

Annual Report **2016**



Trust Investment
Bank Limited

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CONTENTS

	Jama Punji	
01	Vision & Mission Statement	03
02	Company Information	04
03	Notice of the Annual General Meeting	05
04	Director's Report	06
05	Six Years Financial Summary	13
06	Pattern of Shareholding	14
07	Categories of Shareholders	15
08	Financial Statements	16
09	Statement of Compliance with Code of Corporate Governance	17
10	Review Report to the Members	19
11	Auditors' Report to the Members	20
12	Balance Sheet	22
13	Profit and Loss Account	23
14	Statement of Comprehensive Income	24
15	Cash Flow Statement	25
16	Statement of Changes in Equity	26
17	Notes to the Financial Statements	27
18	Consolidated Financial Statements	69
19	Auditors' Report to the Members	70
20	Consolidated Balance Sheet	72
21	Consolidated Profit and Loss Account	73
22	Consolidated Statement of Comprehensive Income	74
23	Consolidated Cash Flow Statement	75
24	Consolidated Statement of Changes in Equity	76
25	Notes to the Consolidated Financial Statements	77
	Form of Proxy	



Vision & Mission Statement

Vision

Our purpose is to help our clients make financial decisions with confidence. We use our resources to develop effective solutions and services for our clients.

Mission

We are determined to be the best financial services company. We focus on wealth, asset management, investment banking and securities businesses. We continually earn recognition and trust from clients, shareholders and staff through our ability to anticipate learn our shape our future. We share a common ambition to succeed by delivering quality in what we do. We foster a distinctive, meritocratic culture of ambition, performance and learning as this attracts, retains and develops the best talent for our company. By growing both our client and our talent team, we add sustainable value for our shareholders.

Our purpose is to help our clients meet their goals. Our goal is to achieve excellence in what we do as individuals and as a firm.

We will succeed if our ideas are the best: our execution of those ideas and our service to clients are second to none: and if we attract the best people and give them the encouragement and opportunity to develop their talents.

We will succeed if we are committed to an open environment that prizes diversity of opinion and encourages every one of us to independent thought and objectively.

We are stronger as a whole than as individuals, and we will succeed if we are collaborative, contributing members of the same team. We are each responsible for the well being of the firm, our integrity will not be compromised.

Company Information

Board of Directors

Mr. Asif Kamal	Director
Mr. Tariq Husain	Director
Syed Sajjad Hussain Rizvi	Director
Mr. Mamoon-ur-Rashid Qureishi	Director
Mr. Abdul Shakeel	Director
Mr. Asad Ali Kazmie	Director
Mr. Ahsan Rafique	Director/Chief Executive Officer

Audit Committee

Mr. Abdul Shakeel	Chairman
Mr. Asif Kamal	Member
Mr. Asad Ali Kazmie	Member

Human Resource and Remuneration Committee

Mr. Mamoon-ur-Rashid Qureishi	Chairman
Mr. Asif Kamal	Member
Mr. Ahsan Rafique	Member

Company Secretary

Zahra Khalid

Chief Financial Officer

Zahra Khalid

Auditors

TARIQ ABDUL GHANI MAQBOOL & CO.
Chartered Accountants

Legal Advisor

Chaudhry Mahmood-ur-Rehman

Registrars

CORPLINK (PVT.) LTD.
1-K Commercial, Model Town, Lahore
+92-42-35916714
+92-42-35916719
corplink786@gmail.com
shares@corplink.com.pk

Registered & Head Office

6th Floor, M. M. Tower,
28-A/K, Gulberg-II,
Lahore.
Tel: 042-3581 7601-05
Fax: 042-3581 7600
Email: info@trustbank.com.pk
Website: www.trustbank.com.pk



Notice of Annual General Meeting

Notice is hereby given that 25th Annual General Meeting of Trust Investment Bank Limited will be held on Monday, October 31, 2016 at 04:00 p.m. at Hotel Sunfort, 72-D/1, Commercial Zone, Liberty Market, Gulberg-III, Lahore, to transact the following business:

ORDINARY BUSINESS:

- i) To confirm the minutes of 15th Extra Ordinary General Meeting held on June 15, 2016.
- ii) To receive, consider and adopt the audited accounts of the Bank for the year ended June 30, 2016 together with Director's and Auditor's Report thereon.
- iii) To appoint the Auditors of the Bank for the year ending June 30, 2017 and to fix their remuneration.
- iv) To transact any other business with the permission of the Chair.

On Behalf of the Board

Lahore: October 10, 2016

ZAHRA KHALID
(Company Secretary)

Notes:

- 1) The share transfer books of the Bank will remain closed from October 24, 2016 to October 31, 2016 (Both days inclusive).
- 2) A member of the Bank entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend and vote in his/her place. Proxies in order to be effective must be received at the registered office of the Bank, duly stamped and signed, not less than 48 hours before the time of the meeting.

A) For Attending the Meeting:

- i) In case of individuals, the account holder or sub-account holder shall authenticate his identity by showing his original CNIC or original passport along with Participant's ID number and their account numbers at the time of attending the meeting.
- ii) In case of Corporate entity, the board of director's resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B) For Appointing Proxies:

- i) The member entitled to attend the meeting is entitled to appoint a proxy to attend for him/her. No person shall act as a proxy, who is not a member of the Bank except corporate entity may appoint a person who is not a member.
- ii) The instrument appointing a proxy should be signed by the members or his/her attorney duly authorized on writing. If the member is a corporate entity, its common seal should be affixed on the instrument.
- iii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iv) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- v) The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
- vi) In case of corporate entity, the Board of Director's resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Bank.

Directors' Report

The Directors of Trust Investment Bank Limited are pleased to present the 25th Annual Report together with the audited financial statements of the Bank for the year ended June 30, 2016.

Financial Summary or Highlights/Performance of the Company:

The financial results for the year ended June 30, 2016 and the corresponding figures for the last year are as under :-

Particular	For the financial year ended	
	30-Jun-16	30-Jun-15
	(Rupees in millions)	
Operating Expenses	73.31	75.22
Profit before taxation	22.28	14.79
Profit after taxation	22.17	13.96
Liabilities	2,495.53	2,818.52
Earnings per Share (Basic)	Rs. 0.25	Rs. 0.19
Earnings per Share (Diluted)	Rs. 0.25	Rs. 0.16

Economic Review:

Pakistan's economy continues to maintain its growth momentum for the third year in a row, with real GDP growing at 4.71 percent in financial year 2016 which is the highest in eight years which is mainly supported by industrial sector contributes 21.02 percent in GDP, agricultural sector contributes 19.82 percent of GDP. Fiscal deficit as a percent of GDP was confined at 3.4 percent in FY 2016 against 3.8 in FY 2015. This advancement in growth is witnessed exhibiting macroeconomic stability demonstrated through rising growth trail in economic indicators such as curtailed inflation growth rate of 2.79 % in FY 16 as compared to 4.53% in FY 15, stability in foreign exchange rates, increase in foreign exchange reserves which is witnessed to reach US \$ 21.4 billion from US \$ 18.6 billion in FY 2015, increase in foreign remittances and growth in PSX index which is witnessed a positive growth of 5.4 percent during the fiscal year. The microeconomic stability provides the basis to SBP to decrease its policy rate to low level of 5.75 percent.

Companies Overview:

For the three consecutive year's bank continued with its journey of profitability. The management is focused on to reduce the expenses, improve the revenue stream, increase the efficiency and optimal utilization of resources and expedite the recoveries.

Administrative cost is further curtailed during the year. Profit before tax for the year has been increased from Rs. 14.79 million to 22.28 million and profit after tax for the year has been increased to 22.17 million. Total liabilities declined from Rs. 2,818 million to Rs. 2,495 million. Current ratio is also improved significantly from 0.46 times (2015) to 0.63 times (2016). TIBL's basic and diluted earnings per share up by 30.83 % to Rs. 0.25 and 46.22 % to Rs. 0.25 respectively

During the year, bank continued settlements and restructuring of overdue liabilities. Some non-current assets are classified as held for sale amounting to Rs. 159 million to settle its overdue current liabilities amounting to Rs. 353.86 million. Efforts for recoveries from stuck up portfolio continued with slight improvement over the past year. The Preference Shares are converted into Ordinary Shares and gradual restructuring of Term Finance Certificates (TFC) is going on. Furthermore, the directors have injected a fresh equity of Rs. 269.08 million as subordinate loan.

Future Outlook:

Despite the challenging environment, we are optimistic about future of the company. Bank is gradually coming out of the turmoil it was facing since 2011. Efforts are being made to inject more equity for the long term sustainability of the company and to overcome its liquidity constraints. Management does not want to increase its liabilities by way of deposits or institutional borrowings in the coming year. It is believed that start of new businesses are must in the coming years which will not only improve profitability but it will also help to sort out

pending issues which bank had been facing in the past years.

Corporate Social Responsibility:

TIBL understands its responsible role towards the national economy. The strategy at the Bank has always endured keenness in safeguarding the interest of both its internal and external stakeholders, therefore reiterates to operate with strict adherence to regulations and principles of good governance. Unfortunately in 2016, TIBL contribution was not very significant. But it expected that in coming years TIBL will perform in a prominent fashion.

Business Ethics:

Bank's Code of Conduct provides a clear framework within which employees of the Bank are expected to conduct themselves. The Code is designed to ensure adherence to the highest standards of ethical business conduct and compliance with governmental laws, rules and regulations. It requires employees to work proficiently in all business activities, maintain the highest level of confidentiality within and outside the Bank and exercise fairness, equity and courtesy in dealing with all customers, employees and other stakeholders.

Bank's Code of Conduct provides guidance for dealing with ethical issues, and direction on how to report on unethical conduct. Every employee of the Bank has a responsibility to understand and comply fully with the Code and all other policies of the Bank.

Director Compliance:

The Board is aware of its responsibilities under the Code of Corporate Governance and is pleased to report that:

The financial statements, prepared by the management of the Bank, present its state of affairs fairly, the result of its operations, cash flows and changes in equity;

Proper books of account of the Bank have been maintained;

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

International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure has been adequately disclosed and explained in this annual report;

The system of internal control is sound in design and has been effectively implemented and monitored;

There are no significant doubts upon Bank's ability to continue as a going concern;

There has been no material departure from the best practices of corporate governance as detailed in the Listing Regulations being notified by the Pakistan Stock Exchange;

Key operating and financial data of last six years, in summarized form is given

The Statement of Code of Ethics and Business Practices has been developed and acknowledged by the directors and employees of the Bank.

All the major decisions relating to investment or disinvestment of funds, changes in significant policies and overall corporate strategies, appointment, remuneration and terms and conditions of appointment of Chief Executive and Executive Director are taken by the Board.

During the year six meetings of the Board of Directors and four meetings of the Audit Committee were held. The Directors, who were unable to attend the meetings, constantly followed the progress of the Bank and proceedings of the Board.

Name of Director	Designation	Meeting Attended
Mr. Mamoon-Ur-Rashid	Chairman	6
Mr. Ahsan Rafique	Chief Executive	6
Syed Sajjad Hussain Rizvi	Executive Director	6
Mr. Asad Kazmi	Director	6
Mr. Abdul Shakeel	Director	6
Mr. Asif Kamal	Director	0
Mr. Tariq Hussain	Director	0

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

Audit Committee Meetings:

Name of Directors	Designation	Meeting Attended
Mr. Abdul Shakeel	Chairman	4
Mr. Asif Kamal	Member	4
Mr. Asad Kazmi	Member	4

Dividend:

No dividend has been declared for the year under review.

Pattern of Share Holding:

A statement of the pattern of shareholding of certain classes as per Section 236 of the Companies Ordinance, 1984 whose disclosure is required under the reporting frame work is annexed. Detail of number of shares held by the director and officers of the Bank is also annexed.

Audit Committee:

The Audit Committee of the Board continued to perform its duties and responsibilities effectively as per its term of reference duly approved by the Board in accordance with the Code of Corporate Governance. The Audit Committee of the Board comprises of three non-executive directors. The coordination between External and Internal Auditors was facilitated to ensure efficiency and contribution to the Bank's objectives, including a reliable financial reporting system and compliance with laws & regulations. During the year four (04) meetings of the Audit Committee were held.

External Audit:

M/s Tariq Abdul Ghani Maqbool & Co. Chartered Accountants were appointed as auditors for the year ended June 30, 2016. The Board endorses the recommendation of the Audit Committee for the appointment of M/s Tariq Abdul Ghani Maqbool & Co. Chartered Accountants as the auditors of the Bank for the year ending June 30, 2017.

Acknowledgement:

On behalf of the Board, I like to express my sincere appreciation to the SECP and other regulatory bodies for their guidance and support. The board has also places on record its gratitude to the employees for their continued dedication and hard work. The board also appreciates and acknowledges the assistance, guidance and cooperation of all stakeholders, valuable customers and shareholders for entrusting their confidence in the Bank which give strength to face the challenging times. We would also thanks to SECP for their continued support and patronage extended during the challenging period.

For and on behalf of the Board of Directors

Lahore
October 06, 2016

Ahsan Rafique
President & Chief Executive Officer

ڈائریکٹرز رپورٹ:

ٹرسٹ انویسٹمنٹ بینک لمیٹڈ کے ڈائریکٹران کو 30 جون 2016 کو ختم ہونے والے سال کیلئے بینک کی آڈٹ کیے گئے مالی گوشواروں کے ساتھ ۲۵ ویں سالانہ رپورٹ پیش کرنے کے لئے مسرت محسوس ہو رہی ہے۔

سرمائے کا خلاصہ یا کمپنی کی جھلکیاں/کارکردگی:

30 جون 2016 کو ختم ہونے والے سال کے لئے مالیاتی نتائج اور گزشتہ سال کے لئے اسی کے اعداد و شمار اس طرح ہیں:-

ختم ہونے والے مالی سال کی		تفصیلات
2015 جون 30	2016 جون 30	
ملین روپوں میں		
75.22	73.31	آپریٹنگ اخراجات
14.79	22.28	ٹیکسیشن قبل منافع
13.96	22.17	ٹیکسیشن بعد منافع
2,818.52	2,495.53	واجبات
Rs. 0.19	Rs. 0.25	فی شیئر آمدنی (بنیادی)
Rs. 0.16	Rs. 0.25	فی شیئر آمدنی (پتلا)

اقتصادی جائزہ:

پاکستان کی معیشت حصہ مالی سال 2016 تین سالوں میں سب سے زیادہ بلند ہے جس میں بنیادی طور پر صنعتی شعبے کی طرف سے حمایت کی ہے جس میں 4.71 فیصد سے بڑھ رہی حقیقی جی ڈی پی کے ساتھ، ایک قطار میں تیسرے سال کے لئے اس کی ترقی کی رفتار برقرار رکھنے کے لئے جاری ہے جی ڈی پی میں 21.02 فیصد، زریعی شعبے حصہ جی ڈی پی کے 19.82 فیصد۔ مالیاتی خسارہ جی ڈی پی کے ایک فیصد مالی سال 2015 میں 3.8 خلاف مالی سال 2016 میں 3.4 فیصد پر ہی محدود تھا جسکے طور پر ترقی میں یہ معاشی استحکام کی نمائش کا مشاہدہ کیا جاتا ہے جیسے کہ مالی سال 16 میں 2.79 فیصد کی کمی افراط زر میں اضافے کی شرح اقتصادی اشاریوں میں بڑھتی ہوئی ترقی کی گپڈنڈی کے ذریعے مظاہرہ مالی سال 15 میں 4.53 فیصد کے مقابلے میں، غیر ملکی زرمبادلہ کی شرح میں استحکام، مالی سال 15، میں امریکی \$18.6 بلین سے امریکی \$21.4 بلین تک پہنچنے کے لئے مشاہدہ کیا گیا ہے جس میں زرمبادلہ کے ذخائر میں اضافہ PSX انڈیکس میں غیر ملکی ترسیلات زراور ترقی جس میں اضافہ مالی سال کے دوران 5.4 فیصد کی خوشگوار اضافہ۔ مائیکرو اقتصادی استحکام 5.75 فیصد کی کم سطح پر اس کی پالیسی کی شرح کو کم کرنے کے لئے اسٹیٹ بینک آف پاکستان کے لیے بنیاد فراہم کا مشاہدہ کیا جاتا ہے۔

ادارے کا عمومی جائزہ:

مسلل تین سال کے لئے بینک نے منافع کے اس سفر کو جاری رکھا۔ انتظامیہ اور بورڈ نے موجودہ صورت حال پر توجہ مرکوز کی اور اخراجات کو کم اور آمدنی کو بہتر بنانے کے وسائل کی کارکردگی اور زیادہ سے زیادہ استعمال میں اضافہ اور وصولی کی وصولی تیز کرنے کا ارتکاب کیا ہے۔ انتظامی لاگت مزید ایک سال کے دوران کم ہو رہی ہے۔ ٹیکس سے قبل از منافع رواں سال میں 14.79 بلین سے 22.28 بلین روپے اضافہ ہو رہا ہے اور بعد از ٹیکس منافع 22.17 بلین بڑھا ہے۔ کل واجبات 2,818 بلین روپے سے کم ہو کر 2,495 بلین روپے رہے۔ موجودہ تناسب بھی نمایاں طور پر بہتر اتیب 0.63 درجے (2016) سے 0.46 درجے (2015) بہتر ہو گئی ہے TIBL کی بنیادی اور معتدل فی شیئر آمدنی 30.83 فیصد سے بڑھ کر 46.22 فیصد

جو کہ 0.25 روپے ہے۔

سال کے دوران بینک نے واجبات کی تنظیم نو اور ادائیگی کا سلسلہ جاری رکھا۔ موجودہ قرضوں کو ادا کرنے کے لیے کچھ غیر موجودہ اثاثوں کو قابل فروخت درجہ بندی کے طور پر مخصوص کیا گیا جس کی واجب الادا رقم 353.86 ملین ہے۔ پھنسے ہوئے پورٹ فولیو سے وصولی کی کوششوں کو گزشتہ سال کے دوران معمولی بہتری کے ساتھ جاری رکھا۔ ترجیحی حصص کو عوامی حصص میں تبدیل کیا گیا اور ٹرم فنانس سرٹیفکیٹس (TFC) کو بتدریج تنظیم نو جاری ہے۔ مزید برآں، ڈائریکٹرز نے ماتحت قرض کے طور پر 269.08 ملین روپے کا تازہ ایکویٹی انجکشن کیا ہے۔

مستقبل کے نقطہ نظر:

اندرونی اور بیرونی چیلنجز ماحول کے باوجود ہم مستقبل کے بارے میں پر امید ہیں۔ بینک بتدریج اس بحران سے باہر آ رہا ہے جس کا سامنا 2011 سے کیا جا رہا ہے۔ کمپنی کے طویل مدتی پائیداری کے لئے زیادہ ایکویٹی انجکشن کرنے اور اس کی لیکویڈیٹی رکاوٹوں پر قابو پانے کی کوششیں جاری ہیں۔ بینجمنٹ آنے والے سال میں اس کے اثاثوں یا ادارہ قرض گیری کی راہ کی طرف سے اس کے واجبات میں اضافہ نہیں کرنا چاہتی۔ یہ ہمارے پختہ یقین ہے کہ نئے کاروبار کے آغاز آئندہ سالوں میں منافع کو بہتر بنانے کا موجب بنے گا اور زیر التوا مسائل کو حل کرنے میں مدد ملے گی جو بینک کو گزشتہ سالوں میں درپیش تھے۔

کارپوریٹ سماجی ذمہ داری:

TIBL قومی معیشت میں اپنے ذمہ دارانہ کردار سے باخوبی آگاہ ہے۔ بینک کی حکمت عملی نے ہمیشہ دونوں اس کے اندرونی اور بیرونی اسٹیک ہولڈرز کے مفاد کے تحفظ میں بگری دلچسپی دکھائی ہے، اس وجہ سے قواعد و ضوابط اور بہتر اسلوب حکمرانی کے اصولوں پر سختی سے عمل کے ساتھ کام کرنے کا اعادہ کیا ہے۔ بد قسمتی سے 2016 میں TIBL کی شراکت بہت اہم نہیں تھی، لیکن یہ امید کی جاتی ہے کہ آنے والے سالوں میں TIBL ایک ممتاز کردار ادا کرے گا۔

کاروباری اخلاقیات:

بینک ضابطہ اخلاق کے کوڈ کو ایک واضح فریم ورک فراہم کرتا ہے اور توقع کرتا ہے کہ ملازمین خود کو اس کے اندر منظم کریں۔ کوڈ کے سرکاری قوانین، اصول اور ضوابط کی اخلاقی کاروباری طرز عمل اور تعمیل کے اعلیٰ ترین معیار کے عمل کو یقینی بنانے کے لئے مرتب کیا گیا ہے۔ یہ تمام کاروباری سرگرمیوں میں موثر کام کے اندر اور بینک کے باہر رازداری کی سب سے زیادہ سطح کو برقرار رکھنے اور تمام صارفین، ملازمین اور دیگر اسٹیک ہولڈرز کے ساتھ حسن سلوک میں جانبداری عمل، ادب اور احترام کے لئے ملازمین سے تقاضا کرتا ہے۔

بینک ضابطہ اخلاق کے کوڈ کے اخلاقی مسائل، اور غیر اخلاقی طرز عمل پر رپورٹ کرنے کے لئے کسی طرح کی سمت کے ساتھ نمٹنے کے لئے رہنمائی فراہم کرتا ہے۔ بینک کے ہر ملازم کو سمجھنے اور اخلاق اور بینک کے دیگر تمام پالیسیوں پر مکمل طور پر عمل کرنے کے لئے ایک ذمہ داری ہے۔

ڈائریکٹرز:

بورڈ کے کارپوریٹ گورننس کے کوڈ کے تحت اپنی ذمہ داریوں سے آگاہ ہے اور یہ بتاتے ہوئے خوشی محسوس کر رہا ہے:

- بینک کی انتظامیہ کی طرف سے تیار کردہ مالی گوشوارے، اپنے امور کا منصفانہ اظہار، اپنے آپریشنز کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو پیش کرتا ہے؛
- بینک کے اکاؤنٹ کی کتابوں کو مناسب برقرار رکھا گیا ہے؛
- موزوں اکاؤنٹنگ پالیسیوں مناسب تسلسل اور دانشندانہ فیصلے کی بنیاد پر مالی بیانات اور اکاؤنٹنگ اندازوں کی تیاری کر رہے ہیں؛
- بین الاقوامی مالیاتی رپورٹنگ معیارات، جو کہ پاکستان میں قابل عمل ہیں مالی گوشواروں کی تکمیل کے طور پر اور کوئی بھی خلاف ورزی مومز رٹور پر اس سلسلہ رپورٹ میں واضح ہے

- مالی بیانات اور کسی بھی روانگی مناسب طور پر انکشاف کیا اور اس سالانہ رپورٹ میں بیان کیا گیا ہے کی تیاری میں بیرونی کی؛
- اندرونی کنٹرول کے نظام کے ڈیزائن میں مضبوط اور مؤثر طریقے سے عملدرآمد اور نگرانی کی گئی ہے؛
- بینک کے جاری رکھنے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہ ہیں۔
- مطوع کیا جا رہا ہے کہ پاکستان سٹاک ایکسچینج کی طرف سے جاری کردہ لسٹنگ کے ضابطے جن کی تفصیل کارپوریٹ گورننس کے بہترین طریقوں میں دی گئی ہے میں کوئی خلاف ورزی نہ ہے؛
- کلیدی آپریننگ اور گزشتہ پچھلے سال کے مالیاتی ڈیٹا، خلاصہ کی شکل میں منسلک ہے
- اخلاقیات اور کاروباری طرز عمل کے کوڈ کے بیان کو بینک کے ڈائریکٹر اور ملازمین نے تسلیم کیا ہے۔
- فنڈز، اہم پالیسیوں اور مجموعی طور پر کارپوریٹ حکمت عملی، تفری، معاوضے اور شرائط اور چیف ایگزیکٹو اور ایگزیکٹو ڈائریکٹر کی تقرری کے حالات میں تبدیلی اور سرمایہ کاری یاویزکاری سے متعلق تمام اہم فیصلے بورڈ کی طرف سے اٹھائے گئے۔
- سال کے دوران بورڈ آف ڈائریکٹرز کے چھ اجلاس اور آڈٹ کمیٹی کے چار اجلاس منعقد کیے گئے۔ ڈائریکٹرز، جو اجلاسوں میں شرکت کرنے کے قابل نہیں تھے، مسلسل بورڈ کی کارروائی اور ترقی کی پیروی کرتے رہے۔

ڈائریکٹرز کا اجلاس:

ڈائریکٹر کا نام	عہدہ	شرکت اجلاس
مسٹر مامون الرشید	چیئر مین	6
جناب احسن رفیق	چیف ایگزیکٹو	6
سید سجاد حسین رضوی	ایگزیکٹو ڈائریکٹر	6
مسٹر اسد کاظمی	ڈائریکٹر	6
جناب عبدالشکیل	ڈائریکٹر	6
جناب آصف کمال	ڈائریکٹر	0
طارق حسین	ڈائریکٹر	0

ڈائریکٹرز جو بورڈ کے اجلاس میں شرکت نہیں کر سکتے تھے کو غیر موجودگی کی رخصت عطا کیا گیا تھا:

آڈٹ کمیٹی کا اجلاس:

ڈائریکٹر کے نام	عہدہ	شرکت اجلاس
جناب عبدالشکیل	چیئر مین	4
جناب آصف کمال	اراکین	4
مسٹر اسد کاظمی	اراکین	4

مقسوم/بونس حصص

کمپنی نے رواں سال بونس حصص جاری کرنے کا اعلان نہیں کیا تھا۔ کاروبار سے پیدا کیش فلو کو ختم ہونے والی سال کے دوران 30 جون، 2016 کو بنیادی طور پر کمپنی کی سیالیت کی پوزیشن کو مضبوط بنانے کے لئے استعمال کیا گیا۔

حصص داری کا طریقہ کار

کمپنیز آرڈیننس، 1984 کی دفعہ 236 کے مطابق بعض طبقات کا ہولڈنگ جو رپورٹنگ فریم ورک کے طرز کا ایک بیان پر ملاحظہ ہے۔ ڈائریکٹر اور بینک کے حکام کی طرف سے منعقد شیئروں کی تعداد کی تفصیل بھی منسلک ہے۔

آڈٹ کمیٹی:

بورڈ کی آڈٹ کمیٹی کارپوریٹ گورننس کے ضابطہ کے مطابق بورڈ کی طرف سے منظور کیے گئے حوالے کی اصطلاح کے مطابق مؤثر طریقے سے اپنے فرائض اور ذمہ داریوں کو انجام دیے رہی ہے۔ بورڈ کی آڈٹ کمیٹی تین نان-ایگزیکٹو ڈائریکٹرز پر مشتمل ہے۔ بیرونی اور اندرونی آڈیٹروں کے درمیان معاونت کے قوانین اور قواعد و ضوابط کے ساتھ ایک قابل اعتماد مالیاتی رپورٹنگ کے نظام اور تعمیل سمیت بینک کے مقاصد، کارکردگی اور شراکت کو یقینی بنانے کی سہولت فراہم کی گئی ہے۔ سال کے دوران (04) آڈٹ کمیٹی کے اجلاس منعقد ہوئے۔

بیرونی آڈٹ:

طارق عبدالغنی مقبول اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کو 30 جون، 2016 ختم ہونے والے سال کے چارٹرڈ اکاؤنٹنٹس کے طور پر مقرر کیا گیا تھا۔ بورڈ طارق عبدالغنی مقبول اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس بینک کے آڈیٹرز کے طور پر کی تقرری کے لئے آڈٹ کمیٹی کی سفارشات کی توثیق جون 30، 2017 کو ختم ہونے والے سال کے لئے کر رہا ہے۔

اعتراف:

بورڈ کی جانب سے، میں ایس ای سی پی اور دیگر ریگولیٹری اداروں کی رہنمائی اور مدد کے لئے تہہ دل سے شکریہ کا اظہار کرتا ہوں۔ بورڈ ملازمین کی جاری لگن اور محنت کے سلسلے کو بھی ریکارڈ پر رکھ کر ان کی اس کی احسان مندی کا شکریہ ادا کرتا ہے۔ بورڈ تمام اسٹیک ہولڈرز، قابل قدر صارفین اور حصص یافتگان کی مدد، رہنمائی اور تعاون کو تسلیم کرتا ہے جس نے بینک کو مشکل اوقات کا سامنا کرنے کی طاقت دی۔ ہم ایس ای سی پی کی مسلسل حمایت اور سرپرستی کی بھی تعریف کرتے ہیں جو انہوں نے اس چیلنجنگ مدت کے دوران فراہم کی۔

بورڈ آف ڈائریکٹرز کی جانب سے

لاہور
اکتوبر 06، 2016 کو

احسن رفیق
صدر اور چیف ایگزیکٹو آفیسر

Six Years Financial Summary

(Rupees in million)

	2016	2015	2014	2013	2012	2011
Operational Results						
Total Lease Business Term Finances	-	-	-	-	27	1,002
Revenues	59	43	116	63	253	660
Financial Expenses	1	3	13	52	547	587
Total Expenses	37	29	111	212	724	754
\Profit/(loss) before tax	22	14	5	(149)	(1,002)	183
\Profit/(loss) after tax	22	13	4	(149)	(1,004)	166
Balance Sheet						
Total Asstes	4,363	4,409	4,687	4,454	3,869	5,381
Paid-up Capital	892	892	892	892	892	892
Reserves	(2,762)	(2,494)	(1,991)	(1,992)	(1,834)	(792)
Earning Per Share	0.25	0.19	0.07	(2.56)	(17.93)	2.12
Dividend						
Cash Dividend	Nil	Nil	Nil	Nil	Nil	Nil
Stock Deividend	Nil	Nil	Nil	Nil	Nil	Nil

* based on No. of shares outstanding at each year ended.

Pattern of Shareholding

As at June 30, 2016

Number of Shareholders	Shareholding		Total Number of Shares Held
	From	To	
432	1	100	18,150
648	101	500	175,538
329	501	1,000	249,349
623	1,001	5,000	1,485,853
93	5,001	10,000	705,700
41	10,001	15,000	521,365
29	15,001	20,000	530,123
23	20,001	25,000	524,285
9	25,001	30,000	246,834
9	30,001	35,000	294,121
7	35,001	40,000	268,531
3	40,001	45,000	129,103
9	45,001	50,000	439,846
2	50,001	55,000	104,552
3	55,001	60,000	171,500
2	60,001	65,000	127,000
2	65,001	70,000	135,276
2	70,001	75,000	144,821
1	75,001	80,000	78,000
2	90,001	95,000	182,479
1	95,001	100,000	100,000
2	100,001	105,000	205,145
1	105,001	110,000	110,000
1	110,001	115,000	112,222
1	125,001	130,000	126,200
1	135,001	140,000	138,452
1	145,001	150,000	150,000
1	150,001	155,000	150,136
1	165,001	170,000	170,000
1	200,001	205,000	203,067
1	205,001	210,000	207,500
1	275,001	280,000	276,000
2	320,001	325,000	650,000
1	345,001	350,000	349,000
1	415,001	420,000	418,000
1	490,001	495,000	495,000
1	495,001	500,000	500,000
1	705,001	710,000	707,000
1	875,001	880,000	877,000
1	1,085,001	1,090,000	1,087,847
1	1,360,001	1,365,000	1,364,500
1	1,645,001	1,650,000	1,650,000
1	1,855,001	1,860,000	1,858,966
1	1,995,001	2,000,000	2,000,000
1	2,495,001	2,500,000	2,500,000
1	2,500,001	2,505,000	2,500,001
1	2,565,001	2,570,000	2,567,242
1	2,775,001	2,780,000	2,779,750
1	3,540,001	3,545,000	3,544,210
1	4,350,001	4,355,000	4,354,601
1	4,995,001	5,000,000	5,000,000
1	5,700,001	5,705,000	5,702,312
1	7,105,001	7,110,000	7,106,551
1	7,495,001	7,500,000	7,500,000
1	12,205,001	12,210,000	12,209,742
1	12,995,001	13,000,000	13,000,000
2,307			89,202,870

Catagories of Shareholding required under Code of Corporate Governance (CCG) As on June 30, 2016

Sr. No.	Name	No. of Shares Held	Percentage
Associated Companies, Undertakings and Related Parties (Name Wise Detail):			
1	GENESIS SECURITIES (PVT.) LTD. (CDC)	12,209,742	13.6876%
2	MR. ZAHID RAFIQ (CDC)	5,702,405	6.3926%
Mutual Funds (Name Wise Detail)			
		-	-
Directors and their Spouse and Minor Children (Name Wise Detail):			
1	MR. AHSAN RAFIQUE	500	0.0006%
2	SYED SAJJAD HUSSAIN RIZVI	500	0.0006%
3	MR. MAMOON-UR-RASHID QURESHI	500	0.0006%
4	MR.ASAD ALI KAZMIE	500	0.0006%
5	MR. ABDUL SHAKEEL	500	0.0006%
6	MR. TARIQ HUSAIN	500	0.0006%
7	MR. ASIF KAMAL (CDC)	7,106,551	7.9667%
Executives:			
		-	-
Public Sector Companies & Corporations:			
		-	-
Banks, Development Finance Institutions, Non Banking Finance Companies, Insurance Companies, Takaful, Modarabas and Pension Funds:		30,610,859	34.3160%
Shareholders holding five percent or more voting intrest in the listed company (Name Wise Detail)			
1	GENESIS SECURITIES (PVT.) LTD. (CDC)	12,209,742	13.6876%
2	CDC TURSTEE KASB INCOME OPPORTUNITY FUND	13,000,000	14.5735%
3	THE BANK OF KHYBER	7,500,000	8.4078%
4	MR. ASIF KAMAL (CDC)	7,106,551	7.9667%
5	MR. ZAHID RAFIQUE (CDC)	5,702,405	6.3926%
6	ALLIED BANK LIMITED	5,000,000	5.6052%

All trades in the shares of the listed company, carried out by its Directors, Executives and their spouses and minor children shall also be disclosed:

<u>S. No.</u>	<u>NAME</u>	<u>SALE</u>	<u>PURCHASE</u>
5. Categories of Shareholders			
5.1	Directors, Chief Executive Officers, and their spouse and minor children	7,109,551	7.9701%
5.2	Associated Companies, undertakings and related parties.	17,912,147	20.0802%
5.3	NIT and ICP	500	0.0006%
5.4	Banks Development Financial Institutions, Non Banking Financial Institutions.	28,035,357	31.4288%
5.5	Insurance Companies	2,568,936	2.8799%
5.6	Modarabas and Mutual Funds	6,566	0.0074%
5.7	Share holders holding 10% or more	25,209,742	28.2611%
5.8	General Public		
	a. Local	19,239,286	21.5680%
	b. Foreign	0	0.0000%
5.9	Others (to be specified)		
	Joint Stock Companies	11,996,908	13.4490%
	Investment Companies	2,327,373	2.6091%
	Foreign Companies	2,321	0.0026%
	Others	3,925	0.0044%



Financial Statements

Trust Investment Bank Limited

(For The Year Ended June 30, 2016)

Statement of Compliance With Best Practices of the Code of Corporate Governance

This statement is being presented to comply with the best practices of the Code of Corporate Governance (the Code) contained in Regulation No.35 of Listing Regulation of Pakistan Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes five independent and non-executive directors and two executive director.
2. The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company.
3. All the directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange and has been declared as a defaulter by that stock exchange.
4. The Company has prepared a 'Statement of Ethics and Business Practices' which has been signed by all the directors of the Company. The statement has been circulated to all employees of the Company for their awareness and all of them have signed it as acknowledgement of their understanding.
5. The Board has developed a Vision/Mission Statement, Core Values, Strategies & Business Plan, Overall Corporate Strategy and Significant Policies of the Company. A complete record of particulars of Significant Policies and board decision along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, CFO, Company Secretary, Head of Internal Audit and other executives, have been taken by the Board.
7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of meetings were appropriately recorded and circulated.
8. The directors are conversant with the corporate matters and well aware of their duties and responsibilities. The Bank arranged orientation course for its Directors during the year to apprise their duties and responsibilities.
9. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
10. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
11. The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.

12. The Company has complied with all the corporate and financial reporting requirements of the Code.
13. The Board has formed an Audit Committee. It comprises three members. Consist of three non-executive directors including the Chairman of the Committee.
14. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
15. The Board has set-up an effective internal audit function managed by suitably qualified and experienced personnel who are conversant with the policies and procedures of the Company and are involved in the internal audit function on a full time basis.
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 (ICAP), that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other material principles contained in the Code have been complied with.

On behalf of the Board

Lahore
October 06, 2016

Ahsan Rafique
Chief Executive

Review Report To The Members On Statement Of Compliance With Best Practices Of Code Of Corporate Governanace

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors (the Board) of **Trust Investment Bank Limited** (“the Company”) for the year ended 30 June 2016 to comply with the requirements of Rule 5.19 of the Rule Book of the Pakistan Stock Exchange where the Company is listed.

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

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


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

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 30 June 2016.

The Code of the Company for the year ended 30 June 2015 was reviewed by another firm of Chartered Accountants who vide their review report dated 06 October 2015 had given qualified opinion on matter that directors of the company had not obtained any certification under any training program offered by the institution, local or foreign, that meet the criteria specified by SECP.

We have also expressed an adverse opinion in our audit report to the financial statements for the year ended 30 June 2016.

