receivables	17	(3,329,969)	(739,978)
Markup/interest accrued	16	25,852,983	(7,431,967)
		<u>22,523,014</u>	<u>(8,171,945)</u>
<b>Increase / (decrease) in current liabilities</b>			
Accrued expenses and other payables	29	942,240,459	39,090,531
Security deposit against finance lease	25	-	(333,400)
		<u>942,240,459</u>	<u>38,757,131</u>
Cash generated from operations		<u>1,051,813,495</u>	<u>124,237,896</u>
Income tax paid		(16,933,452)	1,613,220
Dividend income received		2,417,045	1,821,264
Markup on finance cost paid		(68,965,821)	(65,172,198)
		<u>(83,482,228)</u>	<u>(61,737,714)</u>
Net cash generated from operating activities		<u>968,331,267</u>	<u>62,500,182</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of property and equipment	6	(789,586)	(8,193,812)
Proceed from disposal of property and equipment		280,727	32,628
Long-term investments - net		(647,369,052)	(726,803,847)
Net investment in finance lease		567,487	1,038,498
Long-term finances-net		98,198,362	85,533,118
		<u>(549,112,062)</u>	<u>(648,393,415)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long-term loans repaid		(15,625,000)	(46,875,000)
Cash dividend paid		(2,375)	(12,149,148)
Net cash used in financing activities		<u>(15,627,375)</u>	<u>(59,024,148)</u>
Net increase in cash and cash equivalents		<u>403,591,830</u>	<u>(644,917,381)</u>
<b>Cash and cash equivalents at the beginning</b>		<u>(664,632,471)</u>	<u>(19,715,090)</u>
<b>Cash and cash equivalents at the end</b>	39	<u>(261,040,641)</u>	<u>(664,632,471)</u>

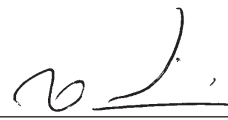
The annexed notes from 1 to 47 form an integral part of these financial statements



**MUHAMMAD KAMRAN**  
Chief Financial Officer



**MUHAMMAD MOHSIN ALI**  
President & CEO



**MUHAMMAD NAEEMUDDIN**  
Director



**FIRST CREDIT AND INVESTMENT BANK LTD.**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2021**

### **1 LEGAL STATUS AND OPERATIONS**

- 1.1** First Credit and Investment Bank Limited ("the Investment Bank") was incorporated in Pakistan on August 31, 1989 as a private company with its liability limited by shares under the name of 'First Credit and Discount Corporation (Private) Limited', converted in to a public company. Subsequently, the name of the Investment Bank was changed to First Credit and Investment Bank Limited. During the year ended June 30, 2009, the Investment Bank was listed on the Karachi Stock Exchange (now Pakistan Stock Exchange) Limited by way of issue of shares to general public. The registered office of the Investment Bank is situated at 2nd floor, Sidco Avenue Centre, Stratchen Road, R.A. Lines, Karachi, Pakistan. The Investment Bank is an associated undertaking of Water and Power Development Authority (WAPDA) and National Bank of Pakistan (NBP) which each holds 30.77% shareholding in the Investment Bank.
- 1.2** The Investment Bank is licensed to undertake business of investment finance services as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 ("the NBFC Rules") issued by the Securities and Exchange Commission of Pakistan (SECP). The Investment Bank is holding the status of Non Deposit Taking with effect from July 01, 2018.

The JCR-VIS has assigned the Investment Bank a credit rating of 'A-' long & medium term and 'A-2' short term on December 31, 2020. The outlook of the rating is stable.

### **2 BASIS OF PREPARATION**

#### **2.1 Statement of compliance**

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

#### **2.2 Basis of measurement**

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

#### **2.3 Functional and presentation currency**

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



## 2.4 Use of estimates and judgments

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

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

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

- (a) - Current and deferred taxation (Note 5.9 and 12.1)
- (b) - Impairment (Note 5.2.3)
- (c) - Provisions, commitment and contingent liabilities (Note 5.11 and 30)
- (d) - Staff retirement benefits (Note 5.10)
- (e) - Depreciation and amortization on fixed and intangible assets (Note 5.1)

## 3 SUMMARY OF SIGNIFICANT TRANSACTIONS AND EVENTS DURING THE YEAR

A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on 11 March 2020, impacting countries globally including Pakistan. Government of Pakistan has taken certain measures to reduce the spread of the COVID-19 including lockdown of businesses, suspension of flight operations, intercity movements, cancellation of major events etc. These measures have resulted in an overall economic slowdown, disruptions to various businesses and significant volatility in the Pakistan Stock Exchange (PSX). However, currently, the potential impacts from COVID-19 remain uncertain, including, among other things, on economic conditions, businesses and consumers. The extent of these impacts on the Company are unclear. The Company is conducting business with some modifications to employee working and cancellation of certain events, among other modifications while following all necessary Standard Operating Procedures (SOPs). The Company will continue to actively monitor the situation and may take further actions that alter its business operations as may be required by federal, provincial or local authorities or that are in the best interests of our employees, customers, partners, suppliers and stockholders. However, the management based on its assessment considered that there would be no significant impact that will adversely affect its businesses, results of operations and financial condition in future period.

## 4 NEW AND AMENDED STANDARDS AND INTERPRETATIONS

### 4.1 Standards, amendments to approved accounting standards effective in current year

New and amended standards and interpretations mandatory for the first time for the financial year beginning July 1, 2020:

	<b>Effective date</b>
<b>IAS 1 &amp; 8 Definition of material</b>	January 1, 2021

Amendments to IAS 1, 'Presentation of Financial Statements' and IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' are intended to make the definition of material in IAS 1 easier to understand and are intended to alter the underlying concept of materiality in IFRS. In preparing their general purpose financial statements in accordance with IFRS. Refined definition of expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.



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The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on July 1, 2020 are considered not to be relevant or to have any significant effect on the Investment Bank's financial reporting and operations.

#### **4.2 Standards, amendments to approved accounting standards and interpretations that are not yet effective and have not been early adopted by the Investment Bank**

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

<b>Standard or Interpretation</b>	<b>Effective Date (Annual periods beginning on or after)</b>
IAS 16 'Proceed Before Intended Use'.	January 1, 2022
IAS 37 Onerous contracts	January 1, 2022

There are number of other standards, amendments and interpretations to the approved accounting standards that are not yet effective and are also not relevant to the Investment Bank and therefore, have not been presented here.

### **5 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **5.1 Fixed assets**

##### **Property and equipment**

These are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is charged to statement of profit or loss using the straight line method whereby the depreciable cost of an asset is written-off over its estimated useful life at straight line rates specified in note 6 to the financial statements. In respect of additions and disposals during the year, depreciation is charged from the month of acquisition and up to the month preceding the disposal, respectively.

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

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

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

##### **Intangible assets**

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



## 5.2 IFRS 9 - Financial Instruments

### 5.2.1 Financial assets

#### 5.2.1.1 Classification

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

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

The financial assets are categorized as follows:

#### **Financial asset at amortized cost**

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

#### **Financial asset at fair value through Other Comprehensive Income**

##### **Debt investment**

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

##### **Equity investment**

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

#### **Financial asset at fair value through profit or loss**

##### **Debt investment**

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

##### **Equity investment**

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

#### 5.2.1.2 Trade date accounting

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



## 5.2.1.3 Initial recognition and measurement

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

## 5.2.1.4 Subsequent measurement

### Financial asset at amortized cost

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

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

### Financial asset at fair value through other comprehensive income

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

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

### Financial asset at fair value through profit or loss

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

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

## 5.2.1.5 Derecognition

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

## 5.2.2 Financial liability

### 5.2.2.1 Classification

#### Financial liability at amortized cost

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

#### Financial liability at fair value through profit or loss

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



## 5.2.2.2 Initial recognition and measurement

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

## 5.2.2.3 Subsequent measurement

### Financial liability at amortized cost

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

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

### Financial liability at fair value through profit or loss

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

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

## 5.2.2.4 Derecognition

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

## 5.2.3 Impairment

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

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

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

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



### **5.3 Derivatives instruments**

Derivative instruments are stated at fair value at the reporting date. The fair value of derivatives is equivalent to the unrealized gain or loss from marking the derivatives to market using prevailing market rates at the reporting date. Derivatives with positive market values (unrealized gains) are included in other assets and derivatives with negative market values (unrealized losses) are included in other liabilities. The corresponding gains and losses are included in the statement of profit or loss.

### **5.4 Securities under repurchase and reverse repurchase agreements**

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

#### **Re-purchase agreements**

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

#### **Reverse repurchase agreements**

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

### **5.5 Margin Trading System (MTS) transactions**

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

### **5.6 Term finance / credit facilities / loans**

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

### **5.7 Net investment in finance lease**

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

### **5.8 Cash and cash equivalents**

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



### **5.9 Taxation**

#### **Current**

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

#### **Deferred**

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

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

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

### **5.10 Staff retirement benefits**

#### **5.10.1 Defined benefit plan**

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

#### **5.10.2 Defined contribution plan**

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

### **5.11 Provisions, contingent assets and contingent liabilities**

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



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

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

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

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

### **5.12 Accrued and other liabilities**

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

### **5.13 Proposed dividend and transfer between reserves**

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

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

### **5.14 Finance cost**

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

### **5.15 Revenue recognition**

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

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

- b) Return on government securities and term finance certificates represents interest income earned which are recognized at rate of return implicit in the instrument on a time proportionate basis.



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

### 5.16 Earnings per share (EPS)

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

### 5.17 Financial instruments

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

### 5.18 Offsetting of financial assets and financial liabilities

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

### 5.19 Related party transactions

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

	Note	2021 Rupees	2020 Rupees
<b>6 PROPERTY AND EQUIPMENT</b>			
Operating fixed assets	6.1	<b>8,302,899</b>	10,634,775
Right of use assets	6.2	<b>9,127,049</b>	12,463,474
		<b>17,429,948</b>	<b>23,098,249</b>



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### 6.1

	Furniture & Fittings	Office equipment	Computers	Air Conditioners	Vehicles	Leasehold Improvements	Total
.....(Rupees).....							
<b>Year ended June 30, 2020</b>							
Opening net book value	-	162,190	444,491	169,162	3,724,118	-	4,499,961
Additions during the year	-	17,000	759,397	-	7,417,415	-	8,193,812
Disposals							
Cost	-	41,865	236,275	-	-	-	278,140
Accumulated depreciation	-	(41,865)	(236,275)	-	-	-	(278,140)
Depreciation for the year	-	(63,638)	(280,469)	(53,782)	(1,661,109)	-	(2,058,998)
Closing net book value	-	115,552	923,419	115,380	9,480,424	-	10,634,775
<b>As at June 30, 2020</b>							
Cost	1,141,088	2,033,097	4,762,889	1,536,662	16,139,577	6,200,000	31,813,313
Accumulated depreciation	(1,141,088)	(1,917,545)	(3,839,470)	(1,421,282)	(6,659,153)	(6,200,000)	(21,178,538)
Net book value	-	115,552	923,419	115,380	9,480,424	-	10,634,775
<b>Year ended June 30, 2021</b>							
Opening net book value	-	115,552	923,419	115,380	9,480,424	-	10,634,775
Additions during the year	-	157,746	577,840	54,000	-	-	789,586
Disposals							
Cost	-	-	106,590	-	1,851,137	-	1,957,727
Accumulated depreciation	-	-	(23,684)	-	(1,851,137)	-	(1,874,821)
Depreciation for the year	-	(39,114)	(429,314)	(49,393)	(2,520,735)	-	(3,038,556)
Closing net book value	-	234,184	1,154,851	119,987	6,959,689	-	8,302,899
<b>As at June 30, 2021</b>							
Cost	1,141,088	2,190,843	5,234,139	1,590,662	14,288,440	6,200,000	30,645,172
Accumulated depreciation	(1,141,088)	(1,956,659)	(4,245,100)	(1,470,675)	(7,328,751)	(6,200,000)	(22,342,273)
Net book value	-	234,184	989,039	119,987	6,959,689	-	8,302,899
Annual rates of depreciation	15%	20%	33%	15%	20%	20%	

6.2 This represents the Company's right to use the office premises 2nd floor, Sidco Avenue Centre, Stratchen Road, R.A. Lines, Karachi obtained under lease agreement. The principal terms and conditions of these lease arrangements are as follows.:

Lessor Name	National Bank of Pakistan
Lease agreement date	30-Jun-20
Lease commencement date	30-Jun-20
Initial lease term	3 years
No. of years for which the lease extension option is available	Indefinite

6.2.1 The lease term used in the measurement of the right-of-use asset and the related lease liability has been restricted to the aforementioned initial lease term since the Company, after giving due consideration to the factors that might create an economic incentive for the Company to extend the leases, has concluded that, at the lease commencement date, it was not reasonably certain to exercise the said extension options.

\* Fixed asset amounting to Rs. 15,858,958 has been fully depreciated.



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7 INTANGIBLE ASSETS	Note	2021 Rupees	2020 Rupees
<b>-Software</b>			
Opening net book value		-	-
Additions during the year		-	-
Amortization for the year		-	-
Closing net book value		<u>-</u>	<u>-</u>
<b>As at June 30</b>			
Cost		<b>2,303,930</b>	2,303,930
Accumulated amortization		<b>(2,303,930)</b>	(2,303,930)
Net book value		<u>-</u>	<u>-</u>
Annual rates of amortization		<b>33%</b>	33%

### 8 LONG-TERM INVESTMENTS

#### At amortised cost

- Term finance certificates/sukuk - listed	8.1	-	7,500,000
- Term finance certificates/sukuk - unlisted	8.2	<b>11,357,224</b>	11,357,224
		<b>11,357,224</b>	18,857,224

#### At fair value through other comprehensive income

- Pakistan Investment Bonds PIBs	8.3	<b>353,127,200</b>	628,416,012
- Quoted shares	8.4	<b>1,480,315</b>	1,132,817
- Term finance certificates - listed	8.5	-	-
		<b>354,607,515</b>	629,548,829

#### At fair value through profit or loss

- Pakistan Investment Bonds PIBs	8.6	-	108,046,026
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Total investments

<b>365,964,739</b>	<b>756,452,079</b>
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#### 8.1 Term finance certificates / sukuk - listed

Number of Certificates		Par Value	Investee	Note	Cost		
2021	2020				2021	2020	
Rupees							
<b>Commercial Bank</b>							
3,995	3,995	5,000	Summit Bank Limited	8.1.1	19,915,276	19,915,276	
Oil & Gas Marketing Company							
10,000	10,000	5,000	Hascol Petroleum Limited	8.1.2	<b>12,500,000</b>	17,500,000	
					<b>32,415,276</b>	37,415,276	
Less: Provision for the year					8.1.1	<b>(4,907,762)</b>	(9,957,638)
Less: Current maturity					9.1.3	<b>(27,507,514)</b>	(19,957,638)
					<u>-</u>	<u>7,500,000</u>	

8.1.1 This represents term finance certificates issued on October 27, 2011 for a period of seven years. Markup payment are made semi annually at the rate of 6 month KIBOR+3.25% (2020: 6 month KIBOR+3.25%). These are due to mature on October 27, 2020. The Investment Bank has provided allowance against such investments as required under the Non Banking Finance Companies Regulation and the applicable financial reporting framework.

8.1.2 This represents sukuk certificates issued on January 07, 2016 for a period of six years including one year grace period. Profit payment are due for payment on quarterly basis at the rate of 3 month KIBOR+1.5% per annum ( 2020: 3 month KIBOR+1.5% per annum). These are due to mature on January 07, 2022. These are secured against first exclusive Hypothecation charge on all present fixed assets at Shikarpur Depot, Machike Depot and 17 petrol pumps with 25% margin. The Investment Bank has classified the receivable as non-performing due to default in last two installments and the provision was considered taking into account the forced sale value of the security in accordance with requirements of NBFC and applicable financial reporting framework.



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**8.1.3** This includes current maturity related to Hascol Petroleum Limited and Summit Bank Limited amounting to Rupees 12.5 million and 15.007 million respectively.

