

Quarterly Report
September 30,
2018



fcibank

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. Rehmat Ali Hasnie
Chairman



Mr. Muhammad Mohsin Ali
President & CEO



Mr. Muhammad Ikram Khan
Director



Mr. Asad Ullah Saleem
Director



Mr. Naveed Asghar Chaudhry
Director



Mr. Muhammad Naeemuddin
Director



Mr. Muhammad Iqbal Hussain
Director



Mr. Muhammad Ameen
Director



COMPANY INFORMATION

AUDIT COMMITTEE:

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

HR AND REMUNERATION COMMITTEE:

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

RISK MANAGEMENT COMMITTEE:

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

COMPANY SECRETARY:

Mr. Muhammad Amin Khatri

AUDITORS:

Grant Thornton Anjum Rahman
Chartered Accountants

LEGAL ADVISOR:

Ahmed & Qazi

BANKERS:

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

SHARE REGISTRAR:

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

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Stratchen Road, Karachi - 74200, Pakistan.
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E-mail: info@fcibank.com.pk
Website: www.fcibank.com.pk



DIRECTORS' REVIEW

On behalf of the Board of Directors, We have the privilege of presenting un-audited financial statements of **First Credit and Investment Bank Limited** for the first quarter ended September 30, 2018.

Operating Results

Total income for the quarter ended September 30, 2018 stood at Rs. 26.78 million as compared to Rs. 26.76 million for the quarter ended September 30, 2017. The Company reports operating profit of Rs. 4.81 million during the first quarter ended September 30, 2018 as compared to operating profit of Rs. 6.24 million for the corresponding period of last year. The reduction in operating profit is attributable to the increase in administrative expenses. Further, after taking effect of reversals of already made provisions against non performing investments, the Company was able to report profit before tax of Rs. 6.62 million during the first quarter of FY 2018-19. The profit before tax for the quarter ended September 30, 2017 was Rs. 6.55 million. Similarly, the Company closed the current quarter registering the net profit after tax of Rs. 4.91 million as against profit after tax of Rs. 4.59 million for the corresponding quarter last year. As a result, shareholders equity increased by Rs. 4.91 million to Rs. 738.00 million as at September 30, 2018 from Rs. 733.09 million as at June 30, 2018. Total balance sheet footing as at September 30, 2018 was Rs.1,298.03 million compared to Rs, 1,327.36 million as at June 30, 2018.

Credit Rating

JCR-VIS Credit Rating Company Limited has maintained the medium to long-term rating of the Company at 'A-' (Single A Minus) and Short-term rating at 'A-2 (A-Two)'. The outlook of the rating is 'Stable'.

Future Outlook & Strategy

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

Acknowledgement

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

Muhammad Mohsin Ali
President and CEO

By order of the Board

Muhammad Naemuddin
Director

Karachi
October 27, 2018

ڈائریکٹرز جائزہ

ہم فرسٹ کریڈٹ اینڈ انویسٹمنٹ بینک لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے پہلی سہ ماہی کے غیر آڈٹ شدہ مختصر عبوری مالیاتی تفصیلات کا گوشوارہ بمطابق ۳۰ ستمبر ۲۰۱۸ پیش کرتے ہوئے طمانیت محسوس کرتے ہیں۔

آپریٹنگ نتائج:

۳۰ ستمبر ۲۰۱۸ کو ختم ہونے والی پہلی سہ ماہی میں کمپنی کی کل آمدنی ۲۶.۷۸ ملین روپے رہی جو کہ پچھلے سال ۳۰ ستمبر ۲۰۱۷ کو ختم ہونے والی اسی مدت میں ۲۶.۷۶ ملین روپے تھی۔ رواں سہ ماہی کے اختتام پر کمپنی نے ۳.۸۱ ملین روپے کا آپریٹنگ منافع حاصل کیا جو پچھلے سال اسی عرصہ میں ۶.۲۳ ملین روپے تھا۔ آپریٹنگ منافع میں مذکورہ کمی کی وجہ انتظامی اخراجات میں اضافہ ہے۔ 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 جس کی وجہ سے کمپنی نے سال ۱۹-۲۰۱۸ کی پہلی سہ ماہی کے دوران ۶.۶۲ ملین روپے قبل از ٹیکس منافع ظاہر کیا جبکہ پچھلے سال اسی مدت میں ۶.۶۵ ملین روپے قبل از ٹیکس منافع ظاہر کیا گیا تھا اسی طرح رواں سہ ماہی کے اختتام پر بعد از ٹیکس منافع ۳.۹۱ ملین روپے ریکارڈ کیا گیا جبکہ پچھلے سال کی پہلی سہ ماہی میں بعد از ٹیکس منافع ۳.۵۹ ملین روپے تھا اسکے نتیجے میں شیرز ہولڈرز ایکویٹی ۳.۹۱ ملین روپے اضافہ کے بعد ۳۰ ستمبر ۲۰۱۸ کو ۲۸.۷۳ ملین روپے ہو گئی جبکہ ۳۰ جون ۲۰۱۸ کو شیرز ہولڈرز ایکویٹی ۳۳.۰۹ ملین روپے تھی۔ ۳۰ ستمبر ۲۰۱۸ کے مالیاتی گوشوارہ کے مطابق کمپنی کے کل اثاثہ جات ۱,۲۹۸.۰۳ ملین روپے ہیں جو کہ ۳۰ جون ۲۰۱۸ کو ۱,۳۲۷.۳۶ ملین روپے تھے۔