Lahore
06 October 2016


Tariq Abdul Ghani Maqbool and Company
Chartered Accountants
Shahid Mehmood
(Engagement Partner)

Auditors' Report To The Members

We have audited the annexed balance sheet of **TRUST INVESTMENT BANK LIMITED** as at 30 June 2016 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that, except for the matters referred to in paragraphs (a) below, we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.


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

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

- (a) as described in note 1.01.2 to the financial statements, the financial statements have been prepared on going concern basis. As at balance sheet date, the Company has accumulated losses amounting to Rs. 2,762.29 million (2015: Rs. 2,781.03 million), shareholder's equity is negative by Rs. 1,569.92 million (2015: Rs. 1,602.03 million), its current liabilities exceed its current assets by Rs. 983.96 million (2015: Rs. 1,727.47 million) and overdue installments of financing from banking companies, financial institutions, term finance certificates (TFC) holders and depositors are amounting to Rs. 2,080.44 million (2015: Rs. 2,477.35 million). The company is facing operational and financial crisis. Moreover, as mentioned in note of contingencies to the financial statements, the company is defendant / petitioner in various law suits and the company has not charged markup/cost of fund amounting to Rs. 1,118.69 million (2015: Rs. 826.57 million) on various financings / investments due to pending litigations. These factors indicate a material uncertainty which may cast significant doubt on the company's ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in normal course of business. The financial statements, however, do not disclose this fact and any adjustment to that effect;
- (b) in our opinion, except for the effects, if any, of the matters referred to in paragraph (a) above, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;
- (c) our opinion, except for the effects, if any, of the matters referred to in paragraph (a) above-
- (i) the balance sheet and profit and loss account together with the notes thereon, have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied.

- (ii) the expenditure incurred during the year were for the purpose of the Company's business; and
- (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- (d) in our opinion and to the best of our information and according to the explanations given to us, because of the matters as discussed in paragraph '(a)' above, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, do not conform with approved accounting standards as applicable in Pakistan, and, do not give the information required by the Companies Ordinance, 1984, in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at 30 June 2016 and of the profit, comprehensive income, its cash flows and changes in equity for the year then ended; and
- (f) in our opinion no Zakat was deductible at source under the Zakat and Usher Ordinance, 1980-(XVIII of 1980).
- (g) Notwithstanding our adverse opinion, we draw attention to the following:
 - note 1.01.2 to the financial statements which inter alia states that equity of separate financial statements is falling short by Rs. 1,933.53 million to meet prescribed minimum equity as required under the Non-Banking Finance Companies and Notified Entities Regulation, 2008 for the Companies undertaking business of investment finance services.
 - The financial statements for the year ended 30 June 2015 were audited by another firm of auditors, whose report dated 06 October 2015 expressed an adverse opinion on those financial statements.

Lahore
06 October 2016


Tariq Abdul Ghani Maqbool and Company
Chartered Accountants
Shahid Mehmood
(Engagement Partner)

BALANCE SHEET

AS AT JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees (Restated)	2014 Rupees (Restated)
ASSETS				
Non-current assets				
Fixed assets	7	663,292,801	941,468,678	1,475,915,029
Investment property	8	1,970,571,427	2,000,000,000	-
Long term investments	9	13,853,272	29,716,958	33,193,410
Long term loans and advances	10	968,039	16,761,654	3,815,975
Finance lease receivables	11	-	-	-
Long term deposits		3,602,231	3,611,550	5,893,218
		2,652,287,770	2,991,558,840	1,518,817,632
Current assets				
Current maturities of non - current assets	12	1,051,269,212	1,059,226,136	1,058,847,589
Short term loans and advances	13	58,666,970	46,520,641	83,441,123
Short term investments	14	7,000,000	11,000,000	1,133,005,480
Short term prepayments		3,135,612	2,972,914	215,237
Mark-up accrued	15	190,599,224	190,948,268	201,981,288
Taxation - net		2,878,621	1,045,388	1,694,538
Other receivables	16	223,511,822	154,546,031	132,214,384
Cash and bank balances	17	14,948,365	6,396,174	12,399,322
		1,552,009,826	1,472,655,552	2,623,798,961
Assets classified as held for sale	18	159,000,000	-	-
		4,363,297,596	4,464,214,392	4,142,616,593
EQUITY AND LIABILITIES				
Share capital and reserves				
Authorized share capital	19	1,500,000,000	1,500,000,000	1,500,000,000
Issued, subscribed and paid-up capital	19	892,028,729	892,028,729	892,028,729
Reserves	20	(2,461,943,955)	(2,494,056,346)	(2,506,828,288)
		(1,569,915,226)	(1,602,027,617)	(1,614,799,559)
Surplus on revaluation of fixed assets	21	-	-	-
Non-current liabilities				
Long term financing-subordinated loan	22	398,515,980	2,788,220,472	2,357,958,476
Long term financing-others	23	25,527,780	57,624,657	-
Loan from related parties	24	2,575,547,689	-	-
Long term morabaha	25	-	-	-
Liabilities against assets subject to finance lease	26	1,231,575	-	-
Long term certificates of investment	27	227,062,389	1,562,500	12,996,263
Deferred liabilities	28	6,775,700	7,471,687	6,189,364
Long term deposits	29	3,584,053	35,237,224	-
		3,238,245,166	2,890,116,540	2,377,144,103
Current liabilities				
Short term borrowings	30	39,413,532	39,413,532	39,413,532
Short term certificates of investment	31	557,912,544	1,036,976,463	1,138,439,357
Current maturities of non current liabilities	32	1,403,260,455	1,663,119,562	1,770,541,492
Mark-up accrued	33	176,382,210	259,273,170	266,983,348
Trade and other payables	34	164,131,908	177,342,742	164,894,320
		2,341,100,649	3,176,125,469	3,380,272,049
Liabilities against assets classified as held for sale	18	353,867,007	-	-
Contingencies and commitments	35	-	-	-
		4,363,297,596	4,464,214,392	4,142,616,593

The annexed notes from 01 to 55 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
Income			
Income from lease operations	36	40,518,360	6,529,681
Income from investments	37	258,561	487,799
Income from term loans	38	18,375,830	35,919,441
		<u>59,152,751</u>	<u>42,936,921</u>
Finance cost	39	768,192	2,943,962
		<u>58,384,559</u>	<u>39,992,959</u>
Administrative and operating expenses	40	73,312,713	75,223,566
		<u>(14,928,154)</u>	<u>(35,230,607)</u>
Other income	41	35,386,743	41,092,211
		<u>20,458,589</u>	<u>5,861,604</u>
Other operating expenses	42	17,224,249	54,598,975
Profit before provisions and taxation		<u>3,234,340</u>	<u>(48,737,371)</u>
Provision reversed against lease and term loan	43	(19,335,432)	(84,708,632)
Impairment charged in the value of investments	44	289,299	21,175,559
		<u>(19,046,133)</u>	<u>(63,533,073)</u>
Profit before taxation		<u>22,280,473</u>	<u>14,795,702</u>
Taxation	45	106,641	832,574
Net profit for the year		<u>22,173,832</u>	<u>13,963,128</u>
Earnings per share - basic	46	<u>0.25</u>	<u>0.19</u>
Earnings per share - diluted	46	<u>0.25</u>	<u>0.16</u>

The annexed notes from 01 to 55 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2016

	2016 Rupees	2015 Rupees
Net profit for the year	22,173,832	13,963,128
Other comprehensive income		
Items that may be reclassified subsequently to profit and loss account		
- Net fair value gain on available for sale financial assets	293,554	(1,674,212)
- Gain during the year transferred to profit and loss account on derecognition of available for sale investment	8,642,579	-
	8,936,133	(1,674,212)
Items that will not be reclassified subsequently to profit and loss account		
- Remeasurement of defined benefit obligation	1,002,426	483,026
Total comprehensive income for the year	32,112,391	12,771,942

The annexed notes from 01 to 55 form an integral part of these financial statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		22,280,473	14,795,702
Adjustments for non cash / non operating items:			
Depreciation and amortization		2,665,029	5,537,632
Provision for staff service cost		2,594,514	2,225,349
Provision reversed against lease and term loan		(19,335,432)	(84,708,632)
Lease receivables written off		6,396,619	33,793,036
Loss on disposal of investments		8,642,579	-
Finance cost		768,192	2,943,962
Loss on disposal of fixed assets		2,185,051	20,805,939
Profit on settlement		(23,041,567)	(30,733,190)
Impairment charged in the value of investment		289,299	21,175,559
		<u>(18,835,716)</u>	<u>(28,960,345)</u>
Operating (loss) / profit before working capital changes		3,444,757	(14,164,643)
Changes in operating assets and liabilities:			
(Increase) / decrease in assets:			
Long term loans and advances		9,443,611	2,551,824
Finance lease receivables		39,022,593	43,985,487
Short term loans and advances		1,861,731	(19,177,279)
Short term investments		3,000,000	(7,000,000)
Short term prepayments		(162,698)	(2,757,677)
Mark-up accrued		1,208,417	8,803,520
Other receivables		(57,133,964)	(24,357,039)
		<u>(2,760,310)</u>	<u>2,048,836</u>
Increase / (decrease) in liabilities:			
Certificates of investment		(260,433,250)	(16,212,644)
Trade and other payables		(13,210,834)	14,183,444
Long term deposits		(1,503,823)	1,477,708
		<u>(275,147,907)</u>	<u>(551,492)</u>
		<u>(277,908,217)</u>	<u>1,497,344</u>
Cash (used in) / generated from operations		(274,463,460)	(12,667,299)
Finance cost paid		(8,505,604)	(2,943,962)
Taxes paid		(1,939,874)	(208,580)
Staff service cost paid		(2,288,075)	(460,000)
		<u>(12,733,553)</u>	<u>(3,612,542)</u>
Net cash used in operating activities		(287,197,013)	(16,279,841)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(4,213,917)	(7,611,866)
Capital work in progress		-	(1,833,050)
Long term investments		1,433,396	-
Long term deposits		9,319	(2,800,240)
Proceeds from disposal of fixed assets		147,968,287	40,000,000
Net cash generated from investing activities		145,197,085	27,754,844
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing		148,785,544	(13,926,734)
Liabilities against assets subject to finance lease		1,766,575	-
Dividend		-	(4,360)
Net cash generated from/(used in) financing activities		150,552,119	(13,931,094)
Net increase/(decrease) in cash and cash equivalents		8,552,191	(2,456,091)
Cash and cash equivalents at the beginning of the year		(33,017,358)	(30,561,267)
Cash and cash equivalents at the end of the year	49	(24,465,167)	(33,017,358)

The annexed notes from 01 to 55 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2016

	Ordinary Shares	Preference Shares	Capital Reserves		Revenue Reserves		Total
			Statutory Reserves	Loss on Remeasurement of Available for Sale Investments	General Reserves	Accumulated Losses	
Balance as at 01 July 2014	685,903,729	206,125,000	240,828,097	(15,972,890)	61,000,000	(2,792,683,495)	(1,614,799,559)
Total Comprehensive Income:							
Profit for the year ended 30 June 2015	-	-	-	-	-	13,963,128	13,963,128
Other comprehensive income:							
Items that may be reclassified subsequently to profit and loss account							
- Net fair value gain on available for sale financial assets	-	-	-	(1,674,212)	-	-	(1,674,212)
Items that not to be reclassified subsequently to profit and loss account in subsequent periods							
- Remeasurement of defined benefit obligation	-	-	-	-	-	483,026	483,026
Total Comprehensive Income				(1,674,212)		14,446,154	12,771,942
Transfer to statutory reserves	-	-	2,792,626	-	-	(2,792,626)	-
Conversion of preference shares into ordinary shares	55,375,000	(55,375,000)	-	-	-	-	-
Redemption of preference shares	-	(70,000,000)	-	-	-	-	(70,000,000)
Effect of adjustment of reversal of redemption of preference share (refer note No. 53.01.)	-	70,000,000	-	-	-	-	70,000,000
Balance as at 30 June 2015 Re-stated	741,278,729	150,750,000	243,620,723	(17,647,102)	61,000,000	(2,781,029,967)	(1,602,027,617)
Total Comprehensive Income:							
Profit for the year ended 30 June 2016	-	-	-	-	-	22,173,832	22,173,832
Other comprehensive income							
Items that may be reclassified subsequently to profit and loss account							
- Net fair value gain on available for sale financial assets	-	-	-	293,554	-	-	293,554
- Gain during the year transferred to profit and loss account on derecognition of available for sale investment	-	-	-	8,642,579	-	-	8,642,579
Items that not to be reclassified subsequently to profit and loss account in subsequent periods							
- Remeasurement of defined benefit obligation	-	-	-	-	-	1,002,426	1,002,426
Total Comprehensive Income				8,936,133		23,176,258	32,112,391
Transfer to statutory reserves	-	-	4,434,766	-	-	(4,434,766)	-
Conversion of preference shares into ordinary shares	150,750,000	(150,750,000)	-	-	-	-	-
Balance as at 30 June 2016	892,028,729	-	248,055,489	(8,710,969)	61,000,000	(2,762,288,475)	(1,569,915,226)

The annexed notes from 01 to 55 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016

1 LEGAL STATUS AND NATURE OF BUSINESS

Trust Investment Bank Limited and its subsidiary company ("the Group") comprises of holding company Trust Investment Bank Limited ("TIBL") and a wholly owned unquoted subsidiary company Trust Capital (Private) Limited ("TCPL").

1.01 Parent Company

1.01.1 Trust Investment Bank Limited ("the Company") was incorporated in 1992 as a public limited Company under the provisions of the Companies Ordinance, 1984 and is listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 6th Floor, M. M. Tower, 28 - A / K, Gulberg II, Lahore. The Company is mainly engaged in the business of investment finance services. It is classified as a Non-Banking Finance Company (NBFC) and is regulated by the Securities and Exchange Commission of Pakistan (SECP).

1.01.2 The accumulated losses of the company amounting to Rs. 2,762.29 million as at balance sheet date and as of that date its current liabilities exceeds its current assets by Rs. 983.96 million and over due instalments of financing from banking companies, financial Institutions, term finance certificates holders and depositors amounting to Rs. 2,080.44 million. The company has paid renewal fee for Investment Finance Services (IFS) license, however, the Securities and Exchange Commission of Pakistan (SECP) has not yet renewed company's license to operate Investment Finance Services (IFS) and also suspended the permission for raising deposits in any form. Moreover, the Pakistan Credit Rating Agency Limited (PACRA) has withdrawn the long-term (previously D) and short-term (previously D) credit rating since 19 November 2012 on the management's request. These conditions indicate the existence of a material uncertainty regarding the future operations of the company. These conditions along with adverse key financial ratios and the pending litigations with the banking companies, financial institutions and investors indicate the existence of material uncertainty which may cast significant doubt about the companies ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

SECP vide SRO # 1160/(1)/2015 dated November 25, 2015 has made certain amendments in NBFCs and Notified Entities Regulations 2008 which inter alia also specify the minimum equity requirement for the companies undertaking business of deposit taking investment finance companies as Rs. 750 million and the Company is short by Rs. 1,933.53 million. SECP has given time period of one year to the existing lending NBFCs to meet the minimum equity requirement provided that during the interim period of one year, the total deposits of such NBFCs shall be capped at the existing level i.e. outstanding deposits at the date of coming into force of these regulations i.e. November 25, 2015.

During the year, the company has successfully negotiated settlement with major depositors through cash / properties and settled all individual depositors except one and negotiations with financial institutions are in process. During the year, Company has classified its non current assets held for sale amounting to Rs. 204.78 million to settle its overdue current liabilities amounting to Rs. 353.86 million which will strengthen the liquidity of the company. The preference shares amounting to Rs. 150.75 million have been converted into ordinary shares resulting in saving future interest cost and dividend on preference shares. The company has generated some liquidity through expediting recovery process and disposal of its assets. To sustain liquidity position, the company has started new business that has brought new income stream in current operations. With all these measures in place and expected cash injection from directors and financial institutions in coming months, the liquidity position will be strengthened. Based on the above and the financial projections as prepared by the company for future periods, the management is confident that the company shall continue and further improve its business growth during the coming years resulting in improvement of its profitability. Hence, these financial statements have been prepared on going concern basis.

1.02 Subsidiary Company

1.02.1 Trust Capital (Private) Limited ("TCPL") was incorporated as a private limited company on 20 June 2008 under the provisions of the Companies Ordinance, 1984. TCPL is engaged in the business of stock brokerage, portfolio management and trading in listed securities on Pakistan Stock Exchange Limited. The registered office of TCPL is located at 6th Floor, M. M. Tower, 28 - A / K, Gulberg II, Lahore. TCPL is a member of the Pakistan Stock Exchange Limited.

2 STATEMENT OF COMPLIANCE

2.01 These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulation, 2008 (the NBFC Regulation) and the directives issued by the Securities and Exchange Commission of Pakistan

(SECP). Wherever the requirements of the Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Companies Ordinance 1984, the NBFC Rules, the NBFC Regulation or the directives issued by the SECP shall prevail.

The SECP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' through Circular No. 19 dated 13 August 2003 for Non-Banking Finance Companies (NBFCs) providing investment finance services, discounting services and housing finance services. In addition, the SECP has also deferred the application of International Financial Reporting Standard (IFRS)7, 'Financial Instruments: Disclosures' through SRO 411(1) / 2008 on such Non-Banking Finance Companies as are engaged in investment finance services, discounting services and housing finance services.

2.02 Standards, interpretations and amendments to published approved accounting standards

The following amendments to existing standards have been published that are applicable to the company's financial statements covering annual periods, beginning on or after the following dates:

Standards, amendments to published standards and interpretations effective in current year

Following are the amendments that are applicable for accounting periods beginning on or after 01 July 2015:

New/Revised Standards, Interpretations and Amendments

IFRS 13- Fair Value Measurement. The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. The standard only affects the disclosures in the Company's financial statements.

Improvement to Accounting Standards Issued by the IASB

- IFRS 5 Non-current Assets Held for Sale and Discontinued Operations- (changes in methods of disposal)
- IFRS 7 Financial Instruments: Disclosures- (servicing contracts and applicability of the amendments to IFRS 7 to condensed interim financial statements)
- IAS 19 Employee Benefits- (discount rate: regional market issue)
- IAS 34 Interim Financial Reporting- (disclosure of information 'elsewhere in the interim financial report')

The adoption of the above improvements to accounting standards and interpretations are not likely to have an impact on the Company's financial statements.

Standards, interpretations and amendments to published standards that are effective but not relevant to the company

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after 01 July 2015 are considered not to be relevant or to have any significant impact on the company's financial reporting and operations.

Standards, interpretations and amendments to existing standards that are not yet effective

The following amendments and interpretations to existing standards have been published and are mandatory for accounting periods beginning on or after their respective effective dates.

IFRS 10 -	Consolidated Financial Statements	01 January 2016
IFRS 11 -	Joint Arrangements	01 January 2016
IFRS 12 -	Disclosure of Interests in Other Entities	01 January 2016
IAS 16 and 38 -	Clarification of Acceptable Method of Depreciation and Amortization	01 January 2016
IAS 16 and 41 -	Agriculture: Bearer Plants	01 January 2016

The above standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements except for the increased disclosures in certain cases.

In addition to the above, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

<u>Standard or Interpretation</u>	Effective date (accounting periods Beginning on or after)
IFRS 09 - Financial Instruments:	01 January 2018
IFRS 14 - Regulatory Deferral Accounts	01 January 2016
IFRS 15 - Revenue from Contracts with Customers	01 January 2018
IFRS 16 - Leases	01 January 2019

3 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

4 BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention except for revaluation of certain financial instruments at fair value and recognition of certain employee retirement benefits at present value, investment on equity basis and certain other investments at fair value. In these financial statements, except for the amounts reflected in the cash flow statement, all transactions have been accounted for on accrual basis.

5 JUDGMENT, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with approved accounting standards which requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which such revisions are made and in any future periods affected.

Significant management estimates in these financial statements relate to the useful life of property, plant and equipment, provisions for staff retirement benefits, doubtful receivables, slow moving inventory and taxation.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which such estimates are revised. Such estimates are:

- Useful life of depreciable assets;
- Provision for doubtful receivables;
- Provision for current tax and deferred tax;
- Staff retirement benefits;
- Impairment of assets.

However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustments to the carrying amounts of assets and liabilities in the next year.

6 SIGNIFICANT ACCOUNTING POLICIES

6.01 Property, plant and equipment

Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses except freehold land which is stated at cost and fully depreciated assets which are carried at residual value. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is charged to income by applying reducing balance method to write off the cost over estimated remaining useful life of assets. The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from property, plant and equipments. Depreciation on additions to property, plant and equipment is charged from the date when asset is available for use up to the date of its de-recognition.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains / losses on disposal of fixed assets are included in current year's income.

Subsequent costs are included in the asset's carrying amount are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and cost of the item can be measured reliably. All other repair and maintenance cost are charged to the profit and loss account during the year in which these are incurred.

Assets subject to finance lease

These are stated at the lower of present value of minimum lease payments under the lease agreements and the fair value of the assets. The related obligations of lease are accounted for as liabilities. Financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of financial cost on the remaining balance of principal liability for each period. Depreciation is charged on the basis similar to owned assets applying reducing balance method to write off the cost of the asset over its estimated remaining useful life in view of certainty of ownership of assets at the end of the lease period.

Insurance and other maintenance costs are borne by the Company.

Financial charges and depreciation on leased assets are charged to profit and loss account currently.

Capital work in progress

Capital work in progress is stated at cost less identified impairment loss, if any, and includes the expenditures on material, labour and appropriate overheads directly relating to the construction, erection or installation of an item of property, plant and equipment. These costs are transferred to property, plant and equipment as and when related items become available for intended use.

Investment Property

Investment property, principally comprising of land, is held for long term rental yields / capital appreciation. The investment property of the Company comprises of land and is valued using the cost method i.e. at cost less impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalized borrowing costs, if any. The residual values and useful lives of investment property are reviewed at each reporting date and adjusted, if appropriate. The Company assesses at each reporting date whether there is any indication that investment property may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The gain or loss on disposal of investment property, represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as income or expense in profit and loss account.

6.02 Non-current assets (or disposal group) classified as held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets (or disposal groups) are measured at the lower of their carrying amount and fair value less costs to sell. Property, plant and equipment once classified as held for sale are not depreciated or amortised.

6.03 Investments

(i) Financial assets at fair value through profit and loss (Held for trading)

These securities are either acquired for generating a profit from short term fluctuations in prices or securities included in a portfolio in which a pattern of short term profit taking exists. These investments are initially measured at fair value being the consideration given. On subsequent reporting dates, these are measured at fair values on quoted market price and unrealized gains and losses arising from changes in the fair values are recognized in the income of the period in which these arise.

(ii) Investments held to maturity

These are securities with fixed or determinable payments and fixed maturity where the Company has a positive intent and ability to hold till maturity. These are initially measured at fair value being the consideration given plus transactions' costs that are attributable to the acquisition of these investments. At subsequent reporting dates, these are measured at amortized cost using effective interest rate method. Mark-up calculated using the effective interest rate method is recognized in the profit and loss account. Impairment loss, if any, is recognized in profit and loss in the period it arises.

(iii) Available-for-sale

Investments which can not be classified as held to maturity investments or held for trading investments are classified as available for sale investments.

Investments intended to be held for an unidentified period of time, which may be sold in response to need for liquidity or changes to interest rates, exchange rates or equity prices are classified as available for sale.

Available-for-sale investments are measured at subsequent reporting dates at fair value for those shares which have fair values. However, all such shares for which fair value cannot be determined are valued at cost. Surplus/(deficit) on remeasurement is kept in a separate account and is shown in the balance sheet below the shareholders' equity, until the security is disposed off or is determined to be impaired, at which time, the cumulative surplus/(deficit) is included in the profit and loss account.

However, as allowed by the BSD circular no. 10 dated 13 July 2004, the Company will be free to determine the extent of holding under the above categories taking into consideration various aspects such as trading strategies, intention of acquisition of securities, capital position, expertise available to manage investment portfolio, and the risk management capabilities. Under exceptional circumstances, shifting from one category to another category may be made subject to the following conditions:

Shifting of investments to/from held to maturity category is allowed once a year only with the approval of the Board of Directors within two months of the commencement of accounting year. Any further shifting to/from this category is not allowed during the remaining part of that accounting year.

Shifting to/from available for sale category is allowed with the approval of the Assets and Liabilities Committee (ALCO) subject to the condition that the reasons for such shifting will be recorded in writing.

Shifting from held for trading category to available for sale or held to maturity categories is generally not allowed. It is permitted under exceptional circumstances like not being able to sell the securities within the prescribed period of 90 days due to tight liquidity position in market or extreme market volatility with the approval of ALCO. The justification for such exceptional shifting of securities is recorded in the minutes of ALCO meeting. Shifting of securities from one category to another is at the lower of the market value or the acquisition cost/book value, and the diminution in value, if any, on such transfer is fully provided for.

(iv) Investments in associates and related parties

Investment in associates and related parties where the Company can exercise significant influence; has intention and ability to hold the investment for more than twelve months of acquisition and are not held for sale are accounted for using the equity method of accounting. Impairment in value, if any, is recognized in profit and loss in the period it arises.

(v) Investment in subsidiary:

Investment in subsidiary company is measured at cost as per the requirements of IAS-27 "Consolidated and Separate Financial Statements". However, at subsequent reporting dates, the Company reviews the carrying amounts of the investments and its recoverability to determine whether there is an indication that such investments have suffered an impairment loss. If any such indication exists, the carrying amount of the investment is adjusted to the extent of impairment loss. Impairment losses are recognized as an expense currently.

The Company is required to issue consolidated financial statements along with its separate financial statements, in accordance with the requirements of IAS 27 "Consolidated and Separate Financial Statements".

(vi) Investment in unquoted securities

Investment in unquoted securities are initially measured at cost. Impairment loss, if any, is charged to profit and loss account.

(vii) Financial assets:

Significant financial assets include long term investments, long term loans and advances, net investment in lease finance, long term deposits, short term loans and advances, short term placements, short term investment, other receivables and cash and bank balances. Finances and receivables from clients are stated at their nominal value as reduced by provision for doubtful finances and receivable, while other financial assets are stated at cost except for certain investments, which are revalued as per accounting policies.

(viii) Financial liabilities:

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities include certificates of investment, preference shares, long term loans and borrowings, deposits against lease arrangements, short term borrowings, trade and other payables and dividends payable. Mark-up based financial liabilities are recorded at gross proceeds received. Other liabilities are stated at their nominal value.

Recognition and derecognition:

All the financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instruments. Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognized when these are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of the financial assets and liabilities is taken to the income in the current period.

The policies in respect of these financial instruments have been disclosed in the relevant policy notes.

Offsetting of financial assets and financial liabilities:

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Company has legal enforceable right to set off the recognized amount and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously. Corresponding income on assets and charge on liability are reported at net amount.

6.04 Trade and settlement date accounting

All purchase and sale 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 investment.

6.05 Securities under repurchase/reverse repurchase agreements

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

Repurchase agreements:

Investments sold with the simultaneous commitment to repurchase at a specified future date (Repo) continue to be recognized in the balance sheet and are measured in accordance with accounting policies for investments. The counterparty liability for amounts received under these agreements is included in short term borrowing. The difference between sale and repurchase price is treated as mark-up on short term borrowing and accrued over the tenure of the repo agreement.

Reverse repurchase agreements:

Investments purchased with a simultaneous commitment to resell at a specified future date (Reverse repo) are not recognized in the balance sheet. Amounts paid under these agreements are recorded as 'short term placements'. The difference between purchase and resale price is treated as return from funds placement with financial institutions or income from reverse repurchase transactions of listed shares, as the case may be, and accrued over the life of reverse repo agreement.

6.06 Term finances

Term finances originated by the Company are stated at cost less any amount written off and provision for doubtful finances, if any, in accordance with NBFCs prudential regulations.

6.07 Finance lease receivables

Lease where the Company transfers substantially all the risks and rewards incidental to ownership of the asset to the lessee are classified as finance leases. Net investment in lease finances is recognized at an amount equal to the aggregate of minimum lease payments including any guaranteed residual value and excluding unearned finance income, write-offs and provision for doubtful lease finances, if any.

6.08 Assets acquired in satisfaction of claims

The company acquires certain vehicles and assets in settlement of non-performing loans / leases. These are stated at lower of the original cost of the related asset, exposure to Trust Investment Bank Limited and the net realizable value. The net gains or losses on disposal of these assets are taken to the profit and loss account.

6.09 Taxation**Current**

Provision for current taxation is based on applicable current rates of taxation after taking into account tax credits and rebates available, if any, under the provisions of Income Tax Ordinance, 2001. The tax charge also includes adjustments, where necessary, relating to prior years which arise from assessments finalized during the year.

Deferred

Deferred tax liability is accounted for in respect of all taxable temporary differences at the balance sheet date arising from difference between the carrying amount of the assets and liabilities in the financial statements and corresponding tax bases. Deferred tax assets are recognized for all deductible temporary differences, unused tax losses, provisions and tax credits to that extent it is probable that taxable profit will be available in future against which the deductible temporary differences can be utilized. In this regard, the effects on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirement of Technical Release – 27 of Institute of Chartered Accountants of Pakistan.

Deferred tax is calculated at the rates that are expected to apply to the period when the asset is to be realized or liability is to be settled.

6.10 Share capital**Ordinary share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as deduction, net of tax, from the proceeds.

Preference share capital

Preference share capital is recognized as equity in accordance with the interpretation of the provision of the Companies Ordinance, 1984, including those pertaining to implied classifications of preference shares.

6.11 Contingencies

Contingent liability is disclosed when:

- There is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or

- There is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

6.12 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises all components of profit or loss and other comprehensive income. Other comprehensive income comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by approved accounting standards.

6.13 Revenue recognition

Finance leases:

The "financing method" is used for recognition of finance income on finance leases. Under this method, the unearned finance income i.e., the excess of aggregate lease rentals and the estimated residual value over the net investment is deferred and then amortized to income over the term of the lease on a systematic basis, so as to produce a constant rate of return on the Company's net investment in the finance lease.

Capital gains and losses on sale of investments:

Capital gains or losses on sale of investments are recognized in the period in which they arise.

Processing fee, front end fee and penal charges:

These are recognized as income when services are provided.

Return on finances, placements and term finances:

Return on finances provided, placements and term finances are recognized on time proportion basis.

Morabaha income:

Mark-up/profit earned on finance under morabaha agreement and finance under buy-back agreement is recognized on a time proportion basis taking account of, where applicable, the relevant buy-back dates and prices, or where a specific schedule of recoveries is prescribed in the agreement, the respective dates when mark-up is required to be paid to the Company.

Income on bank deposits, held to maturity investments and reverse repo transactions:

Income from bank deposits, investments and reverse repo transactions is recognized on time proportion basis.

Guarantee commission:

Commission income from guarantee is recognized on time proportion basis.

Dividend Income:

Dividend income is recognized when right to receive dividend is established.

6.14 Return on certificates of investment

Return on certificates of investment is recognized on a time proportion basis taking into account the relevant issue date and final maturity date.

6.15 Staff retirement benefits

Defined benefit plan:

The Company operates an approved unfunded defined benefit gratuity plan scheme for all of its permanent employees subject to a minimum qualifying period of six months of service. Provisions are made in accordance with the actuarial valuation using 'Projected Unit Credit method'. Actuarial gains and losses arising as a result of actuarial valuation are recognized in other comprehensive income in the year in which they arise. Gratuity is payable to employees on the completion of prescribed qualifying period of service under the scheme. Past service costs are recognised immediately in profit and loss account. The benefit is calculated as follows:

Last drawn gross salary x Number of completed years of services.

Six or more months of service in excess of completed years of services is counted as one complete year. However, less than six months of services is ignored.

As per actuarial valuation carried out as at 30 June 2016, the following significant assumptions were used:

Discount factor used	9.75%	9.75%
Expected rate of eligible salary increase in future years	6.25%	8.75%
Expected rate of return on plan assets	7.25%	13.50%
Expected average remaining years until vesting as on 30 June	8 years	9 years
Expected mortality rate	SLIC 2001 - 2005 Setback 1 Year	
Retirement assumptions	60 years	60 years

Accumulating compensated absences

The liability in respect of compensated absences of employees is accounted for in the period in which the absences accrue. As the component of liability involved is not material, the company did not carry out actuarial valuation for the said liability.

6.16 Provision for potential lease losses and loans

Provision for potential lease losses and loan losses is maintained at a level which is adequate to provide for potential losses on lease and loan portfolio in accordance with Prudential Regulations for NBFCs. Specific provision for potential lease and loan losses is maintained at a level which, in the judgment of the management, is adequate to provide potential losses on lease and loan portfolio that can be reasonably anticipated. Provision is increased by charge to income and is decreased by charge offs, net of recoveries.

Leases, loans and advances are written off when there are no realistic prospects of recovery.

6.17 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, balance with banks on current and deposit accounts and short term running finance account.

6.18 Borrowing costs

Borrowing costs are recognised as an expense in the period in which these are incurred except in cases where such costs are directly attributable to the acquisition, construction or production of a qualifying asset (one that takes substantial period of time to get ready for use or sale) in which costs such costs are capitalised as part of the cost of that asset. Currently, the company does not have any borrowing costs directly attributable to the acquisition of or construction of qualifying assets.

6.19 Transactions with related parties and transfer pricing

Parties are said to be related, if they are able to influence the operating and financial decisions of the Company and vice versa.

The Company enters into transactions with related parties on arms length basis. Prices for transactions with related parties are determined using admissible valuation methods, except for the assets sold to employees at written down value as approved by the board of directors.

6.20 Foreign currency translation

Transactions denominated in foreign currencies are translated to Pak Rupee at the foreign exchange rate ruling at the date of transaction. Assets and liabilities in foreign currency are translated at the rates of exchange prevailing on the balance sheet date. All exchange gains/losses are taken to the profit and loss account.

6.21 Impairment

The carrying amounts of the assets are reviewed at each balance sheet date to identify the circumstances indicating the occurrence of impairment loss or reversal of previous impairment losses. If any such indication exists, the recoverable amount of such asset is estimated and impairment loss is recognized in the profit and loss account. Where an impairment loss subsequently reverses, the carrying amount of such asset is increased to the revised recoverable amount. A reversal of the impairment loss is recognized in income.

6.22 Dividends and other appropriations

Dividend is recognized as a liability in the period in which it is declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

6.23 Bonus shares

Bonus shares are recognized as an appropriation from profit in the period in which these are declared.

6.24 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit and loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

6.25 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the chief executive to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the chief executive include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Company's activities are broadly categorized into two primary business segments namely financing activities and investment activities.

Transaction among the business segments are recorded at arm's length prices using admissible valuation methods. Inter segment income and expenses are eliminated from the total.