### **8.2 Term finance certificates/sukuk - unlisted**

Number of Certificates		Par Value	Investee	Amortized cost	
2021	2020			2021	2020
				Rupees	
<b>8,000</b>	8,000	5,000	<b>Cable &amp; electrical goods</b> New Allied Electronics Industries (Private) Limited - sukuk (refer note 8.2.1)	<b>38,160,166</b>	38,160,166
<b>5,000</b>	5,000	5,000	<b>Textile Spinning</b> Amtex Limited - sukuk (refer note 8.2.2)	<b>18,750,001</b>	18,750,001
<b>28,000</b>	28,000	5,000	<b>Three Star Hosiery (Private) Limited - sukuk</b> (refer note 8.2.3)	<b>122,415,000</b>	129,500,000
<b>860</b>	860	5,000	<b>Textile Composite</b> Azgard Nine Limited - TFC (refer note 8.2.4)	<b>4,300,000</b>	4,300,000
<b>10,000</b>	10,000	5,000	<b>Miscellaneous</b> Eden Housing Limited - sukuk (refer note 8.2.5)	<b>6,560,000</b>	6,560,000
				<b>190,185,167</b>	197,270,167
			Less: Provision for non-performing investments	<b>(178,827,943)</b>	(185,912,943)
			Less: Current maturity (refer note 14)	<b>-</b>	-
				<b>11,357,224</b>	<b>11,357,224</b>

**8.2.1** This represents sukuk certificates issued on December 03, 2007 for a period of five years and markup rate of 3 month KIBOR + 2.20% with a floor of 7% and cap of 20% payable half yearly. These certificates are secured against bank guarantee of First Dawood Investment Bank Limited and ranking charge over present and future assets of the company. This has been classified as non performing investment by the Investment Bank under loss category and the Investment Bank has made provision of the entire amount.

**8.2.2** This represents sukuk certificates issued on October 12, 2007 for a period of five years and markup rate of 3 month KIBOR + 2% with a floor of 11% and cap of 25% payable quarterly. These certificates are secured against bank guarantee of Bank of Punjab. This has been classified as non performing investment by the Investment Bank under loss category and the Investment Bank has made entire amount provision after considering the amount received by registrar Lahore High Court in March 2011.

**8.2.3** This represents sukuk certificates issued on August 05, 2008 for a period of five years and markup rate of 3 month KIBOR + 3.25% with a floor of 11% and cap of 25%. These certificates are secured against bank guarantee of First Dawood Investment Bank and ranking charge over assets of the investee. This was due to mature on August 06, 2013. This has been classified as non performing investment by the Investment Bank under loss category and the Investment Bank has made entire amount provision. The Investment Bank has filed suit to recover the amount in Sindh High Court Karachi in year 2012.



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**8.2.4** This represents term finance certificates issued on March 01, 2014 at 'Zero' rate for a period of three years. These were issued under Master Restructuring Agreements dated December 01, 2010 and matured on March 31, 2017. This has been classified as non performing investment by the Investment Bank under loss category and the Investment Bank has made provision of entire amount.

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

**8.3** It represents investments in Pakistan Investment Bonds issued by GOP having stated maturity of 5 and 10 years.

**8.3.1** The above investments issued by the Government are held at fair value through other comprehensive income. The profile of return on these securities are as follows:

	2021	2020
	----- % per annum -----	
Yield rate on PIBs.	8.7-8.74	8.7-8.82
Markup on PIBs	9-9.5	9-9.5

### 8.4 Quoted shares

Number of Certificates		Par Value	Investee Company	Carrying value	Market Value	Carrying value	Market Value
2021	2020			2021		2020	
<b>Rupees</b>							
217,055	242,055	10	<b>AgriTech Limited</b> (refer note 8.4.1)	3,342,647	1,480,315	3,727,647	1,132,817
				3,342,647	1,480,315	3,727,647	1,132,817
			Less: Impairment against investments	-	-	-	-
				3,342,647	1,480,315	3,727,647	1,132,817
			Less: Deficit on remeasurement (refer note 8.8 & 21)	(1,862,332)	-	(2,594,830)	-
				1,480,315	1,480,315	1,132,817	1,132,817

**8.4.1** This represents 217,055 shares of AgriTech Limited acquired from Azgard Nine Limited as part of multiple agreements including the Master Restructuring Agreement (MRA). These shares were subject to restriction on transfer and were pledged in favor of Faysal Bank Limited in its capacity as the trustee of the TFC issue under Share Transfer and Debt Settlement Agreement.



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### 8.5 Term finance certificates - Listed

Number of Certificates		Par Value	Investee Company	Cost	Market Value	Cost	Market Value
2021	2020			2021		2020	

Rupees

<b>Textile Composite</b>							
			Azgard Nine Limited (refer note 8.5.1)	6,218,207	6,218,207	6,507,678	6,507,678
4,000	4,000	5,000					
<b>Technology and Communication</b>							
			Worldcall Telecom Limited (refer note 8.5.2)	11,158,940	11,158,940	11,158,939	11,158,939
6,886	6,886	5,000		17,377,147	17,377,147	17,666,617	17,666,617
			Less: Provision against non-performing investments	(17,377,147)	(17,377,147)	(17,666,617)	(17,666,617)
			Less: Current maturity (refer note 13)	-	-	-	-
				-	-	-	-
				-	-	-	-

**8.5.1** 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 rescheduled under Master Restructuring Agreement (MRA) dated December 1, 2010, and was due to mature on September 20, 2017. This has been classified as non performing investment by the Investment Bank under loss category and the Investment Bank has made 100% provision of the principal amount after considering FSV of the collateral as per NBFC's & NE's Regulations. These certificates are secured by first pari passu charge on the present and future assets of the investee Company.

**8.5.2** This represents Term Finance Certificates issued on October 07, 2008 for a period of five years. Markup payment are made semi annually at the rate of 6 month KIBOR + 1.6%. The issue is secure by first pari passu charge on the present and future fixed assets of the investee Company. These were due to mature on October 7, 2015. Further, these TFCs are restructured on April 28, 2018 and due to mature on September 20, 2026. This has been classified as non performing investment under loss category and the Investment Bank has made provision of entire amount.

**8.6** It represents investments in Pakistan Investment Bonds issued by GOP having stated maturity of 10 years.

**8.6.1** The above investments issued by the Government are held at fair value through other comprehensive income. The profile of return on these securities are as follows:

	2021	2020
	----- % per annum -----	
Yield rate on PIBs.	-	7.75-8.6
Markup on PIBs	-	10



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	Note	2021 Rupees	2020 Rupees
<b>8.7 PROVISION FOR DIMINUTION IN VALUE OF LONG-TERM INVESTMENTS</b>			
Balance at the beginning of the year		213,537,199	216,937,199
Charged for the year		-	-
Provision against accrued mark-up		(3,720)	
Reversal for the year		(12,424,347)	(3,400,000)
(Reversal) / Provision		(12,428,067)	(3,400,000)
Balance at the end of the year		<u>201,109,132</u>	<u>213,537,199</u>
<b>8.8 DEFICIT ON REMEASUREMENT OF LONG-TERM INVESTMENTS - Fair value through other comprehensive income</b>			
Balance at the beginning of the year		2,076,832	2,606,932
Charge during the year		(732,498)	(530,100)
Balance at the end of the year	8.4	<u>1,344,334</u>	<u>2,076,832</u>
<b>9 LONG-TERM LOANS AND FINANCES</b>			
Loan to employees	9.1	4,354,989	3,168,603
Loan to others- term finance facility (secured)	9.2	268,795,725	480,200,095
		<u>273,150,714</u>	<u>483,368,698</u>
<b>9.1 Loan to employees</b>			
Housing loan - secured			
- Executives	9.1.1 & 9.1.2	10,835	171,227
- Employees	9.1.2	1,307,192	1,604,324
		<u>1,318,027</u>	1,775,551
Mark-up receivable on house loans	9.1.2	1,218,406	1,161,184
		<u>2,536,433</u>	2,936,735
Other loans - unsecured			
- Executives	9.1.1	3,708,276	740,456
- Employees	9.1.3	780,503	899,176
		<u>4,488,779</u>	1,639,632
Current portion			
- House loans		(2,362,256)	(457,524)
- Other loans		(307,967)	(950,240)
	13	<u>(2,670,223)</u>	<u>(1,407,764)</u>
		<u>4,354,989</u>	<u>3,168,603</u>



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9.1.1 Reconciliation of carrying amount of chief executives and executives is as follows:

	2021			2020		
	Chief executive officer	Executives	Total	Chief executive officer	Executives	Total
	.....Rupees.....					
Opening balance	-	911,683	911,683	815,650	1,085,693	1,901,343
Disbursed	3,840,000	799,000	4,639,000	-	475,000	475,000
Transfer	-	-	-	-	-	-
Payment/(Receipt)	(896,000)	(935,572)	(1,831,572)	(815,650)	(649,010)	(1,464,660)
	<u>2,944,000</u>	<u>775,111</u>	<u>3,719,111</u>	<u>-</u>	<u>911,683</u>	<u>911,683</u>

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

9.1.2 These represent loans provided to the executives and employees for purchase of property in accordance with the human resource policy and are repayable on monthly basis over a period of 15 years. These loans carry mark-up rate at 4% (2020: 4%) per annum. These loans are secured against mortgage of properties.

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

	Note	2021 Rupees	2020 Rupees
<b>9.2 Loan to others - term finance facility</b>			
<b>(secured) - interest bearing</b>			
Gharibwal Cement Limited	9.2.1	3,040,000	7,980,000
Chenab Limited	9.2.2	14,978,125	14,978,125
Hashwani Hotels Limited	9.2.3	21,428,572	21,428,572
Tandlianwala Sugar Mills Limited	9.2.4	74,062,500	80,234,375
Pioneer Cement Limited	9.2.5	89,997,999	99,997,999
Power Cement Limited	9.2.6	80,745,861	74,573,021
Technology Links (Private) Limited	9.2.7	-	3,333,324
Shakarganj Sugar Mills Limited	9.2.8	56,250,000	56,250,000
Pak Hy Oils Limited	9.2.9	-	84,000,000
Hussain Sugar Mills Limited	9.2.10	88,235,294	94,117,647
Loans to an individual	9.2.11	4,400,000	4,400,000
		<u>433,138,351</u>	541,293,063
<b>Non - interest bearing</b>		-	-
		<u>433,138,351</u>	541,293,063
Less: Provision for impairments	9.2.12	(929,037)	(929,037)
Less: Current maturity	13	(163,413,589)	(60,163,931)
		<u>268,795,725</u>	<u>480,200,095</u>



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- 9.2.1** This represents term finance facility extended on September 09, 2005 for a period of ten years. Markup payment are made at the rate of 3 month KIBOR and forzen markup payments are paid in a six year time. This was restructured on March 01, 2013 and is due to mature on February 28, 2023. This is secured by pari passu charge over all fixed assets of the borrower.
- 9.2.2** This represents term finance facility issued on January 30, 2008 for a period of five years at markup rate of 6 month KIBOR + 3% .The facility is secured against first pari passu charge over fixed assets. This was due to mature on January 30, 2013. The Investment Bank has classified the amount and accordingly made provision of entire amount after considering FSV of the collateral held as per NBFC and NE regulations. The Investment Bank has filed suit to recover the outstanding amount in Banking Court. The case is still pending in the court.
- 9.2.3** This represents participation in syndicated term finance facility. The tenor of the facility is seven years at markup rate of 6 month KIBOR+ 2.30% upto two principal repayments and thereafter 6 month KIBOR+ 1.80%. Facility is secured by way of charge over fixed assets with 25% margin of Marriott Hotel Karachi.
- 9.2.4** This represents participation in syndicated term finance facility. The tenor of the facility is seven years at markup rate of 3 month KIBOR + 2% and the principal is repayable in 16 quarterly equal installments with 2 years grace period. The facility is secured against first pari passu hypothecation charge over all present and future movable fixed assets with 25% margin. This facility will be matured on March 29, 2024.
- 9.2.5** This represents participation in syndicated term finance facility. The tenor of the facility is eight years inclusive of grace period of three years at markup rate of 6 month KIBOR + 1.1% and the principal is repayable in nine consecutive half yearly installments whereas the markup is repayable calendar quarterly. The facility is secured against first pari passu hypothecation/mortgage charge over all present and future assets of the Company with 25% margin.
- 9.2.6** This represents participation in syndicated term finance facility. The tenor of the facility is eight and half (8.5) years inclusive of grace period of two and half (2.5) years at markup rate of 6 month KIBOR + 2.25% which is reduced KIBOR + 1.5% per annum.The facility is secured against charge/mortgage over fixed assets of the Company with 25% margin and is repayable in twelve consecutive half yearly installments.
- 9.2.7** This represents a medium term finance which carries a profit rate of one month KIBOR + 4% per annum and is repayable in equal 36 monthly installments. The facility is secured against mortgage of property and ranking hypothecation charge over current assets of the Company with 35% margin.
- 9.2.8** This represents a medium term finance. The facility carries a profit rate of 3 months KIBOR + 3.5% per annum. The facility is secured against pledge of PSX 100 Index shares with 35% margin and and ranking hypothecation charge over present and future assets of the Company with 25% margin and is repayable in equal six quarterly installments. after grace period of 18 months. Interest is repayable in quarterly installments.
- 9.2.9** This represents term finance facility which carries a mark-up rate of one month KIBOR + 4% per annum payable in equal 60 monthly installments with one year grace period. The facility is secured against pledge of PSX 100 index shares with 30% margin, mortgage of property with 35% margin, ranking charge on all present and future assets of the company with 25% margin and personnel guarantees of Chief Executive and Directors of the Company.



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

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

	Note	2021 Rupees	2020 Rupees
<b>9.2.12 Provision for impairment</b>			
Balance at the beginning of the year		929,037	929,037
Provision made during the year for non performing loan		-	-
Balance at the end of the year		<u>929,037</u>	<u>929,037</u>
<b>10 NET INVESTMENT IN FINANCE LEASE</b>			
Lease rental receivable		221,736	888,336
Residual value		418,600	418,600
<b>Gross investment in finance lease</b>	10.1	<u>640,336</u>	1,306,936
Less: Unearned finance lease Income		<u>(16,107)</u>	(72,849)
		<u>624,229</u>	1,234,087
Less: Current maturity of net investment in finance lease	13	<u>(624,229)</u>	(666,600)
Net investment in finance lease		<u>-</u>	<u>567,487</u>

10.1 Description	2021				2020			
	Not later than one year	Later than one and less than five years	Later than five years	Total	Not later than one year	Later than one and less than five years	Later than five years	Total
	Rupees							
Lease rentals receivable	-	221,736	-	221,736	-	888,336	-	888,336
Guaranteed residual value	-	418,600	-	418,600	-	418,600	-	418,600
	-	<u>640,336</u>	-	<u>640,336</u>	-	1,306,936	-	1,306,936
Finance charge for future periods	-	(16,107)	-	(16,107)	-	(72,849)	-	(72,849)
Present value of minimum lease payments	-	<u>624,229</u>	-	<u>624,229</u>	-	1,234,087	-	1,234,087



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**10.1.1** The Investment Bank's implicit rate of return on leases ranges between from 11.17% to 16.9% per annum (2020: 11.17 % to 16.9% per annum). These are secured against leased assets and security deposits generally upto 20% of the cost of leased assets.

**10.1.2** Lease rentals received during the year aggregate to Rs. 666,000 (2020: 898,418).

	Note	2021 Rupees	2020 Rupees
<b>11</b>	<b>LONG-TERM DEPOSITS</b>		
	Security deposit with Central Depository Company of Pakistan Limited	50,000	50,000
	Others	7,500	7,500
		<u>57,500</u>	<u>57,500</u>
<b>12</b>	<b>DEFERRED TAX ASSET</b>		
	Deferred tax asset on deductible temporary differences:		
	-Provisions	66,041,938	68,935,375
	-Accelerated tax depreciation allowance	791,624	959,042
	-Surplus on revaluation of investments	543,104	(1,090,510)
	-Gratuity	1,873,180	1,165,743
	12.1 & 12.2	<u>69,249,846</u>	<u>69,969,650</u>

**12.1** The management of the Investment Bank has prepared financial projections. The said projections are based on certain key assumptions made for the estimation of future profitability. The management believes that the Investment Bank will be able to achieve the profit projected in the financial projections and consequently the deferred tax asset accounted for in the financial statements will be fully realized in the future.