کریڈٹ ریٹنگ:

JCR-VIS کریڈٹ ریٹنگ کمپنی نے درمیانے سے طویل مدتی اینٹیٹی ریٹنگ کو 'A-' (سنگل A منفی) اور مختصر مدتی ریٹنگ کو 'A-2' پر برقرار رکھا ہے۔ ریٹنگ کا آؤٹ لک مستحکم ہے۔

مستقبل کے امکانات:

ہم اپنے کاروبار میں توسیع کے لیے نہ صرف کاربند ہیں اور نہ صرف موجودہ بنیادی کاروباری سرگرمیوں پر بھی پوری توجہ مرکوز ہے اور ہم ریگولیٹری فریم ورک میں رہتے ہوئے کاروبار میں تنوع پیدا کرنے کے لیے مستعد ہیں۔ ہماری عمودی اور افقی کی توسیع کی حکمت عملی سے آمدنی میں اضافہ ہوگا جس سے امید ہے کہ ملک کی اقتصادی اور کاروباری حالات بہتر ہوں گے۔ آپ کی کمپنی اپنے اثاثوں کے معیار کو بحال کرنے، اور، موجودہ عملہ اور اہم پیشہ ورانہ عملہ کی خدمات حاصل کر کے ان کو 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 کے مسلسل اعتماد اور سرپرستی کے لیے تشکر کا اظہار کرتے ہیں۔ ریگولیٹری اداروں خاص طور پر سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، اسٹیٹ بینک آف پاکستان اور پاکستان اسٹاک ایکسچینج کی مسلسل رہنمائی اور سپورٹ کے بھی شکر گزار ہیں۔ ہم انتظامیہ اور ملازمین کی محنت اور لگن سے کام کرنے کا اعتراف بھی کرتے ہیں۔

بحکم بورڈ



محمد حسن علی

پریذیڈنٹ وی ای او



محمد نعیم الدین

ڈائریکٹر

کراچی۔


۲۷ اکتوبر ۲۰۱۸



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2018

		September 30, 2018 (Un-audited)	June 30, 2018 (Audited)
	Note	Rupees	
ASSETS			
Non-current Assets			
Fixed assets			
- Property and equipment	6	5,408,851	5,856,334
- Intangible assets		-	-
Long-term investments	7	38,051,609	39,977,939
Long-term loans and finances		384,788,116	351,899,754
Long term investment finance lease	8	1,439,237	647,265
Long-term security deposits		57,500	57,500
Deferred tax asset -net	9	72,407,493	72,957,425
Total non-current assets		502,152,806	471,396,217
Current Assets			
Current portion of non-current assets	10	71,003,044	59,860,172
Short-term Investments	11	106,738,001	84,147,138
Short-term placements	12	290,000,000	430,000,000
Mark-up/interest accrued		56,780,397	59,296,138
Prepayments and other receivables		4,874,698	1,240,033
Taxation - net		13,065,720	12,346,934
Cash and bank balances		253,417,998	209,076,400
Total current assets		795,879,859	855,966,815
Total Assets		1,298,032,665	1,327,363,032
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Authorized share capital 75,000,000 (June 30, 2018: 75,000,000) shares of Rs. 10 each		750,000,000	750,000,000
Issued, subscribed and paid-up share capital 65,000,000 (June 30, 2018: 65,000,000) shares of Rs. 10 each		650,000,000	650,000,000
Statutory reserves		135,565,298	134,582,762
Accumulated loss		(47,559,700)	(51,489,845)
Total Shareholders' equity		738,005,598	733,092,917
Deficit on revaluation of investments - net	13	(9,063,053)	(10,842,766)
LIABILITIES			
Non-current liabilities			
Deferred liability - staff gratuity		2,566,029	2,430,419
Long term loan		109,375,000	125,000,000
Security deposit against finance lease		513,400	333,400
Total non-current liabilities		112,454,429	127,763,819
Current liabilities			
Accrued expenses and other liabilities	14	354,170,114	402,137,807
Current portion of long-term loan		78,125,000	62,500,000
Accrued mark-up	15	12,920,885	7,022,701
Accrued expenses and other liabilities		11,419,691	5,688,554
Total current liabilities		456,635,690	477,349,062
Total liabilities		569,090,119	605,112,881
CONTINGENCIES AND COMMITMENTS			
Total equity and liabilities	16	1,298,032,665	1,327,363,032