	Note	2016 Rupees	2015 Rupees
7			
FIXED ASSETS			
Tangible			
Property, plant and equipment	7.01	650,390,401	836,995,728
Capital work in progress	7.02	12,902,400	104,472,950
		663,292,801	941,468,678

7.01 Property, plant and equipment

The following is a statement of operating fixed assets (tangible):

	Rupees								
	Land	Building on freehold land	Leasehold improvements	Office equipment and machines	Furniture and fixtures	Air-conditioning equipment	Vehicles	Leased Vehicles	Total
At 30 June 2014									
Cost	482,673,333	70,000,000	19,668,153	17,419,148	10,897,319	807,184	4,121,853	-	605,586,990
Accumulated depreciation	-	(6,825,000)	(15,781,513)	(13,444,938)	(6,550,151)	(488,854)	(1,129,531)	-	(44,219,987)
Net book value in Rupees	482,673,333	63,175,000	3,886,640	3,974,210	4,347,168	318,330	2,992,322	-	561,367,003
Year ended 30 June 2015									
Additions	356,192,960	10,334,400	-	525,706	189,200	-	-	-	367,242,266
Disposal									
Cost	(25,578,733)	(70,000,000)	-	-	(11,781)	-	-	-	(95,590,514)
Depreciation	-	9,194,061	-	-	11,781	-	-	-	9,205,842
Net book value	(25,578,733)	(60,805,939)	-	-	-	-	-	-	(86,384,672)
Depreciation charge for the year (note 7.01.1)	-	(2,369,061)	(777,325)	(851,839)	(431,276)	(31,836)	(767,532)	-	(5,228,869)
Net book value as at 30 June 2015	813,287,560	10,334,400	3,109,315	3,648,077	4,105,092	286,494	2,224,790	-	836,995,728
Year ended 30 June 2016									
Additions	-	-	-	1,622,417	-	-	47,500	2,544,000	4,213,917
Disposal									
Cost	(27,287,560)	-	-	(2,864,163)	(1,200,151)	(268,240)	(2,437,997)	-	(34,058,111)
Depreciation	-	-	-	2,438,863	763,625	197,984	1,503,424	-	4,903,896
Net book value	(27,287,560)	-	-	(425,300)	(436,526)	(70,256)	(934,573)	-	(29,154,215)
Depreciation charge for the year (note 7.01.1)	-	(66,720)	(621,864)	(793,395)	(383,835)	(24,372)	(732,443)	(42,400)	(2,665,029)
Transferred to non current assets classified as held for sale (note 18)	(150,000,000)	(9,000,000)	-	-	-	-	-	-	(159,000,000)
Net book value as at 30 June 2016	636,000,000	1,267,680	2,487,451	4,051,799	3,284,731	191,866	605,274	2,501,600	650,390,401
At 30 June 2015									
Cost	813,287,560	10,334,400	19,668,153	17,944,854	11,074,738	807,184	4,121,853	-	877,238,742
Accumulated depreciation	-	-	(16,558,838)	(14,296,777)	(6,969,646)	(520,690)	(1,897,063)	-	(40,243,014)
Net book value in Rupees	813,287,560	10,334,400	3,109,315	3,648,077	4,105,092	286,494	2,224,790	-	836,995,728
At 30 June 2016									
Cost	636,000,000	1,334,400	19,668,153	16,703,108	9,874,587	538,944	1,731,356	2,544,000	688,394,548
Accumulated depreciation	-	(66,720)	(17,180,702)	(12,651,309)	(6,589,856)	(347,078)	(1,126,082)	(42,400)	(38,004,147)
Net book value in Rupees	636,000,000	1,267,680	2,487,451	4,051,799	3,284,731	191,866	605,274	2,501,600	650,390,401
Annual rates of depreciation (%)	-	5	20	20	10	10	20	20	-

7.01.1 Depreciation charge for the year has been allocated as follows:

	30 June 2016 Rupees	30 June 2015 Rupees
Administrative and operating Expenses	2,665,029	5,228,869
	<u>2,665,029</u>	<u>5,228,869</u>

7.01.2 No impairment relating to operating fixed assets has been recognised in the current year.

7.01.3 DISPOSAL OF PROPERTY, PLANT & EQUIPMENT

The following operating fixed assets with a net book value exceeding Rs. 50,000 were disposed off during the year:

Sr. No.	Description	Cost	Accumulated Depreciation	Book Value	Sales Proceeds	Gain/Loss	Mode Of Disposal	Sold To
1	Land mosa sadhoki	29,428,572	-	29,428,572	39,397,500	9,968,928	Negotiation	Azra and Company
2	Land adyala	22,497,157	-	22,497,157	36,428,750	13,931,593	Negotiation	Azra and Company
3	Office Disposal (CWIP)	91,570,550	-	91,570,550	120,000,000	28,429,450	Company policy	Mr. Asif Kamal
4	Equip-UPS Batteries (Gulberg III)	724,355	614,033	110,322	8,640	(101,682)	Negotiation	Mr. Zafar
5	Equip- Electric lift	443,100	376,192	66,908	25,000	(41,908)	Negotiation	Mr. Ansar Bhatti
6	Furniture Multan	189,600	133,902	55,698	38,000	(17,698)	Negotiation	Landlord Multan Branch
7	Furniture Faisal Town	205,405	121,320	84,085	79,000	(5,085)	Negotiation	Mr. Ansar Bhatti
8	Furniture -Jehlum	150,900	96,745	54,155	57,400	3,245	Negotiation	M/S Javid & Company
9	Furniture- Faisalabad	185,145	115,539	69,606	17,000	(52,606)	Negotiation	Mr. Abdul Rehman
10	Furniture-Islamabad Branch	297,807	179,536	118,271	14,800	(103,471)	Negotiation	Mr. Mughees
11	Air Conditioners-Multan	126,000	74,409	51,591	21,500	(30,091)	Negotiation	Landlord Multan Branch
12	Vehicle	2,437,997	1,503,424	934,573	1,000,000	65,427	Company policy	Mr. Ahsan Raffique
	Rupees 2016	148,256,588	3,215,100	145,041,488	197,087,590	52,046,102		
	Rupees 2015	519,334,523	9,194,061	510,140,462	509,806,040	(334,422)		

	Note	2016 Rupees	2015 Rupees (Restated)
7.02 Capital work in progress			
Opening balance		104,472,950	882,395,690
Additions		-	1,833,050
		<u>104,472,950</u>	<u>884,228,740</u>
Disposal / transfer		(91,570,550)	(779,755,790)
Closing balance	7.03	<u>12,902,400</u>	<u>104,472,950</u>
7.03 Particulars of Capital work in progress			
Tricon Corporate Centre	7.03.1	-	91,570,550
China Centre	7.03.2	12,902,400	12,902,400
Land at Mouza Sadhoki	7.03.3	-	-
		<u>12,902,400</u>	<u>104,472,950</u>
7.03.1	During current financial year an adjustment of Rs. 18.51 million has been made regarding reversal of revaluation surplus which is explained in note No. 53.02.		
7.03.2	This represents Shop No. 5 of 512 square feet at China Centre, Feroz Pur Road Lahore. Title has been transferred in the name of TIBL only through transfer letter, and the construction of china centre is still under process, as at balance sheet date.		
7.03.3	This land amounting to Rs. 1,970.57 million has been reclassified during current financial year as investment property which is explained in note 53.04.		
8 INVESTMENT PROPERTY			
Opening balance		2,000,000,000	-
Addition during the year		-	2,000,000,000
Disposal during the year		(29,428,573)	-
		<u>1,970,571,427</u>	<u>2,000,000,000</u>
8.01	This land is against subordinated loan from a director. Title of this property has been transferred in the name of the company (refer note No. 22.02.3).		
8.02	Fair value of Investment property, revalued by an independent valuer as at balance sheet date, was amounting to Rs. 2,210 million.		
9 LONG TERM INVESTMENTS			
Investment in subsidiary-at cost	9.01	9,564,671	8,853,970
Investment in financial instruments	9.02	43,162,351	45,306,448
		<u>52,727,022</u>	<u>54,160,418</u>
Less: Current portion of long term investments	12	38,873,750	24,443,460
		<u>13,853,272</u>	<u>29,716,958</u>
9.01 Investment in subsidiary-at cost			
This represents the investment made in "Trust Capital (Private) Limited (TCPL)" a wholly owned un-quoted company, details of which are as follows:			
6,000,000 (2015: 6,000,000) shares of Rs. 10/- each		60,000,000	60,000,000
Less: Accumulated Impairment		50,435,329	51,146,030
		<u>9,564,671</u>	<u>8,853,970</u>
Breakup value is Rs. 1.59 per share as at 30 June 2016 (2015: Rs. 1.48/- per share), based on audited financial statements as at 30 June 2016/2015.			
9.01.1 Summarised financial information of subsidiary			
Aggregate amount of:			
Assets		62,708,117	60,284,851
Liabilities		53,143,446	51,430,881
Revenue		3,967,500	-
Profit/ (Loss) for the year		710,701	(1,175,559)

	Note	2016 Rupees	2015 Rupees
9.02 Investment in financial instruments			
Held to maturity			
Term finance certificates			
Azgard Nine Limited	9.02.1	30,485,310	30,485,310
Sukuks			
Eden Housing Limited	9.02.2	9,843,750	9,843,750
New Allied Electronics Industries (Private) Limited Accumulated impairment	9.02.3	20,000,000 (20,000,000)	20,000,000 (20,000,000)
Available for sale			
Shares			
Agritech Limited Accumulated impairment	9.02.1	11,544,260 (8,710,969)	22,624,490 (17,647,102)
		2,833,291	4,977,388
		43,162,351	45,306,448

9.02.1 The Company has purchased term finance certificates of Rs. 40 million, out of total issue of Rs. 2.5 billion for a period of 7 years ending on 04 December 2014 including grace period of two years. This issue has been rescheduled on 01 December 2010 and the tenure is reset for a further period of 03 years ending on 04 December 2018 including a further grace period of one year. Mark-up is carried @ 6 month KIBOR + 100 BPS upto December 2011, 6 month KIBOR + 125 BPS upto December 2015 and 6 month KIBOR + 175 BPS upto December 2017. The amount of Rs. 39.968 million will be redeemed in 16 semi annual instalments starting from July 2010 and ending on 31 December 2017. Subsequently, an agreement was signed between Azgard Nine Limited and TFC's holders on 12 April 2012. According to the terms of agreement 646,414 shares of Agritech Limited @ Rs. 35/- per share have been transferred against adjustment of Rs. 22.624 million towards outstanding principle amount. The market value of shares as at 30 June 2016 is Rs. 8.59/- per share (2015: Rs. 7.7/- per share).

A new TFC Investors agreement was signed on 28 June 2012 for the settlement of mark-up payable of Rs. 13.145 million upto 31 March 2012 against 2,629 numbers of Zero coupon TFC's with a grace period of 1 year and will be separately redeemed in 7 semi annual instalments starting from March 2014 and maturing on 31 March 2017. The credit rating assigned to such issue by JCR-VIS Credit Rating Company Limited (JCR) is "A+".

9.02.2 The Company has participated in Sukuks of Rs. 50 million, out of total issue of Rs. 3 billion, secured against first pari passu charge over current and future receivables of the investee upto the extent of the issue. This issue has been rescheduled for a further period of 1.5 years with the expiry of 29 September 2014. These carry mark-up @ 3 months KIBOR+ 250 BPS with floor 7% and cap of 20% from 31 March 2008 to 29 September 2013 and 3 months KIBOR + 300 BPS with floor of 7% and cap of 20% from 30 September 2013 to 29 September 2014. These certificates are redeemable in five semi annually instalments and sixteen quarterly instalments starting from 30 September 2008 and ending on 29 September 2014. The credit rating assigned to such Sukuks "D" by the JCR-VIS.

9.02.3 This represent the investment made in Sukuks issued for a period of 4 years secured against first pari passu charge over present and future fixed assets of the investee with 25% margin. These carry mark-up @ 3 months KIBOR +260 BPS and redeemable in 16 equal quarterly instalments of Rs. 1.250 million from October 2008 to October 2012. JCR-VIS assigned rating of "D" to said Sukuks which were subsequently withdrawn.

10 LONG TERM LOANS AND ADVANCES

Secured:

Employees - considered good	10.01	20,107	464,159
Companies, organizations and individuals:			
- Considered good	10.02	33,334,105	28,743,828
- Considered doubtful		2,547,805	7,047,805
		35,881,910	35,791,633
		35,902,017	36,255,792

Un-secured:

Companies, organizations and individuals - Considered doubtful	10.03	393,125,286	397,838,899
		429,027,303	434,094,691
Less: provision against doubtful loans	10.04	393,386,559	396,594,364
		35,640,744	37,500,327
Less: Current maturity	12	34,672,705	20,738,673
		968,039	16,761,654

- 10.01** It includes long term loans provided to employees which are secured against mortgage of property and carry nil mark-up (2015: 0% to 15.20%) per annum. The maximum aggregate balance due from executives is Rs. 11,355 (2015: Rs. 39,000).
- 10.02** These include long term finances provided to companies, organizations and individuals against mortgage of property, charge over assets and lien on deposits etc. These carry mark-up ranging from 16% to 21% (2015 : 16% to 21%) per annum.
- 10.03** It includes receivables of Trust Capital (Private) Limited (TCPL), a subsidiary of the company, amounting to Rs. 393 million, (2015: Rs. 393 million) transferred in the books of accounts of Trust Investment Bank Limited (TIBL) vide a tri-party agreement between TCPL, TIBL and other parties, approved by the Board of Directors of TIBL & TCPL, whereby various exposures of TCPL have been taken over by TIBL company and hereafter, the parties shall make payments directly to TIBL. The repayment shall be made in thirty nine quarterly instalments receivable latest by 30 June 2020. It carries mark-up @ 10% per annum increasing by 2% each year upto 5 years and @ 18% from 5th year onwards. Receipts of Rs. 1.5 million have been received to date and remaining balance has been fully provided.

	Note	2016 Rupees	2015 Rupees
10.04 Provision against doubtful loans			
Opening balance		396,594,364	403,653,029
Charge for the year		-	44,099
Reversal during the year		(3,207,805)	(7,102,764)
Closing balance		<u>393,386,559</u>	<u>396,594,364</u>
10.04.1 Particulars of provision against doubtful loans			
Companies, organizations and individuals		<u>393,386,559</u>	<u>396,594,364</u>
11 FINANCE LEASE RECEIVABLES			
Lease payments receivable	11.01	1,066,529,181	1,126,251,228
Add: Residual value		273,917,501	293,558,161
Gross Lease		<u>1,340,446,682</u>	<u>1,419,809,389</u>
Less: Unearned finance income		-	839,808
Present value of minimum lease payments receivables		<u>1,340,446,682</u>	<u>1,418,969,581</u>
Income suspended	11.03	90,084,404	129,584,710
Provision for lease losses	11.04	272,639,521	275,340,868
		<u>362,723,925</u>	<u>404,925,578</u>
Net finance lease receivables		<u>977,722,757</u>	<u>1,014,044,003</u>
Less: Current portion of finance lease receivables	12	<u>977,722,757</u>	<u>1,014,044,003</u>
		-	-

30th June 2016

	Not later than one year	Later than one year and not later than five years	Later than five years	Total
	Rupees	Rupees	Rupees	Rupees
Gross investment	1,340,446,682	-	-	1,340,446,682
Less: Unearned finance income	-	-	-	-
Present value of minimum lease payments receivables	<u>1,340,446,682</u>	-	-	<u>1,340,446,682</u>

30th June 2015

	Not later than one year	Later than one year and not later than five years	Later than five years	Total
	Rupees	Rupees	Rupees	Rupees
Gross investment	1,419,809,389	-	-	1,419,809,389
Less: Unearned finance income	839,808	-	-	839,808
Present value of minimum lease payments receivables	<u>1,418,969,581</u>	-	-	<u>1,418,969,581</u>

11.01 The Company has entered into various lease agreements with implicit rate of return ranging from 8% to 25% (2015: 8% to 25%) per annum. Security deposit is obtained generally upto 10% to 20% of the cost of leased assets at the time of disbursement. The Company requires the lessees to insure the leased assets in the favour of the Company and to maintain the financial ratios required by NBFC's Prudential regulations. Additional lease rentals are charged on the delayed payments. The average term of finance leases entered into is five years.

Generally leases are secured against title of leased assets but in some cases the leases are also secured against demand promissory notes of the lessees and personal guarantees of the directors and in case of individual lessees, two personal guarantees. Moreover, certain leases are additionally secured by mortgage of immovable property.

11.02 These leases pertain to previous years as the company does not have license for leases now.

	Note	2016 Rupees	2015 Rupees
11.03 Income suspended			
Balance at the beginning of the year		129,584,710	133,635,056
Suspended during the year		-	3,562,348
Reversal of suspension		(39,500,306)	(7,612,694)
Balance at the end of the year		<u>90,084,404</u>	<u>129,584,710</u>
11.04 Provision for lease losses			
Balance at the beginning of the year		275,340,868	388,438,495
Provision during the year		-	34,470,671
Provision reversed during the year		(2,701,347)	(147,568,298)
Balance at the end of the year		<u>272,639,521</u>	<u>275,340,868</u>

11.05 Total amount of finance lease receivables at the end of reporting period is past due.

12 CURRENT MATURITIES OF NON-CURRENT ASSETS

Long term investments	9	38,873,750	24,443,460
Long term loans and advances	10	34,672,705	20,738,673
Long term finance lease receivables	11	977,722,757	1,014,044,003
		<u>1,051,269,212</u>	<u>1,059,226,136</u>

13 SHORT TERM LOANS AND ADVANCES

Short term loans-secured	13.01	30,133,749	31,460,541
Short term advances	13.02	28,533,221	15,060,100
		<u>58,666,970</u>	<u>46,520,641</u>

13.01 Short term loans-secured

Companies, organizations and individuals			
Considered good	13.01.1	29,065,208	30,926,939
Considered doubtful		1,302,541	1,302,541
		<u>30,367,749</u>	<u>32,229,480</u>
Less: Provision against doubtful loans	13.01.2	234,000	768,939
		<u>30,133,749</u>	<u>31,460,541</u>

13.01.1 These include short term finances provided to companies, organizations and individuals against their certificates of investment and mortgage of property. These carry mark-up ranging from 13.12% to 21% (2015: 16% to 20.62%) per annum.

13.01.2 Provision against doubtful loans

Balance at the beginning of the year		768,939	650,000
Charged during the year		-	534,939
Reversed during the year		(534,939)	(416,000)
Balance at the end of the year		<u>234,000</u>	<u>768,939</u>

13.02 Short term advances

Considered good			
Advances to employees and others		28,533,221	15,060,100
		<u>28,533,221</u>	<u>15,060,100</u>

	Note	2016 Rupees	2015 Rupees
14 SHORT TERM INVESTMENTS			
Held to maturity:			
Term deposit receipts (TDR)	14.01	<u>7,000,000</u>	<u>10,000,000</u>
Considered doubtful:			
Investment with First Fidelity Leasing Modaraba	14.02	<u>1,000,000</u>	<u>1,000,000</u>
Repurchase agreement lendings (Reverse Repo)	14.03	<u>7,022,877</u>	<u>7,022,877</u>
		<u>8,022,877</u>	<u>8,022,877</u>
		<u>15,022,877</u>	<u>18,022,877</u>
Less: Provision against doubtful lending		<u>8,022,877</u>	<u>7,022,877</u>
		<u>7,000,000</u>	<u>11,000,000</u>
14.01 This amount has been placed with BURJ Bank Limited @ 4.19% p.a (2015: 7.25% p.a.) on monthly basis and MCB Bank Limited @4.35% on quarterly basis .			
14.02 This investment has made during 2011-2012 against the loan of ENPLAN with nil mark up which was due to be settled before or on 31 March 2013. Subsequently, it was settled against the Certificate of Investments of Mr. Abdul Rasheed and the remaining balance of Rs. 1 million is still receivable as on balance sheet date.			
14.03 These were secured against quoted securities. These carry mark-up at the rate of 22%p.a. (2015: 22%p.a.). Quoted securities placed as collateral were disposed off during the 2011. Remaining balance has been fully provided.			
15 MARK-UP ACCRUED			
Mark-up accrued on:			
Term finance certificates and Sukuks	15.01	<u>962,649</u>	<u>962,649</u>
Short term and long term loans	15.02	<u>20,600,547</u>	<u>20,749,450</u>
Finance lease receivables	15.03	<u>169,036,028</u>	<u>169,236,169</u>
Short term investment	15.04	<u>-</u>	<u>-</u>
		<u>190,599,224</u>	<u>190,948,268</u>
15.01 Mark-up accrued on bonds and term finance certificates			
Considered good		<u>962,652</u>	<u>962,652</u>
Considered doubtful		<u>56,678,624</u>	<u>55,314,978</u>
		<u>57,641,276</u>	<u>56,277,630</u>
Less: Suspension against doubtful receivables	15.01.1	<u>56,678,627</u>	<u>55,314,981</u>
		<u>962,649</u>	<u>962,649</u>
15.01.1 Suspension against doubtful receivables			
Opening balance		<u>55,314,981</u>	<u>53,420,450</u>
Suspended during the year		<u>1,363,646</u>	<u>1,894,531</u>
Closing balance		<u>56,678,627</u>	<u>55,314,981</u>
15.02 Mark-up accrued on short term and long term loans			
Considered good		<u>19,271,238</u>	<u>20,749,450</u>
Considered doubtful		<u>104,834,338</u>	<u>104,564,543</u>
		<u>124,105,576</u>	<u>125,313,993</u>
Less: Suspension against doubtful loans	15.02.1	<u>103,505,029</u>	<u>104,564,543</u>
		<u>20,600,547</u>	<u>20,749,450</u>
15.02.1 Suspension against doubtful loans			
Opening balance		<u>104,564,543</u>	<u>102,335,043</u>
Suspended during the year		<u>304,529</u>	<u>2,229,500</u>
Reversal of suspension		<u>(1,364,043)</u>	<u>-</u>
Closing balance		<u>103,505,029</u>	<u>104,564,543</u>

	Note	2016 Rupees	2015 Rupees
15.03 Mark-up accrued on investment in lease-considered good		169,036,028	169,236,169
This includes additional mark up on lease rentals amounting to Rs. 169.036 million (Restated 2015: Rs. 169.236 million) in respect of overdue rentals receivable from performing lease portfolio in accordance with the terms of lease agreement.			
15.04 Mark-up accrued on short term investments			
Considered doubtful		9,795,537	8,241,270
Less: Suspension against doubtful investments	15.04.1	<u>9,795,537</u>	<u>8,241,270</u>
		<u>-</u>	<u>-</u>
15.04.1 Suspension against doubtful investments			
Opening balance as at 01 July		8,241,270	6,696,237
Suspended during the year		<u>1,554,267</u>	<u>1,545,033</u>
Closing balance as at 30 June		<u>9,795,537</u>	<u>8,241,270</u>
	Note	2016 Rupees	2015 Rupees (Restated)
16 OTHER RECEIVABLES			
Receivable from organization - considered doubtful		12,614,432	14,614,432
Miscellaneous receivables from lessees:			
- Considered doubtful	16.01	387,824,090	380,501,827
Other receivables:			
- Considered good	16.02	179,726,303	128,013,442
- Considered doubtful	16.03	<u>4,724,364</u>	<u>4,625,524</u>
		<u>184,450,667</u>	<u>132,638,966</u>
		<u>584,889,189</u>	<u>527,755,225</u>
Less: Provision for doubtful receivables	16.04	<u>361,377,367</u>	<u>373,209,194</u>
		<u>223,511,822</u>	<u>154,546,031</u>
16.01	This represents insurance and other miscellaneous charges receivable from lessees, in respect of vehicles insured by the bank against assets leased to them.		
16.02	This includes receivable from TCPL amounting to Rs. 49.71 million (2015: Rs. 49.71 million). It also includes Rs. 6.96 million (2015: Rs. 6.058 million) receivable from Tricon Developers Limited. The receivable from TCPL is overdue for more than one year.		
16.03	This includes receivable from Trust Management (Private) Limited amounting to Rs. 3.92 million (2015: Rs. 3.92 million).		
		2016 Rupees	2015 Rupees
16.04 Movement of provisions for doubtful receivable			
Opening balance		373,209,194	344,638,816
Charged for the year		-	80,767,848
		<u>373,209,194</u>	<u>425,406,664</u>
Written off during the year		-	(16,420,412)
Reversed during the year		<u>(11,831,827)</u>	<u>(35,777,058)</u>
Closing balance as at 30 June		<u>361,377,367</u>	<u>373,209,194</u>

	Note	2016 Rupees	2015 Rupees
17 CASH AND BANK BALANCES			
Cash in hand		459,174	429,766
Cash with banks in:			
- Current accounts		248,964	244,194
- Deposit accounts	17.01	14,240,227	5,722,214
		14,489,191	5,966,408
		<u>14,948,365</u>	<u>6,396,174</u>

17.01 Deposit accounts carry mark-up rate ranging from 4% to 10% per annum (2015: 5% to 9%).

18 ASSETS CLASSIFIED AS HELD FOR SALE

Land - Mohlanwal Lahore	18.01	150,000,000	-
Building at Gulberg, Lahore.	18.02	9,000,000	-
		<u>159,000,000</u>	<u>-</u>
Liabilities directly associated with assets classified as held for sale		<u>353,867,007</u>	<u>-</u>

The Board of Directors of the Company in their meeting held on 30 June 2016 approved the settlement of liabilities against the assets classified as held for sale. The Company intends to dispose of these assets which will not be utilised in next 12 months. These assets were previously used in operations. Furthermore, the Company is currently in negotiation with some potential buyers. Moreover, no impairment loss was recognised on reclassification of these assets as held for sale as at 30 June 2016 as the management of the Company expect that fair value (estimated based on the recent market prices of similar properties in similar locations) less costs to sell is higher than carrying amount.

	Note	2016 Rupees	2015 Rupees (Restated)
19 SHARE CAPITAL			
19.01 AUTHORIZED SHARE CAPITAL			
150,000,000 (2015: 80,000,000) ordinary shares of Rs. 10/- each		1,500,000,000	800,000,000
Nil (2015: 70,000,000) preference shares of Rs. 10/- each		-	700,000,000
		<u>1,500,000,000</u>	<u>1,500,000,000</u>

The company vide extraordinary general meeting dated 17 June 2016 resolved for the conversion of preference shares into ordinary shares.

19.02 ISSUED, SUBSCRIBED AND PAID UP CAPITAL

35,717,984 (2015: 35,717,984) ordinary shares of Rs. 10/- each fully paid in cash	19.03	357,179,840	357,179,840
15,075,000 ordinary shares of Rs. 10/- each issued against preference shares	19.04	150,750,000	-
38,409,889 (2015: 38,409,889) ordinary shares of Rs. 10/- each issued as bonus shares		384,098,889	384,098,889
Nil (2015: 15,075,000) preference shares of Rs. 10/- each issued	19.05	-	150,750,000
		<u>892,028,729</u>	<u>892,028,729</u>

- 19.03** Mr. Zahid Rafiq and Genesis Securities (Private) Limited, related parties of the company held 5,702,405 (6.3926%) [2015: 5,702,405 (7.69%)] and 12,209,742 (13.6876%) [2015: 12,209,742 (16.47%)] ordinary shares of Rs. 10 each respectively, as at 30 June 2016.
- 19.04** During the year company has converted its preference shares amounting to Rs. 150.75 million into 15.075 million ordinary shares of Rs. 10/- each. The Company has one class of ordinary shares which carry no right to fixed income.
- 19.05** These are un-listed cumulative non-voting preference shares, each of Rs. 10/-, issued against the adjustment of financing facilities and carry preference dividend @ 1 year KIBOR + 100 BPS which is payable in priority to ordinary shareholders. The dividend remained unpaid, shall be carried forward to future years and be paid in chronological order of the agreements.

	Note	2016 Rupees	2015 Rupees (Restated)
19.06 Particulars of Preference Shares			
Saudi Pak Industrial and Agricultural Investment Company		-	10,000,000
Pak Brunei Investment Company Limited		-	3,250,000
AMZ Income Fund (KASB Liquid Fund)		-	100,000,000
Bank Alfalah Limited		-	12,500,000
Allied Bank Limited		-	25,000,000
		-	150,750,000
		-	150,750,000

20 RESERVES

Capital reserves

Statutory reserve	20.01	248,055,489	243,620,723
Fair value loss on available for sale financial assets		(8,710,969)	(17,647,102)
		239,344,520	225,973,621

Revenue reserves

General reserve		61,000,000	61,000,000
Accumulated loss		(2,762,288,475)	(2,781,029,967)
		(2,701,288,475)	(2,720,029,967)
		(2,461,943,955)	(2,494,056,346)

20.01 Statutory Reserve

Opening balance as at 01 July		243,620,723	240,828,097
Transfer from revenue reserves		4,434,766	2,792,626
Closing balance as at 30 June		248,055,489	243,620,723

This represents special reserve created at the rate of 20% of profit for the year after taxation under rule 2 of part III of SECP's NBFC's Prudential Regulations.

21 SURPLUS ON REVALUATION OF FIXED ASSETS

Effect of adjustment of Rs. 18,511,500 as stated in note 53.02.		-	-
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	Note	2016 Rupees	2015 Rupees
22 LONG TERM FINANCING - SUBORDINATED LOAN			
Long term financing-subordinated loan	22.01	398,515,980	2,788,220,472
22.01 Long term financing-Subordinated loan			
Opening balance		2,788,220,472	2,357,958,476
Obtained during the year		202,500,000	1,996,950,000
Paid / adjusted during the year		(16,656,803)	(1,566,688,004)
Re-classification during the year	22.01.1	(2,575,547,689)	-
Closing balance	22.02	398,515,980	2,788,220,472

	Note	2016 Rupees	2015 Rupees
22.02 Particulars of subordinated loan			
Loan from directors:			
- Asif Kamal	22.02.1	302,500,000	716,350,637
- Mamoon -ur- Rasheed	22.02.2	66,587,388	74,919,835
- Asad Kazmi	22.02.3	29,428,573	1,996,950,000
		398,515,961	2,788,220,472

22.01.1 As per the S.R.O. 1002 (I)/2015 dated 15 October 2015, change in definition of subordinated loan as sated in clause (viii), sub clause (ii), an amount of Rs. 2,575 million has been re-classified prospectively during the year from Subordinated loan to loan from related parties.

22.02.1 This represents properties amounting to Rs. 342.073 million and Rs. 150 million of Muhammad Akram and Muhammad Fiaz, respectively, injected for equity participation in favour of Mr. Asif Kamal (Director) through equity participation agreement. It also includes TIBL obligation to Tricon Developers Limited for cash component of subordinated loan i.e. Rs. 100 million through agreement in favour of Mr. Asif Kamal. Further, property amounting to Rs. 124.277 million from Mr. Asif Kamal had been injected on 30 June 2014. All the properties have been duly transferred in the name of the company.

22.02.2 Properties amounting to Rs. 267 million of Mrs. Samina Khurram had been injected for equity participation in favour of Mr. Mamoon Ur Rasheed through equity participation agreement. The company will pay 20% of the agreed price in cash and balance 80% in the form of issuance / transfer of shares at par, in favour of legal owners, subject to approval of SECP. However, title of properties amounting to Rs. 200.41 million could not be transferred in the name of TIBL, so these properties have been derecognised during the year. Remaining properties have been duly transferred in the name of the company.

22.02.3 This represents subordinated loan acquired against land from Mr. Khizer Hayat for equity participation in favour of Mr. Asad Kazmi through equity participation agreement. As per the terms of the agreement TIBL will pay an amount of Rs. 50 million as an initial payment and balance in the form of issuance / transfer of shares of Trust Investment Bank Limited at par, subject to approval of SECP. Title of this property has been transferred in the name of the company through court order.

23 LONG TERM FINANCING - OTHERS

Banking companies and other financial institutions-Secured	23.01	25,527,780	57,624,657
Banking companies and other financial institutions-Unsecured	23.02	-	-
Term finance certificates (TFC)-Secured	23.03	-	-
		25,527,780	57,624,657

23.01 Banking companies and other financial institutions

- Secured			
The Bank of Punjab	23.01.1	296,077,333	296,077,333
Allied Bank Limited	23.01.2	70,000,005	70,000,005
Pak Oman Investment Company (Private) Limited	23.01.3	5,161,297	5,161,297
The Bank of Khyber	23.01.4	27,777,780	27,777,780
Standard Chartered Bank Limited	23.01.5	49,329,674	49,329,674
Summit Bank Limited (Formerly Atlas Bank Limited)	23.01.6	81,640,625	81,640,625
First Women Bank Limited	23.01.7	64,027,397	64,027,397
CDC Trustee Askari Income Fund	23.01.8	-	126,250,000
PAK Brunei Investment Company	23.01.9	-	2,536,941
IGI Investment Bank Limited	23.01.10	67,500,000	67,500,000
The Punjab Provincial Co-operative Bank Limited	23.01.11	88,058,721	88,058,721
		749,572,832	878,359,773
Less: Current portion shown under current liabilities	32	724,045,052	820,735,116
		25,527,780	57,624,657

23.01.1 This represents sale and lease back transaction with The Bank of Punjab of Rs. 133 million on 01 September 2003 which were restructured into two facilities of an aggregate amount of Rs. 301.08 million with effect from 08 October 2011. Facility of Rs. 279.75 million carried mark-up rate of 9.33% per annum. The loan was repayable in 12 quarterly instalments in three years commencing from 08 October 2011 to 30 September 2014. The other facility of Rs. 21.33 million was a non serviceable facility and was repayable in six quarterly instalments commencing from 30 June 2013 to 30 September 2014. These facilities are secured against exclusive charge on specific leased assets. The Bank of Punjab has filed a suit against Trust Investment Bank Limited in March 2012, which has been decreed on 04 November 2013 by Lahore High Court, Lahore (Judicial Department) for an amount of Rs. 315.47 million (The related principle amounting to Rs. 274.84 million along with mark-up amounting to Rs. 40.63 million)

along with cost of fund. The company has filed an appeal before the Lahore High Court (Banking Jurisdiction) against the decision of Lahore High Court, Lahore (Judicial Department). The suit is presently adjudication before Lahore High Court, Lahore. Therefore, all outstanding liabilities are taken into current liabilities.

- 23.01.2** This represents investment in Certificate of Investment (COI) by Allied Bank Limited of Rs. 200 million on 30 July 2007. As on 04 May 2010, the agreement was restructured and out of remaining outstanding balance of Rs. 175.85 million, Rs. 5.85 million was paid in cash, Rs. 120 million and Rs. 50 million were converted into term loan facility and preference shares respectively. These facilities are secured against receivables amounting to Rs. 175.85 million. This loan facility carried mark up at the rate of 1 month KIBOR and was repayable in 36 equal monthly instalments commencing from 04 June 2010 and expiring on 29 May 2013. The bank has filed a suit against Trust Investment Bank Limited in August 2015 for an amount of Rs. 88.59 million (The related principle amounting to Rs. 70 million along with mark-up amounting to Rs. 18.59 million) along with cost of fund. The suit is presently adjudication before Sindh High Court, Karachi. Therefore, all outstanding liabilities are taken into current liabilities.
- 23.01.3** This represents an amount borrowed of Rs. 100 million under inter bank transactions on October 2007. The agreement was final restructured in term loan of Rs. 23 million on 15 December 2009. This facility is secured against first charge on specific loan receivables with a margin of 25%. It carried mark-up rate of 3 month KIBOR + 250 bps per annum commencing from 23 February 2009 till 04 December 2009 and 3 month KIBOR + 150 bps till the end of this facility and was repayable in 31 monthly instalments commencing from 04 December 2009 and expiring on 23 June 2012. The Institution has filed a suit against Trust Investment Bank Limited on 17 January 2015 for an amount of Rs. 5.34 million (The related principle amounting to Rs. 5.16 million along with mark-up amounting to Rs. 0.18 million) along with cost of fund. The suit is presently adjudication before The Banking Court, Lahore. Therefore all outstanding liabilities are taken into current liabilities.
- 23.01.4** This represents facility of Rs. 150 million which Trust Investment bank Limited obtained in terms of Finance/Roll Over of Clean Placement Facility. The agreement was restructured for an amount of Rs. 137.5 million in 2010 secured against first charge on specified leased assets and related receivables. An amount of Rs. 75 million has been converted into preference shares in 2014 while the balance amount of Rs. 62.5 million has been converted into Term Finance facility which carries mark up @ 3 month KIBOR plus 300 BPS. This facility was repayable in thirty six equal monthly instalments starting from 01 January 2010 and expiring on 31 December 2012. As at balance sheet date, the total outstanding balance amount is overdue, therefore, all outstanding liabilities are taken into current liabilities.
- 23.01.5** This represents a facility of Rs. 500 million for the purpose of expansion of lease portfolio. The facility is secured against lease receivables to the extent of Rs. 715 million. It carries mark-up at the rate of 3 month KIBOR + 160 bps. The facility was repayable in twelve equal quarterly instalments starting from 31 May 2008 and expired on 28 February 2011. Standard Chartered Bank Limited has filed a suit against Trust Investment Bank Limited in February 2014 in Lahore High Court, Lahore for an amount of Rs. 56.33 million (The related principle amounting to Rs. 49.33 million along with mark-up amounting to Rs. 7 million) along with cost of fund. The suit is presently adjudication before Lahore High Court, Lahore. Therefore all outstanding liabilities are taken into current liabilities.
- 23.01.6** This represents two facilities of Rs. 100 million each to meet increased requirement of funds for leasing operations which were rescheduled on 07 January 2010. These carry mark-up @ 3 month KIBOR + 185 BPS per annum with floor of 13.50%. These facilities are secured against first charge on specific/exclusive leased assets and related receivables with 25% margin. These facilities were repayable in sixteen equal quarterly instalments. Outstanding principal of Rs. 68.75 million of Term Finance I was repayable starting from 01 February 2010 and expired on 1 November 2013. While outstanding principal of Rs. 68.75 million of Term Finance II was repayable from 1 March 2010 and expiring on 1 December 2013. Summit Bank Limited (formerly known as Atlas Bank Limited) has filed a suit against Trust Investment Bank Limited in October 2012 in Lahore High Court, Lahore for an amount of Rs. 95.93 million (The related principle amounting to Rs. 81.64 million along with mark-up amounting to Rs. 14.28 million) along with cost of fund. The suit is presently adjudication before Lahore High Court, Lahore. Therefore all outstanding liabilities are taken into current liabilities.
- 23.01.7** This represents facility which Trust Investment bank Limited obtained in terms of Treasury Deal to the tune of Rs. 100 million which was subsequently converted into Term Finance Facility. The bank negotiated with the company for settlement in July 2015, as a result of which existing liability has been agreed at an amount of Rs. 64.03 million along with cost of funds. The company will pay an amount of Rs. 6.402 million, 10% of the total existing payable amount as upfront and balance amount of Rs. 57.625 million will be paid in 36 equal monthly instalments commencing from 01 July 2015 to 30 June 2017 at mark-up @ 6 months KIBOR +2.50% p.a. These are secured through collateral security in shape of mortgage of property in favour of the bank. However, during current financial period, the company has not disbursed any amount to the bank. As at balance sheet date, the total outstanding balance amount is overdue, therefore, all outstanding liabilities are taken into current liabilities.
- 23.01.8** This represents facility which Trust Investment bank Limited obtained in terms of finance facility of Rs. 200 million on 30 May 2009. This represents facility of Rs. 194 million rescheduled on 23 January 2010. This facility is secured against exclusive charge and carries @ 1 month KIBOR per annum. This facility was repayable in immediate payment of Rs. 8 million and 23 monthly instalments @ commencing from 31 January 2010 and expired on 1 February 2013. As at balance sheet date, the total outstanding balance amount is overdue, therefore, all outstanding liabilities are taken into current liabilities.

23.01.9 This represents investment in Certificate of Investment (COI) by Pak Brunei Investment Company. This represents facility of Rs. 10.1 million rescheduled. This facility is secured against first charge on all moveable assets to the extent of sale price. The facility carries mark-up @ 1 month KIBOR per annum. This facility is repayable in 24 monthly instalments commencing from 8 May 2010 and expired on 8 April 2012. During current financial year the company has settled its obligation of outstanding amount through transfer of shares of Agritech Limited.