**12.2 Movement in deferred taxation**

	2021			Balance at
	Balance at	Recognized in	Recognized in	Balance at
	June	statement of	other	June
	30, 2020	profit or loss	comprehensive	30, 2021
		income	income	
		Rupees.....		
The following deductible temporary differences arising on account of:				
-Provisions	68,935,375	(2,893,437)	-	66,041,938
-Accelerated tax depreciation allowance	959,042	(167,418)	-	791,624
-Surplus on revaluation of investments	(1,090,510)	-	1,633,614	543,104
-Gratuity	1,165,743	546,116	161,321	1,873,180
	<u>69,969,650</u>	<u>(2,514,739)</u>	<u>161,321</u>	<u>69,249,846</u>



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		2020			
		Balance at June 30, 2019	Recognized in statement of profit or loss	Recognized in other comprehensive income	Balance at June 30, 2020
		.....Rupees.....			
The following deductible temporary differences arising on account of:					
		69,927,969	(992,594)	-	68,935,375
	-Provisions				
	-Accelerated tax depreciation allowance	1,474,532	(515,490)	-	959,042
	-Surplus on revaluation of investments	1,792,964	-	(2,883,474)	(1,090,510)
	-Gratuity	863,441	341,681	(39,379)	1,165,743
		<u>74,058,906</u>	<u>(1,166,403)</u>	<u>(2,922,853)</u>	<u>69,969,650</u>
			2021 Rupees		2020 Rupees
<b>13</b>	<b>CURRENT PORTION OF NON - CURRENT ASSETS</b>				
	<b>Investments</b>				
	Current portion of term finance certificates - listed	8.1 & 8.5	<b>27,507,514</b>		19,957,638
	Loans and finances				
	Current portion of loans to employees	9.1	<b>2,670,223</b>		1,407,764
	Current portion of loans to other- term finance facility (secured)	9.2	<b>163,413,589</b>		60,163,931
			<b>166,083,812</b>		61,571,695
	<b>Net investment in finance lease</b>				
	Current maturity of net investment in finance lease	10	<b>624,229</b>		666,600
			<b>194,215,555</b>		82,195,933
<b>14</b>	<b>SHORT-TERM INVESTMENTS</b>				
	<b>Fair value through other comprehensive income</b>				
	Dewan Cement Limited - Pre IPO term finance certificates	14.1	<b>43,069,617</b>		43,069,617
	Quoted shares	14.2	<b>14,262,041</b>		11,757,659
	Mutual Funds	14.4	<b>31,012,583</b>		225,000
			<b>88,344,241</b>		55,052,276
	<b>Fair value through profit or loss</b>				
	Investment in government securities - T-Bills	14.6	<b>998,804,718</b>		-
	Quoted shares	14.3	<b>42,222,989</b>		28,609,962
	Mutual Funds	14.5	<b>20,100,442</b>		23,642,127
			<b>1,061,128,149</b>		52,252,089
	<b>Investments at market value</b>		<b>1,149,472,390</b>		107,304,365
<b>14.1</b>	<b>Pre IPO term finance certificates</b>				
	Dewan Cement Limited		<b>50,000,000</b>		50,000,000
	Less: provision		<b>(6,930,383)</b>		(6,930,383)
	Term finance certificate - Dewan Cement Limited		<b>43,069,617</b>		43,069,617

**14.1.1** This investment has been classified under loss category and accordingly made provision of entire amount considering FSV of the collateral held as per NBFC and NE regulations.



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### 14.2 Quoted shares (At fair value through other comprehensive income)

Number of Shares		Investee	2021		2020	
			Cost	Market Value	Cost	Market Value
2021	2020		Rupees	Rupees	Rupees	Rupees
<b>Automobile Assembler</b>						
200	20	Indus Motor Co. Ltd.	231,156	250,828	25,809	19,900
<b>Cable and Electrical Goods</b>						
500	500	Pak Electron Ltd.	12,995	17,530	12,995	11,465
<b>Chemicals</b>						
815,800	815,800	AgriTech limited	12,563,320	5,563,756	12,563,320	3,817,944
<b>Commercial Banks</b>						
15,000	22,900	Allied Bank Ltd.	1,467,759	1,112,250	1,467,759	1,148,700
10,088	10,088	Habib Bank Ltd.	1,814,024	1,234,469	1,813,970	977,225
70,000	70,000	National Bank Ltd. (refer note 14.2.1)	3,858,400	2,559,900	3,858,400	1,935,500
<b>Fertilizer</b>						
5,000	5,000	Engro Fertilizers Ltd.	297,242	351,350	297,242	301,400
-	2,800	Matco Foods Ltd.	-	-	82,488	53,368
<b>Oil and Gas Exploration</b>						
3,600	3,600	Pakistan Oilfields Limited	1,326,312	1,417,896	1,326,311	1,262,268
6,900	6,900	Pakistan Petroleum Limited	816,270	599,127	816,294	598,782
<b>Paper &amp; Board</b>						
-	3,000	Century Paper & Board Mills	-	-	202,710	214,710
<b>Power Generation &amp; Distribution</b>						
23,500	25,000	Kot Addu Power Co. Ltd.	1,421,515	1,042,225	1,512,241	503,750
6,500	6,500	Saif Power Ltd.	164,385	112,710	164,385	104,455
<b>Technology &amp; Communication</b>						
-	4,400	Systems Ltd.	-	-	412,896	808,192
			<u>23,973,378</u>	<u>14,262,041</u>	<u>24,556,820</u>	<u>11,757,659</u>
		Less: Impairment against (refer note 21)	<u>(9,711,337)</u>	<u>-</u>	<u>(12,799,161)</u>	<u>-</u>
			<u>14,262,041</u>	<u>14,262,041</u>	<u>11,757,659</u>	<u>11,757,659</u>

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



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### 14.3 Quoted Shares (At fair value through profit or loss)

Number of Shares		Investee	2021		2020	
			Cost	Market Value	Cost	Market Value
2021	2020		Rupees	Rupees	Rupees	Rupees

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

		<b>Automobile Assembler</b>				
	700	Honda Atlas Cars (Pak) Ltd.	-	-	107,646	135,576
618	550	Millat Tractors Limited	388,388	667,199	375,034	388,388
300	-	Pak Suzuki Motor Company Ltd.	89,536	106,632	-	-
		<b>Automobile Parts &amp; Accessories</b>				
1,600	1,600	Agriauto Industries Ltd.	291,200	439,024	278,656	291,200
8,000	-	Panther Tyres Ltd.	581,935	553,040	-	-
1,000	1,000	Thal Limited	324,940	422,780	357,380	324,940
		<b>Cable and Electrical Goods</b>				
7,500	-	WAVES Singer Pakistan Ltd.	159,206	204,450	-	-
		<b>Cement</b>				
2,500	-	Attock Cement Ltd.	410,194	449,550	-	-
3,000	820	Cherat Cement Ltd.	498,604	532,140	57,252	71,479
7,100	4,100	D. G. Khan Cement Ltd.	744,720	837,232	273,921	349,853
20,000	3,000	Fauji Cement Company Limited	432,648	460,000	43,320	50,640
5,680	8,180	Kohat Cement Co. Ltd.	827,039	1,172,863	595,177	1,124,341
2,750	2,700	Lucky Cement Ltd.	2,517,702	2,374,460	1,146,717	1,246,266
18,500	7,000	Maple Leaf Cement Factory Ltd.	647,063	869,130	171,780	181,860
		<b>Chemicals</b>				
3,000	-	Descon Oxychem Limited	93,268	80,520	-	-
-	2,000	DYNEA Pakistan Limited	-	-	184,800	215,640
26,000	25,000	Engro Polymer & Chemical Ltd.	682,874	1,228,240	724,250	624,500
200	200	ICI Pakistan Limited	138,942	173,760	125,024	138,942
28,000	-	Lotchem Chemical	384,735	432,320	-	-
500	9,500	Sitara Chemicals	178,302	176,000	180,785	193,895
4,500	-	Sitara Peroxide Limited	101,151	127,305	-	-
		<b>Commercial Banks</b>				
4,900	5,900	Allied Bank Ltd.	375,242	363,335	586,687	451,822
24,850	42,850	Bank Al-Falah Ltd.	840,690	799,673	1,983,527	1,438,475
17,000	20,500	Bank Al-Habib Ltd.	947,900	1,192,040	1,564,355	1,072,150
-	22,000	Bank of Punjab	-	-	286,660	184,800
6,500	-	Faysal Bank Limited	103,159	110,305	-	-
18,100	13,600	Habib Bank Ltd.	1,860,515	2,214,897	1,982,118	1,317,432
2,600	4,100	MCB Bank Ltd.	408,699	415,558	788,143	664,487
4,015	5,650	Meezan Bank Ltd.	251,303	463,371	491,550	389,003
11,000	6,700	United Bank Ltd.	1,308,308	1,344,200	1,030,192	692,512
		<b>Engineering</b>				
4,000	-	Agha Steels Industries Limited	138,222	134,920	-	-
2,000	3,500	Amreli Steels Limited	83,001	86,880	101,955	114,240
1,900	1,500	International Ind. Ltd.	410,394	400,938	151,935	137,595
7,200	8,200	International Steel Ltd.	536,075	672,552	475,682	423,530
1,000	21,000	Ittefaq Iron Industries Ltd	6,910	18,950	242,970	145,110
16,820	13,500	Mughal Iron & Steel Ind.	1,852,641	1,756,008	551,610	538,380
Carry forward			18,615,506	21,280,272	14,859,126	12,907,056



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Number of Shares		Investee	2021		2020	
			Cost	Market Value	Cost	Market Value
2021	2020		Rupees	Rupees	Rupees	Rupees
Brought forward			18615506	21280272	14859126	12907056
<b>Fertilizer</b>						
4,810	4,910	Engro Corporation Ltd.	1,425,238	1,417,074	1,400,676	1,438,237
-	15,000	Engro Fertilizers Ltd.	-	-	938,958	904,200
15,000	15,000	Fauji Fertilizer Bin Qasim Ltd.	403,272	396,150	332,850	239,400
7,400	12,900	Fauji Fertilizer Co. Ltd.	812,135	785,140	1,263,297	1,418,871
20,500	-	Shabbir Tiles and Ceramics Limited.	373,991	683,675	-	-
9,625	7,200	Tariq Glass Ltd.	512,883	1,023,908	418,968	464,544
<b>Leather &amp; Tanneries</b>						
2,519	-	Service Global Footwear Limited.	140,071	145,674	-	-
<b>Oil and Gas Exploration</b>						
2,600	2,800	Pakistan Oilfields Limited	932,154	1,024,036	1,144,053	981,764
12,676	14,976	Pakistan Petroleum Limited	1,119,682	1,100,657	1,922,295	1,299,617
1,447	1,447	Mari Petroleum Co. Ltd.	1,789,433	2,205,792	1,715,491	1,789,433
14,500	16,600	Oil & Gas Development Company Ltd.	1,554,336	1,377,935	2,102,224	1,809,400
<b>Oil and Gas Marketing</b>						
-	260	Attock Petroleum Ltd.	-	-	120,336	79,352
3,035	3,035	Hascol Petroleum Ltd.	41,276	27,103	154,694	41,276
5,500	5,500	Hi-Tech Lubricants Limited	166,540	390,005	180,730	166,540
6,144	4,744	Pakistan State Oil Co. Ltd.	1,074,065	1,377,792	847,990	750,311
8,000	5,500	Sui Northern Gas Pipelines Ltd.	405,780	388,640	429,275	300,300
<b>Paper &amp; Board</b>						
400	400	Packages Limited	138,884	218,080	139,924	138,884
4,000	8,500	Roshan Packages Limited	104,314	131,760	151,980	190,570
<b>Pharmaceuticals</b>						
3,100	-	AGP Limited	409,969	363,723	-	-
1,900	2,600	Glaxo Smithkline Pak. Ltd.	330,752	314,773	379,886	452,608
385	-	Highnoon Laboratories Limited	220,961	231,000	-	-
500	500	The Searle Company Limited	99,615	121,310	78,535	99,615
<b>Power Generation &amp; Distribution</b>						
6,000	2,000	Kot Addu Power Co. Ltd.	215,230	266,100	67,229	40,300
-	38,500	K-Electric Ltd.	-	-	192,115	115,885
6,000	6,000	Lalpir Power Limited	70,020	107,160	79,380	70,020
21,500	17,000	The Hub Power Co. Ltd.	1,595,096	1,712,905	1,469,990	1,232,500
<b>Sugar and Allied Industries</b>						
311	1,725	Mehran Sugar Mills Ltd.	12,175	16,178	118,715	93,340
200	2,200	Mirpurkhas Sugar Mills Ltd.	11,978	22,200	205,964	131,758
<b>Technology &amp; Communication</b>						
3,740	-	Systems Limited	2,012,705	2,095,223	-	-
Carry forward			34,588,061	39,224,265	30,714,681	27,155,781



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Number of Shares		Investee	2021		2020	
			Cost	Market Value	Cost	Market Value
2021	2020		Rupees	Rupees	Rupees	Rupees
Brought forward			34,588,061	39,224,265	30,714,681	27,155,781
<b>Textile Composite</b>						
6,800	18,300	Gul Ahmed Textile Mills Ltd.	194,684	344,964	729,804	523,929
11,000	3,000	Interloop Limited	570,352	770,330	151,680	131,760
5,500	-	Kohinoor Textile Mills Limited	342,625	413,600	-	-
17,000	8,500	Nishat (Chunian)Ltd.	642,775	854,930	389,385	275,825
4,700	6,700	Nishat Mills Ltd.	366,647	438,510	827,450	522,667
<b>Transport</b>						
15,500	-	Pakistan Intl. Bulk Terminal Ltd.	178,775	176,390	-	-
			<u>36,883,919</u>	<u>42,222,989</u>	<u>32,813,000</u>	<u>28,609,962</u>
		Less: Impairment against investments	-	-	-	-
		Less: Deficit on remeasurement (refer note 21 )	5,339,070	-	(4,203,038)	-
			<u>42,222,989</u>	<u>42,222,989</u>	<u>28,609,962</u>	<u>28,609,962</u>

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

**14.4 Mutual Funds  
(At fair value through other comprehensive income)**

Number of Units		Investee	2021		2020	
			Cost	Market Value	Cost	Market Value
2021	2020		Rupees	Rupees	Rupees	Rupees
<b>Close-End Mutual Fund</b>						
30,000	30,000	HBL Growth Fund Class A (formerly PICIC Growth Fund)	522,300	249,000	522,300	225,000
<b>Open-End Mutual Fund</b>						
1,599,656	-	NBP Stock Fund 14.4.1	26,346,866	25,663,756	-	-
321,602	-	ABL Growth Fund	5,272,487	5,099,827	-	-
-	-	HBL Growth Fund	-	-	-	-
			<u>32,141,653</u>	<u>31,012,583</u>	<u>522,300</u>	<u>225,000</u>
		Less: Deficit on remeasurement	(1,129,070)	-	(297,300)	-
			<u>31,012,583</u>	<u>31,012,583</u>	<u>225,000</u>	<u>225,000</u>

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



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### 14.5 Mutual Funds (At fair value through profit or loss)

Number of Units		Investee	2021		2020	
			Cost	Market Value	Cost	Market Value
2021	2020		Rupees	Rupees	Rupees	Rupees
<b>Open-End Mutual Fund</b>						
-	1,622,639	NBP Stock Fund 14.4.1	-	-	19,059,518	19,420,069
-	324,865	ABL Growth Fund	-	-	3,705,018	3,754,105
-	30,763	HBL Growth Fund	-	-	461,736	467,953
1,866,839	-	NBP Income Opportunity Fund	20,000,000	20,100,442	-	-
			<u>20,000,000</u>	<u>20,100,442</u>	23,226,272	23,642,127
		Less: Deficit on remeasurement	100,442	-	415,855	-
			<u>20,100,442</u>	<u>20,100,442</u>	<u>23,642,127</u>	<u>23,642,127</u>

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

14.6 This represents six month market treasury bills at 7.5% (2020: Nil)

	Note	2021 Rupees	2020 Rupees
<b>14.6 DEFICIT ON REMEASUREMENT OF INVESTMENTS</b>			
<b>Fair value through other comprehensive income</b>			
Balance at the beginning of the year		13,096,461	22,905,783
(Reversal) / charged for the year		(3,111,824)	(9,809,322)
Balance at the end of the year	14.2 & 14.4	<u>9,984,637</u>	<u>13,096,461</u>
<b>15 SHORT-TERM PLACEMENTS</b>			
Term deposit receipts (TDR)	15.1	-	40,000,000
<b>15.1</b> This represents placements with financial institutions under term deposit receipts carrying markup rate of 8% to 13% per annum (2020: 13% per annum).			
<b>16 MARKUP / INTEREST ACCRUED</b>			
Accrued profit/markup/interest on:			
- Government securities		9,538,043	19,296,834
- Term finance certificates/sukuk		24,140,814	24,650,778
- Term finances		32,831,181	48,127,647
- Placements		811,814	1,103,296
		<u>67,321,852</u>	<u>93,178,555</u>
Less : provision for markup/interest		<u>(24,674,390)</u>	<u>(24,678,110)</u>
		<u>42,647,462</u>	<u>68,500,445</u>



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	Note	2021 Rupees	2020 Rupees
<b>17 PREPAYMENTS AND OTHER RECEIVABLES</b>			
<b>Prepayments</b>		<b>1,119,470</b>	1,416,106
<b>Other receivable</b>			
- Dividend receivable		58,187	864
- Miscellaneous		3,803,903	234,621
		<u>4,981,560</u>	<u>1,651,591</u>
<b>18 CASH AND BANK BALANCES</b>			
Balance with banks			
- Deposit accounts	18.1	133,392,274	21,991,547
- Dividend payment account with MCB		5,360,680	5,362,468
- Current account with State Bank of Pakistan		189,538	240,294
Cash in hand		8,900	11,700
		<u>138,951,392</u>	<u>27,606,009</u>
18.1	Effective markup rate in respect of deposit accounts ranges from 8.5% to 10% (2020: 4.5% to 14%) per annum.		
<b>19 AUTHORIZED SHARE CAPITAL</b>			
75,000,000 (2020: 75,000,000) ordinary shares of Rs.10 each		<u>750,000,000</u>	<u>750,000,000</u>
<b>20 ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL</b>			
28,500,000 (2020: 28,500,000) ordinary shares of Rs. 10 each issued as fully paid in cash.		<u>285,000,000</u>	285,000,000
36,500,000 (2020: 36,500,000) ordinary shares of Rs. 10 each issued as fully paid bonus shares.		<u>365,000,000</u>	365,000,000
		<u>650,000,000</u>	<u>650,000,000</u>
<b>21 DEFICIT ON REMEASUREMENT OF INVESTMENTS - NET</b>			
Fair value through other comprehensive income			
Government securities		(3,086,150)	13,134,000
Shares-long term	8.4	(1,862,332)	(2,594,830)
Shares-short term	14.2	(9,711,337)	(12,799,161)
Mutual Fund	14.4	(1,129,070)	(297,300)
Related deferred tax (asset)		1,032,132	(3,679,359)
		<u>(14,756,757)</u>	<u>(6,236,650)</u>
<b>22 DEFERRED LIABILITY - STAFF GRATUITY</b>			
<b>22.1 Actuarial Assumptions</b>			

As disclosed in note 4.12.1, the Investment Bank operates a funded gratuity scheme for its staff employees. The latest actuarial valuation was carried out as at June 30, 2021 using the Projected Unit Credit Actuarial Cost Method.