The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.



Muhammad Amin Khatri
Chief Financial Officer



Muhammad Mohsin Ali
President & CEO



Muhammad Naemuddin
Director



CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

	September 30, 2018	September 30 2017
	(Un-audited)	
Note	Rupees	
Income from term finances and fund placements	23,040,476	22,709,209
Income from investments	2,760,674	2,280,451
Fees and commission	819,654	50,195
Other income	165,475	1,717,014
	26,786,279	26,756,869
Finance cost		
Mark-up on bank loans	3,644,075	4,326,892
Marku-up on short term running finance	7,598,460	6,969,609
Others	14,205	33,343
	11,256,740	11,329,844
Administrative and operating expenses	10,721,759	9,186,740
	21,978,499	20,516,584
Operating Profit before taxation and provisions	4,807,780	6,240,285
Reversal for non-performing investments	1,944,833	450,000
Profit before taxation and workers welfare fund	6,752,613	6,690,285
Workers' welfare fund	(135,000)	(137,346)
Profit before taxation	6,617,613	6,552,939
Taxation	17 (1,704,932)	(1,958,826)
Profit for the period	4,912,681	4,594,113
Earnings per share -basic and diluted	18 0.08	0.07

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

Muhammad Amin Khatri
Chief Financial Officer

Muhammad Mohsin Ali
President & CEO

Muhammad Naemuddin
Director



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2018**

	September 30, 2018	Septemehr 30, 2017
	(Un-audited)	
	Rupees	
Profit for the period	4,912,681	4,594,113
Other comprehensive income		
Components of comprehensive income not reflected in equity:		
Items that may be reclassified to profit and loss account subsequently - net of tax :		
Unrealized gain / (loss) on re-measurement of available-for-sale investment	1,779,713	(1,298,363)
Comprehensive income for the period transferred to equity		
Items that will not be subsequently reclassified to profit and loss account- net of tax:		
Remeasurement of net defined benefit liability	-	-
Total comprehensive income for the period	6,692,394	3,295,750

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

Muhammad Amin Khatri
Chief Financial Officer

Muhammad Mohsin Ali
President & CEO

Muhammad Naemuddin
Director



CONDENSED INTERIM STATEMENT OF CASH FLOW
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

Note	September 30, 2018	September 30, 2017
	(Un-audited)	
	Rupees	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before taxation	6,617,613	6,552,939
Adjustments for:		
Depreciation	447,480	367,934
Amortization	-	12,357
Gain on disposal of property and equipment	-	(230,396)
Gratuity expenses	135,610	(3,910,793)
Dividend Income	437,838	(182,808)
Finance Cost	11,256,740	11,329,844
Reversal for non-performing investments	(1,944,833)	(450,000)
	10,332,835	6,936,138
Operating cash flows before working capital changes	16,950,448	13,489,077
(Increase) / decrease in current assets		
Prepayments and other receivables	(3,634,665)	(580,744)
Mark-up/interest accrued	2,515,740	(14,479,274)
	(1,118,925)	(15,060,018)
Increase / (decrease) in current liabilities		
Accrued expenses and other liabilities	5,731,137	(4,716,616)
Security deposit against finance lease	180,000	-
Cash (used in)/generated from operations	21,742,660	(6,287,557)
Income tax paid	(1,873,785)	(775,092)
Dividend income received	(437,838)	182,808
Markup on finance cost paid	(5,358,556)	(10,949,409)
	(7,670,179)	(11,541,693)
Net cash (used in)/generated from operating activities	14,072,481	(17,829,250)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property, plant and equipment - net	-	(2,592,404)
Long-term investments-net	5,650,880	1,687,948
Short-term investments	(22,590,864)	(3,285,697)
Long-term finances -net	(44,823,206)	(190,826)
Net cash (used in) investing activities	(61,763,191)	(4,380,979)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term loans paid/(received)	-	(15,625,000)
Net cash (used in) generated from financing activities	-	(15,625,000)
Net (decrease) / increase in cash and cash equivalents	(47,690,709)	(37,835,228)
Cash and cash equivalents at the beginning of the period	236,938,593	517,704,432
Cash and cash equivalents at the end of the period	189,247,884	479,869,204