23.01.10 This represents facility of Rs. 100 million which Trust Investment bank Limited obtained on 23 September 2008 in terms of Money Market Finance Facility. The agreement was restructured on 18 February 2010 for an amount of Rs. 80 million. This facility is secured against ranking charge on current assets equivalent to Rs. 115 million with 30% margin. The facility carried mark-up rate of one month KIBOR per annum. This facility was repayable in 59 monthly instalments commencing from April 2010 till February 2015. IGI Investment Bank Limited has filed a suit against Trust Investment Bank Limited on 31 December 2012, which has been decreed on 12 December 2014 by Lahore High Court, Lahore (Judicial Department) for an amount of Rs. 73 million (The related principle amounting to Rs. 67.5 million along with mark-up amounting to Rs. 5.19 million) along with cost of fund. The company has filed an appeal before the Lahore High Court (Banking Jurisdiction) against the decision of Lahore High Court, Lahore (Judicial Department) on 26 February 2015. The suit is presently adjudication before Lahore High Court, Lahore. Therefore all outstanding liabilities are taken into current liabilities.

23.01.11 This represents facility of Rs. 284.30 million obtained on 16 September 2010 in term of sale and lease back transaction. This facility is secured against exclusive first charge against leased assets and related receivables. The facility carried mark-up rate of 1 month KIBOR + 200 bps per annum. This facility is repayable in 29 instalments commencing from 16 September 2010 and expired on 15 February 2013. Loan amounting to Rs. 140 million has been swapped with term loan due from Vital enterprises. The Punjab Provincial Co-operative Bank Limited (PPCBL) has filed a suit against Trust Investment Bank Limited on 08 August 2015 in Lahore High Court, Lahore for an amount of Rs. 106.07 million (The related principle amounting to Rs. 88.05 million along with mark-up amounting to Rs. 18.02 million). The suit is presently adjudication before Lahore High Court, Lahore. Therefore all outstanding liabilities are taken into current liabilities.

At the reporting date, principle amounting to Rs. 749.57 million was overdue including an amount of Rs. 657.76 million which is in litigation with different banks.

Due to ongoing litigation, direct confirmations from financial institutions aggregating to Rs. 749.57 million of loan balances and interest outstanding remain unconfirmed.

	Note	2016 Rupees	2015 Rupees
23.02 Banking companies and other financial institutions			
- Unsecured			
CDC Trustee KASB Liquid Fund	23.02.1	-	3,500,000
Dawood Money Market Fund	23.02.2	7,842,873	7,842,873
House Building Finance Corporation	23.02.3	5,909,086	5,909,086
		13,751,959	17,251,959
Less: Current portion shown under current liabilities	32	13,751,959	17,251,959
		-	-

23.02.1 This represents facility of Rs. 41 million rescheduled. This facility is unsecured and carried mark-up @1 month KIBOR per annum. This facility was repayable in 24 monthly instalments starting from 19 January 2010 and expired on 19 December 2011.

23.02.2 This represents facility of Rs. 37.8 million rescheduled. This facility is unsecured and carried mark-up @1 month KIBOR per annum. This facility was repayable in 24 monthly instalments starting from 25 January 2010 and expired on 7 January 2012. As at balance sheet date, the total outstanding balance amount is overdue, therefore, all outstanding liabilities are taken into current liabilities.

23.02.3 This represents facility of Rs. 75 million which Trust Investment Bank obtained in September 2008. The outstanding amount of Rs. 35.5 million was rescheduled in February 2010. This facility carried mark-up @ 3 month KIBOR + 200 BPS per annum at the start of each month. This facility was repayable in 23 monthly instalments commencing from 15 March 2010 and expired on 15 January 2012. House Building Finance Company Limited has filed a suit against Trust Investment Bank Limited on 04 March 2013 in Banking Court, Karachi for an amount of Rs. 6.59 million (The related principle amounting to Rs. 5.91 million along with mark-up amounting to Rs. 0.68 million) along with cost of fund which has been decreed on 12 October 2015 by Sindh High Court, Karachi. The company has filed an appeal before the Sindh High Court against the decision of Sindh High Court, Karachi on 04 November 2015. The suit is presently adjudication before Sindh High Court, Karachi. Therefore all outstanding liabilities are taken into current liabilities.

23.02.4 At the reporting date, total principle amount of Rs. 13.75 million was overdue.

23.02.5 Direct confirmations from financial institutions aggregating to Rs. 13.75 million of loan balances and interest outstanding remain unconfirmed.

	Note	2016 Rupees	2015 Rupees
23.03 Term finance certificates (TFC)- Secured			
TFC III	23.03.1	199,563,268	230,583,980
Less: Unamortized portion of the initial transaction cost		-	-
		<u>199,563,268</u>	<u>230,583,980</u>
Less: Current portion shown under current liabilities	32	<u>199,563,268</u>	<u>230,583,980</u>
		<u>-</u>	<u>-</u>

23.03.1 This represents third issue of secured, rated and listed Term Finance Certificates (TFC's) being instrument of redeemable capital issued under the Companies Ordinance, 1984. The TFC's have a tenure of five (5) years and consist of Rs. 600 million of which Rs. 450 million were offered to institutional investors for Pre-IPO placements and Rs. 150 million to the general public. The TFC's are secured by way of first charge on specific leased assets and associated lease rentals receivable with a margin of 40% and are issued in set of ten (10) TFC's, each set having an aggregate face value of Rs. 5,000.

The instrument is structured to redeem 0.02% of the principal in two semi-annual instalments and the remaining principal in eight semi-annual instalments of 12.495% each of the issue amount respectively starting from the 18th month. Each TFC will be redeemed on its due date through the dispatch of a crossed cheque to the registered holders of the TFC.

The profit is payable semi annually at 6 months KIBOR + 185 bps per annum with no floor and no cap. The profit rate is set one day before the start of semi- annual period for which the profit is being paid.

The Company have a call option to redeem in full the outstanding amount of the TFC's which will be exercisable at any time after the expiry of two years period from the issue date. The call option will be exercisable on the redemption dates only.

The initial transaction cost is amortized on straight line basis in conjunction with the term of TFC's.

23.03.2 At the reporting date, total principle amount of Rs. 199.56 million was overdue.

24 LOAN FROM RELATED PARTIES

Loan from directors:

- Asif Kamal	22.02.1	608,026,262	-
- Asad Kazmi	22.02.3	1,967,521,427	-
	22.01.1	<u>2,575,547,689</u>	<u>-</u>

This represents interest free loan extended by the Company's directors. There is no fixed period and schedule for repayment of this loan. The lenders have no intention to demand repayment within next twelve months.

25 LONG TERM MORABAHA

Long term morabaha	25.01	15,500,000	15,500,000
Less: Current portion shown under current liabilities	32	<u>15,500,000</u>	<u>15,500,000</u>
		<u>-</u>	<u>-</u>

25.01 This represents facility of Rs. 100 million which Trust Investment Bank obtained in 24 March 2007. The outstanding amount of Rs. 20.5 million was converted into long term Bi Muajjal in 25 May 2011 and profit thereon amounting to Rs. 5.00 million be distributed over the period of its agreement. This facility was repayable in twenty one instalments starting from 25th May 2011 and expired on 25th February 2013.

At the reporting date, total principle amount of Rs. 15.50 million was overdue.

26 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE

Present value of minimum lease payments		1,766,575	-
Less: Current portion		<u>535,000</u>	<u>-</u>
		<u>1,231,575</u>	<u>-</u>

26.01 These represent vehicles acquired under finance lease arrangements. The principal plus financial charges are payable over the lease period in 36 monthly instalments as per respective agreements ending in the month of April 2019. The liability as at balance sheet date represents the present value of total minimum lease payments discounted at 16 % per annum being the interest rates implicit in leases. The purchase option is available to the Company on payment of last instalment and surrender of deposit at the end of lease period and the Company intends to exercise this option. Reconciliation of minimum lease payments and their present values is given below:

	Note	2016 Rupees	2015 Rupees
The amount of future payments and the years in which these will become due are:			
Not later than one year		779,544	-
Later than one year but not later than five years		1,429,129	-
Later than five years		-	-
		<u>2,208,673</u>	-
Less: Financial charges allocated to future periods		442,098	-
Present value of minimum lease payments		<u>1,766,575</u>	-
Less: Current portion		535,000	-
		<u>1,231,575</u>	-
26.02	Present value of minimum lease payments		
	Due not later than one year	535,000	-
	Due later than one year but not later than five years	1,231,575	-
	Later than five years	-	-
		<u>1,766,575</u>	-
27	LONG TERM CERTIFICATES OF INVESTMENT		
	Corporate		
	- Secured	22,371,263	22,371,263
	- Unsecured	229,462,389	163,295,179
		<u>251,833,652</u>	185,666,442
	Less: Current portion shown under current liabilities	32 24,771,263	184,103,942
		<u>227,062,389</u>	1,562,500
27.01	These represent deposits received by the Company as per permission granted by the Securities and Exchange Commission of Pakistan. These certificates are issued for term ranging from 1 year to 5 years and carries profit ranging from 13% to 15% (2015: 9.85% to 22.22%) per annum.		
	At the reporting date, total principle amount of Rs. 184.16 million is overdue.		
28	DEFERED LIABILITIES		
	Gratuity	28.01 5,688,183	6,292,651
	Leave encashment	28.01 1,087,517	1,179,036
		<u>6,775,700</u>	<u>7,471,687</u>
-	Gratuity scheme is unfunded and pays a lump-sum gratuity to members on leaving the Company's service after completion of six months of continuous service. The amount of gratuity is calculated on the basis of last drawn gross salary of the employee.		
-	Leave encashment scheme is unfunded and has been discontinued with effect from 01 January 2009. However, employees having accumulated leave balances as at 31 December 2008 will be entitled for encashment of accumulated leave balances as at 31 December 2008 on leaving the service based on their last drawn gross salary.		

	Note	Gratuity		Leave Encashment	
		2016	2015	2016	2015
28.01 Amount recognized in the balance sheet					
Present value of defined benefit obligations	28.01.1	5,688,183	6,292,651	1,087,517	1,179,036
Less: Fair value of plan assets	28.01.2	-	-	-	-
Add: Benefits due but not paid		-	-	-	-
		<u>5,688,183</u>	<u>6,292,651</u>	<u>1,087,517</u>	<u>1,179,036</u>
28.01.1 Movement in the defined benefit obligation:					
Present value of defined benefit obligation at beginning of the year		6,292,651	4,514,424	1,179,036	1,179,036
Current service cost for the year		2,088,063	2,142,856	-	-
Interest cost for the year		506,451	578,397	-	-
Benefits paid / discharged during the year		(2,196,556)	(460,000)	(91,519)	-
Experience adjustments		(1,002,426)	(483,026)	-	-
		<u>5,688,183</u>	<u>6,292,651</u>	<u>1,087,517</u>	<u>1,179,036</u>
28.01.2 Movement in the fair value of plan assets:					
Fair value of plan assets		-	-	-	-
Total contributions made in the year		-	2,077,500	-	-
Expected return on plan assets for the year		-	-	-	-
Benefits paid / discharged during the year		-	(2,077,500)	-	-
Return on plan assets, excluding interest income		-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
28.02 Movement of liability:					
Balance sheet liability		6,292,651	5,010,328	1,179,036	1,179,036
Expense chargeable to profit and loss	28.03	2,594,514	2,721,253	-	-
Remeasurement gain on obligation	28.04	(1,002,426)	(483,026)	-	-
Contribution made during the year		-	(460,000)	-	-
Payables written off during the year		-	(495,904)	-	-
		<u>7,884,739</u>	<u>6,292,651</u>	<u>1,179,036</u>	<u>1,179,036</u>
28.03 Staff service cost expense charged in the profit and loss account					
Current service cost		2,088,063	2,142,856	-	-
Interest cost		506,451	578,397	-	-
		<u>2,594,514</u>	<u>2,721,253</u>	<u>-</u>	<u>-</u>
28.04 Staff service cost expense charged in other comprehensive income					
Remeasurement of plan obligation					
Experience adjustments		(1,002,426)	(483,026)	-	-
		(1,002,426)	(483,026)	-	-
Interest income on plan assets		-	-	-	-
		<u>(1,002,426)</u>	<u>(483,026)</u>	<u>-</u>	<u>-</u>

Sensitivity analysis for actuarial assumptions

The calculation of defined benefit obligation is sensitive to assumptions set-out in note 6.15. The following table summarizes how the net defined benefit obligation at the end of the reporting period would have increased/ (decreased) as a result of change in respective assumptions.

	Change in assumptions	Increase Rupees	Decrease Rupees
Discount rate	1%	5,288,394	6,165,876
Increase in future salaries	1%	6,172,978	5,275,148

A change in expected remaining working lives of employees is not expected to have a material impact on the present value of defined benefit obligation. Accordingly, the sensitivity analysis for the same has not been carried out.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of defined benefit obligation as at the reporting date has been calculated using projected unit credit method, which is the same as that applied in calculating the defined benefit obligation to be recognized in these financial statements.

Risk factors

The defined benefit plan exposes the Company to the following actuarial risks:

Interest risk: The discount rate used in determination of present value of defined benefit obligation has been determined by reference to market yield at the reporting date on Pakistan Investment Bonds since there is no deep market in long term corporate bonds in Pakistan. An increase in market yield resulting in a higher discount rate will decrease in the defined benefit liability.

Longevity risk: The present value of defined benefit obligation is calculated by reference to the best estimate of the expected remaining working lives of the employees. An increase in the expected remaining working lives will increase the defined benefit obligation. However, the increase is not expected to be material.

Salary risk: The present value of defined benefit obligation is calculated by reference to future salaries of plan participants. An increase in salary of plan participants will increase the defined benefit obligation.

	Note	2016 Rupees	2015 Rupees
29 LONG TERM DEPOSITS			
Margin against letters of guarantee		155,270,005	137,176,220
Less: Current portion shown under current liabilities	32	151,685,952	101,938,996
		3,584,053	35,237,224
Deposits against lease arrangements	29.01	273,407,961	293,005,569
Less: Current portion shown under current liabilities	32	273,407,961	293,005,569
		-	-
		<u>3,584,053</u>	<u>35,237,224</u>

29.01 These represent interest free security deposits (lease key money) received on lease contracts and are adjustable at the expiry of their respective lease periods.

30 SHORT TERM BORROWINGS

	Limit Sanctioned Rupees in million		2016 Rupees	2015 Rupees
Banking companies- secured				
Habib Bank Limited				
- Running finance	40.00	30.01	<u>39,413,532</u>	<u>39,413,532</u>

30.01 This carry mark-up @ 3 month KIBOR + 300 BPS with a floor ranging from 4.5% to 10% per annum (2015: 3 months KIBOR + 300 BPS with a floor ranging from 4.5% to 10%) payable on quarterly basis respectively. It is secured against promissory notes, first charge on specific leased assets and related receivables. The above limit has been expired in 2013 and total amount is overdue to the bank.

	2016 Rupees	2015 Rupees (Restated)
31 SHORT TERM CERTIFICATES OF INVESTMENT		
- Financial institutions	10,350,006	10,350,006
- Corporate	545,578,933	1,003,875,642
- Individuals	1,983,605	22,750,815
	<u>557,912,544</u>	<u>1,036,976,463</u>

31.01 These represent unsecured short term certificates of investment for a period of one month to one year. These carry mark-up rate ranging from 11% to 16% (2015: 0% to 18.75%) per annum.

31.02 The balance includes an amount of Rs. 427.99 million which is in litigation and is pending in different Courts of Law as explained in contingencies.

	Note	2016 Rupees	2015 Rupees
32 CURRENT MATURITIES OF NON CURRENT LIABILITIES			
Long term financing from banking companies and financial Institutions			
Long term financing- Secured	23.01	724,045,052	820,735,116
Long term financing- Unsecured	23.02	13,751,959	17,251,959
Term finance certificates - secured	23.03	199,563,268	230,583,980
Liabilities against assets subject to finance lease	26	535,000	-
Long term morabaha	25	15,500,000	15,500,000
Certificates of investment	27	24,771,263	184,103,942
Long term deposits	29	425,093,913	394,944,565
		<u>1,403,260,455</u>	<u>1,663,119,562</u>
33 MARK-UP ACCRUED			
Secured			
- Short and long term financing		79,283,618	79,679,040
- Term finance certificates	33.01	14,773,481	16,913,910
Liabilities against assets subject to finance lease		-	-
		94,057,099	96,592,950
Unsecured			
- Certificates of investment		82,325,111	162,680,220
		<u>176,382,210</u>	<u>259,273,170</u>

33.01 It includes Rs. 1.99 million (2015: 1.99 million) payable to Trust Capital (Private) Limited (Subsidiary company).

33.02 At the reporting date, mark up amounting to Rs. 132.90 million is overdue.

34 TRADE AND OTHER PAYABLES

Advance receipt against finance facilities	34.01	-	5,564,822
Unclaimed dividend		3,092,624	3,092,624
Preference dividend payable		58,023,276	58,023,278
Accrued liabilities		15,797,147	16,628,162
Other liabilities		87,218,861	94,033,856
		<u>164,131,908</u>	<u>177,342,742</u>

34.01 These represent initial security deposit received against financing facilities.

35 CONTINGENCIES AND COMMITMENTS

35.01 Contingencies

35.01.1 The Company has issued guarantees to various parties on behalf of clients amounting to Rs. 585.34 million (2015: Rs. 879.162 million).

35.01.2 The Company has filed recovery suits amount to Rs. 1,431.64 million (2015: Rs. 2,195.42 million). Prima facie the Bank has good arguable cases, the financial impact of the same has been accounted for in these financial statements.

35.01.3 Following litigations are pending against Trust Investment Bank in different court of law:

Financial Institutions:

		Rupees in million
(a) The Bank of Punjab	23.01.1	315.47
(b) Pak Oman Investment Company (Private) Limited	23.01.3	5.34
(c) Standard Chartered Bank Limited	23.01.5	56.33
(d) Summit Bank Limited	23.01.6	95.93
(e) IGI Investment Bank Limited	23.01.10	73.00
(f) The Punjab Provincial Co-operative Bank Limited	23.01.11	106.07
(g) House Building Finance Company	23.02.3	6.58
		<u>658.72</u>

Rupees in million
Certificate of Investment:

(h) Privatization Commission of Pakistan	396.55
(i) Levi's Strauss Pakistan (Private) Limited	100.00
(j) Shifa Co-operative Housing Society	10.00
(k) Shifa international Hospital	5.00
(l) Lyari Development Authority	168.78
(m) National Transmission and Distribution Company	118.79
(n) Trading Corporation of Pakistan (Private) Limited	95.10
(o) Alfalah Insurance	3.27
	897.42
	1,556.14

- (h) Privatization Commission of Pakistan (PCP) filed a suit in the Honourable Islamabad High Court, Islamabad on 31 December 2013 for the recovery of Rs. 396.55 million (The related principle amounting to Rs. 334.78 million along with mark-up amounting to Rs. 61.76 million) along with cost of fund. Originally the PCP invested Rs. 500 million in short term Certificate of Deposit in May and June 2010. The Privatization Commission of Pakistan launched an FIR with the Federal Investigation Agency (FIA). Subsequently, Supreme Court took Suo Motu notice of the matter and directed the FIA and NAB to investigate the matter. Since the case is pending in Honourable Islamabad High Court, Islamabad, therefore, the ultimate outcome cannot be established at this stage.
- (i) Levi's Strauss Pakistan (Private) Limited (Investor) filed a suit in the Civil Court, Lahore on 11 October 2012 for the recovery of Rs. 100 million invested in short term Certificate of Deposit in January 2010. The case has been adjudicated on the basis that the case fall under the jurisdiction of Banking Court instead of Civil Court. However, Levi's Strauss filed an appeal in Lahore High Court, Lahore. Since the case is pending in Honourable Lahore High Court, Lahore, therefore, the ultimate outcome cannot be established at this stage.
- (j) Shifa Co- operative Housing Society (Investor) filed a suit in Civil Court, Islamabad on 16 May 2013 for the recovery of Rs. 10 million invested in short term Certificate of Deposit which has been decreed in favour of Shifa Co- operative Housing Society on 04 July 2014. However, company has filed an appeal in Islamabad High Court, Islamabad. Since the case is pending in Honourable Islamabad High Court, Islamabad, therefore, the ultimate outcome cannot be established at this stage.
- (k) Shifa International Hospital (Investor) filed a suit in Civil Court, Islamabad on 26 April 2012 for the recovery of Rs. 5 million invested in short term Certificate of Deposit which has been decreed in favour of Shifa International Hospital on 05 November 2014. However, company has filed an appeal in Islamabad High Court, Islamabad. Since the case is pending in Honourable Islamabad High Court, Islamabad, therefore, the ultimate outcome cannot be established at this stage.
- (l) Lyari Development Authority (LDA) (Investor) filed a suit in Sindh High Court, Karachi on 11 September 2013 for the recovery of Rs. 168.78 million (Rs. 150 million principal amount and Rs. 18.78 million mark-up amount) along with cost of fund, invested in short term Certificate of Deposit. According to settlement made on 07 February 2013, the management secured the outstanding claim amount against the property valuing Rs. 70 million located at 6th floor, M. M. Tower, 28- A/K, Gulberg II, Lahore, Rs 30 million through post dated cheques and the balance amount of Rs. 56 million in 12 equal monthly instalments. TIBL has sold the secured property to third party in 2015. Currently the case is pending in Honourable Sindh High Court, Karachi, therefore, the ultimate outcome cannot be established at this stage.
- (m) National Transmission and Despatch Company Limited (Investor) filed a suit in Session Court, Lahore on 08 November 2013 for the recovery of Rs. 118.79 million (The related principle amounting to Rs. 100 million along with mark-up amounting to Rs. 18.79 million) along with cost of fund, invested in short term Certificate of Deposit at the rate of 20% interest. Since the case is pending in session Court, Lahore, therefore, the ultimate outcome cannot be established at this stage.
- (n) Trading Corporation of Pakistan (Private) Limited (Investor) filed a suit in Sindh High Court, Karachi on 18 July 2011 for the recovery of Rs. 95.71 million invested in short term Certificate of Deposit. However, Since the case is pending in Lahore High Court, Lahore, therefore, the ultimate outcome cannot be established at this stage.
- (o) Alfalah Insurance company Limited (Investor) filed a suit in Banking Court, Lahore on 18 March 2015 for the recovery of Rs. 3.27 million including profit and damages. The amount of Rs. 2 million was invested in short term Certificate of Deposit in June 2012. Since the case is pending in Banking Court, Lahore, therefore, the ultimate outcome cannot be established at this stage.

In respect of liabilities towards banks / financial institutions and different investors disclosed above, most of banks / financial institutions and some investors have filed suits in different Honourable Courts of Lahore, Islamabad and Karachi for recovery of their liabilities through attachment and sale of Company's hypothecated / mortgaged properties. The management is strongly contesting the cases. The management is hopeful that the decision will be in favour of the company and the suits shall be rejected by the concerned courts. Since all the cases are pending before Honourable Courts therefore, the ultimate outcome cannot be established at this stage. Since the banks / financial institutions are in litigation with the company, therefore balance confirmations have not been received therefrom.

35.01.4 The company has not provided for mark-up of Rs. 826.57 million in preceding year and Rs. 292.12 million during the year on financing from banking companies and other financial institutions, term finance certificates, preference shares, certificates of Investment, long term morabaha and on running finance in these financial statements due to pending litigations. Had the mark-up

been provided net profit for the year would have been decreased by Rs. 292.12 million, mark up payable and accumulated losses would have been increased by Rs. 1,118.69 million;

35.02 Commitments

35.02.1 There exists no commitment as at balance sheet date.

	Note	2016 Rupees	2015 Rupees
36 INCOME FROM LEASE OPERATIONS			
Finance lease income		39,500,306	2,568,555
Commitment and other fees		28,200	30,000
Additional mark up on overdue lease rentals		989,854	3,931,126
		<u>40,518,360</u>	<u>6,529,681</u>
37 INCOME FROM INVESTMENTS			
Profit on short term investments		258,561	61,825
Profit on long term investments		-	425,974
		<u>258,561</u>	<u>487,799</u>
38 INCOME FROM TERM LOANS			
Mark- up earned on long term loans:			
Employees		-	45,110
Customers		5,278,402	1,057,940
		<u>5,278,402</u>	<u>1,103,050</u>
Mark- up earned on long term loans:			
Customers		13,097,428	34,816,391
		<u>18,375,830</u>	<u>35,919,441</u>
39 FINANCE COST			
Mark-up on certificates of investment		674,806	2,855,143
Mark up on finance lease liabilities		24,099	-
Bank charges and commission		69,287	88,819
		<u>768,192</u>	<u>2,943,962</u>
40 ADMINISTRATIVE AND OPERATING EXPENSES			
Directors' remuneration		11,700,000	9,310,736
Salaries and other benefits	40.01	22,383,764	26,535,216
Printing and stationery		1,039,332	1,034,538
Vehicle running and maintenance		325,098	598,106
Postage, telephone and telex		487,249	790,612
Traveling and conveyance		1,402,157	2,055,828
Boarding and lodging		320,520	1,849,333
Entertainment		919,125	968,293
Advertisement		211,240	166,560
Electricity, gas and water		1,787,437	1,759,954
Newspapers and periodicals		13,413	16,065
Auditors' remuneration	40.02	1,500,000	1,500,000
Fee and subscription		1,532,343	2,195,772
Rent, rates and taxes		8,428,628	1,495,796
Insurance		447,720	586,013
Office maintenance		2,977,230	1,853,539
Legal and professional charges		6,001,576	12,178,707
Security charges		-	185,620
Staff training		300,000	-
Depreciation	7.01	2,665,029	5,228,869
Amortization		-	308,763
Miscellaneous		8,870,852	4,605,246
		<u>73,312,713</u>	<u>75,223,566</u>

40.01 It includes provision for gratuity amounting to Rs. 2.594 million (2015: Rs. 2.721 million).

	2016	2015
	Rupees	Rupees
40.02 Auditors' remuneration		
Audit fee:		
Annual	800,000	800,000
Half yearly review	350,000	350,000
Out of pocket expenses	350,000	350,000
	<u>1,500,000</u>	<u>1,500,000</u>
41 OTHER INCOME		
Commission income	12,059,077	9,866,172
Profit on bank deposits	286,099	492,849
Profit on settlement	23,041,567	30,733,190
	<u>35,386,743</u>	<u>41,092,211</u>
42 OTHER OPERATING EXPENSES		
Lease receivables written off	6,396,619	33,793,036
Loss on sale of investment available for sale	8,642,579	-
Loss on Disposal of property, plant and equipment	2,185,051	20,805,939
	<u>17,224,249</u>	<u>54,598,975</u>
43 PROVISION (REVERSED) / CHARGED AGAINST LEASE AND TERM LOAN		
Provision reversed for potential lease losses	(2,701,347)	(113,097,627)
Provision reversed for loans and advances	(4,802,258)	(4,710,226)
Provision reversed for other receivables	(11,831,827)	33,099,221
	<u>(19,335,432)</u>	<u>(84,708,632)</u>
44 IMPAIRMENT IN THE VALUE OF INVESTMENTS		
(Reversed)/Charge of impairment of investment in subsidiary	(710,701)	1,175,559
Impairment charged in the value of investment in TFC's	-	20,000,000
Provision charged for short term investments	1,000,000	-
	<u>289,299</u>	<u>21,175,559</u>
45 TAXATION		
Taxation		
- Current year	591,528	832,574
- Prior years	(484,887)	-
	<u>106,641</u>	<u>832,574</u>
<p>- Income tax return has been filed to the income tax authorities up to and including tax year 2015 under the provisions of the Income Tax Ordinance, 2001.</p> <p>- Numerical reconciliation between tax expenses and the accounting profit has not been presented as the provision for income taxation has been made under section 113 of the Income Tax Ordinance, 2001.</p> <p>- Deferred tax asset amounting to Rs. 903.05 million is not recognised for all deductible temporary differences and carry forward of unused tax losses due to uncertainty regarding non availability of taxable profits in foreseeable future against which such temporary differences and tax losses can be utilised.</p>		
46 EARNINGS PER SHARE		
46.01 Earnings per share - basic		
Net profit for the year	<i>Rupees</i> <u>22,173,832</u>	<u>13,963,128</u>
Weighted average number of ordinary shares	<i>Numbers</i> <u>89,202,873</u>	<u>72,282,040</u>
Earnings per share - basic	<i>Rupees</i> <u>0.25</u>	<u>0.19</u>
46.02 Earnings per share - diluted		
Net profit for the year	<i>Rupees</i> <u>22,173,832</u>	<u>13,963,128</u>
Weighted average number of ordinary shares	<i>Numbers</i> <u>89,202,873</u>	<u>89,202,873</u>
Earnings per share - diluted	<i>Rupees</i> <u>0.25</u>	<u>0.16</u>

47 REMUNERATION OF CHIEF EXECUTIVE, EXECUTIVE AND DIRECTORS

	Chief Executive		Directors		Executives	
	2016	2015	2016	2015	2016	2015
	-----Rupees-----					
Managerial remuneration	6,192,000	5,418,000	774,000	-	2,762,334	1,908,591
Housing and utilities	3,408,000	2,982,000	426,000	-	1,520,354	1,050,464
Bonus	800,000	800,000	-	-	-	19,000
Medical	100,000	110,736	-	-	115,616	105,000
Others	-	-	-	-	-	263,176
	10,500,000	9,310,736	1,200,000	-	4,398,304	3,346,231
Number of persons	1	1	6	5	3	3

47.01 In addition to the above, chief executive has also been provided with free use of Company maintained vehicles.

47.02 Fee was paid to directors for attending the board meetings amounting to Rs. 865,000/- (2015: Rs. 1,340,000/-).

48. MATURITIES OF ASSETS AND LIABILITIES

	2016			
	Total	Upto one year	Over one to five years	Over five years
	-----Rupees-----			
Financial assets:				
Finance lease receivables	977,722,757	977,722,757	-	-
Long term loans and advances	429,027,303	428,059,264	968,039	-
Long term investments	52,727,022	38,873,750	13,853,272	-
Short term loans and advances	58,666,970	58,666,970	-	-
Short term investments	7,000,000	7,000,000	-	-
Markup accrued	190,599,224	190,599,224	-	-
Other receivables	223,511,822	223,511,822	-	-
Cash and bank balances	14,948,365	14,948,365	-	-
	1,954,203,463	1,939,382,152	14,821,311	-
Financial liabilities:				
Long term certificates of investments	251,833,652	24,771,263	227,062,389	-
Long term financing	962,888,059	937,360,279	25,527,780	-
Long term morabaha	15,500,000	15,500,000	-	-
Long term deposits	428,677,966	425,093,913	3,584,053	-
Short term certificates of investments	557,912,544	557,912,544	-	-
Short term borrowings	39,413,532	39,413,532	-	-
Mark-up accrued	176,382,210	176,382,210	-	-
Trade and other payables	103,016,008	103,016,008	-	-
	2,535,623,971	2,279,449,749	256,174,222	-
Net Balance	(581,420,508)	(340,067,597)	(241,352,911)	-
Shareholders' equity	(1,569,915,226)			

	2015			
	Total	Upto one year	Over one to five years	Over five years
-----Rupees-----				
Financial assets:				
Finance lease receivables	1,014,044,003	1,014,044,003	-	-
Long term loans and advances	434,094,691	417,333,037	16,761,654	-
Long term investments	54,160,418	24,443,460	29,716,958	-
Long term deposits	3,611,550	-	3,611,550	-
Short term loans and advances	46,520,641	46,520,641	-	-
Short term investment	11,000,000	11,000,000	-	-
Markup accrued	190,948,268	190,948,268	-	-
Other receivables	154,546,031	154,546,031	-	-
Cash and bank balances	6,396,174	6,396,174	-	-
	1,915,321,776	1,865,231,614	50,090,162	-
Financial liabilities				
Long term certificates of investments	185,666,442	184,103,942	1,562,500	-
Long term financing	3,914,416,184	1,068,571,055	2,845,845,129	-
Long term morabaha	15,500,000	15,500,000	-	-
Long term deposits	430,181,789	394,944,565	35,237,224	-
Short term certificates of investments	1,036,976,463	1,036,976,463	-	-
Short term borrowings	39,413,532	39,413,532	-	-
Mark-up accrued	259,273,170	259,273,170	-	-
Trade and other payables	112,572,840	112,572,840	-	-
	5,994,000,420	3,111,355,567	2,882,644,853	-
Net Balance	(4,078,678,644)	(1,246,123,953)	(2,832,554,691)	-
Shareholders' equity	(1,602,027,617)			

48.01 FINANCIAL RISK MANAGEMENT

48.01.1 Financial risk factors

The bank's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Bank's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board) of the management company, chief operating officer and chief financial officer. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The bank is not exposed to currency risk arising from currency exposure as it is not involved in foreign currency transactions.

(ii) Equity price risk

Equity price risk represents the risk that the fair value of equity investments will fluctuate because of changes in levels of indices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all

similar financial instrument traded in the market. The bank is exposed to equity price risk as bank hold available for sale and held for trading investments.

		Changes in PSX all Index	Effects on Profit Before Tax (Rupees)	Effects on Equity
Available for sale investment	2016	+10%	-	283,329
		-10%	-	(283,329)
	2015	+10%	-	497,739
		-10%	-	(497,739)

(iii) Profit rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market mark up rates.

The bank has no fixed rate instruments. The bank's mark up/profit rate risk arises from long term financing, short term financing, investments and lease.

At the balance sheet date, the interest rate profile of the bank's mark up bearing financial instruments was:

	2016 Rupees	2015 Rupees
Floating rate instruments:		
Financial assets		
Bank balances - deposit accounts	14,240,227	5,722,214
Short term investments	7,000,000	11,000,000
Short term loans and advances	58,666,970	46,520,641
Long term investments	52,727,022	54,160,418
Lease rental receivables	977,722,757	1,014,044,003
Long term loans and advances	429,027,303	434,094,691
	<u>1,539,384,279</u>	<u>1,565,541,967</u>

Fair value sensitivity analysis for fixed rate instruments

The bank does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect profit or loss of the bank.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

Lease rental receivables	977,722,757	1,014,044,003
Long term loans and advances	429,027,303	434,094,691
Long term investments	52,727,022	54,160,418
Short term loans and advances-net	58,666,970	46,520,641
Short term investments	7,000,000	11,000,000
Mark-up accrued	190,599,224	190,948,268
Other receivables	223,511,822	84,546,031
Bank balances	14,948,365	5,966,408
	<u>1,954,203,463</u>	<u>1,841,280,460</u>

Geographically all credit exposure is concentrated in Pakistan.

The maximum exposure to credit risk for receivables (term loan and lease rental receivables) at the reporting date by type of customer was:

	2016 Rupees	2015 Rupees
Chemical and fertilizer	7,007,298	6,536,664
Construction / Real Estate	73,355,768	74,938,818
Financial institutions / Insurance Companies	177,982,272	182,533,780
Health care	16,470,402	16,384,568
Hotels	6,497,200	6,037,183
Individuals / auto lease	522,196,407	541,115,763
Miscellaneous manufacturing	158,429,305	162,405,503
Miscellaneous services	101,627,750	103,953,352
Natural gas and LPG	28,596,616	29,196,616
Paper and board	6,089,853	6,038,791
Steel and engineering	9,887,458	10,145,169
Sugar and allied	16,359,515	17,084,339
Textile composite	15,097,157	16,215,139
Textile knitwear / apparel	82,131,594	84,490,950
Textile spinning	10,431,259	11,073,181
Transport and communication	174,590,206	179,988,878
	1,406,750,060	1,448,138,694

The age of overdue term loans and lease rental receivables and related impairment loss at the balance sheet date was:

Overdue term loans and lease rental receivables

Past due 0 - 180 days	25,532,633	26,779,349
Past due 181 - 365 days	19,557,565	20,472,019
1 - 2 years	1,170,418	1,458,803
More than 2 years	1,753,581,118	1,837,423,389
	1,799,841,734	1,886,133,560

Provision on term loans and lease rental receivables

Past due 0 - 180 days	-	-
Past due 181 - 365 days	59,568	69,780
1 - 2 years	53,728	62,884
More than 2 years	666,146,784	672,571,507
	666,260,080	672,704,171

Collaterals held against term financing and lease rentals receivables

	2016				Net exposure
	Gross exposure	Collaterals			
		Mortgage	Hypothecation	Liquid-collaterals	
----- Rupees -----					
Long term finances	429,027,303	74,206,020	-	11,560,550	343,260,733
Short term finances	30,367,749	169,056,000	800,000	22,371,263	(161,859,514)
Lease rental receivables	1,340,446,682	266,306,660	139,947,174	-	934,192,848

The bank has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The bank has internally developed rating criteria to rate its customers which is supplemented by ratings supplied by independent rating agencies where available. The bank also uses other publicly available financial information and its own trading records to rate its customers. The bank's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed annually.