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	Note	2021 Rupees	2020 Rupees
<b>22.2 Defined benefit liability recognized in balance sheet</b>			
Present value of defined benefit obligation	22.3	10,716,427	8,355,334
Fair value of plan assets	22.4	(4,581,470)	(4,142,307)
Benefits due but not paid		-	-
Defined benefit liability recognized		<u>6,134,957</u>	<u>4,213,027</u>
<b>22.3 Changes in the present value of the defined benefit obligation</b>			
Opening defined benefit obligation		8,355,334	6,660,846
Current service cost		1,007,543	827,430
Interest cost		710,203	941,544
Benefits due but not paid		-	-
Benefits paid		-	(107,043)
Re-measurements chargeable in other comprehensive income		643,347	32,557
		<u>10,716,427</u>	<u>8,355,334</u>
<b>22.4 Changes in the fair value of plan assets</b>			
Opening fair value of plan assets		4,142,307	3,578,669
Contribution		-	-
Interest income on plan assets		352,096	502,334
Benefits paid		-	(107,043)
Return on plan assets, excluding interest income		87,067	168,347
		<u>4,581,470</u>	<u>4,142,307</u>
<b>22.5 Movement in net liability</b>			
Opening liability		4,213,027	3,082,177
Expense recognized in statement of profit or loss	22.6	1,365,650	1,266,640
Re-measurements recognized in other comprehensive income	22.7	556,280	(135,790)
Contribution		-	-
Closing liability		<u>6,134,957</u>	<u>4,213,027</u>
<b>22.6 Expense recognized in statement of profit or loss</b>			
Current service cost		1,007,543	827,430
Interest cost		710,203	941,544
Expected return on plan assets		(352,096)	(502,334)
		<u>1,365,650</u>	<u>1,266,640</u>
<b>22.7 Re-measurements recognized in other comprehensive income</b>			
Experience adjustments		643,347	32,557
Return on plan assets - excluding interest income		(87,067)	(168,347)
		556,280	(135,790)
Related deferred tax (asset)		(161,321)	39,379
		<u>394,959</u>	<u>(96,411)</u>



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**22.8** The present value of defined benefit obligation, fair value of plan assets and surplus or deficit on gratuity fund for the five years is as follows:

	2021	2020	2019	2018	2017
	-----Rupees-----				
Present value of defined obligation	10,716,427	8,355,334	6,660,846	5,954,769	5,026,310
Fair value of plan assets	(4,581,470)	(4,142,307)	(3,578,669)	(3,524,350)	(6,182,293)
	6,134,957	4,213,027	3,082,177	2,430,419	(1,155,983)

### Breakup of Investments - at fair value

	2021 Rupees	2020 Rupees
Investment in KAPCO Shares - 500 Shares @ Rs. 44.35 each (2020: 20.15 each)	22,175	10,075
TDR's with accrued interest	-	5,621,452
Cash at bank with deposit account	7,279,568	338,678
Less: assets for defined contribution scheme	(2,720,273)	(1,827,898)
	4,581,470	4,142,307

### Significant Actuarial Assumption

	2021 Percentage	2020
Discount rate used for interest cost in profit and loss charge	8.50%	14.25%
Discount rate used for year end obligation	10.00%	8.50%

### Maturity profile of present value of defined benefit obligation

Weighted average duration of the present value of defined benefit obligation (in years)	8	8
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### Plan assets comprise

	2021 Percentage	2020
Equity	0.30%	0.38%
Cash and /or deposits	99.70%	99.62%
	100.00%	100.00%

### Sensitivity Analysis on significant actuarial assumptions:

	2021 Rupees	2020 Rupees
Discount Rate +100 bps	9,895,978	6,135,238
Discount Rate - 100 bps	11,649,901	7,258,603
Expected rate of salary increase + 100 bps	11,640,931	7,253,072
Expected rate of salary increase - 100 bps	9,888,921	6,130,886



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These figures are based on the latest actuarial valuation as at June 30, 2021. The valuation uses the Projected Unit Credit Actuarial Cost Method.

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

The expected gratuity expense for the year ending June 30, 2022 works out to be Rs.1.839 million.

### 23 LEASE LIABILITY

Rental contracts are made for a fixed period subject to renewal upon mutual consent of Investment Bank and lessor. Wherever practicable the Investment Bank seeks to include extension option to provide operational flexibility. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised. The future lease payments have been discounted using average borrowing rate as at 30 June 2021.

	Note	2021 Rupees	2020 Rupees
Present value of minimum lease payments		13,707,972	12,463,474
Less: current portion of lease liabilities		<u>(4,941,627)</u>	<u>(3,826,380)</u>
		<u>8,766,345</u>	<u>8,637,094</u>
Maturity analysis			
Not later than 1 year		8,768,007	-
later than 1 year		<u>4,939,960</u>	-
		<u>13,707,967</u>	<u>-</u>

### 24 LONG-TERM LOAN

#### From Banking Companies - Secured

National Bank of Pakistan (NBP) - an associated undertaking	24.1	78,125,000	93,750,000
Current portion of long term loans		<u>(78,125,000)</u>	<u>(31,250,000)</u>
		<u>-</u>	<u>62,500,000</u>

**24.1** The Investment Bank has obtained a five year term loan in FY-2016 from National Bank of Pakistan, an associated company, with a grace period of one year. The loan is repayable in 16 equal quarterly installments commencing from July 2017 and carried markup @ 3 months KIBOR plus 0.75% per annum (2020: KIBOR plus 0.75%), maturing in June 2022. The loan is secured by first pari passu hypothecation charge over all present and future assets of the Investment Bank.

	Note	2021 Rupees	2020 Rupees
<b>25 SECURITY DEPOSIT AGAINST FINANCE LEASE</b>	25.1	<u>418,600</u>	<u>418,600</u>

**25.1** These represent deposit against finance lease and are adjustable against the residual value of the asset leased at the expiry of respective lease term.



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	Note	2021 Rupees	2020 Rupees
<b>26 SHORT-TERM RUNNING FINANCE FACILITY</b>			
MCB Bank Limited	26.1	-	32,246,447
National Bank of Pakistan - an associated undertaking	26.2	<b>49,992,033</b>	49,992,033
		<b>49,992,033</b>	<b>82,238,480</b>
<b>26.1</b>	This represents short term running finance obtained against TDR from MCB Bank Limited carrying markup rate of 3 month KIBOR plus 0.5% (2020: 3 month KIBOR plus 0.6%) per annum.		
<b>26.2</b>	This represents short term running finance obtained with a limit of Rs.50 million (2020: 100 million) carrying markup at a rate based on 3 month KIBOR plus 1% (2020: 3 month KIBOR + 1%) per annum. The running finance is secured by first pari passu hypothecation charge against all present and future assets of the Investment Bank with 25% margin.		
<b>27 SHORT-TERM REPO BORROWING</b>			
Repo borrowing against PIBs		<b>350,000,000</b>	650,000,000
	This represents short repo borrowing against PIBs @ mark-up @ 7.3% to 8.6% (2020: 8.5% to 8.6%).		
<b>28 MARKUP / INTEREST ACCRUED</b>			
<b>Mark-up accrued on:</b>			
<b>Secured</b>			
Loans and borrowings including running finance facility	28.1	<b>3,035,051</b>	7,738,870
Lease Liability		<b>863,100</b>	-
<b>Unsecured</b>			
Certificates of deposits		<b>1,560,137</b>	1,560,137
		<b>5,458,288</b>	<b>9,299,007</b>
<b>28.1</b>	This amount includes markup due to National Bank of Pakistan, an associated undertaking.		
<b>29 ACCRUED EXPENSES AND OTHER PAYABLES</b>			
Accrued expenses		<b>5,748,657</b>	9,067,111
Other liabilities		<b>1,005,153,488</b>	59,594,578
		<b>1,010,902,145</b>	<b>68,661,689</b>
<b>30 CONTINGENCIES AND COMMITMENTS</b>			
<b>Contingencies</b>	There are no contingencies as at the reporting date (2020: Nil)		
<b>Commitments</b>			
Standby letter of credit	30.1	<b>37,593,732</b>	40,001,082



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**30.1** This represents the Investment Bank's share in standby letter of credit under agreement of participation dated December 13, 2010 with Allied Bank Limited that is a primary party to the Hubco Power Company Limited for the purpose to guarantee the equity investment, cost over running of Laraib project and short falling in debt servicing reserve account. Under the said agreement, the Investment Bank irrevocably agrees and undertakes with Allied Bank Limited to take undivided share of 2.5% in standby letter of credit up to November 17, 2021.

	Note	2021 Rupees	2020 Rupees
<b>31 INCOME FROM TERM FINANCES AND FUNDS PLACEMENTS</b>			
Income from long-term finances		49,638,497	88,345,983
Return on fund placements with financial institutions	31.1	<u>11,304,207</u>	<u>25,561,833</u>
		<u>60,942,704</u>	<u>113,907,816</u>
<b>31.1 Return on fund placements with financial institutions</b>			
- bank balance		6,865,852	3,598,463
- term deposit receipts		<u>4,438,355</u>	<u>21,963,370</u>
		<u>11,304,207</u>	<u>25,561,833</u>
<b>32 INCOME FROM INVESTMENTS</b>			
Return on government securities		62,933,463	17,323,853
Return on term finance certificates / sukuku		358,478	3,106,842
Dividend income	32.1	2,417,045	1,821,264
Capital gain on securities		<u>8,941,800</u>	<u>25,015,996</u>
		<u>74,650,786</u>	<u>47,267,955</u>
<b>32.1 Scrip wise details of dividend is as follows:</b>			
Adamjee Insurance Company Limited		-	5,500
AGP Limited		3,100	-
Agriauto Industries Limited		9,600	-
Allied Bank Limited		159,200	177,200
Attock Petroleum Limited		5,490	4,900
Bank Al-Falah Limited		138,400	125,400
Bank Al-Habib Limited		76,500	68,250
The Bank of Punjab		-	16,500
Ceuntry Paper & Board Mills Limited		-	3,000
Cherat Cement Limited		1,800	1,200
Cherat Packaging Limited		-	3,313
D.G.Khan Cement Company Limited		-	2,100
Engro Corporation Limited		167,320	104,430
Engro Fertilizer Limited		188,500	209,000
Engro Polymer & Chemical Limited		53,222	17,300
Fauji Fertilizer Limited		104,555	119,850
Carry forward		907,687	857,943



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	2021 Rupees	2020 Rupees
<b>Brought Forward</b>	<b>907,687</b>	<b>857,943</b>
Glaxo Smithkline Pakistan Limited	12,350	15,600
Gul Ahmed Textile Mills Limited	6,800	22,500
Habib Bank Limited	133,893	108,565
Highnoon Laboratories Limited	5,250	-
Hi-Tech Lubricants Limited	15,950	-
Honda Atlas Cars	700	-
ICI Pakistan Limited	5,000	-
Indus Motor Company Limited	6,880	1,010
Interloop Limited	27,500	3,000
International Steel Limited	6,600	2,550
Kohinoor Textile Mills Limited	11,000	-
Kohat Cement Company Limited	-	450
Kot Addu Power Company Limited	40,500	115,500
Lalpir Power Limited	19,500	-
Lotchem Chemical	31,125	-
Lucky Cement Limited	-	7,800
Mari Petroleum Company Limited	98,396	6,570
Matco Foods Limited	-	1,960
MCB Bank Limited	50,700	76,200
Meezan Bank Limited	30,112	17,100
Millat Tractor Limited	44,000	11,000
Maple Leaf Cement Factory Limited	-	3,250
Mehran Sugar Mills Limited	467	3,656
Mughal Iron & Steel Industries Limited	43,500	13,200
Nishat (Chunian) Limited	8,500	12,500
Nishat Mills Limited	26,800	18,800
Oil & Gas Development Limited	114,050	70,550
Pakistan Oil Fields Limited	306,000	267,000
Pakistan Petroleum Limited	49,540	27,960
Pakistan State Oil Company Limited	28,220	10,600
Packages Limited	9,000	4,800
Roshan Packages Limited	14,000	-
Saif Power Limited	24,375	19,500
Searle Company Limited	1,250	1,250
Sui North Gas Pipelines Limited	17,000	4,000
Systems Limited	11,900	9,900
Tariq Glass Limited	-	11,200
Thal Limited	7,500	1,500
The Hub Power Company Limited	140,000	-
Tri Pack Flims	12,500	-
United Bank Limited	148,500	93,850
	<u>2,417,045</u>	<u>1,821,264</u>

### 33 FEES AND COMMISSION INCOME

Guarantee commission	270,067	326,958
Processing & participation fee	3,035,398	-
	<u>3,305,465</u>	<u>326,958</u>



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	Note	2021 Rupees	2020 Rupees
<b>34 OTHER INCOME</b>			
Interest income on loan to employees		57,222	80,933
Gain on disposal of fixed asset		197,821	32,628
Miscellaneous		406,960	542,400
		<u>662,003</u>	<u>655,961</u>
<b>35 FINANCE COSTS</b>			
Markup/Interest on:			
- Long-term loans		7,304,925	15,176,598
- Short-term running finance facility		7,105,529	24,813,970
- Short-term repo borrowing		49,762,112	17,534,414
- Other charges		952,516	246,382
		<u>65,125,082</u>	<u>57,771,364</u>
<b>36 ADMINISTRATIVE AND OPERATING EXPENSES</b>			
Salaries and allowances	36.1 to 36.3	35,231,812	33,398,246
Travelling, conveyance and meeting charges		2,561,368	4,143,139
Printing and stationery		272,023	410,383
Rent, rates and taxes		467,955	4,670,238
Legal and professional		659,382	797,310
Repairs and maintenance		612,722	2,581,370
Auditors' remuneration	36.4	991,360	926,300
Newspaper and periodicals		30,905	31,035
Postage and courier services		69,693	160,160
Telephone, telex and fax		436,399	426,010
Electricity, gas and water charges		1,540,247	1,207,416
Advertisement and business promotion		477,700	751,696
Fees and subscription		2,437,530	2,557,565
Security guards		382,800	382,800
Insurance		965,793	767,654
Brokerage and commission		362,357	267,502
Motor vehicle running expenses		2,660,404	2,541,754
Office supplies		308,933	274,640
IT support		387,911	2,142,092
Amortization		4,007,611	845,762
Training		220,250	117,000
Depreciation	6	7,619,479	2,058,998
Corporate Social Responsibility	36.5	200,000	200,000
		<u>62,904,634</u>	<u>61,659,070</u>
<b>36.1 It includes charge for gratuity and provident fund as follows:</b>			
- Gratuity		1,365,650	1,266,640
- Provident fund		1,179,779	935,908
		<u>2,545,429</u>	<u>2,202,548</u>