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

Muhammad Amin Khatri
Chief Financial Officer

Muhammad Mohsin Ali
President & CEO

Muhammad Naeemuddin
Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

	Issued, subscribed and paid-up share capital	Reserve		Total	Total shareholder's equity
		Capital Statutory Reserve	Revenue Accumulated loss		
(Un-audited)					
Rupees					
Balance as at July 01, 2017	650,000,000	132,744,837	(58,797,060)	73,947,777	723,947,777
Net profit for the quarter	-	-	4,594,113	4,594,113	4,594,113
Other comprehensive income	-	-	-	-	-
	-	-	4,594,113	4,594,113	4,594,113
Transfer to statutory reserve	-	918,823	(918,823)	-	-
Transaction with owners recognised directly in equity	-	-	-	-	-
Balance as at September 30, 2017	650,000,000	133,663,660	(55,121,770)	78,541,890	728,541,890
Balance as at July 01, 2018	650,000,000	134,582,762	(51,489,845)	83,092,917	733,092,917
Net profit for the quarter	-	-	4,912,681	4,912,681	4,912,681
Other comprehensive income	-	-	-	-	-
	-	-	4,912,681	4,912,681	4,912,681
Transfer to statutory reserve	-	982,536	(982,536)	-	-
Transaction with owners recognised directly in equity	-	-	-	-	-
Balance as at September 30, 2018	650,000,000	135,565,298	(47,559,700)	88,005,598	738,005,598

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements.

Muhammad Amin Khatri
Chief Financial Officer

Muhammad Mohsin Ali
President & CEO

Muhammad Naeemuddin
Director



NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE THREE MONTHS PERIOD ENDED SEPTEMBER 30, 2018

1. STATUS AND NATURE OF BUSINESS

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

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 has changed its status from Deposit taking Investment Bank to Non-deposit taking Investment Bank 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 29, 2017. The outlook of the rating is stable.

2. STATEMENT OF COMPLIANCE

These condensed interim financial information of the Company for the three months period ended September 30, 2018 has been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting Standards", provisions of and directives issued under the Companies Act 2017, the NBFC Rules 2003, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 ("the NBFC Regulations") and the other directives issued by the SECP. Wherever the requirements of the Act, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Ordinance, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

This condensed interim financial information does not include all the information required for full annual financial statements, and should be read in conjunction with the Investment Bank's annual financial statements for the year ended June 30, 2018.

3. ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of the annual financial statements for the year ended June 30, 2018.

4. FINANCIAL RISK MANAGEMENT

The Investment Bank's financial risk management objectives and policies are same as disclosed in the annual financial statements for the year ended June 30, 2018.

5. ACCOUNTING ESTIMATES AND JUDGMENTS

In preparing this condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and key sources of estimation are same as those applied by the Company in the annual financial statements for the year ended June 30, 2018.

**6 FIXED ASSETS**

There have been no additions/deletions during the period. Additions/deletions during the year ended June 30, 2018 are as under:

	For the three months periods ended September 30, 2018		For the year ended June 30, 2018	
	(Un-Audited)		(Audited)	
	Additions (cost)	Disposal (book value)	Additions (cost)	Disposal (book value)
	Rupees		Rupees	
Office Equipment	-	-	31,499	-
Computers	-	-	124,000	-
Vehicles	-	-	5,186,260	564,548
	-	-	5,341,759	564,548