The management monitors and limits bank's exposure to credit risk through monitoring of clients' credit exposure, reviews and conservative estimates of provisions for doubtful receivables, if any, and through the prudent use of collateral policy. The management is of the view that it is not exposed to significant concentration of credit risk as its financial assets are adequately diversified in organizations of sound financial standing covering various industrial sectors and segments.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate. The table below shows the bank balances and investments held with some major counterparties at the balance sheet date:

	Rating		2016	2015
	Long term	Agency	(Rupees)	
Banks				
Summit Bank Limited	A-	JCR	10,169	10,169
Habib Bank Limited	AAA	JCR	188,084	188,084
Habib Metropolitan Bank	AA+	PACRA	45,115	45,115
MCB Bank Limited	AAA	PACRA	11,206,689	2,306,836
NIB Bank Limited	AA-	PACRA	1,533,420	1,533,420
Standard Chartered Bank	AAA	PACRA	5,517	5,517
State Bank of Pakistan			826	826
Burj Bank Limited	BBB+	JCR	10,169	1,856,916
KASB Bank Limited	A+	PACRA	5,517	13,839
Bank Al Habib Limited	AA+	PACRA	11,206,689	4,865
JS Bank Limited	A+	PACRA	1,529,068	821
First Women Bank Limited			4,352	
			<u>25,745,615</u>	<u>5,966,408</u>

	Rating		2016	2015
	Long term	Agency	(Rupees)	
Sukuks / Bonds				
Eden Housing Limited-Sukuks			<u>9,843,750</u>	<u>9,843,750</u>
Term finance certificates				
Azgard Nine Limited	A+	JCR	<u>30,485,310</u>	<u>30,485,310</u>

Due to the bank and its other related entity's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing and collaterals, the management does not expect non-performance by these counterparties on their obligations to the Bank. Accordingly, the credit risk is a moderate.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The bank's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the bank's reputation. In spite the fact that the bank is in a positive working capital position at the year end, management believes the liquidity risk to be low.

The table below analysis the bank's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equates to their carrying balances as the impact of discounting is not significant.

30 June 2016						
Interest/Mark-up bearing			Non interest/Mark-up bearing			
Maturity	Maturity	Sub Total	Maturity	Maturity	Sub Total	Total
within One Year	after One Year		within One Year	after One Year		
Rupees						
Financial Liabilities						
Long term certificates of investments	251,833,652	-	251,833,652	-	-	251,833,652
Long term financing	962,888,059	-	962,888,059	-	-	962,888,059
Long term morabaha	15,500,000	-	15,500,000	-	-	15,500,000
Long term deposits	-	-	-	425,093,913	3,584,053	428,677,966
Short term certificates of investments	557,912,544	-	557,912,544	-	-	557,912,544
Short term borrowings	39,413,532	-	39,413,532	-	-	39,413,532
Mark-up accrued	176,382,210	-	176,382,210	-	-	176,382,210
Trade and other payables	-	-	-	103,016,008	-	103,016,008
	2,003,929,997	-	2,003,929,997	528,109,921	3,584,053	531,693,974
						2,535,623,971

30 June 2015						
Interest/Mark-up bearing			Non interest/Mark-up bearing			
Maturity	Maturity	Sub Total	Maturity	Maturity	Sub Total	Total
within One Year	after One Year		within One Year	after One Year		
Rupees						
Financial Liabilities						
Long term certificates of investments	1,562,500	184,103,942	185,666,442	-	-	185,666,442
Long term financing	57,624,657	1,068,571,055	1,126,195,712	-	-	1,126,195,712
Long term morabaha	-	-	15,500,000	-	-	15,500,000
Long term deposits	-	-	-	394,944,565	35,237,224	430,181,789
Short term certificates of investments	-	-	1,036,976,463	-	-	1,036,976,463
Short term borrowings	-	-	39,413,532	-	-	39,413,532
Mark-up accrued	-	-	259,273,170	-	-	259,273,170
Trade and other payables	-	-	-	-	112,572,840	112,572,840
	59,187,157	1,252,674,997	2,663,025,319	394,944,565	35,237,224	542,754,629
						3,205,779,948

Effective markup/interest rates have been disclosed in respective notes to the financial statements.

48.2. Fair values of financial assets and liabilities

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up / profit rates effective as at 30 June 2016. The rates of mark up have been disclosed in respective notes to the financial statements.

48.02 Fair values of financial assets and liabilities

Fair value is the price that would be received so sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is going concern and there is no intention or requirements to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

48.02.1 Fair value hierarchy

Following are three levels in fair value hierarchy that reflects the significance of the inputs used in measurement of fair values of financial instruments.

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

The Company has financial assets at fair value of Rs. 2.83 million (2015: 4.98 million) which is valued under level 1 valuation method. The Company does not have any investment in level 2 and 3 category.

48.03 Financial instruments by categories

	(Rupees)					
	Cash and cash equivalents	Loans and receivables	Available for sale	Held to maturity	Assets at fair value through profit or loss	Total
As at 30 June 2016						
Assets as per balance sheet						
Cash and bank balances	14,948,365	-	-	-	-	14,948,365
Short term placements	-	7,000,000	-	-	-	7,000,000
Short term loans and advances	-	58,666,970	-	-	-	58,666,970
Markup accrued	-	190,599,224	-	-	-	190,599,224
Other receivables	-	223,511,822	-	-	-	223,511,822
Long term deposits	-	3,602,231	-	-	-	3,602,231
Long term investments	-	9,564,671	2,833,291	40,329,060	-	52,727,022
Lease rental receivables	-	977,722,757	-	-	-	977,722,757
Long term loans and advances	-	428,059,264	-	-	-	428,059,264
	14,948,365	1,898,726,939	2,833,291	40,329,060	-	1,956,837,655

Liabilities as per balance sheet

	(Rupees)	
Customers' security deposits		428,677,966
Long term financing-subordinated loan		398,515,980
Long term financing-others		962,888,059
Long term morabaha		15,500,000
Long term certificates of investment		251,833,652
Short term borrowings		39,413,532
Short term certificates of investment		557,912,544
Mark up accrued		176,382,210
Trade & other payables		103,016,008
		2,934,139,951

As at 30 June 2015

	Rupees					
	Cash and cash equivalents	Loans and receivables	Available for sale	Held to maturity	Assets at fair value through profit or loss	Total
Assets as per balance sheet						
Cash and bank balances	6,396,174	-	-	-	-	6,396,174
Short term placements	-	11,000,000	-	-	-	11,000,000
Short term loans and advances	-	46,520,641	-	-	-	46,520,641
Markup accrued	-	190,948,268	-	-	-	190,948,268
Other receivables	-	84,546,031	-	-	-	84,546,031
Long term deposits	-	3,611,550	-	-	-	3,611,550
Long term investments	-	8,853,970	4,977,388	40,329,060	-	54,160,418
Lease rental receivables	-	1,014,044,003	-	-	-	1,014,044,003
Long term loans and advances	-	434,094,691	-	-	-	434,094,691
	6,396,174	1,793,619,154	4,977,388	40,329,060	-	1,845,321,776

Liabilities as per balance sheet

	(Rupees)	
Customers' security deposits		430,181,789
Long term financing-subordinated loan		2,788,220,472
Long term financing-others		1,126,195,712
Long term morabaha		15,500,000
Long term certificates of investment		185,666,442
Short term borrowings		39,413,532
Short term certificates of investment		1,036,976,463
Mark up accrued		259,273,170
Trade & other payables		112,572,840
		5,994,000,420

48.04 Capital risk management

The company's objective when managing capital is to safeguard its ability to continue as a going concern and to meet the regulatory capital requirement as prescribed by the SECP. Currently, the Company is required to maintain equity of Rs. 750 million for investment finance services. For the purposes of minimum equity requirement, the equity of the Company includes paid up share capital, reserves, accumulated profits / losses, subordinated loans and redeemable preference shares.

	2016 Rupees	2015 Rupees
Debt	<u>3,595,115,855</u>	<u>1,181,109,244</u>
Cash and bank balances	<u>14,489,191</u>	<u>5,966,408</u>
Net debt	<u>3,580,626,664</u>	<u>1,175,142,836</u>
Total equity	<u>(1,171,399,246)</u>	<u>1,186,192,855</u>
Total capital employed	<u>2,409,227,418</u>	<u>2,361,335,691</u>
Gearing ratio (%)	<u>148.62%</u>	<u>49.77%</u>
49 CASH AND EQUIVALENTS		
Cash and bank balances	<u>14,948,365</u>	<u>6,396,174</u>
Short term running finance	<u>(39,413,532)</u>	<u>(39,413,532)</u>
	<u>(24,465,167)</u>	<u>(33,017,358)</u>
50 TRANSACTIONS WITH RELATED PARTIES		
Related parties comprise of directors, entities over which directors are able to exercise significant influence, entities with common directors, major shareholders, key management employees and employees' fund. The transactions and balances with related parties, other than those which have been disclosed in the relevant notes are disclosed as follows:		
Mr. Asif Kamal		
Share capital as on 30 June	71,065,510	71,065,510
Subordinate Loan	302,500,000	224,277,371
Loan from director	608,026,262	-
Mamoon-ur- Rasheed		
Subordinate Loan	66,587,388	74,919,835
Asad Kazmi		
Subordinate Loan	29,428,573	1,996,950,000
Long term loan	1,967,521,427	-
Mr. Ahsan Rafique		
Sale of vehicles	1,000,000	-
Genesis Securities (Private) Limited		
Share capital as on 30 June	122,097,420	122,097,420
Associated undertakings:		
Habib Rafiq (Private) Limited		
Letter of Guarantees expired/ issued during the year	43,960,584	188,490,032
Letter of Guarantees outstanding	316,484,490	360,445,074
Income charged during the year	3,021,709	4,027,025
Trust Capital (Private) Limited		
Loan (recovered) / paid during the period	12,861,000	-
Outstanding loans and advances	49,713,084	49,700,223
Outstanding TFC's	9,371,250	9,371,250
Mark-up payable on TFC,s (overdue for more than 365 days)	1,986,254	1,986,254

51 SEGMENT ANALYSIS

Activities of the companies are broadly categorized into two primary business segments namely financing activities and investing activities.

Financing activities

Financing activities include providing long-term and short term financing facilities to corporate and individual customers including lease financing.

Investment activities

Investment activities include money market activities, investment in government securities and capital market activities.

	-----2016-----		
	Financing activities	Investment activities	Total
	-----Rupees-----		
Income from lease operations	40,518,360	-	40,518,360
Income from investments	-	258,561	258,561
Income from term loans	18,375,830	-	18,375,830
Total income for reportable segments	58,894,190	258,561	59,152,751
Finance cost	698,905	69,287	768,192
Administrative and operating expenses	73,312,713	-	73,312,713
Other operating expenses	17,224,249	-	17,224,249
Provision reversed against lease and term loans	(19,335,432)	-	(19,335,432)
Impairment reversed in the value of investment	-	289,299	289,299
Other income	-	35,386,743	35,386,743
Segment result	71,900,435	35,745,329	22,280,473
Profit before taxation			22,280,473
			4,363,297,596
			5,933,212,822

CHIEF EXECUTIVE

DIRECTOR

53.02 Capital work in progress

Previously, an amount of Rs. 110,082,050 was appearing in capital work in progress relating to "Tricon Corporate Centre" including an amount of Rs. 18,511,500 of revaluation surplus. Revaluation was conducted in 2011. However, other assets of same class were recognised on cost basis. According to the provision of IAS 16 "Property, plant and equipment", If an item is revalued, the entire class of assets to which that asset belongs should be revalued. Therefore, whole amount of "Surplus of Revaluation" has been reversed in accordance with the provisions of IAS 8 "Accounting policies, changes in accounting estimates and errors". The effect of this restatement has been re-summarized below:

	Effect on 30 June 2014
Effect on balance sheet	
Decrease in equity and liabilities	18,511,500
Decrease in current assets	18,511,500
Effect on profit and loss account	Nil

53.03 Fixed assets

During last financial year, an amount of Rs. 6,680,000 was inappropriately recognized as an addition of land in operating fixed assets. The same amount has been transferred from land to building. Furthermore, that amount was undervalued by Rs. 3,654,000 which is corrected and stated to the original cost. However, the effect of depreciation is being ignored due to immaterial effect on financial statements. The effect of this error has been corrected in accordance with the provisions of IAS 8 "Accounting policies, changes in accounting estimates and errors". The effect of this restatement has been re-summarized below:

Effect on balance sheet	2105
Increase in non current assets	3,654,000
Increase in current liabilities	3,654,000
Effect on profit and loss account	Nil

53.04 Investment property

During previous financial year, the company recognized a land in "Capital Work in Progress" and wrongly classified it under the provisions of the IAS 16 "Property, plant and equipment". However, during current financial year, this property is reclassified as investment property and is recognized under the provisions of IAS 40 "Investment Property" retrospectively in accordance with IAS 8 "Accounting Policies, Changes in accounting Estimates and Errors". However, the transaction had no impact on net assets of the company.

54 DATE OF AUTHORIZATION

These financial statements were authorized for issue on 06 October 2016 by the Board of Directors.

55 GENERAL**55.01** The number of employees are as follows:

	No. of employees	
	2016	2015
Average number of employees during the year	35	42
Number of employees at the end of the year.	33	43

55.02 Figures have been rounded off to the nearest of rupee.**55.03** Comparative figures have been rearranged and reclassified, where necessary, for the purpose of better presentation and comparison.

CHIEF EXECUTIVE

DIRECTOR



Consolidated Financial Statements

Trust Investment Bank Limited

(For The Year Ended June 30, 2016)

Auditors' Report To The Members

We have audited the annexed consolidated financial statements comprising of consolidated balance sheet of **TRUST INVESTMENT BANK LIMITED** (“the company”) and its subsidiary as at 30 JUNE 2016 and the related consolidated profit and loss account, consolidated statement of comprehensive income, consolidated cash flow statement and consolidated statement of changes in equity together with the notes forming part thereof, for the year then ended. We have also expressed a separate adverse opinion on the financial statements of the TRUST INVESTMENT BANK LIMITED. The financial statements of the subsidiary company, Trust Capital (Private) Limited, were audited by another firm of chartered accountants, whose report has been furnished to us and our opinion, in so far as it relates to the amounts included for such company, is based solely on the report of such auditors.


These financial statements are the responsibility of the Holding Company's management. Our responsibility is to express our opinion on the financial statements based on our audit.

Our audit was conducted in accordance with the International Standards on Auditing and accordingly included such test of accounting records and such other auditing procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:-

- (a) as described in 1.01.2 to the financial statements, the financial statements have been prepared on going concern basis. As at balance sheet date, the Group has accumulated losses amounting to Rs. 2,762.29 million (2015: Rs. 2,781.03 million), shareholder's equity is negative by Rs. 1,569.92 million (2015: Rs. 1,602.03 million), its current liabilities exceed its current assets by Rs. 1,011.17 million (2015: Rs. 1,755.62 million) and overdue installments of financing from banking companies, financial institutions and term finance certificates (TFC) holders are amounting to Rs. 2,069.08 million (2015: Rs. 2,408.38 million). The company is facing operational and financial crisis. Moreover, as mentioned in note of contingencies to the financial statements, the company is defendant / petitioner in various law suits and the company has not charged markup/ cost of fund amounting to Rs. 1,118.69 million (2015: Rs. 826.57 million) on various financings / investments due to pending litigations. These factors indicate a material uncertainty which may cast significant doubt on the Group's ability to continue as a going concern and therefore it may be unable to realize its assets and discharge its liabilities in normal course of business. The financial statements, however, do not disclose this fact and any adjustment to that effect;
- (b) in our opinion and to the best of our information and according to the explanations given to us, because of the matters as discussed in paragraph '(a)' above, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, do not conform with approved accounting standards as applicable in Pakistan, and, do not give the information required by the Companies Ordinance, 1984, in the manner so required and respectively do not give a true and fair view of the state of the Company's affairs as at 30 June 2016 and of the profit, comprehensive income, its cash flows and changes in equity for the year then ended; and

- (c) in our opinion no Zakat was deductible at source under the Zakat and Usher Ordinance, 1980-(XVIII of 1980).
- Notwithstanding our adverse opinion, we draw attention to the following:
 - note 1.01.2 to the financial statements which inter alia states that equity of separated financial statements is falling short by Rs. 1,933.53 million to meet prescribed minimum equity as required under the Non-Banking Finance Companies and Notified Entities Regulation, 2008 for the Companies undertaking business of investment finance services.
 - The consolidated financial statements for the year ended 30 June 2015 were audited by another firm of auditors, whose report dated 06 October 2015 expressed an adverse opinion on those financial statements.

Lahore
06 October 2016


Tariq Abdul Ghani Maqbool and Company
Chartered Accountants
Shahid Mehmood
(Engagement Partner)

CONSOLIDATED BALANCE SHEET

AS AT JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees (Restated)	2014 Rupees (Restated)
ASSETS				
Non-current assets				
Fixed assets	7	664,151,416	942,462,733	1,444,071,456
Intangibles	8	30,840,871	30,934,301	43,222,939
Investment property	9	1,970,571,427	2,000,000,000	3,815,975
Long term investments	10	4,288,601	20,862,988	-
Long term loans and advances	11	968,039	16,761,658	811,310
Finance lease receivables	12	-	-	-
Long term deposits		8,684,139	8,693,458	-
		2,679,504,493	3,019,715,138	1,491,921,680
Current assets				
Current maturities of non - current assets	13	1,051,269,212	1,059,226,136	1,058,847,589
Short term loans and advances	14	70,569,201	58,299,581	72,462,301
Short term investments	15	7,000,000	11,000,000	1,133,005,480
Short term prepayments		3,135,612	2,972,914	215,237
Mark-up accrued	16	190,599,224	190,948,268	201,981,288
Taxation - net		2,878,621	1,096,139	1,669,382
Other receivables	17	173,798,738	104,845,808	183,288,213
Cash and bank balances	18	17,615,357	6,483,570	8,852,265
		1,516,865,965	1,434,872,416	2,660,321,755
Assets classified as held for sale	19	159,000,000	-	-
		4,355,370,458	4,454,587,554	4,152,243,435
EQUITY AND LIABILITIES				
Share capital and reserves				
Authorized share capital	20	1,500,000,000	1,500,000,000	1,500,000,000
Issued, subscribed and paid-up capital	20	892,028,729	892,028,729	892,028,729
Reserves	21	(2,461,943,955)	(2,494,056,346)	(2,506,828,288)
		(1,569,915,226)	(1,602,027,617)	(1,614,799,559)
Surplus on revaluation of fixed assets	22	-	-	-
Non-current liabilities				
Long term financing-subordinated loan	23	398,515,980	2,788,220,472	2,357,958,476
Long term financing-others	24	25,527,780	57,624,657	-
Loan from related parties	25	2,575,547,689	-	-
Long term morabaha	26	-	-	-
Liabilities against assets subject to finance lease	27	1,231,575	-	-
Long term certificates of investment	28	227,062,389	1,562,500	12,996,263
Deferred liabilities	29	6,775,700	7,471,687	6,189,364
Long term deposits	30	3,584,053	35,237,224	-
		3,238,245,166	2,890,116,540	2,377,144,103
Current liabilities				
Short term borrowings	31	39,413,532	39,413,532	39,413,532
Short term certificates of investment	32	557,912,544	1,036,976,463	1,138,439,357
Current maturities of non current liabilities	33	1,393,889,205	1,653,748,312	1,779,912,742
Mark-up accrued	34	174,395,956	257,286,916	268,969,602
Trade and other payables	35	167,562,274	179,073,408	163,163,658
		2,333,173,511	3,166,498,631	3,389,898,891
Liabilities against assets classified as held for sale	19	353,867,007	-	-
Contingencies and commitments	36	-	-	-
		4,355,370,458	4,454,587,554	4,152,243,435

The annexed notes from 01 to 56 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
Income			
Income from lease operations	37	40,518,360	6,529,681
Income from investments	38	258,561	487,799
Income from term loans	39	18,375,830	35,919,441
		<u>59,152,751</u>	<u>42,936,921</u>
Finance cost	40	<u>782,930</u>	<u>2,959,960</u>
		<u>58,369,821</u>	<u>39,976,961</u>
Administrative and operating expenses	41	<u>76,847,800</u>	<u>76,712,449</u>
		<u>(18,477,979)</u>	<u>(36,735,488)</u>
Other income	42	<u>39,734,473</u>	<u>41,421,533</u>
		<u>21,256,494</u>	<u>4,686,045</u>
Other operating expenses	43	<u>17,224,249</u>	<u>54,598,975</u>
Loss before provisions and taxation		<u>4,032,245</u>	<u>(49,912,930)</u>
Provision (reversed) / charged against lease and term loan	44	<u>(19,335,432)</u>	<u>(84,708,632)</u>
Impairment (reversed)/charged in the value of investments	45	<u>1,000,000</u>	<u>20,000,000</u>
		<u>(18,335,432)</u>	<u>(64,708,632)</u>
Profit before taxation		<u>22,367,677</u>	<u>14,795,702</u>
Taxation	46	<u>193,845</u>	<u>832,574</u>
Net profit for the year		<u>22,173,832</u>	<u>13,963,128</u>
Earnings per share - basic	47	<u>0.25</u>	<u>0.19</u>
Earnings per share - diluted	47	<u>0.25</u>	<u>0.16</u>

The annexed notes from 01 to 56 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
Net profit for the year		22,173,832	13,963,128
Other comprehensive income			
Items that may be reclassified subsequently to profit and loss account			
- Net fair value gain on available for sale financial assets		293,554	(1,674,212)
- Gain during the year transferred to profit and loss account on derecognition of available for sale investment		8,642,579	-
		8,936,133	(1,674,212)
Items that will not be reclassified subsequently to profit and loss account			
- Remeasurement of defined benefit obligation		1,002,426	483,026
Total comprehensive income for the year		32,112,391	12,771,942

The annexed notes from 01 to 56 form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		22,367,677	14,795,702
Adjustments for non cash / non operating items:			
Depreciation and amortization		2,893,899	5,537,632
Provision for staff service cost		2,594,514	2,225,349
Provision (reversed) / charged against lease and term loan		(19,335,432)	(84,708,632)
Lease receivables written off		6,396,619	33,793,036
Loss on disposal of investments		8,642,579	-
Finance cost		782,930	2,943,962
Loss on disposal of fixed assets		2,185,051	20,805,939
Profit on settlement		(23,041,567)	(30,733,190)
Impairment charged in the value of investment		1,000,000	21,175,559
		<u>(17,881,407)</u>	<u>(28,960,345)</u>
Operating (loss) / profit before working capital changes		4,486,270	(14,164,643)
Changes in operating assets and liabilities:			
(Increase) / decrease in assets:			
Long term loans and advances		5,067,388	2,551,824
Finance lease receivables		39,022,593	43,985,487
Short term loans and advances		1,861,731	(19,177,279)
Short term investments		3,000,000	(7,000,000)
Short term prepayments		(162,698)	(2,757,677)
Mark-up accrued		4,838,048	8,803,520
Other receivables		(57,121,103)	(24,357,039)
		<u>(3,494,041)</u>	<u>2,048,836</u>
Increase / (decrease) in liabilities:			
Certificates of investment		(260,433,250)	(16,212,644)
Trade and other payables		(11,511,134)	14,183,444
Long term deposits		(1,503,823)	1,477,708
		<u>(273,448,207)</u>	<u>(551,492)</u>
		<u>(276,942,248)</u>	<u>1,497,344</u>
Cash (used in) / generated from operations		(272,455,978)	(12,667,299)
Finance cost paid		(8,520,342)	(2,943,962)
Taxes paid		(1,976,327)	(208,580)
Staff service cost paid		(2,288,075)	(460,000)
		<u>(12,784,744)</u>	<u>(3,612,542)</u>
Net cash used in operating activities		(285,240,722)	(16,279,841)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(4,213,917)	(7,611,866)
Capital work in progress		-	(1,833,050)
Long term investments		2,144,097	-
Long term deposits		9,319	(2,800,240)
Proceeds from disposal of fixed assets		147,968,287	40,000,000
Net cash (used in) generated from investing activities		145,907,786	27,754,844
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing		148,785,544	(13,926,734)
Liabilities against assets subject to finance lease		1,766,575	-
Dividend		-	(4,360)
Net cash used in financing activities		<u>150,552,119</u>	<u>(13,931,094)</u>
Net decrease in cash and cash equivalents		<u>11,219,183</u>	<u>(2,456,091)</u>
Cash and cash equivalents at the beginning of the year		<u>(33,017,358)</u>	<u>(30,561,267)</u>
Cash and cash equivalents at the end of the year	50	<u>(21,798,175)</u>	<u>(33,017,358)</u>

The annexed notes from 01 to 56 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2016

	Ordinary Shares	Preference Shares	Capital Reserves		Revenue Reserves		Total
			Statutory Reserves	Loss on Remeasurement of Available for Sale Investments	General Reserves	Accumulated Losses	
Balance as at 01 July 2014	685,903,729	206,125,000	240,828,097	(15,972,890)	61,000,000	(2,792,683,495)	(1,614,799,559)
Total Comprehensive Income:							
Profit for the year ended 30 June 2015	-	-	-	-	-	13,963,128	13,963,128
Other comprehensive income:							
Items that may be reclassified subsequently to profit and loss account							
- Net fair value gain on available for sale financial assets	-	-	-	(1,674,212)	-	-	(1,674,212)
Items that not to be reclassified subsequently to profit and loss account in subsequent periods							
- Remeasurement of defined benefit obligation	-	-	-	-	-	483,026	483,026
Total Comprehensive Income	-	-	-	(1,674,212)	-	14,446,154	12,771,942
Transfer to statutory reserves	-	-	2,792,626	-	-	(2,792,626)	-
Conversion of preference shares into ordinary shares	55,375,000	(55,375,000)	-	-	-	-	-
Redemption of preference shares	-	(70,000,000)	-	-	-	-	(70,000,000)
Effect of adjustment of reversal of redemption of preference share (refer note No. 53.01.)	-	-	-	-	-	-	-
Balance as at 30 June 2015 Re-stated	741,278,729	150,750,000	243,620,723	(17,647,102)	61,000,000	(2,781,029,967)	(1,602,027,617)
Total Comprehensive Income:							
Profit for the year ended 30 June 2016	-	-	-	-	-	22,173,832	22,173,832
Other comprehensive income							
Items that may be reclassified subsequently to profit and loss account							
- Net fair value gain on available for sale financial assets	-	-	-	293,554	-	-	293,554
- Gain during the year transferred to profit and loss account on derecognition of available for sale investment	-	-	-	8,642,579	-	-	8,642,579
Items that not to be reclassified subsequently to profit and loss account in subsequent periods							
- Remeasurement of defined benefit obligation	-	-	-	-	-	1,002,426	1,002,426
Total Comprehensive Income	-	-	-	8,936,133	-	23,176,258	32,112,391
Transfer to statutory reserves	-	-	4,434,766	-	-	(4,434,766)	-
Conversion of preference shares into ordinary shares	150,750,000	(150,750,000)	-	-	-	-	-
Balance as at 30 June 2016	892,028,729	-	248,055,489	(8,710,969)	61,000,000	(2,762,288,475)	(1,569,915,226)

The annexed notes from 01 to 55 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016

1 LEGAL STATUS AND NATURE OF BUSINESS

Trust Investment Bank Limited and its subsidiary company ("the Group") comprises of holding company Trust Investment Bank Limited ("TIBL") and a wholly owned subsidiary company Trust Capital (Private) Limited ("TCPL").

1.01 Parent Company

1.01.1 Trust Investment Bank Limited ("the Company") was incorporated in 1992 as a public limited Company under the provisions of the Companies Ordinance, 1984 and is listed on Pakistan Stock Exchange Limited. The registered office of the Company is situated at 6th Floor, M. M. Tower, 28-A/K, Gulberg II, Lahore. The Company is mainly engaged in the business of investment finance services. It is classified as a Non-Banking Finance Company (NBFC) and is regulated by the Securities and Exchange Commission of Pakistan (SECP).

1.01.2 The accumulated losses of the company amounting to Rs. 2,762.29 million as at balance sheet date and as of that date its current liabilities exceeds its current assets by Rs. 1,011.17 million and over due installments of financing from banking companies, financial Institutions, term finance certificates holders and depositors amounting to Rs. 2,069.08 million. The company has paid renewal fee for Investment Finance Services (IFS) license, however, the Securities and Exchange Commission of Pakistan (SECP) has not yet renewed company's license to operate Investment Finance Services (IFS) and also suspended the permission for raising deposits in any form. Moreover, the Pakistan Credit Rating Agency Limited (PACRA) has withdrawn the long-term (previously D) and short-term (previously D) credit rating since 19 November 2012 on the management's request. These conditions indicate the existence of a material uncertainty regarding the future operations of the company. These conditions along with adverse key financial ratios and the pending litigations with the banking companies, financial institutions and investors indicate the existence of material uncertainty which may cast significant doubt about the companies ability to continue as a going concern and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business.

SECP vide SRO # 1160/(1)/2015 dated November 25, 2015 has made certain amendments in NBFCs & Notified Entities Regulations 2008 which inter alia also specify the minimum equity requirement for the companies undertaking business of deposit taking investment finance companies as Rs. 750 million and the equity of separated financial statements is short by Rs. 1,933.53 million. SECP has given time period of one year to the existing lending NBFCs to meet the minimum equity requirement provided that during the interim period of one year, the total deposits of such NBFCs shall be capped at the existing level i.e. outstanding deposits at the date of coming into force of these regulations i.e. November 25, 2015.

During the year, Company has classified its non current assets held for sale amounting to Rs. 159 million to settle its overdue current liabilities amounting to Rs. 353.86 million which will strengthen the liquidity of the company. The preference shares amounting to Rs. 150.75 million have been converted into ordinary shares resulting in saving future interest cost and dividend on preference shares. The company has generated some liquidity through expediting recovery process and disposal of its assets. With all these measures in place and expected cash injection from directors and financial institutions in coming months, the liquidity position will be strengthened. Based on the above and the financial projections as prepared by the company for future periods, the management is confident that the company shall continue and further improve its business growth during the coming years resulting in improvement of its profitability. Hence, these financial statements have been prepared on going concern basis.

1.02 Subsidiary Company

1.02.1 Trust Capital (Private) Limited ("TCPL") was incorporated as a private limited company on 20 June 2008 under the provisions of the Companies Ordinance, 1984. TCPL is engaged in the business of stock brokerage, portfolio management and trading in listed securities on Pakistan Stock Exchange Limited. The registered office of TCPL is located at 6th Floor, M. M. Tower, 28-A/K, Gulberg II, Lahore. TCPL is a member of the Pakistan Stock Exchange Limited.

2 STATEMENT OF COMPLIANCE

Consolidated financial statements

These consolidated financial statements include the financial statements of the Holding Company and its subsidiary companies, here-in-after referred to as "the Group".

A subsidiary is an entity in which the Parent Company directly or indirectly controls, beneficially owns or holds more than fifty percent of the voting securities or otherwise has the power to elect and/or appoint more than fifty percent of its directors. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. The financial statements of the Subsidiary Company are included in the consolidated financial statements from the date control commences until the date that control ceases.

The assets and liabilities of the Subsidiary Company have been consolidated on a line by line basis and the carrying value of

investment is eliminated against the Parent Company's share in the net assets of the Subsidiary Company.

Inter-company transactions, balances and unrealized gains/losses on transactions between the Parent and Subsidiary have been eliminated. Accounting policies of the Subsidiary Company are same as those of the Parent Company to ensure consistency in accounting treatments of like transactions.

- 2.01** These financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules), the Non-Banking Finance Companies and Notified Entities Regulation, 2008 (the NBFC Regulation) and the directives issued by the Securities and Exchange Commission of Pakistan (SECP). Wherever the requirements of the Companies Ordinance 1984, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Companies Ordinance 1984, the NBFC Rules, the NBFC Regulation or the directives issued by the SECP shall prevail.

The SECP has deferred the applicability of International Accounting Standard (IAS) 39, 'Financial Instruments: Recognition and Measurement' and International Accounting Standard (IAS) 40, 'Investment Property' through Circular No. 19 dated 13 August 2003 for Non-Banking Finance Companies (NBFCs) providing investment finance services, discounting services and housing finance services. In addition, the SECP has also deferred the application of International Financial Reporting Standard (IFRS) 7, 'Financial Instruments: Disclosures' through SRO 411(1) / 2008 on such Non-Banking Finance Companies as are engaged in investment finance services, discounting services and housing finance services.

2.02 Standards, interpretations and amendments to published approved accounting standards

The following amendments to existing standards have been published that are applicable to the company's financial statements covering annual periods, beginning on or after the following dates:

Standards, amendments to published standards and interpretations effective in current year

Following are the amendments that are applicable for accounting periods beginning on or after 01 July 2015:

New/Revised Standards, Interpretations and Amendments

IFRS 13- Fair Value Measurement. The standard aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. The standard only affects the disclosures in the Company's financial statements.

Improvement to Accounting Standards Issued by the IASB

IFRS 5	Non-current Assets Held for Sale and Discontinued Operations- (changes in methods of disposal)
IFRS 7	Financial Instruments: Disclosures- (servicing contracts and applicability of the amendments to IFRS 7 to condensed interim financial statements)
IAS 19	Employee Benefits- (discount rate: regional market issue)
IAS 34	Interim Financial Reporting- (disclosure of information 'elsewhere in the interim financial report')

The adoption of the above improvements to accounting standards and interpretations are not likely to have an impact on the Company's financial statements.

Standards, interpretations and amendments to published standards that are effective but not relevant to the company

The other new standards, amendments and interpretations that are mandatory for accounting periods beginning on or after 01 July 2015 are considered not to be relevant or to have any significant impact on the company's financial reporting and operations.

Standards, interpretations and amendments to existing standards that are not yet effective

The following amendments and interpretations to existing standards have been published and are mandatory for accounting periods beginning on or after their respective effective dates.

IFRS 10 - Consolidated Financial Statements	01 January 2016
IFRS 11 - Joint Arrangements	01 January 2016
IFRS 12 - Disclosure of Interests in Other Entities	01 January 2016
IAS 16 and 38 - Clarification of Acceptable Method of Depreciation and Amortization	01 January 2016
IAS 16 and 41 - Agriculture: Bearer Plants	01 January 2016

The above standards, amendments and interpretations are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements except for the increased disclosures in certain cases.

In addition to the above, the following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

<u>Standard or Interpretation</u>	Effective date (accounting periods Beginning on or after)
IFRS 09 - Financial Instruments:	01 January 2018
IFRS 14 - Regulatory Deferral Accounts	01 January 2016
IFRS 15 - Revenue from Contracts with Customers	01 January 2018
IFRS 16 - Leases	01 January 2019

3 FUNCTIONAL AND PRESENTATION CURRENCY

These financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency.

4 BASIS OF PREPARATION

These financial statements have been prepared under the historical cost convention except for revaluation of certain financial instruments at fair value and recognition of certain employee retirement benefits at present value, investment on equity basis and certain other investments at fair value. In these financial statements, except for the amounts reflected in the cash flow statement, all transactions have been accounted for on accrual basis.

5 JUDGMENT, ESTIMATES AND ASSUMPTIONS

The preparation of financial statements in conformity with approved accounting standards which requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and related assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. The estimates and related assumptions are reviewed on an ongoing basis. Accounting estimates are revised in the period in which such revisions are made and in any future periods affected.

Significant management estimates in these financial statements relate to the useful life of property, plant and equipment, provisions for staff retirement benefits, doubtful receivables, slow moving inventory and taxation.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which such estimates are revised. Such estimates are:

- Useful life of depreciable assets;
- Provision for doubtful receivables and slow moving stores, spares and loose tools;
- Provision for current tax and deferred tax;
- Staff retirement benefits;
- Impairment of assets.

However, assumptions and judgments made by management in the application of accounting policies that have significant effect on the financial statements are not expected to result in material adjustments to the carrying amounts of assets and liabilities in the next year.

6 SIGNIFICANT ACCOUNTING POLICIES

6.01 Property, plant and equipment

Operating fixed assets

Operating fixed assets are stated at cost less accumulated depreciation and any accumulated impairment losses except freehold land which is stated at cost and fully depreciated assets which are carried at residual value. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is charged to income by applying reducing balance method to write off the cost over estimated remaining useful life of assets. The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from property, plant and equipments. Depreciation on additions to property, plant and equipment is charged from the date when asset is available for use up to the date of its de-recognition.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains / losses on disposal of fixed assets are included in current year's income.

Subsequent costs are included in the asset's carrying amount are recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and cost of the item can be measured reliably. All other repair and maintenance cost are charged to the profit and loss account during the year in which these are incurred.

Assets subject to finance lease

These are stated at the lower of present value of minimum lease payments under the lease agreements and the fair value of the assets. The related obligations of lease are accounted for as liabilities. Financial charges are allocated to accounting periods in a manner so as to provide a constant periodic rate of financial cost on the remaining balance of principal liability for each period.

Depreciation is charged on the basis similar to owned assets applying reducing balance method to write off the cost of the asset over its estimated remaining useful life in view of certainty of ownership of assets at the end of the lease period.

Insurance and other maintenance costs are borne by the Company.

Financial charges and depreciation on leased assets are charged to profit and loss account currently.

Capital work in progress

Capital work in progress is stated at cost less identified impairment loss, if any, and includes the expenditures on material, labour and appropriate overheads directly relating to the construction, erection or installation of an item of property, plant and equipment. These costs are transferred to property, plant and equipment as and when related items become available for intended use.