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	Note	2021 Unaudited	2020 Audited
		Rupees	
<b>36.2 Disclosures relating to provident fund</b>			
(i) Size of the fund - net assets		18,902,247	14,612,838
(ii) Cost of Investment made		18,747,759	14,420,962
(iii) Percentage of Investment made		99.18%	98.69%
<b>Breakup of Investment -at fair value</b>			
Investment in National Savings		-	-
Deposit with Bank Accounts		18,747,759	14,420,962
		<u>18,747,759</u>	<u>14,420,962</u>
<b>Percentage of Investment</b>			
Deposit Accounts		100%	100%
		<u>100%</u>	<u>100%</u>

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

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

	2021			
	President & Chief Executive Officer	Executive	Directors	Total
.....Rupees.....				
Director's meeting fee	-	-	1,840,000	1,840,000
Managerial remuneration	4,800,000	5,852,820	-	10,652,820
Allowance	3,120,000	4,194,716	-	7,314,716
Retirement benefits	727,800	608,682	-	1,336,482
Others	400,000	975,470	-	1,375,470
Total	<u>9,047,800</u>	<u>11,631,688</u>	<u>1,840,000</u>	<u>22,519,488</u>
Total numbers	1	3	5	
	2020			
	President & Chief Executive Officer	Executive	Directors	Total
.....Rupees.....				
Director's meeting fee	-	-	2,840,000	2,840,000
Managerial remuneration	4,013,667	4,799,107	-	8,812,774
Allowance	2,408,203	3,439,562	-	5,847,765
Retirement benefits	609,850	467,198	-	1,077,048
Others	2,453,531	1,478,470	-	3,932,001
Total	<u>9,485,251</u>	<u>10,184,337</u>	<u>2,840,000</u>	<u>22,509,588</u>
Total numbers	1	3	7	



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

	Note	2021 Rupees	2020 Rupees
<b>36.4 Auditors' remuneration</b>			
Statutory audit		598,000	565,000
Half yearly review		232,000	220,000
Other services	36.4.1	11,900	-
Out of pocket expenses		83,000	78,500
		<b>924,900</b>	863,500
Sales tax		66,460	62,800
		<b>991,360</b>	926,300

**36.4.1** It represents various certification provided under different rules and regulations.

**36.5** The directors or their spouses have no interest in the donation made during the year.

### 37 TAXATION

Current		2,718,267	11,101,240
Prior		-	(572,523)
Deferred	12.2	5,592,616	(1,422,556)
		<b>8,310,883</b>	9,106,161

#### 37.1 Relationship between tax expense and accounting profit

Profit before taxation		28,845,844	37,809,600
Tax at applicable rate of 29% (2020: 29%)		29%	29%
Tax calculated at applicable tax rate		8,365,295	10,964,784
Impact of taxability at different rate		(700,943)	(264,062)
Prior year tax adjustment		-	(572,523)
Tax effect other than temporary difference		646,531	(1,022,038)
Effect of change in tax rate		-	-
Tax charge for the year		<b>8,310,883</b>	9,106,161

**37.2** The income tax assessment of the Investment Bank has been finalized up to the tax year 2020 under self assessment scheme.

		2021 Rupees	2020 Rupees
<b>38 EARNINGS PER SHARE -Basic and Diluted</b>			
Profit after taxation		20,534,961	28,703,439
		<b>Number of shares</b>	
Weighted average number of shares outstanding during the year		65,000,000	65,000,000
		----- Rupees -----	
Earnings per share (EPS)		0.32	0.44

There are no dilutive potential ordinary shares outstanding as at June 30, 2021 and June 30, 2020.



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	Note	2021 Rupees	2020 Rupees
<b>39 CASH AND CASH EQUIVALENT</b>			
Cash and bank balances	18	138,951,392	27,606,009
Short-term placements	15	-	40,000,000
Short-term running finance facility	26	(49,992,033)	(82,238,480)
Short-term repo borrowings		<u>(350,000,000)</u>	<u>(650,000,000)</u>
		<u>(261,040,641)</u>	<u>(664,632,471)</u>
<b>40 FINANCIAL INSTRUMENTS BY CATEGORY</b>			
<b>Financial assets as per statement of financial position</b>			
<b>At amortised cost</b>			
Investments		38,864,738	38,814,862
Loans and finances		439,234,526	544,940,393
Net investment in finance lease		624,229	1,234,087
Long term deposit's		57,500	57,500
Short-term placements		-	40,000,000
Markup/interest accrued		42,647,462	68,500,445
Other receivables		3,862,091	235,485
Cash and bank balances		<u>138,951,392</u>	<u>27,606,009</u>
		<u>664,241,938</u>	<u>721,388,781</u>
<b>Fair value through other comprehensive income</b>			
<b>Investments</b>		442,951,756	684,601,105
<b>Fair value through profit or loss</b>			
Investments		<u>1,061,128,149</u>	<u>160,298,115</u>
		<u>2,168,321,843</u>	<u>1,566,288,001</u>
<b>Financial liabilities as per statement of financial position</b>			
Loans and receivables at amortised cost			
Security deposit against finance lease		418,600	418,600
Long-term loan		78,125,000	93,750,000
Short-term running finance facility		49,992,033	82,238,480
Short-term repo borrowing		350,000,000	650,000,000
Lease liability		13,707,972	12,463,474
Markup / interest accrued		5,458,268	9,299,007
Accrued expenses and other payables		<u>1,010,902,148</u>	<u>68,661,689</u>
		<u>1,508,604,021</u>	<u>916,831,250</u>

### 41 FINANCIAL RISK MANAGEMENT

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

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

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



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### 41.1 Market risk

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

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

#### 41.1.1 Currency risk

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

#### 41.1.2 Interest rate risk

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

Financial assets and liabilities include balances of Rs. 2,066.8 million (2020: Rs. 1,460.5 million) and Rs. 491.444 million (2020: Rs. 838.45 million) respectively, which are subject to interest / markup rate risk. Applicable interest / mark-up rates for financial assets and liabilities have been indicated in respective notes.

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

Exposed to yield / market rate risk						
	Effective rate %	Total	Within one year	More than one year and less than five years	More than five years	Not exposed to yield / market rate risk
Rupees						
<b>As at June 30, 2021</b>						
<b>Financial Assets</b>						
Investments	16.60%	1,542,944,643	70,577,131	1,428,664,208	-	43,703,304
Loans and finances	15.00%	439,234,526	166,027,886	250,934,487	16,564,968	5,707,185
Net investment in finance lease	9.00%	624,229	624,229	-	-	-
Long-term deposits		57,500	-	-	-	57,500
Short-term placements	13.53%	-	-	-	-	-
Markup / interest accrued		42,647,462	-	-	-	42,647,462
Other receivables		3,862,091	-	-	-	3,862,091
Cash and bank balance	8.00%	138,951,392	133,392,274	-	-	5,559,118
		<b>2,168,321,843</b>	<b>370,621,520</b>	<b>1,679,598,695</b>	<b>16,564,968</b>	<b>101,536,660</b>
<b>Financial Liabilities</b>						
Security deposit against finance lease		418,600	-	-	-	418,600
Long-term loans	10.31%	78,125,000	78,125,000	-	-	-
Short-term running finance facility	8.59%	49,992,033	49,992,033	-	-	-
Short term repo borrowings	8.23%	350,000,000	350,000,000	-	-	-
Lease liability		13,707,972	3,826,380	9,881,592	-	-
Markup / interest accrued		5,458,268	-	-	-	5,458,268
Accrued expenses and other payables		1,010,902,148	-	-	-	1,010,902,148
		<b>1,508,604,021</b>	<b>481,943,413</b>	<b>9,881,592</b>	<b>-</b>	<b>1,016,779,016</b>
<b>On-balance sheet gap</b>		<b>659,717,822</b>	<b>(111,321,893)</b>	<b>1,669,717,103</b>	<b>16,564,968</b>	<b>(915,242,356)</b>

(Short-term repo borrowing is secured against liquid Government Securities which are readily encashable at any point of time)



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Exposed to yield / market rate risk						
	Effective rate %	Total	Within one year	More than one year and less than five years	More than five years	Not exposed to yield / market rate risk
Rupees						
As at June 30, 2020						
<b>Financial Assets</b>						
Investments	16.60%	883,714,082	63,027,255	790,944,048	-	29,742,779
Loans and finances	15.00%	544,940,393	61,515,769	465,690,114	16,094,878	1,639,632
Net investment in finance lease	9.00%	1,234,087	666,600	567,487	-	-
Long-term deposits		57,500	-	-	-	57,500
Short-term placements	13.53%	40,000,000	40,000,000	-	-	-
Markup / interest accrued		68,500,445	-	-	-	68,500,445
Other receivables		235,485	-	-	-	235,485
Cash and bank balance	8.00%	27,606,009	21,991,547	-	-	5,614,462
		1,566,288,001	187,201,171	1,257,201,649	16,094,878	105,790,303
<b>Financial Liabilities</b>						
Security deposit against finance lease		418,600	-	-	-	418,600
Long-term loans	10.31%	93,750,000	31,250,000	62,500,000	-	-
Short-term running finance facility	8.59%	82,238,480	82,238,480	-	-	-
Short-term repo borrowings	8.23%	650,000,000	650,000,000	-	-	-
Lease Liability		12,463,474	3,826,380	8,637,094	-	-
Markup / interest accrued		9,299,007	-	-	-	9,299,007
Accrued expenses and other payables		68,661,689	-	-	-	68,661,689
		916,831,250	767,314,860	71,137,094	-	78,379,296
<b>On-balance sheet gap</b>		<b>649,456,751</b>	<b>(580,113,689)</b>	<b>1,186,064,555</b>	<b>16,094,878</b>	<b>27,411,007</b>

### 41.1.3 Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate as a result of changes in the market prices (other than those arising from interest/ mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. Presently, daily stock market fluctuation is controlled by government authorities with cap and floor of 5%. The restriction of floor prices reduces the volatility of prices of equity and debt securities and the chances of market crash at any moment. The Investment Bank manages the price risk through diversification and placing limits on individual and total equity and debt instruments in accordance with NBFC's regulation and internal investment policy. Reports on the equity and debt portfolio are submitted to the Investment Bank's senior management on regular basis. The Investment Bank's board of directors reviews and approves all equity and debt investment decisions. The Investment Bank is exposed to price risk since it has investments in quoted equity and debt securities amounting to Rs. 91.7 million (2020: 65.37 million).



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

### Sensitivity analysis

The table below summarizes Investment Bank's equity price risk as of June 30, 2021 and 2020 and shows the effects of a hypothetical 10% increase and a 10% decrease in market prices as at the year end reporting dates. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse because of the nature of equity markets and the aforementioned concentrations existing in Investment Bank's equity and debt investment portfolio.

	Fair value	Hypothetical price change	Estimated fair value after hypothetical change in prices	Hypothetical increase (decrease) in shareholders' equity	Hypothetical increase (decrease) in profit / (loss)
				Rupees	
June 30, 2021	43,703,304	10% increase	48,073,634	4,370,330	4,370,330
		10% decrease	39,332,974	(4,370,330)	(4,370,330)
June 30, 2020	29,742,779	10% increase	32,717,057	2,974,278	2,974,278
		10% decrease	26,768,501	(2,974,278)	(2,974,278)

### 41.2 Credit risk

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

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

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

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



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Investment and Finances *	2021		2020	
	Rupees	%	Rupees	%
Automobile Assembler	1,024,659	0.17%	543,864	0.00%
Automobile Parts & Accessories	1,414,844	0.23%	-	0.00%
Constructions	6,560,000	1.06%	7,176,140	0.85%
Cable & Electrical Goods	221,980	0.04%	11,465	0.00%
Cement	223,548,852	36.09%	228,645,076	28.53%
Chemical	9,262,216	1.50%	6,123,738	0.37%
Close - End Mutual Fund	249,000	0.04%	-	0.04%
Open - End Mutual Fund	50,864,025	8.21%	23,867,127	2.58%
Commercial Banks	26,817,512	4.33%	20,229,744	4.06%
Engineering	3,070,248	0.50%	1,358,855	0.03%
Fertilizer	2,949,714	0.48%	4,302,108	0.40%
Food & Personal Care Products	-	0.00%	53,368	0.02%
Glass & Ceramics	1,707,583	0.28%	464,544	0.03%
Leather & Tanneries	145,674	0.02%	-	0.00%
Oil & Gas Exploration Companies	7,725,443	1.25%	7,741,264	0.83%
Oil & Gas Marketing Companies	14,683,540	2.37%	102,837,779	15.28%
Paper & Board	349,840	0.06%	544,164	0.03%
Pharmaceuticals	1,030,806	0.17%	552,223	0.01%
Power Generation & Distribution	3,865,329	0.62%	3,300,997	0.64%
Hotel Industries	21,428,572	3.46%	21,428,572	4.62%
Sugar & Allied Industries	218,586,172	35.29%	230,827,120	37.96%
Technology & Communication	2,095,223	0.34%	4,141,516	1.13%
Textile Composite	16,871,422	2.72%	15,503,269	1.94%
Textile Spinning	4,797,224	0.77%	4,797,224	0.62%
Transport	176,390	0.03%	-	0.00%
	<b>619,446,268</b>	<b>100%</b>	<b>684,450,157</b>	<b>100%</b>

\* Investment and finances are net of provisions.

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

Banks	Rating Agency	Rating	
		Short term	Long term
MCB Bank Ltd.	PACRA	A1+	AAA
National Bank of Pakistan	JCR-VIS	A1+	AAA
Allied Bank Ltd	PACRA	A1+	AAA
Khushhali Microfinance Bank	JCR-VIS	A-1	A+
Telenor Microfinance Bank Limited	PACRA	A1	A+
NRSP Microfinance Bank Limited	PACRA	A1	A
FINCA Microfinance Bank	JCR-VIS	A-1	A
U Microfinance Bank	JCR-VIS	A-1	A+
The First Microfinance Bank	JCR-VIS	A-1	A+

### 41.3 Liquidity risk

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

The table below summarizes the maturity profile of the Investment Bank assets and liabilities. The contractual maturities of assets and liabilities at the year-end have been determined on the basis of the remaining period at the reporting date to the contractual maturity date and do not take account of the effective maturities as indicated by the Investment Bank's history and the availability of liquid funds.



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Assets and liabilities not having a contractual maturity are assumed to mature on the expected date on which the assets / liabilities will be realized / settled.