	Note	As at 30-Sep-18 (Un-audited) Rupees	As at 30-Jun-18 (Audited) Rupees
7 LONG-TERM INVESTMENTS			
Held-to-maturity			
-Term finance certificates/sukuk - listed		54,915,276	57,415,276
-Term finance certificates/sukuk - unlisted		204,170,167	204,770,167
		259,085,443	262,185,443
Less: Provision against investments	7.1	(192,812,943)	(193,412,943)
		66,272,500	68,772,500
Available-for-sale			
- Quoted Shares		1,694,385	1,120,715
- Term finance certificates- Listed		18,384,394	19,729,227
Less :Provision against investments	7.1	(18,384,394)	(19,729,227)
		-	-
Less: Current Portion of TFCs		(29,915,276)	(29,915,276)
		38,051,609	39,977,939

7.1 Provision for diminuation in value of long-term investments

Opening balance	213,142,170	215,692,170
Charged during the period/year (Reversal) during the period/year	(1,944,833)	(2,550,000)
	(1,944,833)	(2,550,000)
Balance at the end of period/year	211,197,337	213,142,170



	As at 30-Sep-18 (Un-audited) Rupees	As at 30-Jun-18 (Audited) Rupees
8 Long Term finance lease -net		
Lease rental receivable	1,484,352	891,744
Add:residual value of lease assets	513,400	333,400
Gross investment in finance lease	1,997,752	1,225,144
Less:Unearned finance lease Income	(48,947)	(68,311)
Net investment in finance lease	1,948,805	1,156,833
Less:Current maturity of investment in finance lease	(509,568)	(509,568)
	1,439,237	647,265

9 DEFERRED TAX ASSET

The management of the company has prepared financial projections the said projections are based on certain key assumptions made for the estimation of future profitability. The determination of future taxable profit and recoveries are most sensitive to certain key assumption. A significant change in the key assumption and estimate may have an effect on the recovery of deferred tax asset. The management believes that the company will be able to achieve the recovery and profit projected in the financial projection and consequently the deferred tax asset accounted for in the financial statement will be fully realized in the future.

	As at 30-Sep-18 (Un-audited) Rupees	As at 30-Jun-18 (Audited) Rupees
10 CURRENT PORTION OF NON-CURRENT ASSETS		
Investments	29,915,276	29,915,276
Loans and finances	40,578,200	29,435,328
Net investment in lease finance	509,568	509,568
	71,003,044	59,860,172
11 SHORT-TERM INVESTMENTS		
Available for sale		
-Dewan Cement Limited- Pre IPO term finance certificates 11.1	50,000,000	50,000,000
Less: Provision TFC - Dewan Cement Limited 11.1	(6,930,383)	(6,930,383)
	43,069,617	43,069,617
-Quoted Shares	39,771,275	17,350,319
-Mutual Funds	23,897,109	23,727,202
	106,738,001	84,147,138

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



		As at 30-Sep-18 (Un-audited) Rupees	As at 30-Jun-18 (Audited) Rupees
12 SHORT-TERM PLACEMENTS- CONSIDERED GOOD			
Term deposit receipts (TDR)	12.1	<u>290,000,000</u>	430,000,000
		<u>290,000,000</u>	<u>430,000,000</u>

12.1 This represent placement with financial Institutions under term deposits carrying markup rate of 9.5% to 10% per annum (June 30, 2018: 8.6% to 10% per annum)

		As at 30-Sep-18 (Un-audited) Rupees	As at 30-Jun-18 (Audited) Rupees
13 DEFICIT ON REMEASUREMENT OF INVESTMENTS-NET			
Available-for-sale			
Mutual Fund		(1,678,891)	(1,272,798)
Quoted Shares long-term		(2,033,262)	(2,606,932)
Quoted Shares short-term		(6,198,764)	(7,810,900)
Related deferred tax (asset)		847,864	847,864
		<u>(9,063,053)</u>	<u>(10,842,766)</u>

14 SHORT-TERM RUNNING FINANCE FACILITY			
MCB Bank Ltd	14.1	254,170,162	302,137,856
National Bank of Pakistan- as associated undertaking	14.2	99,999,951	99,999,951
		<u>354,170,114</u>	<u>402,137,807</u>

14.1 This represents short term running finance obtained against TDR from MCB Bank Limited carrying markup rate of 3 month KIBOR plus 0.6% (2018: 3 month KIBOR plus 0.6%) per annum.