Investment Property

Investment property, principally comprising of land, is held for long term rental yields / capital appreciation. The investment property of the Company comprises of land and is valued using the cost method i.e. at cost less impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalized borrowing costs, if any. The residual values and useful lives of investment property are reviewed at each reporting date and adjusted, if appropriate. The Company assesses at each reporting date whether there is any indication that investment property may be impaired. If such indication exists, the carrying amounts of such assets are reviewed to assess whether they are recorded in excess of their recoverable amount. Where carrying values exceed the respective recoverable amounts, assets are written down to their recoverable amounts and the resulting impairment loss is recognized in the profit and loss account. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. The gain or loss on disposal of investment property, represented by the difference between the sale proceeds and the carrying amount of the asset is recognized as income or expense in profit and loss account.

6.02 Non-current assets (or disposal group) classified as held for sale

Non-current assets (or disposal groups) are classified as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use. Such non-current assets (or disposal groups) are measured at the lower of their carrying amount and fair value less costs to sell. Property, plant and equipment once classified as held for sale are not depreciated or amortised.

6.03 Investments

(i) Financial assets at fair value through profit and loss (Held for trading)

These securities are either acquired for generating a profit from short term fluctuations in prices or securities included in a portfolio in which a pattern of short term profit taking exists. These investments are initially measured at fair value being the consideration given. On subsequent reporting dates, these are measured at fair values on quoted market price and unrealized gains and losses arising from changes in the fair values are recognized in the income of the period in which these arise.

(ii) Investments held to maturity

These are securities with fixed or determinable payments and fixed maturity where the Company has a positive intent and ability to hold till maturity. These are initially measured at fair value being the consideration given plus transactions' costs that are attributable to the acquisition of these investments. At subsequent reporting dates, these are measured at amortized cost using

effective interest rate method. Mark-up calculated using the effective interest rate method is recognized in the profit and loss account. Impairment loss, if any, is recognized in profit and loss in the period it arises.

(iii) Available-for-sale

Investments which can not be classified as held to maturity investments or held for trading investments are classified as available for sale investments.

Investments intended to be held for an unidentified period of time, which may be sold in response to need for liquidity or changes to interest rates, exchange rates or equity prices are classified as available for sale.

Available-for-sale investments are measured at subsequent reporting dates at fair value for those shares which have fair values. However, all such shares for which fair value cannot be determined are valued at cost. Surplus/(deficit) on remeasurement is kept in a separate account and is shown in the balance sheet below the shareholders' equity, until the security is disposed off or is determined to be impaired, at which time, the cumulative surplus/(deficit) is included in the profit and loss account.

However, as allowed by the BSD circular no. 10 dated 13 July 2004, the Company will be free to determine the extent of holding under the above categories taking into consideration various aspects such as trading strategies, intention of acquisition of securities, capital position, expertise available to manage investment portfolio, and the risk management capabilities. Under exceptional circumstances, shifting from one category to another category may be made subject to the following conditions:

Shifting of investments to/from held to maturity category is allowed once a year only with the approval of the Board of Directors within two months of the commencement of accounting year. Any further shifting to/from this category is not allowed during the remaining part of that accounting year.

Shifting to/from available for sale category is allowed with the approval of the Assets and Liabilities Committee (ALCO) subject to the condition that the reasons for such shifting will be recorded in writing.

Shifting from held for trading category to available for sale or held to maturity categories is generally not allowed. It is permitted under exceptional circumstances like not being able to sell the securities within the prescribed period of 90 days due to tight liquidity position in market or extreme market volatility with the approval of ALCO. The justification for such exceptional shifting of securities is recorded in the minutes of ALCO meeting. Shifting of securities from one category to another is at the lower of the market value or the acquisition cost/book value, and the diminution in value, if any, on such transfer is fully provided for.

(iv) Investments in associates and related parties

Investment in associates and related parties where the Company can exercise significant influence; has intention and ability to hold the investment for more than twelve months of acquisition and are not held for sale are accounted for using the equity method of accounting. Impairment in value, if any, is recognized in profit and loss in the period it arises.

(v) Investment in subsidiary:

Investment in subsidiary company is measured at cost as per the requirements of IAS-27 "Consolidated and Separate Financial Statements". However, at subsequent reporting dates, the Company reviews the carrying amounts of the investments and its recoverability to determine whether there is an indication that such investments have suffered an impairment loss. If any such indication exists, the carrying amount of the investment is adjusted to the extent of impairment loss. Impairment losses are recognized as an expense currently.

The Company is required to issue consolidated financial statements along with its separate financial statements, in accordance with the requirements of IAS 27 "Consolidated and Separate Financial Statements".

(vi) Investment in unquoted securities

Investment in unquoted securities are initially measured at cost. Impairment loss, if any, is charged to profit and loss account.

(vii) Financial assets:

Significant financial assets include long term investments, long term loans and advances, net investment in lease finance, long term deposits, short term loans and advances, short term placements, short term investment, other receivables and cash and bank balances. Finances and receivables from clients are stated at their nominal value as reduced by provision for doubtful finances and receivable, while other financial assets are stated at cost except for certain investments, which are revalued as per accounting policies.

(viii) Financial liabilities:

Financial liabilities are classified according to the substance of the contractual arrangements entered into. Significant financial liabilities include certificates of investment, preference shares, long term loans and borrowings, deposits against lease arrangements, short term borrowings, trade and other payables and dividends payable. Mark-up based financial liabilities are recorded at gross proceeds received. Other liabilities are stated at their nominal value.

Recognition and derecognition:

All the financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instruments. Financial assets are derecognized when the Company loses control of the contractual rights that comprise the financial assets. Financial liabilities are derecognized when these are extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on derecognition of the financial assets and liabilities is taken to the income in the current period.

The policies in respect of these financial instruments have been disclosed in the relevant policy notes.

Offsetting of financial assets and financial liabilities:

A financial asset and a financial liability is offset and the net amount is reported in the balance sheet if the Company has legal enforceable right to set off the recognized amount and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously. Corresponding income on assets and charge on liability are reported at net amount.

6.04 Trade and settlement date accounting

All purchase and sale 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 investment.

6.05 Securities under repurchase/reverse repurchase agreements

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

Repurchase agreements:

Investments sold with the simultaneous commitment to repurchase at a specified future date (Repo) continue to be recognized in the balance sheet and are measured in accordance with accounting policies for investments. The counterparty liability for amounts received under these agreements is included in short term borrowing. The difference between sale and repurchase price is treated as mark-up on short term borrowing and accrued over the tenure of the repo agreement.

Reverse repurchase agreements:

Investments purchased with a simultaneous commitment to resell at a specified future date (Reverse repo) are not recognized in the balance sheet. Amounts paid under these agreements are recorded as 'short term placements'. The difference between purchase and resale price is treated as return from funds placement with financial institutions or income from reverse repurchase transactions of listed shares, as the case may be, and accrued over the life of reverse repo agreement.

6.06 Term finances

Term finances originated by the Company are stated at cost less any amount written off and provision for doubtful finances, if any, in accordance with NBFCs prudential regulations.

6.07 Finance lease receivables

Lease where the Company transfers substantially all the risks and rewards incidental to ownership of the asset to the lessee are classified as finance leases. Net investment in lease finances is recognized at an amount equal to the aggregate of minimum lease payments including any guaranteed residual value and excluding unearned finance income, write-offs and provision for doubtful lease finances, if any.

6.08 Assets acquired in satisfaction of claims

The company acquires certain vehicles and assets in settlement of non-performing loans / leases. These are stated at lower of the original cost of the related asset, exposure to Trust Investment Bank Limited and the net realizable value. The net gains or losses on disposal of these assets are taken to the profit and loss account.

6.09 Taxation

Current

Provision for current taxation is based on applicable current rates of taxation after taking into account tax credits and rebates available, if any, under the provisions of Income Tax Ordinance, 2001. The tax charge also includes adjustments, where necessary, relating to prior years which arise from assessments finalized during the year.

Deferred

Deferred tax liability is accounted for in respect of all taxable temporary differences at the balance sheet date arising from difference between the carrying amount of the assets and liabilities in the financial statements and corresponding tax bases. Deferred tax assets are recognized for all deductible temporary differences, unused tax losses, provisions and tax credits to that extent it is probable that taxable profit will be available in future against which the deductible temporary differences can be utilized. In this regard, the effects on deferred taxation of the portion of income subject to final tax regime is also considered in accordance with the requirement of Technical Release – 27 of Institute of Chartered Accountants of Pakistan.

Deferred tax is calculated at the rates that are expected to apply to the period when the asset is to be realized or liability is to be settled.

6.10 Share capital

Ordinary share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as deduction, net of tax, from the proceeds.

Preference share capital

Preference share capital is recognized as equity in accordance with the interpretation of the provision of the Companies Ordinance, 1984, including those pertaining to implied classifications of preference shares.

6.11 Contingencies

Contingent liability is disclosed when:

- There is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company; or
- There is present obligation that arises from past events but it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

6.12 Comprehensive income

Comprehensive income is the change in equity resulting from transactions and other events, other than changes resulting from transactions with shareholders in their capacity as shareholders. Total comprehensive income comprises all components of profit or loss and other comprehensive income. Other comprehensive income comprises items of income and expense, including reclassification adjustments, that are not recognized in profit or loss as required or permitted by approved accounting standards.

6.13 Revenue recognition

Finance leases:

The "financing method" is used for recognition of finance income on finance leases. Under this method, the unearned finance income i.e., the excess of aggregate lease rentals and the estimated residual value over the net investment is deferred and then amortized to income over the term of the lease on a systematic basis, so as to produce a constant rate of return on the Company's net investment in the finance lease.

Capital gains and losses on sale of investments:

Capital gains or losses on sale of investments are recognized in the period in which they arise.

Processing fee, front end fee and penal charges:

These are recognized as income when services are provided.

Return on finances, placements and term finances:

Return on finances provided, placements and term finances are recognized on time proportion basis.

Morabaha income:

Mark-up/profit earned on finance under morabaha agreement and finance under buy-back agreement is recognized on a time proportion basis taking account of, where applicable, the relevant buy-back dates and prices, or where a specific schedule of recoveries is prescribed in the agreement, the respective dates when mark-up is required to be paid to the Company.

Income on bank deposits, held to maturity investments and reverse repo transactions:

Income from bank deposits, investments and reverse repo transactions is recognized on time proportion basis.

Guarantee commission:

Commission income from guarantee is recognized on time proportion basis.

Dividend Income:

Dividend income is recognized when right to receive dividend is established.

6.14 Return on certificates of investment

Return on certificates of investment is recognized on a time proportion basis taking into account the relevant issue date and final maturity date.

6.15 Staff retirement benefits**Defined benefit plan:**

The Company operates an approved unfunded defined benefit gratuity plan scheme for all of its permanent employees subject to a minimum qualifying period of six months of service. Provisions are made in accordance with the actuarial valuation using 'Projected Unit Credit method'. Actuarial gains and losses arising as a result of actuarial valuation are recognized in other comprehensive income in the year in which they arise. Gratuity is payable to employees on the completion of prescribed qualifying period of service under the scheme. Past service costs are recognised immediately in profit and loss account. The benefit is calculated as follows:

Last drawn gross salary x Number of completed years of services.

Six or more months of service in excess of completed years of services is counted as one complete year. However, less than six months of services is ignored.

As per actuarial valuation carried out as at 30 June 2016, the following significant assumptions were used:

Discount factor used	9.75%	9.75%
Expected rate of eligible salary increase in future years	6.25%	8.75%
Expected rate of return on plan assets	7.25%	13.50%
Expected average remaining years until vesting as on 30 June	8 years	9 years
Expected mortality rate	SLIC 2001 - 2005 Setback 1 Year	
Retirement assumptions	60 years	60 years

Accumulating compensated absences

The liability in respect of compensated absences of employees is accounted for in the period in which the absences accrue. As the component of liability involved is not material, the company did not carry out actuarial valuation for the said liability.

6.16 Provision for potential lease losses and loans

Provision for potential lease losses and loan losses is maintained at a level which is adequate to provide for potential losses on lease and loan portfolio in accordance with Prudential Regulations for NBFCs. Specific provision for potential lease and loan losses is maintained at a level which, in the judgment of the management, is adequate to provide potential losses on lease and loan portfolio that can be reasonably anticipated. Provision is increased by charge to income and is decreased by charge offs, net of recoveries.

Leases, loans and advances are written off when there are no realistic prospects of recovery.

6.17 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, balance with banks on current and deposit accounts and short term running finance account.

6.18 Borrowing costs

Borrowing costs are recognised as an expense in the period in which these are incurred except in cases where such costs are directly attributable to the acquisition, construction or production of a qualifying asset (one that takes substantial period of time to get ready for use or sale) in which costs such costs are capitalised as part of the cost of that asset. Currently, the company does not have any borrowing costs directly attributable to the acquisition of or construction of qualifying assets.

6.19 Transactions with related parties and transfer pricing

Parties are said to be related, if they are able to influence the operating and financial decisions of the Company and vice versa.

The Company enters into transactions with related parties on arms length basis. Prices for transactions with related parties are determined using admissible valuation methods, except for the assets sold to employees at written down value as approved by the board of directors.

6.20 Foreign currency translation

Transactions denominated in foreign currencies are translated to Pak Rupee at the foreign exchange rate ruling at the date of transaction. Assets and liabilities in foreign currency are translated at the rates of exchange prevailing on the balance sheet date. All exchange gains/losses are taken to the profit and loss account.

6.21 Impairment

The carrying amounts of the assets are reviewed at each balance sheet date to identify the circumstances indicating the occurrence of impairment loss or reversal of previous impairment losses. If any such indication exists, the recoverable amount of such asset is estimated and impairment loss is recognized in the profit and loss account. Where an impairment loss subsequently reverses, the carrying amount of such asset is increased to the revised recoverable amount. A reversal of the impairment loss is recognized in income.

6.22 Dividends and other appropriations

Dividend is recognized as a liability in the period in which it is declared and other appropriations are recognized in the period in which these are approved by the Board of Directors.

6.23 Bonus shares

Bonus shares are recognized as an appropriation from profit in the period in which these are declared.

6.24 Earnings per share (EPS)

Basic EPS is calculated by dividing the profit and loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by adjusting basic EPS by the weighted average number of ordinary shares that would be issued on conversion of all dilutive potential ordinary shares into ordinary shares and post-tax effect of changes in profit and loss attributable to ordinary shareholders of the Company that would result from conversion of all dilutive potential ordinary shares into ordinary shares.

6.25 Segment reporting

Segment reporting is based on the operating (business) segments of the Company. An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to the transactions with any of the Company's other components. An operating segment's operating results are reviewed regularly by the chief executive to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available.

Segment results that are reported to the chief executive include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Those incomes, expenses, assets, liabilities and other balances which cannot be allocated to a particular segment on a reasonable basis are reported as unallocated.

The Company's activities are broadly categorized into two primary business segments namely financing activities and investment activities.

Transaction among the business segments are recorded at arm's length prices using admissible valuation methods. Inter segment income and expenses are eliminated from the total.

	Note	2016 Rupees	2015 Rupees
7			
FIXED ASSETS			
Tangible			
Property, plant and equipment	7.01	651,249,016	837,989,783
Capital work in progress	7.02	12,902,400	104,472,950
		<u>664,151,416</u>	<u>942,462,733</u>

7.01 Property, plant and equipment

The following is a statement of operating fixed assets (tangible):

Rupees

	Land	Building on freehold land	Leasehold improvements	Office equipment and machines	Furniture and fixtures	Air-conditioning equipment	Vehicles	Leased Vehicles	Total
At 30 June 2014									
Cost	482,673,333	70,000,000	19,668,157	19,442,861	11,606,045	807,184	4,121,853	-	608,319,433
Accumulated depreciation	-	(6,825,000)	(15,781,513)	(15,018,214)	(6,895,487)	(488,854)	(1,129,531)	-	(46,138,599)
Net book value in Rupees	482,673,333	63,175,000	3,886,644	4,424,647	4,710,558	318,330	2,992,322	-	562,180,834
Year ended 30 June 2015									
Additions	356,192,960	10,334,400	-	525,706	511,990	-	-	-	367,565,056
Disposal									
Cost	(25,578,733)	(70,000,000)	-	-	(11,781)	-	-	-	(95,590,514)
Depreciation	-	9,194,061	-	-	11,781	-	-	-	9,205,842
Net book value	(25,578,733)	(60,805,939)	-	-	-	-	-	-	(86,384,672)
Depreciation charge for the year (note 7.01.1)	-	(2,369,061)	(777,325)	(941,926)	(483,755)	(31,836)	(767,532)	-	(5,371,435)
Net book value as at 30 June 2015	813,287,560	10,334,400	3,109,319	4,008,427	4,738,793	286,494	2,224,790	-	837,989,783
Year ended 30 June 2016									
Additions	-	-	-	1,622,417	-	-	47,500	2,544,000	4,213,917
Disposal									
Cost	(27,287,560)	-	-	(2,864,163)	(1,200,151)	(268,240)	(2,437,997)	-	(34,058,111)
Depreciation	-	-	-	2,438,863	763,625	197,984	1,503,424	-	4,903,896
Net book value	(27,287,560)	-	-	(425,300)	(436,526)	(70,256)	(934,573)	-	(29,154,215)
Depreciation charge for the year (note 7.01.1)	-	(66,720)	(621,864)	(865,465)	(447,205)	(24,372)	(732,443)	(42,400)	(2,800,469)
Transferred to non current assets classified as held for sale (note 19)	(150,000,000)	(9,000,000)	-	-	-	-	-	-	(159,000,000)
Net book value as at 30 June 2016	636,000,000	1,267,680	2,487,455	4,340,079	3,855,062	191,866	605,274	2,501,600	651,249,016
At 30 June 2015									
Cost	813,287,560	10,334,400	19,668,157	19,968,567	12,106,254	807,184	4,121,853	-	880,293,975
Accumulated depreciation	-	-	(16,558,838)	(15,960,140)	(7,367,461)	(520,690)	(1,897,063)	-	(42,304,192)
Net book value in Rupees	813,287,560	10,334,400	3,109,319	4,008,427	4,738,793	286,494	2,224,790	-	837,989,783
At 30 June 2016									
Cost	636,000,000	1,334,400	19,668,157	18,726,821	10,906,103	538,944	1,731,356	2,544,000	691,449,781
Accumulated depreciation	-	(66,720)	(17,180,702)	(14,386,742)	(7,051,041)	(347,078)	(1,126,082)	(42,400)	(40,200,765)
Net book value in Rupees	636,000,000	1,267,680	2,487,455	4,340,079	3,855,062	191,866	605,274	2,501,600	651,249,016
Annual rates of depreciation (%)	-	5	20	20	10	10	20	20	

7.01.1 Depreciation charge for the year has been allocated as follows:

	30 June 2016	30 June 2015
	Rupees	Rupees
Administrative and operating Expenses	2,800,469	5,371,435
	<u>2,800,469</u>	<u>5,371,435</u>

7.01.2 No impairment relating to operating fixed assets has been recognised in the current year.

7.01.3 DISPOSAL OF PROPERTY, PLANT & EQUIPMENT

7.01.3 DISPOSAL OF PROPERTY, PLANT & EQUIPMENT

The following operating fixed assets with a net book value exceeding Rs. 50,000 were disposed off during the year:

Sr. No.	Description	Cost	Accumulated Depreciation	Book Value	Sales Proceeds	Gain/Loss	Mode Of Disposal	Sold To
1	Land mosa sadhoki	29,428,572	-	29,428,572	39,397,500	9,968,928	Negotiation	Azra and Company
2	Land adyala	22,497,157	-	22,497,157	36,428,750	13,931,593	Negotiation	Azra and Company
3	Office Disposal (CWIP)	45,785,275	-	45,785,275	60,000,000	14,214,725	Company policy	Mr. Asif Kamal
4	Equip-UPS Batteries (Gulberg III)	724,355	614,033	110,322	8,640	(101,682)	Negotiation	Mr. Zafar
5	Equip- Electric lift	443,100	376,192	66,908	25,000	(41,908)	Negotiation	Mr. Ansar Bhatti
6	Furniture Multan	189,600	133,902	55,698	38,000	(17,698)	Negotiation	Landlord Multan Branch
7	Furniture Faisal Town	205,405	121,320	84,085	79,000	(5,085)	Negotiation	Mr. Ansar Bhatti
8	Furniture - Jehlum	150,900	96,745	54,155	57,400	3,245	Negotiation	M/S Javaid & Company
9	Furniture- Faisalabad	185,145	115,539	69,606	17,000	(52,606)	Negotiation	Mr. Abdul Rehman
10	Furniture-Islamabad Branch	297,807	179,536	118,271	14,800	(103,471)	Negotiation	Mr. Mughees
11	Air Conditioners-Multan	126,000	74,409	51,591	21,500	(30,091)	Negotiation	Landlord Multan Branch
12	Vehicle	2,437,997	1,503,424	934,573	1,000,000	65,427	Company policy	Mr. Ahsan Raffique
	Rupees 2016	102,471,313	3,215,100	99,256,213	137,087,590	37,831,377		
	Rupees 2015	519,334,523	9,194,061	510,140,462	509,806,040	(334,422)		

	Note	2016 Rupees	2015 Rupees (Restated)
7.02 Capital work in progress			
Opening balance		104,472,950	882,395,690
Additions		-	1,833,050
		104,472,950	884,228,740
Disposal / transfer		(91,570,550)	(779,755,790)
Closing balance	7.03	<u>12,902,400</u>	<u>104,472,950</u>
7.03 Particulars of Capital work in progress			
Tricon Corporate Centre	7.03.1	-	91,570,550
China Centre	7.03.2	12,902,400	12,902,400
Land at Mouza Sadhoki	7.03.3	-	-
		<u>12,902,400</u>	<u>104,472,950</u>

7.03.1 During current financial year an adjustment of Rs. 18.51 million has been made regarding reversal of revaluation surplus which is explained in note No. 54.02.

7.03.2 This represents Shop No. 5 of 512 square feet at China Centre, Feroz Pur Road Lahore. Title has been transferred in the name of TIBL only through transfer letter, and the construction of china centre is still under process, as at balance sheet date.

7.03.3 This land amounting to Rs. 1,970.57 million has been reclassified during current financial year as investment property which is explained in note 54.05.

8 Intangible Assets

The following is a statement of intangible assets:

Rupees

	Membership Card	Software Licence	Total
At 30 June 2014			
Cost	30,000,000	3,582,700	33,582,700
Accumulated amortization	-	(2,244,195)	(2,244,195)
Net book value in Rupees	30,000,000	1,338,505	31,338,505
Year ended 30 June 2015			
Additions	-	8,000	8,000
Disposal			
Cost	-	-	-
Amortization	-	-	-
Net book value	-	-	-
Amortization charge for the year 8.01.1	-	(412,204)	(412,204)
Net book value as at 30 June 2015	30,000,000	934,301	30,934,301
Year ended 30 June 2016			
Additions	-	-	-
Disposal			
Cost	-	-	-
Amortization	-	-	-
Net book value	-	-	-
Amortization charge for the year 8.01.1	-	(93,430)	(93,430)
Net book value as at 30 June 2016	30,000,000	840,871	30,840,871
At 30 June 2015			
Cost	30,000,000	3,590,700	33,590,700
Accumulated amortization	-	(2,656,399)	(2,656,399)
Net book value in Rupees	30,000,000	934,301	30,934,301
At 30 June 2016			
Cost	30,000,000	3,590,700	33,590,700
Accumulated amortization	-	(2,749,829)	(2,749,829)
Net book value in Rupees	30,000,000	840,871	30,840,871
Annual rates of amortization (%)	-	10	

8.01.1 Amortization charge for the year has been allocated as follows:

	30 June 2016	30 June 2015
	Rupees	Rupees
Amortization charge for the year	93,430	412,204
	93,430	412,204

	Note	2016 Rupees	2015 Rupees (Restated)
9 INVESTMENT PROPERTY			
Opening balance		2,000,000,000	-
Addition during the year		-	2,000,000,000
Disposal during the year		(29,428,573)	-
		<u>1,970,571,427</u>	<u>2,000,000,000</u>

9.01 This land is against subordinated loan from a director. Title of this property has been transferred in the name of the company (refer note No. 23.02.3).

9.02 Fair value of Investment property, revalued by an independent valuer as at balance sheet date, was amounting to Rs. 2,210 million.

10 LONG TERM INVESTMENTS

Investment in financial instruments	10.01	<u>43,162,351</u>	<u>45,306,448</u>
		43,162,351	45,306,448
Less: Current portion of long term investments	13	<u>38,873,750</u>	<u>24,443,460</u>
		<u>4,288,601</u>	<u>20,862,988</u>

10.01 Investment in financial instruments

Held to maturity

Term finance certificates

Azgard Nine Limited	10.01.1	30,485,310	30,485,310
Sukuks			
Eden Housing Limited	10.01.2	9,843,750	9,843,750
New Allied Electronics Industries (Private) Limited	10.01.3	20,000,000	20,000,000
Accumulated impairment		(20,000,000)	(20,000,000)

Available for sale

Shares

Agritech Limited	10.01.1	11,544,260	22,624,490
Accumulated impairment		(8,710,969)	(17,647,102)
		2,833,291	4,977,388
		<u>43,162,351</u>	<u>45,306,448</u>

10.01.1 The Company has purchased term finance certificates of Rs. 40 million, out of total issue of Rs. 2.5 billion for a period of 7 years ending on 04 December 2014 including grace period of two years. This issue has been rescheduled on 01 December 2010 and the tenure is reset for a further period of 03 years ending on 04 December 2018 including a further grace period of one year. Mark-up is carried @ 6 month KIBOR + 100 BPS up to December 2011, 6 month KIBOR + 125 BPS upto December 2015 and 6 month KIBOR + 175 BPS upto December 2017. The amount of Rs. 39.968 million will be redeemed in 16 semi annual instalments starting from July 2010 and ending on 31 December 2017. Subsequently, an agreement was signed between Azgard Nine Limited and TFC's holders on 12 April 2012. According to the terms of agreement 646,414 shares of Agritech Limited @ Rs. 35/- per share have been transferred against adjustment of Rs. 22.624 million towards outstanding principle amount. The market value of shares as at 30 June 2016 is Rs. 8.59/- per share (2015: Rs. 7.7/- per share).

A new TFC Investors agreement was signed on 28 June 2012 for the settlement of mark-up payable of Rs. 13.145 million up to 31 March 2012 against 2,629 numbers of Zero coupon TFC's with a grace period of 1 year and will be separately redeemed in 7 semi annual instalments starting from March 2014 and maturing on 31 March 2017. The credit rating assigned to such issue by JCR-VIS Credit Rating Company Limited (JCR) is "A+".

10.01.2 The Company has participated in Sukuks of Rs. 50 million, out of total issue of Rs. 3 billion, secured against first pari passu charge over current and future receivables of the investee up to the extent of the issue. This issue has been rescheduled for a further period of 1.5 years with the expiry of 29 September 2014. These carry mark-up @ 3 months KIBOR+ 250 BPS with floor 7% and cap of 20% from 31 March 2008 to 29 September 2013 and 3 months KIBOR + 300 BPS with floor of 7% and cap of 20% from 30 September 2013 to 29 September 2014. These certificates are redeemable in five semi annually instalments and sixteen quarterly instalments starting from 30 September 2008 and ending on 29 September 2014. The credit rating assigned to such Sukuks "D" by the JCR-VIS.

10.01.3 This represent the investment made in Sukuks issued for a period of 4 years secured against first pari passu charge over present and future fixed assets of the investee with 25% margin. These carry mark-up @ 3 months KIBOR +260 BPS and redeemable in 16

equal quarterly instalments of Rs. 1.250 million from October 2008 to October 2012. JCR-VIS assigned rating of “D” to said Sukuks which were subsequently withdrawn.

	Note	2016 Rupees	2015 Rupees
11 LONG TERM LOANS AND ADVANCES			
Secured:			
Employees - considered good	11.01	20,107	464,159
Companies, organizations and individuals:			
- Considered good	11.02	33,334,105	28,743,828
- Considered doubtful		2,547,805	7,047,805
		<u>35,881,910</u>	<u>35,791,633</u>
		<u>35,902,017</u>	<u>36,255,792</u>
Un-secured:			
Companies, organizations and individuals - Considered doubtful	11.03	393,125,286	397,838,899
		<u>429,027,303</u>	<u>434,094,691</u>
Less: provision against doubtful loans	11.04	393,386,559	396,594,364
		<u>35,640,744</u>	<u>37,500,327</u>
Less: Current maturity	13	34,672,705	20,738,669
		<u>968,039</u>	<u>16,761,658</u>
11.01	It includes long term loans provided to employees which are secured against mortgage of property and carry nil mark-up (2015: 0% to 15.20%) per annum. The maximum aggregate balance due from executives is Rs. 11,355 (2015: Rs. 39,000).		
11.02	These include long term finances provided to companies, organizations and individuals against mortgage of property, charge over assets and lien on deposits etc. These carry mark-up ranging from 16% to 21% (2015 : 16% to 21%) per annum.		
11.03	It includes receivables of Trust Capital (Private) Limited (TCPL), a subsidiary of the company, amounting to Rs. 393 million, (2015: Rs. 393 million) transferred in the books of accounts of Trust Investment Bank Limited (TIBL) vide a tri-party agreement between TCPL, TIBL and other parties, approved by the Board of Directors of TIBL & TCPL, whereby various exposures of TCPL have been taken over by TIBL company and hereafter, the parties shall make payments directly to TIBL. The repayment shall be made in thirty nine quartly instalments receivable latest by 30 June 2020. It carries mark-up @ 10% per annum increasing by 2% each year upto 5 years and @ 18% from 5th year onwards. Receipts of Rs. 1.5 million have been received to date and remaining balance has been fully provided.		
11.04 Provision against doubtful loans			
Opening balance		396,594,364	403,653,029
Charge for the year		-	44,099
Reversal during the year		(3,207,805)	(7,102,764)
Closing balance		<u>393,386,559</u>	<u>396,594,364</u>
11.04.1 Particulars of provision against doubtful loans			
Companies, organizations and individuals		393,386,559	396,594,364
12 FINANCE LEASE RECEIVABLES			
Lease payments receivable	12.01	1,066,529,181	1,126,251,228
Add: Residual value		273,917,501	293,558,161
Gross Lease		<u>1,340,446,682</u>	<u>1,419,809,389</u>
Less: Unearned finance income		-	839,808
Present value of minimum lease payments receivables		<u>1,340,446,682</u>	<u>1,418,969,581</u>
Income suspended	12.03	90,084,404	129,584,710
Provision for lease losses	12.04	272,639,521	275,340,868
		<u>362,723,925</u>	<u>404,925,578</u>
Net finance lease receivables		<u>977,722,757</u>	<u>1,014,044,003</u>
Less: Current portion of finance lease receivables	13	977,722,757	1,014,044,003
		<u>-</u>	<u>-</u>

30th June 2016				
	Not later than one year	Later than one year and not later than five years	Later than five years	Total
	Rupees	Rupees	Rupees	Rupees
Gross investment	1,340,446,682	-	-	1,340,446,682
Less: Unearned finance income	-	-	-	-
Present value of minimum lease payments receivables	1,340,446,682	-	-	1,340,446,682
30th June 2015				
	Not later than one year	Later than one year and not later than five years	Later than five years	Total
	Rupees	Rupees	Rupees	Rupees
Gross investment	1,419,809,389	-	-	1,419,809,389
Less: Unearned finance income	839,808	-	-	839,808
Present value of minimum lease payments receivables	1,418,969,581	-	-	1,418,969,581

12.01 The Company has entered into various lease agreements with implicit rate of return ranging from 8% to 25% (2015: 8% to 25%) per annum. Security deposit is obtained generally up to 10% to 20% of the cost of leased assets at the time of disbursement. The Company requires the lessees to insure the leased assets in the favour of the Company and to maintain the financial ratios required by NBFC's Prudential regulations. Additional lease rentals are charged on the delayed payments. The average term of finance leases entered into is five years.

Generally leases are secured against title of leased assets but in some cases the leases are also secured against demand promissory notes of the lessees and personal guarantees of the directors and in case of individual lessees, two personal guarantees. Moreover, certain leases are additionally secured by mortgage of immovable property.

12.02 These leases pertain to previous years as the company does not have license for leases now.

	Note	2016 Rupees	2015 Rupees
12.03 Income suspended			
Balance at the beginning of the year		129,584,710	133,635,056
Suspended during the year		-	3,562,348
Reversal of suspension		(39,500,306)	(7,612,694)
Balance at the end of the year		90,084,404	129,584,710

12.04 Provision for lease losses			
Balance at the beginning of the year		275,340,868	388,438,495
Provision during the year		-	34,470,671
Provision reversed during the year		(2,701,347)	(147,568,298)
Balance at the end of the year		272,639,521	275,340,868

12.05 Total amount of finance lease receivables at the end of reporting period is past due.

13 CURRENT MATURITIES OF NON-CURRENT ASSETS

Long term investments	10	38,873,750	24,443,460
Long term loans and advances	11	34,672,705	20,738,673
Long term finance lease receivables	12	977,722,757	1,014,044,003
		1,051,269,212	1,059,226,136

	Note	2016 Rupees	2015 Rupees
14 SHORT TERM LOANS AND ADVANCES			
Short term loans-secured	14.01	30,133,749	31,460,541
Short term advances	14.02	40,435,452	26,839,040
		<u>70,569,201</u>	<u>58,299,581</u>
14.01 Short term loans-secured			
Companies, organizations and individuals			
Considered good	14.01.1	29,065,208	30,926,939
Considered doubtful		1,302,541	1,302,541
		30,367,749	32,229,480
Less: Provision against doubtful loans	14.01.2	234,000	768,939
		<u>30,133,749</u>	<u>31,460,541</u>
14.01.1 These include short term finances provided to companies, organizations and individuals against their certificates of investment and mortgage of property. These carry mark-up ranging from 13.12% to 21% (2015: 16% to 20.62%) per annum.			
14.01.2 Provision against doubtful loans			
Balance at the beginning of the year		768,939	650,000
Charged during the year		-	534,939
Reversed during the year		(534,939)	(416,000)
Balance at the end of the year		<u>234,000</u>	<u>768,939</u>
14.02 Short term advances			
Considered good			
Advances to employees and others		40,435,452	26,839,040
		<u>40,435,452</u>	<u>26,839,040</u>
15 SHORT TERM INVESTMENTS			
Held to maturity:			
Term deposit receipts (TDR)	15.01	7,000,000	10,000,000
Considered doubtful:			
Investment with First Fidelity Leasing Modaraba	15.02	1,000,000	1,000,000
Repurchase agreement lendings (Reverse Repo)	15.03	7,022,877	7,022,877
		8,022,877	8,022,877
		15,022,877	18,022,877
Less: Provision against doubtful lending		8,022,877	7,022,877
		<u>7,000,000</u>	<u>11,000,000</u>
15.01 This amount has been placed with BURJ Bank Limited @ 4.19% p.a (2015: 7.25% p.a.) on monthly basis and MCB Bank Limited @4.35% on quarterly basis .			
15.02 This investment has made during 2011-2012 against the loan of ENPLAN with nil mark up which was due to be settled before or on 31 March 2013. Subsequently, it was settled against the Certificate of Investments of Mr. Abdul Rasheed and the remaining balance of Rs. 1 million is still receivable as on balance sheet date.			
15.03 These were secured against quoted securities. These carry mark-up at the rate of 22%p.a. (2015: 22%p.a.). Quoted securities placed as collateral were disposed off during the 2011. Remaining balance has been fully provided.			
16 MARK-UP ACCRUED			
Mark-up accrued on:			
Term finance certificates and Sukuks	16.01	962,649	962,649
Short term and long term loans	16.02	20,600,547	20,749,450
Finance lease receivables	16.03	169,036,028	169,236,169
Short term investment	16.04	-	-
		<u>190,599,224</u>	<u>190,948,268</u>

	Note	2016 Rupees	2015 Rupees
16.01 Mark-up accrued on bonds and term finance certificates			
Considered good		962,652	962,652
Considered doubtful		56,678,624	55,314,978
		<u>57,641,276</u>	<u>56,277,630</u>
Less: Suspension against doubtful receivables	16.01.1	<u>56,678,627</u>	<u>55,314,981</u>
		<u>962,649</u>	<u>962,649</u>
16.01.1 Suspension against doubtful receivables			
Opening balance		55,314,981	53,420,450
Suspended during the year		1,363,646	1,894,531
Closing balance		<u>56,678,627</u>	<u>55,314,981</u>
16.02 Mark-up accrued on short term and long term loans			
Considered good		19,271,238	20,749,450
Considered doubtful		104,834,338	104,564,543
		<u>124,105,576</u>	<u>125,313,993</u>
Less: Suspension against doubtful loans	16.02.1	<u>103,505,029</u>	<u>104,564,543</u>
		<u>20,600,547</u>	<u>20,749,450</u>
16.02.1 Suspension against doubtful loans			
Opening balance		104,564,543	102,335,043
Suspended during the year		304,529	2,229,500
Reversal of suspension		(1,364,043)	-
Closing balance		<u>103,505,029</u>	<u>104,564,543</u>
16.03 Mark-up accrued on investment in lease-considered good			
		<u>169,036,028</u>	<u>169,236,169</u>
This includes additional mark up on lease rentals amounting to Rs. 169.036 million (Restated 2015: Rs. 169.236 million) in respect of overdue rentals receivable from performing lease portfolio in accordance with the terms of lease agreement.			
16.04 Mark-up accrued on short term investments			
Considered doubtful		9,795,537	8,241,270
Less: Suspension against doubtful placements	16.04.1	<u>9,795,537</u>	<u>8,241,270</u>
		<u>-</u>	<u>-</u>
16.04.1 Suspension against doubtful investments			
Opening balance as at 01 July		8,241,270	6,696,237
Suspended during the year		1,554,267	1,545,033
Closing balance as at 30 June		<u>9,795,537</u>	<u>8,241,270</u>
17 OTHER RECEIVABLES			
Receivable from organization - considered doubtful		12,614,432	14,614,432
Miscellaneous receivables from lessees:			
- Considered doubtful	17.01	387,824,090	380,501,827
Other receivables:			
- Considered good	17.02	130,013,219	78,313,219
- Considered doubtful	17.03	4,724,364	4,625,524
		<u>134,737,583</u>	<u>82,938,743</u>
		<u>535,176,105</u>	<u>478,055,002</u>
Less: Provision for doubtful receivables	17.04	<u>361,377,367</u>	<u>373,209,194</u>
		<u>173,798,738</u>	<u>104,845,808</u>

17.01 This represents insurance and other miscellaneous charges receivable from lessees, in respect of vehicles insured by the bank against assets leased to them.