	Total	Within one year	More than one year and less than five years	More than five years
-----Rupees-----				
<b>As at June 30, 2021</b>				
<b>Financial Assets</b>				
Investments	1,542,944,643	1,176,979,904	365,964,739	-
Loans and finances	439,234,526	166,083,812	256,598,312	16,552,402
Net investment in finance lease	624,229	624,229	-	-
Long-term deposits	57,500	-	57,500	-
Markup / interest accrued	42,647,462	42,647,462	-	-
Other receivables	3,862,091	3,862,091	-	-
Cash and bank balance	138,951,392	138,951,392	-	-
	<b>2,168,321,843</b>	<b>1,529,148,890</b>	<b>622,620,551</b>	<b>16,552,402</b>
<b>Financial Liabilities</b>				
Security deposit against finance lease	418,600	418,600	-	-
Long-term loans	78,125,000	78,125,000	-	-
Short-term running finance facility	49,992,033	49,992,033	-	-
Short term repo borrowings	350,000,000	350,000,000	-	-
Lease liability	13,707,972	3,826,380	9,881,592	-
Markup / interest accrued	9,299,007	9,299,007	-	-
Accrued expenses and other payables	1,010,902,148	1,010,902,148	-	-
	<b>1,512,444,760</b>	<b>1,502,563,168</b>	<b>9,881,592</b>	<b>-</b>
<b>On-balance sheet gap</b>	<b>655,877,083</b>	<b>26,585,722</b>	<b>612,738,959</b>	<b>16,552,402</b>
-----Rupees-----				
<b>As at June 30, 2020</b>				
<b>Financial Assets</b>				
Investments	883,714,082	127,262,003	756,452,079	-
Loans and finances	544,940,393	61,571,695	467,273,820	16,094,878
Net investment in finance lease	1,234,087	666,600	567,487	-
Long-term deposits	57,500	-	57,500	-
Short-term placements	40,000,000	40,000,000	-	-
Markup / interest accrued	68,500,445	68,500,445	-	-
Other receivables	235,485	235,485	-	-
Cash and bank balance	27,606,009	27,606,009	-	-
	<b>1,566,288,001</b>	<b>325,842,237</b>	<b>1,224,350,886</b>	<b>16,094,878</b>
<b>Financial Liabilities</b>				
Security deposit against finance lease	418,600	333,400	82,500	-
Long-term loans	93,750,000	31,250,000	62,500,000	-
Short-term running finance facility	82,238,480	82,238,480	-	-
Short-term repo borrowings	650,000,000	650,000,000	-	-
Lease liability	12,463,474	3,826,380	8,637,094	-
Markup / interest accrued	9,299,007	9,299,007	-	-
Accrued expenses and other payables	68,661,689	68,661,689	-	-
	<b>916,831,250</b>	<b>845,608,956</b>	<b>71,219,594</b>	<b>-</b>
<b>On-balance sheet gap</b>	<b>649,456,751</b>	<b>(519,766,719)</b>	<b>1,153,131,292</b>	<b>16,094,878</b>



### 42 CAPITAL RISK MANAGEMENT

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

#### **Goals of managing capital**

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

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

Maintain strong ratings and to protect against unexpected events;

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

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

### 43 FAIR VALUE OF FINANCIAL INSTRUMENTS

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

#### **a) Finance and certificates of deposit**

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

#### **b) Investments**

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



## ANNUAL REPORT 2021

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

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

		<b>2021</b>		
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
		----- Rupees -----		
<b>Listed securities</b>		<b>122,074,843</b>	-	-
<b>Unlisted securities</b>		-	<b>11,357,224</b>	-
		<b>122,074,843</b>	<b>11,357,224</b>	-
		<b>2020</b>		
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
		----- Rupees -----		
Listed securities		80,842,544	-	-
Unlisted securities		-	11,357,224	-
		80,842,544	11,357,224	-

### c) Other financial instruments

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

## 44 TRANSACTIONS WITH RELATED PARTIES

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

	<b>Note</b>	<b>2021 Rupees</b>	<b>2020 Rupees</b>
<b>Associated Undertakings</b>			
<b>Transactions during the year</b>			
<b>National Bank of Pakistan (NBP holds 30.77% of FCIBL Shares)</b>			
Mark-up on long-term loan	35	<u>7,304,925</u>	<u>15,176,598</u>
Mark-up on running finance		<u>4,164,434</u>	<u>11,673,415</u>
Rent paid		<u>4,942,015</u>	<u>4,515,678</u>
<b>NBP Fund Management Limited (NBP holds 54% of NBP Fund Management Ltd. Shares)</b>			
Fees & Commission Expense		<u>332,222</u>	<u>320,000</u>



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	Note	2021 Rupees	2020 Rupees
<b>Taurus Securities Limited</b> (NBP holds 58.32% of Taurus Securities Limited Shares)			
Brokerage expense		<u>70,752</u>	<u>48,675</u>
<b>Balance at year end</b>			
<b>National Bank of Pakistan</b> (NBP holds 30.77% of FCIBL Shares)			
Investment in shares at cost	14.2	<u>3,858,400</u>	<u>3,858,400</u>
Long-term loan	24.1	<u>78,125,000</u>	<u>93,750,000</u>
Short term running finance	26.2	<u>49,992,033</u>	<u>49,992,033</u>
<b>NAFA Stock Fund</b> (NBP holds 54% shares of NBP Fund Management Limited - Management Company of the Fund)	14.4	<u>26,346,866</u>	<u>19,059,518</u>
<b>Key Management Personnel</b>			
Salaries, benefits and other allowances	36.3	<u>19,343,006</u>	<u>19,203,588</u>
Retirement benefits	36.3	<u>1,336,482</u>	<u>1,077,048</u>
Balance at year end		<u>3,719,111</u>	<u>435,418</u>
<b>Staff Retirement Plans</b>			
Contribution to staff retirement Plans	36.1	<u>1,179,779</u>	<u>935,908</u>
		<b>2021</b>	<b>2020</b>
<b>45 EMPLOYEES</b>		<b>Numbers</b>	
Employees at the end of the year		<u>20</u>	<u>19</u>
Average employees during the year		<u>20</u>	<u>18</u>

### 46 GENERAL


Figures have been rounded off to the nearest rupees.

### 47 DATE OF AUTHORIZATION FOR ISSUE

These financial statements was authorized for issue on September 25, 2021 by the Board of Directors of the Investment Bank.



**MUHAMMAD KAMRAN**  
Chief Financial Officer



**MUHAMMAD MOHSIN ALI**  
President & CEO



**MUHAMMAD NAEEMUDDIN**  
Director



**FIRST CREDIT AND INVESTMENT BANK LTD.**

## PATTERN OF SHAREHOLDING AS AT JUNE 30, 2021

Number of Shareholders	From	Shareholding To	Total number of Shares held	Percentage %
264	1	100	3,777	0.0058
561	101	500	251,379	0.3867
61	501	1,000	57,426	0.0883
44	1,001	5,000	113,491	0.1746
5	5,001	10,000	36,100	0.0555
1	10,001	15,000	14,500	0.0223
2	15,001	20,000	35,500	0.0546
2	30,001	35,000	66,500	0.1023
1	40,001	45,000	44,000	0.0677
1	175,001	180,000	179,000	0.2754
1	4,800,001	4,805,000	4,801,703	7.3872
1	6,605,001	6,610,000	6,606,246	10.1635
1	12,790,001	12,795,000	12,790,378	19.6775
2	19,995,001	20,000,000	40,000,000	61.5385
<b>947</b>	<b>Company</b>	<b>Total</b>	<b>650,000,000</b>	<b>100.0000</b>

The Slabs representing nil holding have been omitted

Categories of Shareholders	Number	Shares Held	Percentage
Directors / Chief Executive	4	3,000	0.0047%
Associated companies, undertakings & related parties	5	64,198,327	98.7667%
General Public			
Local	935	750,173	1.1541%
Others	3	48,500	0.0746%
<b>Total</b>	<b>947</b>	<b>65,000,000</b>	<b>100.0000%</b>



**PATTERN OF SHAREHOLDING AS REQUIRED  
UNDER THE CODE OF CORPORATE GOVERNANCE  
AS AT JUNE 30, 2021**

Categories of Shareholders	Number of Shareholders	Shares Held	Percentage %
<b>Associated Companies, Undertakings Related Parties Sponsors &amp; Acquirers</b>			
National Bank of Pakistan	1	20,000,000	30.7692%
Water and Power Development Authority	1	20,000,000	30.7692%
Sardar Mohammad Ashraf D. Baluch & Co. (Pvt.) Ltd.	1	12,790,378	19.6775%
Lilley International (Pvt.) Ltd.	1	6,606,246	10.1635%
Sardar Mohammad Ashraf D. Baluch (Pvt.) Ltd.	1	4,801,703	7.3872%
	<u>5</u>	<u>64,198,327</u>	<u>98.7666%</u>
<b>Mutual Fund</b>			
<b>NIT and ICP</b>			
<b>Directors, Chief Executive and their spouses and minor children</b>			
Mr. Muhammad Naeemuddin	1	500	0.0008%
Mr. Jamal Nasim	1	500	0.0008%
Mrs. Nina Afridi	1	500	0.0008%
Mr. Muhammad Mohsin Ali	1	1,500	0.0023%
<b>Executives</b>			
<b>Public Sector Companies &amp; Corporation Banks, Development Finance Institutions Non-Banking Companies and Mutual Funds</b>			
General Public	935	750,173	1.1541%
Others	3	48,500	0.0746%
<b>Total</b>	<b>947</b>	<b>65,000,000</b>	<b>100.0000%</b>
<b>Shareholders holding 5% or more voting interest</b>			
National Bank of Pakistan	1	20,000,000	30.7692%
Water & Power Development Authority (WAPDA)	1	20,000,000	30.7692%
Sardar Mohammad Ashraf D. Baluch & Co. (Pvt.) Ltd.	1	12,790,378	19.6775%
Lilley International (Pvt.) Limited	1	6,606,246	10.1635%
Sardar Mohammad Ashraf D. Baluch (Pvt.) Ltd.	1	4,801,703	7.3872%



FORM OF PROXY

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

I/We \_\_\_\_\_  
(name)  
of \_\_\_\_\_ being member(s)  
(address)  
of First Credit and Investment Bank Ltd. and holder of \_\_\_\_\_ Ordinary  
(number of shares)  
Shares as per Share Registered Folio No. \_\_\_\_\_ and/or CDC Participant I.D No. \_\_\_\_\_  
and Sub Account No. \_\_\_\_\_ hereby appoint \_\_\_\_\_ of  
(name)  
\_\_\_\_\_ or failing him/her \_\_\_\_\_  
(address) (name)  
of \_\_\_\_\_ as my proxy to vote  
(address)  
for me and on my behalf at the Annual General meeting of the company to be held on Tuesday,  
October 26, 2021 at 05:00 p.m. at First Credit and Investment Bank Ltd. 2nd Floor, Sidco Avenue Centre,  
Stratchen Road, Karachi -74200.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2021.

**1. Witness:**

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
CNIC or \_\_\_\_\_  
Passport # \_\_\_\_\_

Signature

Signature on  
Rs. 5/-  
Revenue Stamp

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

**2. Witness:**

Signature \_\_\_\_\_  
Name \_\_\_\_\_  
Address \_\_\_\_\_  
CNIC or \_\_\_\_\_  
Passport # \_\_\_\_\_

**IMPORTANT:**

- In order to be effective, the proxy forms must be received at the office of our Registrar THK Associates (Pvt.) Limited, Plot # 32-C, Jami Commercial Street # 2, D.H.A, Phase-VII, Karachi-75500 not later than 48 hours before the meeting duly signed and stamped and witnessed by two persons with their signatures, names, address and CNIC numbers given on the form.
- In the case of individuals attested copies of CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- In the case of proxy by a corporate entity, Board of Directors Resolution / power of attorney and attested copy CNIC or passport of the proxy shall be submitted alongwith proxy form.
- Proxy shall authenticate his / her identity by showing his / her original national identity card or original passport and bring folio number at the time of attending the meeting.





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# پراکسی فارم

## کمپنی سیکرٹری

فرسٹ کریڈٹ اینڈ انویسٹمنٹ بینک لمیٹڈ

سیکنڈ فلور سڈ کوسینٹر اسٹیرٹچن روڈ

کراچی 74200

میں / ہم مستی / مسماة \_\_\_\_\_ ساکن \_\_\_\_\_ بحیثیت ممبر فرسٹ کریڈٹ اینڈ انویسٹمنٹ بینک لمیٹڈ اور حامل  
عام حصص، رجسٹرڈ فولیو نمبر \_\_\_\_\_ کے تحت اور یا سی ڈی سی شراکتد ار آئی ڈی نمبر \_\_\_\_\_ اور ذیلی اکاؤنٹ نمبر \_\_\_\_\_  
یہاں محترم / محترمہ \_\_\_\_\_ ساکن \_\_\_\_\_ یا ان کی جگہ محترم / محترمہ \_\_\_\_\_  
ساکن \_\_\_\_\_ کو بطور اپنا مختار اور ووٹ دینے کیلئے اپنا پراکسی تقرر کرتا / کرتی ہوں جو میری جگہ کمپنی کے سالانہ اجلاس عام جو بروز منگل 26 اکتوبر 2021  
بوقت شام 05:00 بجے فرسٹ کریڈٹ اینڈ انویسٹمنٹ بینک لمیٹڈ، سیکنڈ فلور سڈ کوسینٹر اسٹیرٹچن روڈ، کراچی 74200 میں منعقد ہو رہا ہے شرکت کرے۔

روز \_\_\_\_\_ تاریخ \_\_\_\_\_ 2021 کو دستخط کیا گیا۔

گواہ نمبر-1

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

دستخط

نام \_\_\_\_\_

پتہ \_\_\_\_\_

پاسپورٹ / CNIC نمبر \_\_\_\_\_

دستخط \_\_\_\_\_

گواہ نمبر-2

نام \_\_\_\_\_

پتہ \_\_\_\_\_

پاسپورٹ / CNIC نمبر \_\_\_\_\_

دستخط \_\_\_\_\_

اہم نکات۔

باضابطہ و موثر ہونے کیلئے دستخط شدہ مہر شدہ اور دو گواہوں کے دستخط کے نام پتے اور کمپیوٹرائزڈ شناختی کارڈ نمبر کے ساتھ یہ پراکسی فارم اجلاس کے وقت سے کم از کم 48 گھنٹے قبل ہمارے  
رجسٹرار ٹی ایچ کے ایسوسی ایٹ پرائیوٹ لمیٹڈ کے دفتر بمقام پلاٹ نمبر C-32، جامی کمرشل اسٹریٹ نمبر 2، ڈی ایچ اے، فیئر-VII، کراچی-75500، کراچی میں جمع کرانا لازمی ہے۔  
انفرادی مالکان کی صورت میں بینیفیشل مالکان اور پراکسی کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ کی تصدیق شدہ نقول پراکسی فارم کے ساتھ پیش کرنا ہوں گی۔  
کارپوریٹ ادارے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد اور آف اٹارنی سی این آئی سی یا پاسپورٹ کی تصدیق شدہ نقول پراکسی فارم کے ساتھ پیش کرنا ہوں گی۔  
پراکسی کو اجلاس کے وقت بطور شناخت اپنا اصل کمپیوٹرائزڈ شناختی کارڈ یا پاسپورٹ اور فولیو نمبر بھی ہمراہ لانا ہوگا۔



ٹکٹ چسپاں  
کریں۔

**فرسٹ کریڈٹ اینڈ انویسٹمنٹ بینک لمیٹڈ**

شیررز جسٹرار:

THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ

پلاٹ نمبر C-32، جامی کمرشل اسٹریٹ نمبر 2،

ڈی ایچ اے، فیز- VII، کراچی-75500

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## ANNUAL REPORT 2021

### کمپنی میں شیئر ہولڈنگ 30 جون 2021 کو کمپنی میں شیئر ہولڈنگ

شیئر کا فیصد %	شیئر کی تعداد	شیئر ہولڈرز کی تعداد	شیئر ہولڈنگ کی درجہ بندی
			متعلقہ کمپنیز مقررہ اور متعلقہ فریقین اسپانسرز اور ایجوکایٹرز
30.7692%	20,000,000	1	نیشنل بینک آف پاکستان
30.7692%	20,000,000	1	واٹر اینڈ پاور ڈویلپمنٹ اتھارٹی
19.6775%	12,790,378	1	سردار محمد اشرف ڈی. بلوچ اینڈ کو. (پرائیویٹ) لمیٹڈ
10.1635%	6,606,246	1	لٹی انٹرنیشنل (پرائیویٹ) لمیٹڈ
7.3872%	4,801,703	1	سردار محمد اشرف ڈی. بلوچ (پرائیویٹ) لمیٹڈ
98.7666%	64,198,327	5	باہمی فنڈز این آئی ٹی اور آئی سی پی ڈائریکٹرز چیف ایگزیکٹو آفیسر، شوہر ای بیوی اور نابالغ بچے مسٹر محمد نعیم الدین مسٹر جمال نسیم محترمہ نینا آفریدی مسٹر محمد محسن علی
0.0008%	500	1	ایگزیکٹو پبلک سیکٹر کمپنیز اور کارپوریشن بینک، ڈویلپمنٹ فنانس ادارے نان بینکنگ فنانس کمپنیز باہمی فنڈز
0.0008%	500	1	
0.0008%	500	1	
0.0023%	1,500	1	
1.1541%	750,173	935	جزل پبلک
0.0746%	48,500	3	دیگر
100.0000%	65,000,000	947	ٹوٹل

شیئر کا فیصد %	شیئر کی تعداد	شیئر ہولڈرز کی تعداد	شیئر ہولڈنگ کی درجہ بندی
			شیئر ہولڈنگ 5% اور ذائد
30.7692%	20,000,000	1	نیشنل بینک آف پاکستان
30.7692%	20,000,000	1	واٹر اینڈ پاور ڈویلپمنٹ اتھارٹی سردار محمد اشرف ڈی. بلوچ
19.6775%	12,790,378	1	اینڈ کو. (پرائیویٹ) لمیٹڈ
10.1635%	6,606,246	1	لٹی انٹرنیشنل (پرائیویٹ) لمیٹڈ
7.3872%	4,801,703	1	سردار محمد اشرف ڈی. بلوچ (پرائیویٹ) لمیٹڈ