14.2 This represents short term running finance obtained with a limit of Rs.100 million (2018: Rs.100 million) carrying markup at a rate based on 3 month KIBOR plus 1% (2018:3 month KIBOR plus 1%) per annum. The running finance is secured by first pari passu hupothecation charge against all present and future assets of the comapny with 25% margin.

15 MARK-UP/INTEREST ACCRUED			
Mark-up accrued on:			
Secured			
- Loans and borrowings including running finance fac	15.1	11,360,748	5,462,564
Unsecured			
- Certificates of deposits		1,560,137	1,560,137
		<u>12,920,885</u>	<u>7,022,701</u>

15.1 This amount includes mark-up due to National Bank of Pakistan, an associated undertaking.



		As at 30-Sep-18 (Un-audited) Rupees	As at 30-Jun-18 (Audited) Rupees
16 CONTINGENCIES AND COMMITMENTS			
Contingencies			
There are no material contingencies as at the reporting date (June 30, 2018: Nil)			
Commitments			
-Standby letter of credit	16.1	33,848,438	33,848,438
-Letter of credit exposure -Pioneer Cement Ltd.	16.2	15,645,474	28,561,667
-Letter of credit exposure -Power Cement Ltd.		-	7,647,405

16.1 This represents the Investment Bank's share in standby letter of credit under agreement of participation dated December 13, 2010 with Allied Bank Limited. Under the said agreement, the Investment Bank irrevocably agrees and undertakes with Allied Bank Limited to take undivided share of 2.5% in standby letter of credit up to November 17, 2019.

16.2 This represents the Investment Bank's participate in syndicated Term Finance L/C facility to the extend of Rs.100.0 million for import of plant and machinery. Initially the facility will be non-funded and FCIBL has recorded it as contingencies liability, subsequently upon requirement of L/C documents the payment will be made through the facility will become funded.

	Three months period ended 30-Sep-18 (Un-audited) Rupees	Three months period ended 30-Sep-17 (Un-audited) Rupees
17 TAXATION		
-Current	1,155,000	1,829,226
-Deferred	549,932	129,600
	1,704,932	1,958,826
18 EARNING PER SHARE- BASIC AND DILUTED		
Profit after taxation for the period	4,912,681	4,594,113
Weighted average number of shares outstanding during the period	65,000,000	65,000,000
Earnings per share - basic and diluted	0.08	0.07
19 CASH AND CASH EQUIVALENT		
Cash and bank balances	253,417,998	262,186,818
Short-term placements	290,000,000	604,000,000
Short-term running finance facility	(354,170,114)	(386,317,614)
	189,247,884	479,869,204
20 TRANSACTIONS WITH RELATED PARTIES		

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

Nature of relationship with related party	Nature of transactions and balances	For the three months period ended and as at September 30, 2018	For the three months period ended September 30, 2017 and as at June 30,2018
		Rupees	
Associated undertakings	Transactions for the three-months period:		
	National Bank of Pakistan (NBP holds 30.7% of FCIBL Shares)		
	Mark-up on long-term loan	3,644,075	4,326,892
	Mark-up on short-term running finance	1,996,274	391,233
	Rent Paid	965,940	929,994



Nature of relationship with related party	Nature of transactions and balances	For the three months period ended and as at September 30, 2018	For the three months period ended September 30, 2017 and as at June 30,2018
		Rupees	
	Taurus Securities Limited (NBP holds 58.32% of Taurus Securities Ltd. Shares)		
	Brokerage expenses	5,769	-
	Balanaces at period-end/year-end		
	National Bank of Pakistan: (NBP holds 30.7% of FCIBL Shares)		
	Investment in shares at cost	3,858,395	3,858,395
	Long-term loan	187,500,000	234,375,000
	Short-term running	99,999,951	-
	NAFA Stock Fund (NBP holds 54% shares of NBP Fund Management Ltd. - Management Company of the Fund)	25,000,000	-
Key management personnel	Transactions for the three months period:		
	Salaries, benefits and other allowances	2,504,252	2,258,169
	Retirement benefits	191,494	169,455
	Return on long-term loans	4,786	11,908
	Balances at period-end/year-end	3,549,910	2,902,140
Staff Retirement Plans	Transactions for the three months period:		
	Contributions to staff retirement	182,958	89,847

21 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information are authorized for issue on October 27, 2018 by the Board of Directors of the Company.

Muhammad Amin Khatri
Chief Financial Officer

Muhammad Mohsin Ali
President & CEO

Muhammad Naemuddin
Director