17.02 It includes Rs. 6.96 million (2015: Rs. 6.058 million) receivable from Tricon Developers Limited.

17.03 This includes receivable from Trust Management (Private) Limited amounting to Rs. 3.92 million (2015: Rs. 3.92 million).

	Note	2016 Rupees	2015 Rupees (Restated)
17.04 Movement of provisions for doubtful receivable			
Opening balance		373,209,194	344,638,816
Charged for the year		-	80,767,848
		<u>373,209,194</u>	<u>425,406,664</u>
Written off during the year		-	(16,420,412)
Reversed during the year		(11,831,827)	(35,777,058)
Closing balance as at 30 June		<u>361,377,367</u>	<u>373,209,194</u>

18 CASH AND BANK BALANCES

Cash in hand		459,174	429,766
Cash with banks in:			
- Current accounts		2,915,956	331,590
- Deposit accounts	18.01	14,240,227	5,722,214
		<u>17,156,183</u>	<u>6,053,804</u>
		<u>17,615,357</u>	<u>6,483,570</u>

18.01 Deposit accounts carry mark-up rate ranging from 4% to 10% per annum (2015: 5% to 9%).

19 ASSETS CLASSIFIED AS HELD FOR SALE

Land - Mohlanwal Lahore	19.01	150,000,000	-
Building at Gulberg, Lahore.	19.02	9,000,000	-
		<u>159,000,000</u>	<u>-</u>
Liabilities directly associated with assets classified as held for sale		<u>353,867,007</u>	<u>-</u>

The Board of Directors of the Company in their meeting held on 30 June 2016 approved the settlement of liabilities against the assets classified as held for sale. The Company intends to dispose of these assets which will not be utilised in next 12 months. These assets were previously used in operations. Furthermore, the Company is currently in negotiation with some potential buyers. Moreover, no impairment loss was recognised on reclassification of these assets as held for sale as at 30 June 2016 as the management of the Company expect that fair value (estimated based on the recent market prices of similar properties in similar locations) less costs to sell is higher than carrying amount.

	Note	2016 Rupees	2015 Rupees
20 SHARE CAPITAL			
20.01 AUTHORIZED SHARE CAPITAL			
150,000,000 (2015: 80,000,000) ordinary shares of Rs. 10/- each		1,500,000,000	800,000,000
Nil (2015: 70,000,000) preference shares of Rs. 10/- each		-	700,000,000
		<u>1,500,000,000</u>	<u>1,500,000,000</u>

The company vide extraordinary general meeting dated 17 June 2016 resolved for the conversion of preference shares into ordinary shares.

	Note	2016 Rupees	2015 Rupees
20.02 ISSUED, SUBSCRIBED AND PAID UP CAPITAL			
35,717,984 (2015: 35,717,984) ordinary shares of Rs. 10/- each fully paid in cash	20.03	357,179,840	357,179,840
15,075,000 ordinary shares of Rs. 10/- each issued against preference shares	20.04	150,750,000	-
38,409,889 (2015: 38,409,889) ordinary shares of Rs. 10/- each issued as bonus shares		384,098,889	384,098,889
Nil (2015: 15,075,000) preference shares of Rs. 10/- each issued	20.05	-	150,750,000
		<u>892,028,729</u>	<u>892,028,729</u>
20.03 Mr. Zahid Rafiq and Genesis Securities (Private) Limited, related parties of the company held 5,702,405 (6.3926%) [2015: 5,702,405 (7.69%)] and 12,209,742 (13.6876%) [2015: 12,209,742 (16.47%)] ordinary shares of Rs. 10 each respectively, as at 30 June 2016.			
20.04 During the year company has converted its preference shares amounting to Rs. 150.75 million into 15.075 million ordinary shares of Rs. 10/- each. The Company has one class of ordinary shares which carry no right to fixed income.			
20.05 These are un-listed cumulative non-voting preference shares, each of Rs. 10/-, issued against the adjustment of financing facilities and carry preference dividend @ 1 year KIBOR + 100 BPS which is payable in priority to ordinary shareholders. The dividend remained unpaid, shall be carried forward to future years and be paid in chronological order of the agreements.			
20.06 Particulars of Preference Shares			
Saudi Pak Industrial and Agricultural Investment Company		-	10,000,000
Pak Brunei Investment Company Limited		-	3,250,000
AMZ Income Fund (KASB Liquid Fund)		-	100,000,000
Bank Alfalah Limited		-	12,500,000
Allied Bank Limited		-	25,000,000
		<u>-</u>	<u>150,750,000</u>
21 RESERVES			
Capital reserves			
Statutory reserve	21.01	248,055,489	243,620,723
Fair value loss on available for sale financial assets		(8,710,969)	(17,647,102)
		<u>239,344,520</u>	<u>225,973,621</u>
Revenue reserves			
General reserve		61,000,000	61,000,000
Accumulated loss		(2,762,288,475)	(2,781,029,967)
		<u>(2,701,288,475)</u>	<u>(2,720,029,967)</u>
		<u>(2,461,943,955)</u>	<u>(2,494,056,346)</u>
21.01 Statutory Reserve			
Opening balance as at 01 July		243,620,723	240,828,097
Transfer from revenue reserves		4,434,766	2,792,626
Closing balance as at 30 June		<u>248,055,489</u>	<u>243,620,723</u>
This represents special reserve created at the rate of 20% of profit for the year after taxation under rule 2 of part III of SECP's NBFC's Prudential Regulations.			
		2016 Rupees	2015 Rupees (Restated)
22 SURPLUS ON REVALUATION OF FIXED ASSETS			
Effect of adjustment of Rs. 18,511,500 as stated in note 54.02.		<u>-</u>	<u>-</u>

23 LONG TERM FINANCING - SUBORDINATED LOAN	Note	2016 Rupees	2015 Rupees
Long term financing-subordinated loan	23.01	<u>398,515,980</u>	<u>2,788,220,472</u>
23.01 Long term financing-Subordinated loan			
Opening balance		2,788,220,472	2,357,958,476
Obtained during the year		202,500,000	1,996,950,000
Paid / adjusted during the year		(16,656,803)	(1,566,688,004)
Re-classification during the year	23.01.1	<u>(2,575,547,689)</u>	-
Closing balance	23.02	<u>398,515,980</u>	<u>2,788,220,472</u>
23.02 Particulars of subordinated loan			
Loan from directors:			
- Asif Kamal	23.02.1	302,500,000	716,350,637
- Mamoon -ur- Rasheed	23.02.2	66,587,388	74,919,835
- Asad Kazmi	23.02.3	29,428,573	1,996,950,000
		<u>398,515,961</u>	<u>2,788,220,472</u>
23.01.1 As per the S.R.O. 1002 (I)/2015 dated 15 October 2015, change in definition of subordinated loan as sated in clause (viii), sub clause (ii), an amount of Rs. 2,575 million has been re-classified prospectively during the year from Subordinated loan to loan from related parties.			
23.02.1 This represents properties amounting to Rs. 342.073 million and Rs. 150 million of Muhammad Akram and Muhammad Fiaz, respectively, injected for equity participation in favour of Mr. Asif Kamal (Director) through equity participation agreement. It also includes TIBL obligation to Tricon Developers Limited for cash component of subordinated loan i.e. Rs. 100 million through agreement in favour of Mr. Asif Kamal. Further, property amounting to Rs. 124.277 million from Mr. Asif Kamal had been injected on 30 June 2014. All the properties have been duly transferred in the name of the company.			
23.02.2 Properties amounting to Rs. 267 million of Mrs. Samina Khurram had been injected for equity participation in favour of Mr. Mamoon Ur Rasheed through equity participation agreement. The company will pay 20% of the agreed price in cash and balance 80% in the form of issuance / transfer of shares at par, in favour of legal owners, subject to approval of SECP. However, title of properties amounting to Rs. 200.41 million could not be transferred in the name of TIBL, so these properties have been derecognised during the year. Remaining properties have been duly transferred in the name of the company.			
23.02.3 This represents subordinated loan acquired against land from Mr. Khizer Hayat for equity participation in favour of Mr. Asad Kazmi through equity participation agreement. As per the terms of the agreement TIBL will pay an amount of Rs. 50 million as an initial payment and balance in the form of issuance / transfer of shares of Trust Investment Bank Limited at par, subject to approval of SECP. Title of this property has been transferred in the name of the company through court order.			
24 LONG TERM FINANCING - OTHERS			
Banking companies and other financial institutions-Secured	24.01	25,527,780	57,624,657
Banking companies and other financial institutions-Unsecured	24.02	-	-
Term finance certificates (TFC)-Secured	24.03	-	-
		<u>25,527,780</u>	<u>57,624,657</u>
24.01 Banking companies and other financial institutions- Secured			
The Bank of Punjab	24.01.1	296,077,333	296,077,333
Allied Bank Limited	24.01.2	70,000,005	70,000,005
Pak Oman Investment Company (Private) Limited	24.01.3	5,161,297	5,161,297
The Bank of Khyber	24.01.4	27,777,780	27,777,780
Standard Chartered Bank Limited	24.01.5	49,329,674	49,329,674
Summit Bank Limited (Formerly Atlas Bank Limited)	24.01.6	81,640,625	81,640,625
First Women Bank Limited	24.01.7	64,027,397	64,027,397
CDC Trustee Askari Income Fund	24.01.8	-	126,250,000
PAK Brunei Investment Company	24.01.9	-	2,536,941
IGI Investment Bank Limited	24.01.10	67,500,000	67,500,000
The Punjab Provincial Co-operative Bank Limited	24.01.11	88,058,721	88,058,721
		<u>749,572,832</u>	<u>878,359,773</u>
Less: Current portion shown under current liabilities	33	<u>724,045,052</u>	<u>820,735,116</u>
		<u>25,527,780</u>	<u>57,624,657</u>

- 24.01.1** This represents sale and lease back transaction with The Bank of Punjab of Rs. 133 million on 01 September 2003 which were restructured into two facilities of an aggregate amount of Rs. 301.08 million with effect from 08 October 2011. Facility of Rs. 279.75 million carried mark-up rate of 9.33% per annum. The loan was repayable in 12 quarterly instalments in three years commencing from 08 October 2011 to 30 September 2014. The other facility of Rs. 21.33 million was a non serviceable facility and was repayable in six quarterly instalments commencing from 30 June 2013 to 30 September 2014. These facilities are secured against exclusive charge on specific leased assets. The Bank of Punjab has filed a suit against Trust Investment Bank Limited in March 2012, which has been decreed on 04 November 2013 by Lahore High Court, Lahore (Judicial Department) for an amount of Rs. 315.47 million (The related principle amounting to Rs. 274.84 million along with mark-up amounting to Rs. 40.63 million) along with cost of fund. The company has filed an appeal before the Lahore High Court (Banking Jurisdiction) against the decision of Lahore High Court, Lahore (Judicial Department). The suit is presently adjudication before Lahore High Court, Lahore. Therefore, all outstanding liabilities are taken into current liabilities.
- 24.01.2** This represents investment in Certificate of Investment (COI) by Allied Bank Limited of Rs. 200 million on 30 July 2007. As on 04 May 2010, the agreement was restructured and out of remaining outstanding balance of Rs. 175.85 million, Rs. 5.85 million was paid in cash, Rs. 120 million and Rs. 50 million were converted into term loan facility and preference shares respectively. These facilities are secured against receivables amounting to Rs. 175.85 million. This loan facility carried mark up at the rate of 1 month KIBOR and was repayable in 36 equal monthly instalments commencing from 04 June 2010 and expiring on 29 May 2013. The bank has filed a suit against Trust Investment Bank Limited in August 2015 for an amount of Rs. 88.59 million (The related principle amounting to Rs. 70 million along with mark-up amounting to Rs. 18.59 million) along with cost of fund. The suit is presently adjudication before Sindh High Court, Karachi. Therefore, all outstanding liabilities are taken into current liabilities.
- 24.01.3** This represents an amount borrowed of Rs. 100 million under inter bank transactions on October 2007. The agreement was final restructured in term loan of Rs. 23 million on 15 December 2009. This facility is secured against first charge on specific loan receivables with a margin of 25%. It carried mark-up rate of 3 month KIBOR + 250 bps per annum commencing from 23 February 2009 till 04 December 2009 and 3 month KIBOR + 150 bps till the end of this facility and was repayable in 31 monthly instalments commencing from 04 December 2009 and expiring on 23 June 2012. The Institution has filed a suit against Trust Investment Bank Limited on 17 January 2015 for an amount of Rs. 5.34 million (The related principle amounting to Rs. 5.16 million along with mark-up amounting to Rs. 0.18 million) along with cost of fund. The suit is presently adjudication before The Banking Court, Lahore. Therefore all outstanding liabilities are taken into current liabilities.
- 24.01.4** This represents facility of Rs. 150 million which Trust Investment bank Limited obtained in terms of Finance/Roll Over of Clean Placement Facility. The agreement was restructured for an amount of Rs. 137.5 million in 2010 secured against first charge on specified leased assets and related receivables. An amount of Rs. 75 million has been converted into preference shares in 2014 while the balance amount of Rs. 62.5 million has been converted into Term Finance facility which carries mark up @ 3 month KIBOR plus 300 BPS. This facility was repayable in thirty six equal monthly instalments starting from 01 January 2010 and expiring on 31 December 2012. As at balance sheet date, the total outstanding balance amount is overdue, therefore, all outstanding liabilities are taken into current liabilities.
- 24.01.5** This represents a facility of Rs. 500 million for the purpose of expansion of lease portfolio. The facility is secured against lease receivables to the extent of Rs. 715 million. It carries mark-up at the rate of 3 month KIBOR + 160 bps. The facility was repayable in twelve equal quarterly instalments starting from 31 May 2008 and expired on 28 February 2011. Standard Chartered Bank Limited has filed a suit against Trust Investment Bank Limited in February 2014 in Lahore High Court, Lahore for an amount of Rs. 56.33 million (The related principle amounting to Rs. 49.33 million along with mark-up amounting to Rs. 7 million) along with cost of fund. The suit is presently adjudication before Lahore High Court, Lahore. Therefore all outstanding liabilities are taken into current liabilities.
- 24.01.6** This represents two facilities of Rs. 100 million each to meet increased requirement of funds for leasing operations which were rescheduled on 07 January 2010. These carry mark-up @ 3 month KIBOR + 185 BPS per annum with floor of 13.50%. These facilities are secured against first charge on specific/exclusive leased assets and related receivables with 25% margin. These facilities were repayable in sixteen equal quarterly instalments. Outstanding principal of Rs. 68.75 million of Term Finance I was repayable starting from 01 February 2010 and expired on 1 November 2013. While outstanding principal of Rs. 68.75 million of Term Finance II was repayable from 1 March 2010 and expiring on 1 December 2013. Summit Bank Limited (formerly known as Atlas Bank Limited) has filed a suit against Trust Investment Bank Limited in October 2012 in Lahore High Court, Lahore for an amount of Rs. 95.93 million (The related principle amounting to Rs. 81.64 million along with mark-up amounting to Rs. 14.28 million) along with cost of fund. The suit is presently adjudication before Lahore High Court, Lahore. Therefore all outstanding liabilities are taken into current liabilities.
- 24.01.7** This represents facility which Trust Investment bank Limited obtained in terms of Treasury Deal to the tune of Rs. 100 million which was subsequently converted into Term Finance Facility. The bank negotiated with the company for settlement in July 2015, as a result of which existing liability has been agreed at an amount of Rs. 64.03 million along with cost of funds. The company will pay an amount of Rs. 6.402 million, 10% of the total existing payable amount as upfront and balance amount of Rs. 57.625 million

will be paid in 36 equal monthly instalments commencing from 01 July 2015 to 30 June 2017 at mark-up @ 6 months KIBOR +2.50% p.a. These are secured through collateral security in shape of mortgage of property in favour of the bank. However, during current financial period, the company has not disbursed any amount to the bank. As at balance sheet date, the total outstanding balance amount is overdue, therefore, all outstanding liabilities are taken into current liabilities.

24.01.8 This represents facility which Trust Investment bank Limited obtained in terms of finance facility of Rs. 200 million on 30 May 2009. This represents facility of Rs. 194 million rescheduled on 23 January 2010. This facility is secured against exclusive charge and carries @ 1 month KIBOR per annum. This facility was repayable in immediate payment of Rs. 8 million and 23 monthly instalments commencing from 31 January 2010 and expired on 1 February 2013. As at balance sheet date, the total outstanding balance amount is overdue, therefore, all outstanding liabilities are taken into current liabilities.

24.01.9 This represents investment in Certificate of Investment (COI) by Pak Brunei Investment Company. This represents facility of Rs. 10.1 million rescheduled. This facility is secured against first charge on all moveable assets to the extent of sale price. The facility carries mark-up @ 1 month KIBOR per annum. This facility is repayable in 24 monthly instalments commencing from 8 May 2010 and expired on 8 April 2012. During current financial year the company has settled its obligation of outstanding amount through transfer of shares of Agritech Limited.

24.01.10 This represents facility of Rs. 100 million which Trust Investment bank Limited obtained on 23 September 2008 in terms of Money Market Finance Facility. The agreement was restructured on 18 February 2010 for an amount of Rs. 80 million. This facility is secured against ranking charge on current assets equivalent to Rs. 115 million with 30% margin. The facility carried mark-up rate of one month KIBOR per annum. This facility was repayable in 59 monthly instalments commencing from April 2010 till February 2015. IGI Investment Bank Limited has filed a suit against Trust Investment Bank Limited on 31 December 2012, which has been decreed on 12 December 2014 by Lahore High Court, Lahore (Judicial Department) for an amount of Rs. 73 million (The related principle amounting to Rs. 67.5 million along with mark-up amounting to Rs. 5.19 million) along with cost of fund. The company has filed an appeal before the Lahore High Court (Banking Jurisdiction) against the decision of Lahore High Court, Lahore (Judicial Department) on 26 February 2015. The suit is presently adjudication before Lahore High Court, Lahore. Therefore all outstanding liabilities are taken into current liabilities.

24.01.11 This represents facility of Rs. 284.30 million obtained on 16 September 2010 in term of sale and lease back transaction. This facility is secured against exclusive first charge against leased assets and related receivables. The facility carried mark-up rate of 1 month KIBOR + 200 bps per annum. This facility is repayable in 29 instalments commencing from 16 September 2010 and expired on 15 February 2013. Loan amounting to Rs. 140 million has been swapped with term loan due from Vital enterprises. The Punjab Provincial Co-operative Bank Limited (PPCBL) has filed a suit against Trust Investment Bank Limited on 08 August 2015 in Lahore High Court, Lahore for an amount of Rs. 106.07 million (The related principle amounting to Rs. 88.05 million along with mark-up amounting to Rs. 18.02 million). The suit is presently adjudication before Lahore High Court, Lahore. Therefore all outstanding liabilities are taken into current liabilities.

At the reporting date, principle amounting to Rs. 749.57 million was overdue including an amount of Rs. 657.76 million which is in litigation with different banks.

Due to ongoing litigation, direct confirmations from financial institutions aggregating to Rs. 749.57 million of loan balances and interest outstanding remain unconfirmed.

	Note	2016 Rupees	2015 Rupees
24.02 Banking companies and other financial institutions			
- Unsecured			
CDC Trustee KASB Liquid Fund	24.02.1	-	3,500,000
Dawood Money Market Fund	24.02.2	7,842,873	7,842,873
House Building Finance Corporation	24.02.3	5,909,086	5,909,086
		<u>13,751,959</u>	<u>17,251,959</u>
Less: Current portion shown under current liabilities	33	<u>13,751,959</u>	<u>17,251,959</u>
		<u>-</u>	<u>-</u>

24.02.1 This represents facility of Rs. 41 million rescheduled. This facility is unsecured and carried mark-up @1 month KIBOR per annum. This facility was repayable in 24 monthly instalments starting from 19 January 2010 and expired on 19 December 2011.

24.02.2 This represents facility of Rs. 37.8 million rescheduled. This facility is unsecured and carried mark-up @1 month KIBOR per annum. This facility was repayable in 24 monthly instalments starting from 25 January 2010 and expired on 7 January 2012. As at balance sheet date, the total outstanding balance amount is overdue, therefore, all outstanding liabilities are taken into current liabilities.

24.02.3 This represents facility of Rs. 75 million which Trust Investment Bank obtained in September 2008. The outstanding amount of Rs. 35.5 million was rescheduled in February 2010. This facility carried mark-up @ 3 month KIBOR + 200 BPS per annum at the start of each month. This facility was repayable in 23 monthly instalments commencing from 15 March 2010 and expired on 15 January 2012. House Building Finance Company Limited has filed a suit against Trust Investment Bank Limited on 04 March 2013 in Banking Court, Karachi for an amount of Rs. 6.59 million (The related principle amounting to Rs. 5.91 million along with mark-up amounting to Rs. 0.68 million) along with cost of fund which has been decreed on 12 October 2015 by Sindh High Court, Karachi. The company has filed an appeal before the Sindh High Court against the decision of Sindh High Court, Karachi on 04 November 2015. The suit is presently adjudication before Sindh High Court, Karachi. Therefore all outstanding liabilities are taken into current liabilities.

24.02.4 At the reporting date, total principle amount of Rs. 13.75 million was overdue.

24.02.5 Direct confirmations from financial institutions aggregating to Rs. 13.75 million of loan balances and interest outstanding remain unconfirmed.

	Note	2016 Rupees	2015 Rupees
24.03 Term finance certificates (TFC)			
-Secured			
TFC III		190,192,018	221,212,730
Less: Current portion shown under current liabilities	33	190,192,018	221,212,730
		<u>-</u>	<u>-</u>

24.03.1 This represents third issue of secured, rated and listed Term Finance Certificates (TFC's) being instrument of redeemable capital issued under the Companies Ordinance, 1984. The TFC's have a tenure of five (5) years and consist of Rs. 600 million of which Rs. 450 million were offered to institutional investors for Pre-IPO placements and Rs. 150 million to the general public. The TFC's are secured by way of first charge on specific leased assets and associated lease rentals receivable with a margin of 40% and are issued in set of ten (10) TFC's, each set having an aggregate face value of Rs. 5,000.

The instrument is structured to redeem 0.02% of the principal in two semi-annual instalments and the remaining principal in eight semi-annual instalments of 12.495% each of the issue amount respectively starting from the 18th month. Each TFC will be redeemed on its due date through the dispatch of a crossed cheque to the registered holders of the TFC.

The profit is payable semi annually at 6 months KIBOR + 185 bps per annum with no floor and no cap. The profit rate is set one day before the start of semi- annual period for which the profit is being paid.

The Company have a call option to redeem in full the outstanding amount of the TFC's which will be exercisable at any time after the expiry of two years period from the issue date. The call option will be exercisable on the redemption dates only.

The initial transaction cost is amortized on straight line basis in conjunction with the term of TFC's.

24.03.2 At the reporting date, total principle amount of Rs. 199.56 million was overdue.

25 LOAN FROM RELATED PARTIES

Loan from directors:

- Asif Kamal	23.02.1	608,026,262	-
- Asad Kazmi	23.02.3	1,967,521,427	-
	23.01.1	2,575,547,689	-

This represents interest free loan extended by the Company's directors. There is no fixed period and schedule for repayment of this loan. The lenders have no intention to demand repayment within next twelve months.

26 LONG TERM MORABAHA

Long term morabaha	26.01	15,500,000	15,500,000
Less: Current portion shown under current liabilities	33	15,500,000	15,500,000
		<u>-</u>	<u>-</u>

26.01 This represents facility of Rs. 100 million which Trust Investment Bank obtained in 24 March 2007. The outstanding amount of Rs. 20.5 million was converted into long term Bi Muajjal in 25 May 2011 and profit thereon amounting to Rs. 5.00million be distributed over the period of its agreement. This facility was repayable in twenty one instalments starting from 25th May 2011 and

expired on 25th February 2013.

At the reporting date, total principle amount of Rs. 15.50 million was overdue.

	Note	2016 Rupees	2015 Rupees
27 LIABILITIES AGAINST ASSETS SUBJECT TO FINANCE LEASE			
Present value of minimum lease payments		1,766,575	-
Less: Current portion		535,000	-
		<u>1,231,575</u>	<u>-</u>

27.01 These represent vehicles acquired under finance lease arrangements. The principal plus financial charges are payable over the lease period in 36 monthly instalments as per respective agreements ending in the month of April 2019. The liability as at balance sheet date represents the present value of total minimum lease payments discounted at 16 % per annum being the interest rates implicit in leases. The purchase option is available to the Company on payment of last instalment and surrender of deposit at the end of lease period and the Company intends to exercise this option. Reconciliation of minimum lease payments and their present values is given below:

The amount of future payments and the years in which these will become due are:

Not later than one year		779,544	-
Later than one year but not later than five years		1,429,129	-
Later than five years		-	-
		<u>2,208,673</u>	<u>-</u>
Less: Financial charges allocated to future periods		442,098	-
Present value of minimum lease payments		1,766,575	-
Less: Current portion		535,000	-
		<u>1,231,575</u>	<u>-</u>

27.02 Present value of minimum lease payments

Due not later than one year		535,000	-
Due later than one year but not later than five years		1,231,575	-
Later than five years		-	-
		<u>1,766,575</u>	<u>-</u>

28 LONG TERM CERTIFICATES OF INVESTMENT

Corporate

- Secured		22,371,263	22,371,263
- Unsecured		229,462,389	163,295,179
	28.01	<u>251,833,652</u>	<u>185,666,442</u>
Less: Current portion shown under current liabilities	33	24,771,263	184,103,942
		<u>227,062,389</u>	<u>1,562,500</u>

28.01 These represent deposits received by the Company as per permission granted by the Securities and Exchange Commission of Pakistan. These certificates are issued for term ranging from 1 year to 5 years and carries profit ranging from 13% to 15% (2015: 9.85% to 22.22%) per annum.

At the reporting date, total principle amount of Rs. 184.16 million is overdue.

29 DEFERED LIABILITIES

Gratuity	29.01	5,688,183	6,292,651
Leave encashment	29.01	1,087,517	1,179,036
		<u>6,775,700</u>	<u>7,471,687</u>

- Gratuity scheme is unfunded and pays a lump-sum gratuity to members on leaving the Company's service after completion of six months of continuous service. The amount of gratuity is calculated on the basis of last drawn gross salary of the employee.

- Leave encashment scheme is unfunded and has been discontinued with effect from 01 January 2009. However, employees having accumulated leave balances as at 31 December 2008 will be entitled for encashment of accumulated leave balances as at 31 December 2008 on leaving the service based on their last drawn gross salary.

	Note	Gratuity		Leave Encashment	
		2016	2015	2016	2015
-----Rupees-----					
29.01 Amount recognized in the balance sheet					
Present value of defined benefit obligations	29.01.1	5,688,183	6,292,651	1,087,517	1,179,036
Less: Fair value of plan assets	29.01.2	-	-	-	-
Add: Benefits due but not paid		-	-	-	-
		<u>5,688,183</u>	<u>6,292,651</u>	<u>1,087,517</u>	<u>1,179,036</u>
29.01.1 Movement in the defined benefit obligation:					
Present value of defined benefit obligation at beginning of the year		6,292,651	4,514,424	1,179,036	1,179,036
Current service cost for the year		2,088,063	2,142,856	-	-
Interest cost for the year		506,451	578,397	-	-
Benefits paid / discharged during the year		(2,196,556)	(460,000)	(91,519)	-
Experience adjustments		(1,002,426)	(483,026)	-	-
		<u>5,688,183</u>	<u>6,292,651</u>	<u>1,087,517</u>	<u>1,179,036</u>
29.01.2 Movement in the fair value of plan assets:					
Fair value of plan assets		-	-	-	-
Total contributions made in the year		-	2,077,500	-	-
Expected return on plan assets for the year		-	-	-	-
Benefits paid / discharged during the year		-	(2,077,500)	-	-
Return on plan assets, excluding interest income		-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
29.02 Movement of liability:					
Balance sheet liability		6,292,651	5,010,328	1,179,036	1,179,036
Expense chargeable to profit and loss	29.03	2,594,514	2,721,253	-	-
Remeasurement gain on obligation	29.04	(1,002,426)	(483,026)	-	-
Contribution made during the year		-	(460,000)	-	-
Payables written off during the year		-	(495,904)	-	-
		<u>7,884,739</u>	<u>6,292,651</u>	<u>1,179,036</u>	<u>1,179,036</u>
29.03 Staff service cost expense charged in the profit and loss account					
Current service cost		2,088,063	2,142,856	-	-
Interest cost		506,451	578,397	-	-
		<u>2,594,514</u>	<u>2,721,253</u>	<u>-</u>	<u>-</u>
29.04 Staff service cost expense charged in other comprehensive income					
Remeasurement of plan obligation					
Experience adjustments		(1,002,426)	(483,026)	-	-
		(1,002,426)	(483,026)	-	-
Interest income on plan assets		-	-	-	-
		<u>(1,002,426)</u>	<u>(483,026)</u>	<u>-</u>	<u>-</u>

Sensitivity analysis for actuarial assumptions

The calculation of defined benefit obligation is sensitive to assumptions set-out in note 6.15. The following table summarizes how the net defined benefit obligation at the end of the reporting period would have increased/ (decreased) as a result of change in respective assumptions.

	Change in assumptions	Increase Rupees	Decrease Rupees
Discount rate	1%	5,288,394	6,165,876
Increase in future salaries	1%	6,172,978	5,275,148

A change in expected remaining working lives of employees is not expected to have a material impact on the present value of defined benefit obligation. Accordingly, the sensitivity analysis for the same has not been carried out.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analysis, the present value of defined benefit obligation as at the reporting date has been calculated using projected unit credit method, which is the same as that applied in calculating the defined benefit obligation to be recognized in these financial statements.

Risk factors

The defined benefit plan exposes the Company to the following actuarial risks:

Interest risk: The discount rate used in determination of present value of defined benefit obligation has been determined by reference to market yield at the reporting date on Pakistan Investment Bonds since there is no deep market in long term corporate bonds in Pakistan. An increase in market yield resulting in a higher discount rate will decrease in the defined benefit liability.

Longevity risk: The present value of defined benefit obligation is calculated by reference to the best estimate of the expected remaining working lives of the employees. An increase in the expected remaining working lives will increase the defined benefit obligation. However, the increase is not expected to be material.

Salary risk: The present value of defined benefit obligation is calculated by reference to future salaries of plan participants. An increase in salary of plan participants will increase the defined benefit obligation.

	Note	2016 Rupees	2015 Rupees
30 LONG TERM DEPOSITS			
Margin against letters of guarantee		155,270,005	137,176,220
Less: Current portion shown under current liabilities	33	151,685,952	101,938,996
		3,584,053	35,237,224
Deposits against lease arrangements	30.01	273,407,961	293,005,569
Less: Current portion shown under current liabilities	33	273,407,961	293,005,569
		-	-
		<u>3,584,053</u>	<u>35,237,224</u>

30.01 These represent interest free security deposits (lease key money) received on lease contracts and are adjustable at the expiry of their respective lease periods.

31 SHORT TERM BORROWINGS

	Limit Sanctioned Rupees in million		2016 Rupees	2015 Rupees
Banking companies- secured				
Habib Bank Limited				
- Running finance	40.00	31.01	<u>39,413,532</u>	<u>39,413,532</u>

31.01 This carry mark-up @ 3 month KIBOR + 300 BPS with a floor ranging from 4.5% to 10% per annum (2015: 3 months KIBOR + 300 BPS with a floor ranging from 4.5% to 10%) payable on quarterly basis respectively. It is secured against promissory notes, first charge on specific leased assets and related receivables. The above limit has been expired in 2013 and total amount is overdue to the bank.

	2016 Rupees	2015 Rupees (Restated)
32 SHORT TERM CERTIFICATES OF INVESTMENT		
- Financial institutions	10,350,006	10,350,006
- Corporate	545,578,933	1,003,875,642
- Individuals	1,983,605	22,750,815
	<u>557,912,544</u>	<u>1,036,976,463</u>

32.01 These represent unsecured short term certificates of investment for a period of one month to one year. These carry mark-up rate ranging from 11% to 16% (2015: 0% to 18.75%) per annum.

32.02 The balance includes an amount of Rs. 427.99 million which is in litigation and is pending in different Courts of Law as explained in contingencies.

	Note	2016 Rupees	2015 Rupees
33 CURRENT MATURITIES OF NON CURRENT LIABILITIES			
Long term financing from banking companies and financial Institutions			
Long term financing- Secured	24.01	724,045,052	820,735,116
Long term financing- Unsecured	24.02	13,751,959	17,251,959
Term finance certificates - secured	24.03	190,192,018	221,212,730
Liabilities against assets subject to finance lease	27	535,000	-
Long term morabaha	26	15,500,000	15,500,000
Certificates of investment	28	24,771,263	184,103,942
Long term deposits	30	425,093,913	394,944,565
		<u>1,393,889,205</u>	<u>1,653,748,312</u>
34 MARK-UP ACCRUED			
Secured			
- Short and long term financing		79,283,618	79,679,040
- Term finance certificates	33.01	12,787,227	14,927,656
Liabilities against assets subject to finance lease		-	-
		92,070,845	94,606,696
Unsecured			
- Certificates of investment		82,325,111	162,680,220
		<u>174,395,956</u>	<u>257,286,916</u>

34.01 At the reporting date, mark up amounting to Rs. 132.90 million is overdue.

	Note	2016 Rupees	2015 Rupees (Restated)
35 TRADE AND OTHER PAYABLES			
Advance receipt against finance facilities	35.01	-	5,564,822
Unclaimed dividend		3,092,624	3,092,624
Preference dividend payable		58,023,276	58,023,278
Accrued liabilities		15,797,147	16,628,162
Other liabilities		90,649,227	95,764,522
		<u>167,562,274</u>	<u>179,073,408</u>

35.01 These represent initial security deposit received against financing facilities.

36 CONTINGENCIES AND COMMITMENTS

36.01 Contingencies

36.01.1 The Company has issued guarantees to various parties on behalf of clients amounting to Rs. 585.34 million (2015: Rs. 879.162 million).

36.01.2 The Company has filed recovery suits amount to Rs. 1,431.64 million (2015: Rs. 2,195.42 million). Prima facie the Bank has good arguable cases, the financial impact of the same has been accounted for in these financial statements.