## ANNUAL REPORT 2021

### شیر ہولڈنگ پیٹرن بمطابق 30 جون 2021

شیر ہولڈرز کی تعداد	شیر ہولڈنگ سے	تک	کل شیرز کی ملکیت	فیصد %
264	1	100	3,777	0.0058
561	101	500	251,379	0.3867
61	501	1,000	57,426	0.0883
44	1,001	5,000	113,491	0.1746
5	5,001	10,000	36,100	0.0555
1	10,001	15,000	14,500	0.0223
2	15,001	20,000	35,500	0.0546
2	30,001	35,000	66,500	0.1023
1	40,001	45,000	44,000	0.0677
1	175,001	180,000	179,000	0.2754
1	4,800,001	4,805,000	4,801,703	7.3872
1	6,605,001	6,610,000	6,606,246	10.1635
1	12,790,001	12,795,000	12,790,378	19.6775
2	19,995,001	20,000,000	40,000,000	61.5385
<b>947</b>	<b>Company</b>	<b>Total</b>	<b>650,000,000</b>	<b>100.000</b>

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

شیر ہولڈرز کی درجہ بندی	نمبر	شیرز کی ملکیت	فیصد %
ڈائریکٹرز / سی ای او متعلقہ کمپنیز، مقررہ اور متعلقہ فریقین اسپانسرز اور ریگولٹرز	4	3,000	0.0047%
جزل پبلک لوکل	935	750,173	1.1541%
دیگر ٹوٹل	3	48,500	0.0746%
	<b>947</b>	<b>65,000,000</b>	<b>100.0000%</b>



**FIRST CREDIT AND INVESTMENT BANK LTD.**

**(۵) طبعی حصص کو سی ڈی سی اکاؤنٹ میں جمع کرانا:**

کمپنی ایکٹ ۲۰۱۷ کے سیکشن ۷۲ کے تحت ہر سٹاک ہولڈر کی طرف سے طبعی حصص کو بک انٹری فارم میں تبدیل کریں لہذا حصص یافتگان جن کے پاس طبعی حصص ہیں ان سے درخواست ہے کہ اپنے حصص بک انٹری میں تبدیل کروالیں۔

**(۶) وڈیولنک کے ذریعے میٹنگ میں شرکت:**

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

میں/ہم (شیرتھولڈر کا نام)..... شہر کا نام..... سے ایف سی آئی بی ایل کا ممبر ہونے کے تحت..... عمومی شیرتھولڈرز برطانیق فولیو ای ڈی

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

..... ممبر کے دستخط

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



(۱)۔ اجلاس میں شرکت کیلئے۔

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

(ب) کارپوریٹ ادارے کی صورت میں، انارنی کے لیے بورڈ آف ڈائریکٹران کی قرارداد کے مطابق نامزد شخص کے مخصوص دستخط (اگر یہ اس سے قبل فراہم نہیں کئے گئے) میننگ کے وقت پیش کرنا ہوئے۔

(۲)۔ پراسس کی تقرری کیلئے۔

(الف) انفرادی صورت میں، اکاؤنٹ ہولڈر یا سب اکاؤنٹ ہولڈر اور یا وہ شخص جسکی سیکورٹیز گروپ اکاؤنٹس میں ہوں اور انکی رجسٹریشن کی تفصیلات قواعد و ضوابط کے تحت اپ لوڈ کی گئی ہوں پراسس فارم مذکورہ ضروریات کے تحت جمع ہونے چاہئے۔

(ب) پراسس فارم دو افراد کی جانب سے گواہی کے ساتھ ہونا چاہئے، جسکے نام، پتہ اور سی این آئی سی نمبر فارم پر درج ہونے چاہئے۔

(پ) پراسس فارم کے ساتھ سی۔ این۔ آئی۔ سی مصدقہ کاپیاں یا حق دار مالکان کا پاسپورٹ اور پراسس فارم پیش کرنا ہوگا۔

(ت) پراسس کو اپنے اصل سی۔ این۔ آئی۔ سی یا پاسپورٹ اجلاس کے وقت پیش کرنا ہوگا۔

(ج) کارپوریٹ ادارے کی صورت میں کمپنی کو پراسس فارم کے ساتھ بورڈ آف ڈائریکٹران کی قرارداد اور پاور آف انارنی بمع مخصوص دستخط جمع کرانے ہونگے۔ (اگر یہ اس سے قبل فراہم نہیں کئے گئے)۔

کرونا وائرس کے تناظر میں غیر معمولی اجلاس عام کیلئے ہنگامی منصوبہ بندی۔

موجودہ کوویڈ-19 (covid-19) کی وباء کی صورتحال کی روشنی میں کمپنی نے جو ممبران میننگ میں ویڈیو لنک کے ذریعے اے گی ایم میں شریکت کا ارادہ رکھتے ہیں انھیں اپنی مندرجہ ذیل تفصیلات ای میل کریں اور ممبران حضرات سے گزارش کی جاتی ہے کہ وہ رجسٹریشن کیلئے رجسٹریشن برائے ایف سی آئی بی ایل کی اے جی ایم کے عنوان سے مندرجہ ذیل تفصیلات بھیج کر اپنا نام اندراج کروائیں۔

ای میل نمبر	موبائل نمبر	سی این آئی سی نمبر اسکین کاپی (دو نوں سائڈ)	فولیو نمبر سی سی اکاؤنٹ نمبر	شیرز کی تعداد	شیر ہولڈر کا نام

وڈیو لنک اور لاگن کرنے کی تفصیلات صرف ان اراکین کو ہی فراہم کی جائے گی جو اے جی ایم سے کم از کم ۲۸ گھنٹے پہلے تمام معلومات بذریعہ ای میل فراہم کریں گے۔

(۳) کمپیوٹرائزڈ قومی شناختی کارڈ کاپی کی فراہمی:

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان سے جاری کردہ ایس آر او نمبر ۲۰۱۴ (۱) ۱۹ مورخہ ۱۰ جنوری ۲۰۱۴ پر عملدرآمد کیلئے جن حصص یافتگان نے ابھی تک اپنے کمپیوٹرائزڈ قومی شناختی کارڈ کی مصدقہ کاپی جمع نہیں کروائی ان سے درخواست ہے کہ وہ یہ مصدقہ کاپی بمع فولیو نمبر جلد از جلد کمپنی کے شیر رجسٹرار میسرز THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ کو ارسال کریں وہ ممبران جو سی ڈی سی میں شیر رکھتے ہیں ان سے بھی التماس کی جاتی ہے کہ وہ اپنے قومی شناختی کارڈ کی تصدیق شدہ کاپی سی ڈی سی یا اینیویسٹر اکاؤنٹ سروسز کو بھجوائیں۔

(۴) پتہ میں تبدیلی:

شیر ہولڈرز سے گزارش ہے کہ وہ اپنا پتہ تبدیل ہونے کے بارے میں کمپنی کے شیر رجسٹرار کو یا سی ڈی سی شراکت دار انویسٹر اکاؤنٹ سروسز کو فوری طور پر مطلع کریں جو بھی صورت ہو۔



## سالانہ اجلاس عام کی اطلاع

بذریعہ ہذا اطلاع دی جاتی ہے کہ فرسٹ کریڈٹ اینڈ انویسٹمنٹ بینک لمیٹڈ کے شیئر ہولڈرز کا ۳۲ واں سالانہ اجلاس عام بروز منگل ۲۶ اکتوبر ۲۰۲۱ء شام ۵:۰۰ بجے بمقام رجسٹرڈ آفس دوسری منزل، سڈکو ایونیو سینٹر، اسٹریٹجک روڈ، کراچی میں منعقد ہوگا جس میں مندرجہ ذیل امور انجام دیئے جائیں گے۔ میں منعقد ہوگا جس میں مندرجہ ذیل امور انجام دیئے جائیں گے۔

### عمومی امور :

- (الف) ۳۱ واں سالانہ اجلاس عام منعقدہ ۲۳ اکتوبر ۲۰۲۰ء کی کاروائی کی توثیق۔  
 (ب) ۳۰ جون ۲۰۲۱ء کو ختم شدہ سال کیلئے کمپنی کے آڈٹ شدہ مالیاتی اسٹیٹمنٹس مع ان پراڈیٹرز رپورٹ، چیئرمین ریویو اور ڈائریکٹرز رپورٹ کی وصولی، غور و خوض اور منظوری۔  
 (پ) ۳۰ جون ۲۰۲۲ء کو ختم ہونے والے سال کیلئے قانونی آڈیٹرز کا تقرر اور ان کے مشاہرہ کا تعین کرنا۔ سبکدش ہونے والے آڈیٹرز میسرز کروجسین چوہدری اینڈ کمپنی چارٹرڈ اکاؤنٹنٹس کی جانب سے بطور اہلیت کے حامل نے خود کو دوبارہ تقرر کیلئے پیش کیا ہے۔

### دیگر امور :

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

حسب الحکم بورڈ



محمد امین کھتری

کمپنی سیکریٹری

کراچی

۲ اکتوبر ۲۰۲۱ء

نوٹ۔

حصص کی کتب کی منتقلی کی بندش۔

(الف) کمپنی کی حصص منتقلی کی کتاب ۱۸ اکتوبر ۲۰۲۱ء تا ۲۶ اکتوبر ۲۰۲۱ء (بشمول دونوں ایام) بند رہے گی۔ جو مشقیات ۱۱ اکتوبر ۲۰۲۰ء کو کاروبار کے اختتام تک ہمارے شیئر رجسٹرار میسرز THK ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، پلاٹ نمبر ۳۲ سی، جامی کمرشل اسٹریٹ ۱۱، ڈی ایچ اے فیزے کراچی۔ ۷۵۵۰۰ کے دفتر میں باضابطہ طور پر موصول ہوگی انھیں اجلاس میں شرکت کرنے اور ووٹ دینے کی غرض سے شیئر ہولڈرز کے استحقاق کے مقصد کیلئے بروقت سمجھا جائے گا۔

سالانہ اجلاس عام میں شرکت۔

(ب) کمپنی کا ہر ممبر اس اجلاس میں شرکت اور ووٹ ڈالنے کا حق رکھتا ہے اور وہ اپنی جگہ اجلاس میں شرکت اور ووٹ دینے کیلئے اپنا پراکسی مقرر کر سکتا/ کر سکتی ہے۔ پراکسی کی تقرری کی اطلاع کمپنی کو اجلاس سے کم از کم ۲۸ گھنٹے قبل دینی ہوگی۔ سی۔ ڈی۔ سی اکاؤنٹس رکھنے والوں کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان سے جاری سرکلر نمبر ۲۶ بتاریخ ۲۶ جنوری ۲۰۰۰ء میں دی گئی ہدایات پر عملدرآمد کرنا ہوگا۔



شینئر ہولڈنگ پیٹرن:

۳۰ جون ۲۰۲۱ پر شینئر ہولڈنگ پیٹرن بشمول کمپنی کے حصص یافتگان کی کیٹیگری سالانہ رپورٹ کے ساتھ منسلک ہے۔ دوران سال شینئر ہولڈنگ پیٹرن کے مطابق ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکریٹری اور ان کی بیوی، بچوں کی طرف سے کمپنی کے حصص کا کاروبار نہیں کیا گیا ماسوائے جو کہ شینئر ہولڈنگ پیٹرن میں دکھایا گیا ہے۔

مستقبل کے امکانات اور حکمت عملی:

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

اظہار تشکر:

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

بحکم پورڈ

محمد نعیم الدین  
ڈائریکٹر

محمد محسن علی  
چیف ایگزیکٹو آفیسر

کراچی  
۲۵ ستمبر، ۲۰۲۱

### رسک مینجمنٹ کمیٹی:

بورڈ نے ایک رسک مینجمنٹ کمیٹی تشکیل دی ہے تاکہ وہ ڈائریکٹرز کو مستقبل میں درپیش نقصانات کے تعین اور اس کے سدباب کرنے میں معاونت کر سکیں۔ یہ کمیٹی چار (۴) ممبران پر مشتمل ہے جن میں زیادہ تر ممبران نان ایگزیکٹو ڈائریکٹرز ہیں جبکہ چیئرمین کمیٹی انڈیپنڈنٹ بینٹ ڈائریکٹر ہیں سال کے دوران کمیٹی کی ایک (۱) میٹنگ منعقد کی گئی، جس میں درج ذیل ڈائریکٹرز نے شرکت کی:

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

### ڈائریکٹرز مشاہرہ پالیسی:

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

### ریلیٹیو پارٹی ٹرانزیکشن:

لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشن ۲۰۱۹ اور دیگر قابل اطلاق قوانین کے تقاضوں کی تعمیل کے لئے ایف سی آئی بی ایل نے ریلیٹیو پارٹی کے تمام لین دین کے معاملات کو جائزہ اور منظوری کے لئے آڈٹ کمیٹی اور بورڈ کے روبرو پیش کیا مندرجہ بالا لین دین کے معاملات کو آڈٹ کمیٹی اور اس کے بعد بورڈ نے اپنی اپنی میٹنگوں میں منظوری دے دی ہے۔ دوران سال تمام متعلقہ معاملات جو ریلیٹیو پارٹی سے ہوئے وہ آرم لینتھ کے تحت تھے جس کی تفصیلات منسلک آڈٹ شدہ مالیاتی گوشوارہ رپورٹ کے نوٹ نمبر ۴۴ میں درج ہیں۔

### ٹریڈنگ پروگرامز:

ایف سی آئی بی ایل ڈائریکٹرز ٹریڈنگ کے تقاضوں کو لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشن ۲۰۱۹ کے تحت تعین کرتا ہے چونکہ ایف سی آئی بی ایل کے ۸۰ فیصد سے زائد ڈائریکٹرز سی سی جی کے مطابق ڈائریکٹرز ٹریڈنگ پروگرام (ڈی ٹی پی) مکمل کر چکے ہیں اس کے علاوہ ڈائریکٹرز ٹریڈنگ کے تقاضوں کے مطابق پاکستان اسٹاک ایکسچینج کی رولز بک (لسٹنگ ریگولیشنز)، این بی ایف سی رولز ۲۰۰۳، این بی ایف سی اور این ای ریگولیشنز ۲۰۰۸ اور میمورینڈم اور آرٹیکل آف ایسوسی ایشن کی کاپیاں بھی فراہم کی گئیں ہیں اور تمام ڈائریکٹرز اپنے فرائض اور ذمہ داریوں سے بخوبی آگاہ ہیں۔

### آڈیٹرز:

موجودہ آڈیٹرز میسرز کرو حسین چوہدری اینڈ کمیٹی چارٹرڈ اکاؤنٹنٹس، ریٹائر ہو گئے ہیں اور وہ دوبارہ تقرری کے اہل ہیں اور انہوں نے اپنے آپ کو دوبارہ تقرری کے لئے پیش کیا ہے کوڈ آف کارپوریٹ گورننس کے تحت آڈٹ کمیٹی نے ۳۰ جون ۲۰۲۲ کو ختم ہونے والے سال کے لئے میسرز کرو حسین چوہدری اینڈ کمیٹی چارٹرڈ اکاؤنٹنٹس کو تقرر کرنے کی سفارش کی ہے۔



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ڈائریکٹرز کے نام	میٹنگ کی تعداد جن میں شامل ہونے کے اہل ہیں	میٹنگ کی تعداد جن میں شامل ہوئے
جناب اسد اللہ سلیم	۴	۴
جناب فیصل احمد	۰	۰
جناب نوید اصغر چودھری	۴	۴
سید عرفان حسین رضوی	۴	۴
جناب محمد نعیم الدین	۴	۴
جناب جمال نسیم	۰	۰
محترمہ نینا آفریدی	۴	۴
جناب محمد حسن علی	۴	۴

### آڈٹ کمیٹی اور داخلی کنٹرول:

بورڈ کی آڈٹ کمیٹی تین (۳) نان ایگزیکٹو ڈائریکٹرز پر مشتمل ہے جن میں بشمول چیئرمین کمیٹی زیادہ تر آزاد ڈائریکٹرز ہیں۔ بورڈ نے کارپوریٹ قانون و قواعد کے مطابق کام کرنے کے مروجہ امور (Terms of reference) لٹیکمپنیز ریگولیشن ۲۰۱۹ کے تحت تعین کیا ہے۔ سال کے دوران آڈٹ کمیٹی کی چار (۴) میٹنگز منعقد کی گئیں جس میں درج ذیل ڈائریکٹرز نے شرکت کی:

ڈائریکٹر کا نام	میٹنگز کی تعداد جن میں شریک ہونے کے اہل تھے	میٹنگز کی تعداد جن میں شریک ہوئے
جناب محمد نعیم الدین	۴	۴
سید عرفان حسین رضوی	۴	۴
محترمہ نینا آفریدی	۴	۴