36.01.3 Following litigations are pending against Trust Investment Bank in different court of law:

Financial Institutions:		Rupees in million	
(a)	The Bank of Punjab	24.01.1	315.47
(b)	Pak Oman Investment Company (Private) Limited	24.01.3	5.34
(c)	Standard Chartered Bank Limited	24.01.5	56.33
(d)	Summit Bank Limited	24.01.6	95.93
(e)	IGI Investment Bank Limited	24.01.10	73.00
(f)	The Punjab Provincial Co-operative Bank Limited	24.01.11	106.07
(g)	House Building Finance Company	24.02.3	6.58
			<u>658.72</u>

Rupees in million

Certificate of Investment:

(h)	Privatization Commission of Pakistan	396.55
(i)	Levi's Strauss Pakistan (Private) Limited	100.00
(j)	Shifa Co-operative Housing Society	10.00
(k)	Shifa international Hospital	5.00
(l)	Lyari Development Authority	168.78
(m)	National Transmission and Distribution Company	118.79
(n)	Trading Corporation of Pakistan (Private) Limited	95.10
(o)	Alfalsh Insurance	3.27
		<u>897.42</u>
		<u>1,556.14</u>

- (h) Privatization Commission of Pakistan (PCP) filed a suit in the Honourable Islamabad High Court, Islamabad on 31 December 2013 for the recovery of Rs. 396.55 million (The related principle amounting to Rs. 334.78 million along with mark-up amounting to Rs. 61.76 million) along with cost of fund. Originally the PCP invested Rs. 500 million in short term Certificate of Deposit in May and June 2010. The Privatization Commission of Pakistan launched an FIR with the Federal Investigation Agency (FIA). Subsequently, Supreme Court took Suo Motu notice of the matter and directed the FIA and NAB to investigate the matter. Since the case is pending in Honourable Islamabad High Court, Islamabad, therefore, the ultimate outcome cannot be established at this stage.
- (i) Levi's Strauss Pakistan (Private) Limited (Investor) filed a suit in the Civil Court, Lahore on 11 October 2012 for the recovery of Rs. 100 million invested in short term Certificate of Deposit in January 2010. The case has been adjudicated on the basis that the case fall under the jurisdiction of Banking Court instead of Civil Court. However, Levi's Strauss filed an appeal in Lahore High Court, Lahore. Since the case is pending in Honourable Lahore High Court, Lahore, therefore, the ultimate outcome cannot be established at this stage.
- (j) Shifa Co- operative Housing Society (Investor) filed a suit in Civil Court, Islamabad on 16 May 2013 for the recovery of Rs. 10 million invested in short term Certificate of Deposit which has been decreed in favour of Shifa Co- operative Housing Society on 04 July 2014. However, company has filed an appeal in Islamabad High Court, Islamabad. Since the case is pending in Honourable Islamabad High Court, Islamabad, therefore, the ultimate outcome cannot be established at this stage.
- (k) Shifa International Hospital (Investor) filed a suit in Civil Court, Islamabad on 26 April 2012 for the recovery of Rs. 5 million invested in short term Certificate of Deposit which has been decreed in favour of Shifa International Hospital on 05 November 2014. However, company has filed an appeal in Islamabad High Court, Islamabad. Since the case is pending in Honourable Islamabad High Court, Islamabad, therefore, the ultimate outcome cannot be established at this stage.
- (l) Lyari Development Authority (LDA) (Investor) filed a suit in Sindh High Court, Karachi on 11 September 2013 for the recovery of Rs. 168.78 million (Rs. 150 million principal amount and Rs. 18.78 million mark-up amount) along with cost of fund, invested in short term Certificate of Deposit. According to settlement made on 07 February 2013, the management secured the outstanding claim amount against the property valuing Rs. 70 million located at 6th floor, M. M. Tower, 28- A/K, Gulberg II, Lahore, Rs 30 million through post dated cheques and the balance amount of Rs. 56 million in 12 equal monthly instalments. TIBL has sold the secured property to third party in 2015. Currently the case is pending in Honourable Sindh High Court, Karachi, therefore, the ultimate outcome cannot be established at this stage.
- (m) National Transmission and Despatch Company Limited (Investor) filed a suit in Session Court, Lahore on 08 November 2013 for the recovery of Rs. 118.79 million (The related principle amounting to Rs. 100 million along with mark-up amounting to Rs. 18.79 million) along with cost of fund, invested in short term Certificate of Deposit at the rate of 20% interest. Since the case is pending in session Court, Lahore, therefore, the ultimate outcome cannot be established at this stage.
- (n) Trading Corporation of Pakistan (Private) Limited (Investor) filed a suit in Sindh High Court, Karachi on 18 July 2011 for the recovery of Rs. 95.71 million invested in short term Certificate of Deposit. However, Since the case is pending in Lahore High Court, Lahore, therefore, the ultimate outcome cannot be established at this stage.
- (o) Alfalsh Insurance company Limited (Investor) filed a suit in Banking Court, Lahore on 18 March 2015 for the recovery of Rs. 3.27 million including profit and damages. The amount of Rs. 2 million was invested in short term Certificate of Deposit in June 2012. Since the case is pending in Banking Court, Lahore, therefore, the ultimate outcome cannot be established at this stage.

In respect of liabilities towards banks / financial institutions and different investors disclosed above, most of banks / financial institutions and some investors have filed suits in different Honourable Courts of Lahore, Islamabad and Karachi for recovery of their liabilities through attachment and sale of Company's hypothecated / mortgaged properties. The management is strongly contesting the cases. The management is hopeful that the decision will be in favour of the company and the suits shall be rejected by the concerned courts. Since all the cases are pending before Honourable Courts therefore, the ultimate outcome cannot be established at this stage. Since the banks / financial institutions are in litigation with the company, therefore balance confirmations have not been received therefrom.

36.01.4 The company has not provided for mark-up/ cost of fund of Rs. 826.57 in preceding year and Rs. 292.12 million during the year on financing from banking companies and other financial institutions, term finance certificates, preference shares, certificates of Investment, long term morabaha and on running finance in these financial statements due to pending litigations. Had the mark-up/

cost of fund been provided net profit for the year would have been decreased by Rs. 292.11 million, mark up payable and accumulated losses would have been increased by Rs. 1,118.69 million;

36.02 Commitments

36.02.1 There exists no commitment as at balance sheet date.

	Note	2016 Rupees	2015 Rupees
37 INCOME FROM LEASE OPERATIONS			
Finance lease income		39,500,306	2,568,555
Commitment and other fees		28,200	30,000
Additional mark up on overdue lease rentals		989,854	3,931,126
		<u>40,518,360</u>	<u>6,529,681</u>
38 INCOME FROM INVESTMENTS			
Profit on short term investments		258,561	61,825
Profit on long term investments		-	425,974
		<u>258,561</u>	<u>487,799</u>
39 INCOME FROM TERM LOANS			
Mark- up earned on long term loans:			
Employees		-	45,110
Customers		5,278,402	1,057,940
		<u>5,278,402</u>	<u>1,103,050</u>
Mark- up earned on long term loans:			
Customers		13,097,428	34,816,391
		<u>18,375,830</u>	<u>35,919,441</u>
40 FINANCE COST			
Mark-up on certificates of investment		674,806	2,855,143
Mark up on finance lease liabilities		24,099	-
Bank charges and commission		84,025	104,817
		<u>782,930</u>	<u>2,959,960</u>
41 ADMINISTRATIVE AND OPERATING EXPENSES			
Directors' remuneration		11,700,000	11,700,000
Salaries and other benefits	41.01	22,383,764	24,145,952
Printing and stationery		1,039,332	1,034,538
Vehicle running and maintenance		325,098	598,106
Postage, telephone and telex		487,249	886,362
Travelling and conveyance		1,408,204	2,055,828
Boarding and lodging		320,520	1,849,333
Entertainment		919,125	968,293
Advertisement		211,240	166,560
Electricity, gas and water		1,787,437	1,759,954
Newspapers and periodicals		13,413	16,065
Auditors' remuneration	41.02	1,720,000	1,720,000
Fee and subscription		1,555,638	2,546,268
Rent, rates and taxes		8,478,628	1,495,796
Insurance		447,720	586,013
Office maintenance		2,977,230	1,853,539
Legal and professional charges		9,008,451	12,743,837
Security charges		-	185,620
Staff training		300,000	-
Depreciation	7.01	2,800,469	5,371,435
Amortization		93,430	412,204
Miscellaneous		8,870,852	4,616,746
		<u>76,847,800</u>	<u>76,712,449</u>

41.01 It includes provision for gratuity amounting to Rs. 2.594 million (2015: Rs. 2.721 million).

	2016 Rupees	2015 Rupees
41.02 Auditors' remuneration		
Audit fee:		
Annual	1,020,000	1,020,000
Half yearly review	350,000	350,000
Out of pocket expenses	350,000	350,000
	<u>1,720,000</u>	<u>1,720,000</u>
42 OTHER INCOME		
Commission income	16,026,577	9,866,172
Profit on bank deposits	286,099	492,849
Profit on settlement	23,041,567	30,733,190
Dividend Income	380,230	288,722
Miscellaneous Gain	-	40,600
	<u>39,734,473</u>	<u>41,421,533</u>
43 OTHER OPERATING EXPENSES		
Lease receivables written off	6,396,619	33,793,036
Loss on sale of investment available for sale	8,642,579	-
Loss on Disposal of property, plant and equipment	2,185,051	20,805,939
	<u>17,224,249</u>	<u>54,598,975</u>
44 PROVISION (REVERSED) / CHARGED AGAINST LEASE AND TERM LOAN		
Provision reversed for potential lease losses	(2,701,347)	(113,097,627)
Provision reversed for loans and advances	(4,802,258)	(4,710,226)
Provision reversed for other receivables	(11,831,827)	33,099,221
	<u>(19,335,432)</u>	<u>(84,708,632)</u>
45 IMPAIRMENT IN THE VALUE OF INVESTMENTS		
(Reversed)/Impairment charged in the value of investment in TFC's	-	20,000,000
Provision charged for short term investments	1,000,000	-
	<u>1,000,000</u>	<u>20,000,000</u>
46 TAXATION		
Taxation		
- Current year	678,732	832,574
- Prior years	(484,887)	-
	<u>193,845</u>	<u>832,574</u>
- Income tax return has been filed to the income tax authorities up to and including tax year 2015 under the provisions of the Income Tax Ordinance, 2001.		
- Numerical reconciliation between tax expenses and the accounting profit has not been presented as the provision for income taxation has been made under section 113 of the Income Tax Ordinance, 2001.		
- Deferred tax asset amounting to Rs. 903.05 million is not recognised for all deductible temporary differences and carry forward of unused tax losses due to uncertainty regarding non availability of taxable profits in foreseeable future against which such temporary differences and tax losses can be utilised.		
47 EARNINGS PER SHARE		
47.01 Earnings per share - basic		
Net profit for the year	Rupees <u>22,173,832</u>	<u>13,963,128</u>
Weighted average number of ordinary shares	Numbers <u>89,202,873</u>	<u>72,282,040</u>
Earnings per share - basic	Rupees <u>0.25</u>	<u>0.19</u>
47.02 Earnings per share - diluted		
Net profit for the year	Rupees <u>22,173,832</u>	<u>13,963,128</u>
Weighted average number of ordinary shares	Numbers <u>89,202,873</u>	<u>89,202,873</u>
Earnings per share - diluted	Rupees <u>0.25</u>	<u>0.16</u>

48 REMUNERATION OF CHIEF EXECUTIVE, EXECUTIVE AND DIRECTORS

	Chief Executive		Directors		Executives	
	2016	2015	2016	2015	2016	2015
	-----Rupees-----					
Managerial remuneration	6,192,000	5,418,000	774,000	-	2,762,334	1,908,591
Housing and utilities	3,408,000	2,982,000	426,000	-	1,520,354	1,050,464
Bonus	800,000	800,000	-	-	-	19,000
Medical	100,000	110,736	-	-	115,616	105,000
Others	-	-	-	-	-	263,176
	10,500,000	9,310,736	1,200,000	-	4,398,304	3,346,231
Number of persons	1	1	6	5	3	3

48.01 In addition to the above, chief executive has also been provided with free use of Company maintained vehicles.

48.02 Fee was paid to directors for attending the board meetings amounting to Rs. 865,000/- (2015: Rs. 1,340,000).

49 MATURITIES OF ASSETS AND LIABILITIES

	2016			
	Total	Upto one year	Over one to five years	Over five years
	-----Rupees-----			
Financial assets:				
Finance lease receivable	977,722,757	977,722,757	-	-
Long term loans and advances	429,027,303	428,059,264	968,039	-
Long term investments	43,162,351	38,873,750	4,288,601	-
Short term loans and advances	70,569,201	70,569,201	-	-
Short term investments	7,000,000	7,000,000	-	-
Markup accrued	190,599,224	190,599,224	-	-
Other receivables	173,798,738	173,798,738	-	-
Cash and bank balances	17,615,357	17,615,357	-	-
	1,909,494,931	1,904,238,291	5,256,640	-
Financial liabilities:				
Long term certificates of investments	251,833,652	24,771,263	227,062,389	-
Long term financing	953,516,809	927,989,029	25,527,780	-
Long term morabaha	15,500,000	15,500,000	-	-
Long term deposits	428,677,966	425,093,913	3,584,053	-
Short term certificates of investments	557,912,544	557,912,544	-	-
Short term borrowings	39,413,532	39,413,532	-	-
Mark-up accrued	174,395,956	174,395,956	-	-
Trade and other payables	106,446,374	106,446,374	-	-
	2,527,696,833	2,271,522,611	256,174,222	-
Net Balance	(618,201,902)	(367,284,320)	(250,917,582)	-
Shareholders' equity	(1,569,915,226)			

	2015			
	Total	Upto one year	Over one to five years	Over five years
-----Rupees-----				
Financial assets:				
Finance lease receivable	1,014,044,003	1,014,044,003	-	-
Long term loans and advances	434,094,691	417,333,037	16,761,654	-
Long term investments	45,306,448	24,443,460	20,862,988	-
Long term deposits	8,693,458	-	8,693,458	-
Short term loans and advances	58,299,581	58,299,581	-	-
Short term investments	11,000,000	11,000,000	-	-
Markup accrued	190,948,268	190,948,268	-	-
Other receivables	104,845,808	104,845,808	-	-
Cash and bank balances	6,483,570	6,483,570	-	-
	1,873,715,827	1,827,397,727	46,318,100	-
Financial liabilities				
Long term certificates of investments	185,666,442	184,103,942	1,562,500	-
Long term financing	3,905,044,934	1,059,199,805	2,845,845,129	-
Long term morabaha	15,500,000	15,500,000	-	-
Long term deposits	430,181,789	394,944,565	35,237,224	-
Short term certificates of investments	1,060,976,463	1,060,976,463	-	-
Short term borrowings	39,413,532	39,413,532	-	-
Mark-up accrued	257,286,916	257,286,916	-	-
Trade and other payables	117,957,506	117,957,506	-	-
	6,012,027,582	3,129,382,729	2,882,644,853	-
Net Balance	(4,138,311,755)	(1,301,985,002)	(2,836,326,753)	-
Shareholders' equity	(1,602,027,617)			

49.01 FINANCIAL RISK MANAGEMENT

49.01.1 Financial risk factors

The bank's activities expose it to a variety of financial risks: market risk (including currency risk, other price risk and interest rate risk), credit risk and liquidity risk. The Bank's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance.

Risk management is carried out by the Board of Directors (the Board) of the management company, chief operating officer and chief financial officer. The Board provides principles for overall risk management, as well as policies covering specific areas such as currency risk, other price risk, interest rate risk, credit risk and liquidity risk.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Currency risk arises mainly from future commercial transactions or receivables and payables that exist due to transactions in foreign currencies.

The bank is not exposed to currency risk arising from currency exposure as it is not involved in foreign currency transactions.

(ii) Equity price risk

Equity price risk represents the risk that the fair value of equity investments will fluctuate because of changes in levels of indices, whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all

similar financial instrument traded in the market. The bank is exposed to equity price risk as bank hold available for sale and held for trading investments.

		Changes in PSX all Index	Effects on Profit Before Tax (Rupees)	Effects on Equity
Available for sale investment	2016	+10%	-	283,329
		-10%	-	(283,329)
	2015	+10%	-	497,739
		-10%	-	(497,739)

(iii) Profit rate risk

This represents the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market mark up rates.

The bank has no fixed rate instruments. The bank's mark up/profit rate risk arises from long term financing, short term financing, investments and lease.

At the balance sheet date, the interest rate profile of the bank's mark up bearing financial instruments was:

	2016 Rupees	2015 Rupees
Floating rate instruments:		
Financial assets		
Bank balances - deposit accounts	14,240,227	5,722,214
Short term investments	7,000,000	11,000,000
Short term loans and advances	70,569,201	46,520,641
Long term investments	43,162,351	54,160,418
Lease rental receivables	977,722,757	1,014,044,003
Long term loans and advances	429,027,303	434,094,691
	<u>1,541,721,839</u>	<u>1,565,541,967</u>

Fair value sensitivity analysis for fixed rate instruments

The bank does not account for any fixed rate financial assets and liabilities at fair value through profit or loss. Therefore, a change in interest rate at the balance sheet date would not affect profit or loss of the bank.

(b) Credit risk

Credit risk represents the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

Lease rental receivables	977,722,757	1,014,044,003
Long term loans and advances	429,027,303	434,094,691
Long term investments	43,162,351	54,160,418
Short term loans and advances-net	70,569,201	46,520,641
Short term investments	7,000,000	11,000,000
Mark-up accrued	190,599,224	190,948,268
Other receivables	173,798,738	84,546,031
Bank balances	17,615,357	5,966,408
	<u>1,909,494,931</u>	<u>1,841,280,460</u>

Geographically all credit exposure is concentrated in Pakistan.

The maximum exposure to credit risk for receivables (term loan and lease rental receivables) at the reporting date by type of customer was:

	2016 Rupees	2015 Rupees
Chemical and fertilizer	7,007,298	6,536,664
Construction / Real Estate	73,355,768	74,938,818
Financial institutions / Insurance Companies	177,982,272	182,533,780
Health care	16,470,402	16,384,568
Hotels	6,497,200	6,037,183
Individuals / auto lease	522,196,407	541,115,763
Miscellaneous manufacturing	158,429,305	162,405,503
Miscellaneous services	101,627,750	103,953,352
Natural gas and LPG	28,596,616	29,196,616
Paper and board	6,089,853	6,038,791
Steel and engineering	9,887,458	10,145,169
Sugar and allied	16,359,515	17,084,339
Textile composite	15,097,157	16,215,139
Textile knitwear / apparel	82,131,594	84,490,950
Textile spinning	10,431,259	11,073,181
Transport and communication	174,590,206	179,988,878
	<u>1,406,750,060</u>	<u>1,448,138,694</u>

The age of overdue term loans and lease rental receivables and related impairment loss at the balance sheet date was:

Overdue term loans and lease rental receivables

Past due 0 - 180 days	25,532,633	26,779,349
Past due 181 - 365 days	19,557,565	20,472,019
1 - 2 years	1,170,418	1,458,803
More than 2 years	1,753,581,118	1,837,423,389
	<u>1,799,841,734</u>	<u>1,886,133,560</u>

Provision on term loans and lease rental receivables

Past due 0 - 180 days	-	-
Past due 181 - 365 days	59,568	69,780
1 - 2 years	53,728	62,884
More than 2 years	666,146,784	672,571,507
	<u>666,260,080</u>	<u>672,704,171</u>

Collaterals held against term financing and lease rentals receivables

	2016				Net exposure
	Gross exposure	Collaterals			
		Mortgage	Hypothecation	Liquid-collaterals	
	----- Rupees -----				
Long term finances	429,027,303	74,206,020	-	11,560,550	343,260,733
Short term finances	30,367,749	169,056,000	800,000	22,371,263	(161,859,514)
Lease rental receivables	1,340,446,682	266,306,660	139,947,174	-	934,192,848

The bank has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The bank has internally developed rating criteria to rate its customers which is supplemented by ratings supplied by independent rating agencies where available. The bank also uses other publicly available financial information and its own trading records to rate its customers. The bank's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed annually.

The management monitors and limits bank's exposure to credit risk through monitoring of clients' credit exposure, reviews and conservative estimates of provisions for doubtful receivables, if any, and through the prudent use of collateral policy. The management is of the view that it is not exposed to significant concentration of credit risk as its financial assets are adequately diversified in organizations of sound financial standing covering various industrial sectors and segments.

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to external credit ratings (If available) or to historical information about counterparty default rate. The table below shows the bank balances and investments held with some major counterparties at the balance sheet date:

	Rating		2016	2015
	Long term	Agency	(Rupees)	
Banks				
Summit Bank Limited	A-	JCR	10,169	10,169
Habib Bank Limited	AAA	JCR	188,084	188,084
Habib Metropolitan Bank	AA+	PACRA	45,115	45,115
MCB Bank Limited	AAA	PACRA	11,206,689	2,306,836
NIB Bank Limited	AA-	PACRA	1,533,420	1,533,420
Standard Chartered Bank	AAA	PACRA	5,517	5,517
State Bank of Pakistan			826	826
Burj Bank Limited	BBB+	JCR	1,474,815	1,856,916
KASB Bank Limited	A+	PACRA	13,839	13,839
Bank Al Habib Limited	AA+	PACRA	4,865	4,865
JS Bank Limited	A+	PACRA	821	821
First Women Bank Limited			10,000	
			<u>14,494,160</u>	<u>5,966,408</u>

	Rating		2016	2015
	Long term	Agency	(Rupees)	
Sukuks / Bonds				
Eden Housing Limited-Sukuks			<u>9,843,750</u>	<u>9,843,750</u>
Term finance certificates				
Azgard Nine Limited	A+	JCR	<u>30,485,310</u>	<u>30,485,310</u>

Due to the bank and its other related entity's long standing business relationships with these counterparties and after giving due consideration to their strong financial standing and collaterals, the management does not expect non-performance by these counter parties on their obligations to the Bank. Accordingly, the credit risk is a moderate.

(c) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The bank's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the bank's reputation. In spite the fact that the bank is in a positive working capital position at the year end, management believes the liquidity risk to be low.

The table below analysis the bank's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equates to their carrying balances as the impact of discounting is not significant.

30 June 2016						
Interest/Mark-up bearing			Non interest/Mark-up bearing			
Maturity	Maturity	Sub Total	Maturity	Maturity	Sub Total	Total
within One Year	after One Year		within One Year	after One Year		
Rupees						
Financial Liabilities						
Long term certificates of investments	251,833,652	-	251,833,652	-	-	251,833,652
Long term financing	953,516,809	-	953,516,809	-	-	953,516,809
Long term morabaha	15,500,000	-	15,500,000	-	-	15,500,000
Long term deposits	-	-	-	425,093,913	3,584,053	428,677,966
Short term certificates of investments	557,912,544	-	557,912,544	-	-	557,912,544
Short term borrowings	39,413,532	-	39,413,532	-	-	39,413,532
Mark-up accrued	174,395,956	-	174,395,956	-	-	174,395,956
Trade and other payables	-	-	-	106,446,374	-	106,446,374
	1,992,572,493	-	1,992,572,493	531,540,287	3,584,053	535,124,340
						2,527,696,833

30 June 2015						
Interest/Mark-up bearing			Non interest/Mark-up bearing			
Maturity	Maturity	Sub Total	Maturity	Maturity	Sub Total	Total
within One Year	after One Year		within One Year	after One Year		
Rupees						
Financial Liabilities						
Long term certificates of investments	1,562,500	184,103,942	185,666,442	-	-	185,666,442
Long term financing	2,845,845,129	1,059,199,805	3,905,044,934	-	-	3,905,044,934
Long term morabaha	-	-	15,500,000	-	-	15,500,000
Long term deposits	-	-	-	394,944,565	35,237,224	430,181,789
Short term certificates of investments	-	-	1,060,976,463	-	-	1,060,976,463
Short term borrowings	-	-	39,413,532	-	-	39,413,532
Mark-up accrued	-	-	257,286,916	-	-	257,286,916
Trade and other payables	-	-	-	-	117,957,506	117,957,506
	2,847,407,629	1,243,303,747	5,463,888,287	394,944,565	35,237,224	548,139,295
						6,012,027,582

Effective markup/interest rates have been disclosed in respective notes to the financial statements.

48.2. Fair values of financial assets and liabilities

The contractual cash flows relating to the above financial liabilities have been determined on the basis of mark-up / profit rates effective as at 30 June 2016. The rates of mark up have been disclosed in respective notes to the financial statements.

49.02 Fair values of financial assets and liabilities

Fair value is the price that would be received so sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Underlying the definition of fair value is the presumption that the Company is going concern and there is no intention or requirements to curtail materially the scale of its operation or to undertake a transaction on adverse terms.

The carrying values of all financial assets and liabilities reflected in the financial statements approximate their fair values.

49.02.1 Fair value hierarchy

Following are three levels in fair value hierarchy that reflects the significance of the inputs used in measurement of fair values of financial instruments.

Level 1: Quoted prices (unadjusted) in active market for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e.

as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for asset or liability that are not based on observable market data (unobservable inputs).

The Company has financial assets at fair value of Rs. 2.83 million (2015: 4.98 million) which is valued under level 1 valuation method. The Company does not have any investment in level 2 and 3 category.

49.03 Financial instruments by categories

	Rupees					
	Cash and cash equivalents	Loans and receivables	Available for sale	Held to maturity	Assets at fair value through profit or loss	Total
As at 30 June 2016						
Assets as per balance sheet						
Cash and bank balances	17,156,183	-	-	-	-	17,156,183
Short term placements	-	7,000,000	-	-	-	7,000,000
Short term loans and advances	-	70,569,201	-	-	-	70,569,201
Markup accrued	-	190,599,224	-	-	-	190,599,224
Other receivables	-	173,798,738	-	-	-	173,798,738
Long term deposits	-	8,684,139	-	-	-	8,684,139
Long term investments	-	-	2,833,291	40,329,060	-	43,162,351
Lease rental receivables	-	977,722,757	-	-	-	977,722,757
Long term loans and advances	-	428,059,264	-	-	-	428,059,264
	<u>17,156,183</u>	<u>1,856,433,323</u>	<u>2,833,291</u>	<u>40,329,060</u>	<u>-</u>	<u>1,916,751,857</u>

	(Rupees)	
	Financial liabilities at amortized cost	
Liabilities as per balance sheet		
Customers' security deposits		428,677,966
Long term financing-subordinated loan		398,515,980
Long term financing-others		953,516,809
Long term morabaha		15,500,000
Long term certificates of investment		251,833,652
Short term borrowings		39,413,532
Short term certificates of investment		557,912,544
Mark up accrued		174,395,956
Trade & other payables		106,446,374
		<u>2,926,212,813</u>

	Rupees					
	Cash and cash equivalents	Loans and receivables	Available for sale	Held to maturity	Assets at fair value through profit or loss	Total
As at 30 June 2015						
Assets as per balance sheet						
Cash and bank balances	6,396,174	-	-	-	-	6,396,174
Short term placements	-	11,000,000	-	-	-	11,000,000
Short term loans and advances	-	46,520,641	-	-	-	46,520,641
Markup accrued	-	190,948,268	-	-	-	190,948,268
Other receivables	-	84,546,031	-	-	-	84,546,031
Long term deposits	-	3,611,550	-	-	-	3,611,550
Long term investments	-	8,853,970	4,977,388	40,329,060	-	54,160,418
Lease rental receivables	-	1,014,044,003	-	-	-	1,014,044,003
Long term loans and advances	-	434,094,691	-	-	-	434,094,691
	<u>6,396,174</u>	<u>1,793,619,154</u>	<u>4,977,388</u>	<u>40,329,060</u>	<u>-</u>	<u>1,845,321,776</u>

	(Rupees)	
	Financial liabilities at amortized cost	
Liabilities as per balance sheet		
Customers' security deposits		430,181,789
Long term financing-subordinated loan		2,788,220,472
Long term financing-others		1,126,195,712
Long term morabaha		15,500,000
Long term certificates of investment		185,666,442
Short term borrowings		39,413,532
Short term certificates of investment		1,036,976,463
Mark up accrued		259,273,170
Trade & other payables		112,572,840
		<u>5,994,000,420</u>

49.04 Capital risk management

The company's objective when managing capital is to safeguard its ability to continue as a going concern and to meet the regulatory capital requirement as prescribed by the SECP. Currently, the Company is required to maintain equity of Rs. 750 million for investment finance services. For the purposes of minimum equity requirement, the equity of the Company includes paid up share capital, reserves, accumulated profits / losses, subordinated loans and redeemable preference shares.

	2016 Rupees	2015 Rupees
Debt	3,585,744,605	1,171,737,994
Cash and bank balances	17,156,183	6,053,804
Net debt	<u>3,568,588,422</u>	<u>1,165,684,190</u>
Total equity	<u>(1,171,399,246)</u>	<u>1,186,192,855</u>
Total capital employed	<u>2,397,189,176</u>	<u>2,351,877,045</u>
Gearing ratio (%)	148.87%	49.56%
50 CASH AND EQUIVALENTS		
Cash and bank balances	17,615,357	6,396,174
Short term running finance	<u>(39,413,532)</u>	<u>(39,413,532)</u>
	<u>(21,798,175)</u>	<u>(33,017,358)</u>
51 TRANSACTIONS WITH RELATED PARTIES		
Related parties comprise of directors, entities over which directors are able to exercise significant influence, entities with common directors, major shareholders, key management employees and employees' fund. The transactions and balances with related parties, other than those which have been disclosed in the relevant notes are disclosed as follows:		
Mr. Asif Kamal		
Share capital as on 30 June	71,065,510	71,065,510
Subordinate Loan	302,500,000	224,277,371
Loan from director	608,026,262	-
Mamoon-ur- Rasheed		
Subordinate Loan	66,587,388	74,919,835
Asad Kazmi		
Subordinate Loan	29,428,573	1,996,950,000
Long term loan	1,967,521,427	-
Mr. Ahsan Rafique		
Sale of vehicles	1,000,000	-
Genesis Securities (Private) Limited.		
Share capital as on 30 June	122,097,420	122,097,420
Associated undertakings:		
Habib Rafiq (Private) Limited		
Letter of Guarantees expired/ issued during the year	43,960,584	188,490,032
Letter of Guarantees outstanding	316,484,490	360,445,074
Income charged during the year	3,021,709	4,027,025

CHIEF EXECUTIVE

DIRECTOR

52 SEGMENT ANALYSIS

Activities of the companies are broadly categorized into two primary business segments namely financing activities and investing activities.

Financing activities

Financing activities include providing long-term and short term financing facilities to corporate and individual customers including lease financing.

Investment activities

Investment activities include money market activities, investment in government securities and capital market activities.

	-----2016-----		
	Financing activities	Investment activities	Total
	-----Rupees-----		
Income from lease operations	40,518,360	-	40,518,360
Income from investments	-	258,561	258,561
Income from term loans	18,375,830	-	18,375,830
Total income for reportable segments	58,894,190	258,561	59,152,751
Finance cost	698,905	84,025	782,930
Administrative and operating expenses	76,847,800	-	76,847,800
Other operating expenses	17,224,249	-	17,224,249
Provision reversed against lease and term loans	(19,335,432)	-	(19,335,432)
Impairment reversed in the value of investment	-	1,000,000	1,000,000
Other income	-	39,734,473	39,734,473
Segment result	75,435,522	40,818,498	22,367,677
Profit before taxation			22,367,677
	2016		
	Financing activities	Investment activities	Total
Segment assets	1,840,043,186	68,777,708	1,908,820,894
Unallocated assets			2,446,549,564
			4,355,370,458
Segment liabilities	1,528,478,965	1,026,580,559	2,555,059,524
Unallocated liabilities			3,370,226,160
			5,925,285,684

	2015		
	Financing activities	Investment activities	Total
Income from lease operations	6,529,681	-	6,529,681
Income from investments	-	487,799	487,799
Income from term loans	35,919,441	-	35,919,441
Total income for reportable segments	42,449,122	487,799	42,936,921
Finance cost	2,855,143	104,817	2,959,960
Administrative and operating expenses	73,343,430	3,369,019	76,712,449
Other operating expenses	33,793,036	2,085,939	54,598,975
Provision reversed against lease and term loans	(84,708,632)	-	(84,708,632)
Impairment charged in the value of investment	-	20,000,000	20,000,000
Other income	40,600	41,380,933	41,421,533
Segment result	17,206,745	(2,411,043)	14,795,702
Profit before taxation			14,795,702

	2015		
	Financing activities	Investment activities	Total
Segment assets	2,048,791,570	86,375,749	2,135,167,319
Unallocated assets			2,319,420,235
			4,454,587,554
Segment liabilities	3,514,196,470	1,163,910,620	4,678,107,090
Unallocated liabilities			1,378,508,081
			6,056,615,171

53 EXPOSURE EXCEEDING 20% OF EQUITY

Below is the outstanding exposure exceeding 20% of equity:

Ali Pervaiz and Associates Rs. 393,125,286/-

54 FUNDAMENTAL ERROR

54.01 Conversion of preference shares

During previous financial year, the company redeemed its preference shares to KASB Income Opportunity Fund (KIOF) of Rs. 70 million with the offer to sale/transfer of Dewan Pre-IPO TFC's worth Rs. 50 million and Tricon's unlisted shares of Rs. 20 million. This offer was duly accepted by KASB Income Opportunity Fund (KIOF). However, Trust Investment Bank Limited could not obtain necessary approvals from Securities and Exchange Commission of Pakistan (SECP) for the said transaction. During current financial period, after mutual consent of parties, this transaction is reversed back to reflect the original state in accordance with IAS 8 "Accounting Policies, Changes in accounting Estimates and Errors". Previously these investment amounts were taken in "other receivables". The effect of this restatement has been re-summarized below:

	Effect on 30 June 2015
Effect on balance sheet	
Increase in equity	70,000,000
Increase in current assets	70,000,000
Effect on profit and loss account	Nil

54.02 Capital work in progress

Previously, an amount of Rs. 110,082,050 was appearing in capital work in progress relating to "Tricon Corporate Centre" including an amount of Rs. 18,511,500 of revaluation surplus. Revaluation was conducted in 2011. However, other assets of same class were recognised on cost basis. According to the provision of IAS 16 "Property, plant and equipment", If an item is revalued, the entire class of assets to which that asset belongs should be revalued. Therefore, whole amount of "Surplus of Revaluation" has been reversed in accordance with the provisions of IAS 8 "Accounting policies, changes in accounting estimates and errors". The effect of this restatement has been re-summarized below:

	Effect on 30 June 2014
Effect on balance sheet	
Decrease in equity and liabilities	18,511,500
Decrease in current assets	18,511,500
Effect on profit and loss account	Nil

54.03 Fixed assets

During last financial year, an amount of Rs. 6,680,000 was inappropriately recognized as an addition of land in operating fixed assets. The same amount has been transferred from land to building. Furthermore, that amount was undervalued by Rs. 3,654,000 which is corrected and stated to the original cost. However, the effect of depreciation is being ignored due to immaterial effect on financial statements. The effect of this error has been corrected in accordance with the provisions of IAS 8 "Accounting policies, changes in accounting estimates and errors". The effect of this restatement has been re-summarized below:

Effect on balance sheet	2105
Increase in non current assets	3,654,000
Increase in current liabilities	3,654,000
Effect on profit and loss account	Nil

55 DATE OF AUTHORIZATION

These financial statements were authorized for issue on 06 October 2016 by the Board of Directors.

	No. of employees	
	2016	2015
56 GENERAL		
56.01 The number of employees are as follows:		
Average number of employees during the year	35	42
Number of employees at the end of the year.	33	43

56.02 Figures have been rounded off to the nearest of rupee.

56.03 Comparative figures have been rearranged and reclassified, where necessary, for the purpose of better presentation and comparison.

CHIEF EXECUTIVE
DIRECTOR





Form of Proxy Trust Investment Bank Limited

I/We _____
of _____
being a member(s) of Trust Investment Bank Limited, holding _____ Ordinary Shares as
per Share Register Folio No. / CDC Participant I.D. No. _____ hereby appoint
Mr./Mrs./Miss. _____ of _____ who is also a
member of the Bank, Folio No. / CDC Participant I.D. No. _____ or failing him / her
_____ of _____ Folio No. / CDC Participant I.D. No.
_____ another member of the Bank as my / our Proxy in my / our absence to attend and vote for me / us
and on my / our behalf at the 25th Annual *General Meeting* of the Bank to be held on the 31st day of October, 2016 at
04:00 p.m. at Hotel Sunfort, 72-D/1, Commercial Zone, Liberty Market, Gulberg-III, Lahore.

Revenue affix Five Rupees Revenue Stamp

Signature this _____ day of _____ 2016

Signature of Member
(The Signature should agree with the
specimen registered with the Bank)

Witness:
Signature: _____
Name: _____
Address: _____
CNIC No: _____

Witness:
Signature: _____
Name: _____
Address: _____
CNIC No: _____

Notes

1. This proxy form, duly completed and signed, must be received at the Registered Office of the Bank, 6th Floor, M. M. Tower, 28-A/K, Gulberg II, Lahore not less than 48 hours before the time of holding the meeting.
2. No person can act as proxy unless he / she is member of the Bank, except that a corporation may appoint a person who is not a member.



پراکسی فارم

میں/ہم _____ بحیثیت ممبر ٹرسٹ انویسٹمنٹ بینک لمیٹڈ اور حامل _____ عمومی حصص برطبق رجسٹرڈ فولیو/سی ڈی سی پارٹیسپینٹ شناختی نمبر اور سی ڈی سی اکاؤنٹ نمبر _____ بذریعہ تحریر ہذا محترم/محترمہ _____ کو یا ان کی غیر حاضری کی صورت میں محترم/محترمہ _____ کو جو بحوالہ رجسٹرڈ فولیو/سی ڈی سی پارٹیسپینٹ شناختی نمبر _____ ٹرسٹ انویسٹمنٹ بینک لمیٹڈ کے/کی ممبر بھی ہیں، اپنا پراکسی مقرر کرتا/کرتی/کرتے ہیں تاکہ وہ میرے/ہمارے لئے اور میری/ہماری طرف سے کمپنی کے 25 ویں سالانہ اجلاس عام میں ووٹ ڈال سکیں جو سوموار 31 اکتوبر 2016 کو شام 00:04 بجے ہوٹل سن فورٹ 72- ڈی/1 کمرشل زون، لبرٹی مارکیٹ، گلبرگ-3 لاہور میں منعقد ہوگا۔

پانچ روپے کے رسیدی ٹکٹس	تاریخ دستخط: _____
-------------------------	--------------------

دستخط

(جو کمپنی کے پاس رجسٹرڈ ہیں)

گواہ نمبر 2	گواہ نمبر 1
دستخط _____	دستخط _____
نام _____	نام _____
پتہ _____	پتہ _____
قومی شناختی کارڈ یا پاسپورٹ نمبر _____	قومی شناختی کارڈ یا پاسپورٹ نمبر _____

نوٹ:

- ☆ یہ پراکسی فارم، باقاعدہ پر شدہ اور دستخط شدہ حالت میں اجلاس کے انعقاد کے وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں لازماً پہنچ جانا چاہئے۔
- ☆ کوئی شخص بطور پراکسی کام نہیں کرے گا اگر وہ خود کمپنی کا شیئر ہولڈر نہ ہو سوائے اس کے کہ کوئی کمپنی کسی ایسے شخص کو اپنا نمائندہ مقرر کر دے جو شیئر ہولڈر نہ ہو۔



Head Office:

6th Floor, M.M. Tower, 28-A/K, Gulberg II, Lahore, Pakistan.

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Email: info@turstbank.com.pk **Website:** www.trustbank.com.pk