### انسانی وسائل اور معاوضوں کی کمیٹی:

بورڈ آف ڈائریکٹرز نے کلیدی عہدوں کے انتخاب، تجویز اور متبادل پلاننگ کے حوالے سے اپنی ذمہ داریوں کو پورا کرنے میں مدد کے لیے ایک انسانی وسائل اور معاوضے کی کمیٹی تشکیل دی ہے۔ یہ کمیٹی چار (۴) ممبران پر مشتمل ہے زیادہ تر ممبران نان ایگزیکٹو ڈائریکٹرز ہیں جبکہ چیئرمین کمیٹی انڈیپنڈنٹ ڈائریکٹر ہیں۔ سال کے دوران کمیٹی کی دو (۲) میٹنگز منعقد کی گئیں، جس میں درج ذیل ڈائریکٹرز نے شرکت کی:

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



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

۲۰۱۶	۲۰۱۷	۲۰۱۸	۲۰۱۹	۲۰۲۰	۲۰۲۱	سال جو ۳ جون کو ختم ہوا
ملین روپوں میں						
۹۹	۸۰	۱۰۳	۱۱۷	۱۵۵	۱۴۵	کل آمدنی
۶۵	۱۲	۱۶	۱۵	۳۸	۲۹	قبل از ٹیکس منافع / (نقصان)
۴۴	۷	۹	۱۰	۲۹	۲۱	بعد از ٹیکس منافع / (نقصان)
۷۱۷	۷۲۴	۷۲۲	۷۱۹	۷۳۹	۷۵۰	حصص یافتگان کا سرمایہ
۱,۰۱۲	۱,۱۵۵	۱,۳۲۷	۱,۳۸۵	۱,۶۶۷	۲,۲۷۲	کل اثاثے
۰.۶۷	۰.۱۱	۰.۱۴	۰.۱۵	۰.۴۴	۰.۳۲	منافع / نقصان فی حصص (روپے میں)

اسٹاف ریٹائرمنٹ پیمنٹ اسکیمز:

ایپلائز پراویڈنٹ فنڈ اور گریجویٹ فنڈ کی سرمایہ کاری کا تخمینہ ۳ جون ۲۰۲۱ کے مطابق بالترتیب ۱۸,۷۴۷,۷۵۹ روپے اور ۳,۰۱,۷۴۳ روپے ہے۔

بورڈ آف ڈائریکٹرز:

بورڈ کی مجموعی ساخت مندرجہ ذیل ہے۔

ڈائریکٹرز کی کل تعداد:

(a) مرد: ۷ (بشمول مقرر کردہ سی ای او)

(b) خاتون: ۱

کمپوزیشن:

(i) انڈیپنڈنٹ ڈائریکٹرز: ۳

(ii) نان-ایگزیکٹو ڈائریکٹرز: ۴

(iii) ایگزیکٹو ڈائریکٹرز: \*

\* ایگزیکٹو ڈائریکٹر صدر سی ای او ہیں جن کا تقرر کا ٹرم بیکٹ پر ہے۔

دوران سال بورڈ میں تین عارضی آسامیاں خالی ہوئیں جو مقررہ وقت کے اندر پر کی گئیں۔

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



**FIRST CREDIT AND INVESTMENT BANK LTD.**

حصص پر منافع (ڈیویڈنڈ):

ماضی میں کمپنی کی حصص پر منافع (ڈیویڈنڈ) کی پالیسی میں پرکشش نقد منافع (ڈیویڈنڈ)، حصص یافتگان کو بونس حصص بھی جاری کرتا رہا ہے، مگر اس سال ۲۰۲۱ جون کے اختتام پر ڈائریکٹرز نے ڈیویڈنڈ کی ادائیگی کی کوئی تجویز پیش نہیں کی ہے۔

کرڈٹ ریٹنگ:

JCR-VIS کرڈٹ ریٹنگ کمپنی نے اپنی رپورٹ مورخہ ۳۱ دسمبر ۲۰۲۰ میں کمپنی کی درمیانے سے طویل مدتی ایٹھٹی ریٹنگ کو 'A-' (سنگل A منفی) اور مختصر مدتی ریٹنگ کو 'A-2' پر برقرار رکھا ہے۔ ریٹنگ کا آؤٹ لک مستحکم ہے۔

ماحولیاتی اور کارپوریٹ سماجی ذمہ داریاں:

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

رسک کے تعین اور نشاندہی کا فریم ورک (رسک اسسیمیٹ فریم ورک):

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

کارپوریٹ اور فنانشل رپورٹنگ فریم ورک:

کمپنی نے گڈ کارپوریٹ گورننس کی عملداری یقینی بنانے کے لیے تمام ضروری اقدامات اٹھائے ہیں۔ لسٹڈ کوڈ آف کارپوریٹ گورننس ریگولیشن ۲۰۱۹ (سی سی جی) کے انتظامی قواعد کے مطابق بورڈ درج ذیل رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں:

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



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(روپے 000 میں)

	۲۰۲۰-۲۱	۲۰۱۹-۲۰	
	۱۴۵,۰۳۶	۱۵۴,۷۶۲	کل آمدنی
	۱۷,۰۰۶	۳۵,۳۳۲	آپریٹنگ منافع
	۲۸,۸۳۶	۳۷,۸۱۰	قبل از ٹیکس منافع
	۲۰,۵۳۵	۲۸,۷۰۳	بعد از ٹیکس منافع
	۷۶۴,۷۰۸	۷۴۵,۰۴۷	حصص یافتگان کا سرمایہ
	(۱۴,۷۵۷)	(۶,۲۳۷)	سرمایہ کاری کی قدر و قیمت کے تعین نو میں خسارہ
	۷۴۹,۹۵۱	۷۳۸,۷۹۰	حصص یافتگان کا سرمایہ (خالص بعد از خسارہ)
	۲,۲۷۲,۰۳۸	۱,۶۶۷,۱۸۶	کل اثاثہ
	۰.۳۲	۰.۳۲	نی حصص آمدنی پیسک اور ڈائیوڈنڈ (روپے)

### آپریٹنگ کا جائزہ:

ایف سی آئی بی ایل نے کوویڈ ۱۹ کے تمام چیلنجز جو تقریباً مالی سال ۲۰۲۱ میں مسلسل درپیش رہے سے مقابلہ کرتے ہوئے اپنے منافع کو برقرار رکھنے میں کامیاب رہا اور بیلنس شیٹ فوٹنگ میں ۳۶ فیصد اضافہ ہوا ہے۔ یہ سنگ میل این بی ایف سی سیکٹر خاص طور پر سرمایہ کاری بنکوں کے لیے لیکویڈیٹی کے مسائل کی وجہ سے نامناسب حالات کے باوجود حاصل کیا گیا ہے۔ مالی سال ۲۰۲۱ کے دوران ایف سی آئی بی ایل کی کل آمدنی ۱۴۵.۰ ملین روپیہ جبکہ گزشتہ سال ۲۰۲۰ میں ۱۵۴.۷ ملین روپے رپورٹ کی گئی۔ کمپنی نے مالی سال ۲۰۲۱ کے لیے ۱۷.۰ ملین روپے کا آپریٹنگ منافع حاصل کیا جبکہ مالی سال ۲۰۲۰ آپریٹنگ منافع ۳۵.۳ ملین روپے تھا۔ مزید یہ کہ کچھ صارفین کے اکاؤنٹ میں بہتری کی وجہ سے نقصان کے خدشات جو پچھلے سالوں میں متعین کئے گئے تھے وہ اس سال واپس ہو گئے کمپنی نے مالی سال ۲۰۲۱ میں قبل از ٹیکس منافع ۲۸.۸ ملین روپے کا منافع رپورٹ کیا جبکہ پچھلے سال کا قبل از ٹیکس منافع ۳۷.۸ ملین روپے تھا۔ اسی طرح ۳۰ جون ۲۰۲۱ کو ختم ہونے والے سال کے لئے بعد از ٹیکس منافع ۲۰.۵ ملین روپے ریکارڈ کیا گیا۔ گزشتہ سال کا بعد از ٹیکس منافع ۲۸.۷ ملین روپے تھا۔

۳۰ جون ۲۰۲۱ کی بیلنس شیٹ کے مطابق حصص یافتگان کی سرمایہ کاری کی از سر نو قیمت کے تعین کے بعد ایکویٹی بڑھ کر ۲۹.۹ ملین روپے ہو گئی جبکہ یہ ۳۰ جون ۲۰۲۰ کو ۳۸.۸ ملین روپے تھی۔ حصص یافتگان کی ایکویٹی میں اضافہ کی وجہ سے خالص منافع ہے جو مالی سال ۲۰۲۰ کے لئے ادا کردہ نقد منافع منہا ہونے کے بعد اکاؤنٹ پر تھا۔ ۳۰ جون ۲۰۲۱ کے اختتام پر کمپنی کے کل اثاثے بڑھ کر ۲.۲۷۲ ملین روپے ہو گئے جبکہ ۳۰ جون ۲۰۲۰ کو کل اثاثے ۱.۶۶۷ ملین روپے تھے۔

### کوویڈ ۱۹ کے اثرات اور حفاظتی اقدامات:

ایف سی آئی بی ایل نے کوویڈ ۱۹ واپس کے چیلنجز کے تناظر میں کام جاری رکھا۔ کوویڈ ۱۹ کی واپس سے درپیش مشکل حالات کے باوجود ایف سی آئی بی ایل کی انتظامیہ اپنی ٹیم اور کام کی جگہ کو محفوظ رکھنے اور سخت ترین SOPs پر کامیابی سے عملدرآمد کرنے میں کامیاب رہی ہے اور مستقبل میں بھی ان اقدامات کے تسلسل کو برقرار رکھا جائے گا جب تک واپس کا مکمل خاتمہ نہ ہو جائے۔

### بیلنس شیٹ کی تاریخ سے اب تک تبدیلی:

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



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## ڈائریکٹرز رپورٹ

ہم فرسٹ کریڈٹ اینڈ انویسٹمنٹ بینک لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ۲۰۲۱ ویں سالانہ رپورٹ بشمول مالیاتی تفصیلات کا گوشوارہ اور آڈیٹرز کی رپورٹ برائے سال ۲۰۲۱ جون ۲۰۲۱ء پیش کرتے ہوئے طمانیت محسوس کرتے ہیں۔

### معاشی جائزہ:

موجودہ مالی سال کے دوران پاکستان کی معیشت بے شمار چیلنجوں کے باوجود بروقت اقدامات کی بدولت بتدریج جامع اور پائیدار ترقی کی راہ پر گامزن ہے۔ پاکستان کی معیشت میکرو اکنامک عدم توازن سے توازن کی طرف بڑھ رہی تھی لیکن کوویڈ ۱۹ نے اس رفتار کو سست کر دیا مزید برآں دوسری اور تیسری اہر کی آمد نے مزید اہم چیلنجوں کو جنم دیا جس کا مقابلہ اسٹارٹ لاک ڈاؤن کے ساتھ بروقت تیز و یکسویشن اور مالیاتی اور سرکاری محصول سے متعلق اقدامات مثلاً آکم سپورٹ پروگرام کے تحت غریب گھرانوں کے مالی امداد اور ٹیکسوں میں چھوٹ سے لاک ڈاؤن سے ہونے والے نقصانات میں کسی حد تک کمی آئی۔ ایک ادارہ پیشمل مسانڈ اینڈ آپریٹنگ سینٹر (این سی اوسی) کا قیام عمل میں لایا گیا جس کو صوبوں کے تعاون سے کوویڈ ۱۹ کی روک تھام کے لیے اہم فیصلے کرنے کا ذمہ دار بنایا گیا۔ لہذا روزانہ کی بنیاد پر کوویڈ ۱۹ کے مریضوں کی تعداد میں کمی کا رجحان دیکھا گیا۔

حکومت کے محتاط فیصلوں کی وجہ سے معیشت نے ۷ شکل کی بحالی کا مشاہدہ کیا، جسکی وجہ سے ۱۷ سال میں پہلی بار مالی سال ۲۰۲۱ کے دوران جولائی تا اپریل کرنٹ اکاؤنٹ میں ۰.۸ بلین ڈالر کا سرپلس ریکارڈ ہوا۔ مینوفیکچرنگ کے شعبے میں وسیع انہیاد پیمانے پر ترقی دیکھنے میں آئی کیونکہ ایل ایس ایم کے بڑے شعبوں نے نمایاں بہتری دکھائی ہے۔ روشن ڈیجیٹل اکاؤنٹ (آر ڈی اے) کے ذریعے ذمہ داری جمع کرائی گئی رقم جو ایک ارب ڈالر کے ہندسے کو عبور کر گئی۔ جولائی تا اپریل مالی سال ۲۰۲۱ کے دوران کارکنوں کی ترسیلات ذریعے میں تاریخی طور پر ۲۹ فیصد اضافہ ہوا اور ۲۰۲۰ میں ۲۲ ارب ڈالر تک جا پہنچی۔ جی ڈی پی کی شرح نمو ۳.۹ فیصد رہی جو کہ نہ صرف پچھلے دو سالوں کے مقابلے میں کافی بلند ہے (مالی سال ۲۰۲۰ اور مالی سال ۲۰۱۹ میں بلتربت منفی ۳.۷ اور ۲.۰۸ فیصد) بلکہ مالی سال ۲۰۲۱ کے لیے متوقع ہدف ۲.۱ فیصد سے بھی تجاوز کر گیا۔ براہ راست غیر ملکی سرمایہ کاری میں منفی اضافہ ریکارڈ ہوا اور مالی سال ۲۰۲۱ کے پہلے نو ماہ کے دوران یہ ۳۵ فیصد کم ہو کر ۱.۴ ارب ڈالر رہ گئی جبکہ گزشتہ سال اسی عرصے میں یہ ۲.۱۵ ارب امریکی ڈالر تھا۔ مالی سال ۲۰۲۱ میں جولائی تا مارچ کے دوران مالی خسارہ جی ڈی پی کا ۳.۵ فیصد رہا جو گزشتہ سال اسی عرصے میں ۳.۱ فیصد تھا۔ ایف اے ٹی ایف کی شرائط، برآمدات سے متعلق اہم کارکردگی کو مد نظر رکھتے ہوئے پاکستان کو ایمیزون کی فروخت کنندگان کی فہرست میں شامل کرنے کی پیش رفت بھی سامنے آئی۔ مالی سال ۲۰۲۱ کے دوران اسٹیٹ بینک نے ۰.۷ فیصد پالیسی ریٹ کے ساتھ موافق مالیاتی پالیسی کے موقف پر قائم رہا جس میں افراط زر کی توقعات کو کنٹرول میں رکھتے ہوئے اور مالی استحکام کے تحفظ کے ساتھ معاشی بحالی کی حمایت کی گئی ہے۔ قرضے کی لاگت کو تیزی سے کم کرنے کے علاوہ اسٹیٹ بینک نے بہت سارے اقدامات متعارف کروائے جس کا مقصد مشکل حالات میں کاروبار اور گھرانوں کی مدد کرنا ہے۔ یہ اقدامات مالی محرک پیکیج کے ساتھ خاص طور پر تعمیرات کی بحالی کے لیے تھے، مالی سال ۲۰۲۱ کے دوران ملک میں معاشی سرگرمیوں میں تیزی سے مثبت تبدیلی نظر آئی۔

ذیر جائزہ سال کے دوران کے ایس ای ۱۰۰ انڈیکس میں ۳۷.۵ فیصد کی نمایاں نمو دیکھی گئی اور یہ ۳۵۶،۳۵۶ پونٹس پر بند ہوا۔ ۲۷ مئی ۲۰۲۱ کے دن پی ایس ایکس میں ایک ہی سیشن میں اپنی بلند ترین شرح ۲.۲۱ ارب حصص کا تجارتی حجم دیکھا گیا، اپنی متاثر کن ترقی کی وجہ سے پاکستان اسٹاک ایکسچینج نے سال ۲۰۲۰ میں بہترین ایبیشیائی اسٹاک مارکیٹ اور دنیا بھر میں چوتھی بہترین کارکردگی کا مظاہرہ کرنے والی مارکیٹ کا اعزاز بھی حاصل کیا۔

### مالیاتی نتائج:

کمپنی کے ۲۰۲۱-۲۰ کے لئے مالیاتی نتائج کا خلاصہ ذیل میں دیا گیا ہے۔ ۲۰۱۹-۲۰ کا تقابلی ڈیٹا بھی درج ذیل ہیں۔



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