

Annual Report **2015**

















Trust Investment
Bank Limited

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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

Syed Sajjad Hussain Rizvi	Chairman
Mr. Abdul Shakeel	Member
Mr. Mamoon-ur-Rashid Qureishi	Member

Company Secretary

Zahra Khalid

Chief Financial Officer

Zahra Khalid

Auditors

Zahid Jamil & Company
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

Branch Network

- Faisalabad Branch**
1st Floor, 16-Chenab Market,
Near UBL, Main Susan Road,
Faisalabad.
Tel: 041-8503306
Fax: 041-8737431
- Multan Branch**
22-A, Main Vehari Road,
Near Coca Cola Factory,
Multan.
- Islamabad Branch**
Suit No.306, 3rd Floor, ISE Tower,
Jinnah Avenue, Blue Area,
Islamabad.
Tel: 051-2894562
Fax: 051-2894561

Notice of Annual General Meeting

Notice is hereby given that 24th Annual General Meeting of Trust Investment Bank Limited will be held on Friday, October 30, 2015 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 23rd Annual General Meeting held on October 31, 2014.
- ii) To receive, consider and adopt the audited accounts of the Bank for the year ended June 30, 2015 together with Directors' and Auditors' Report thereon.
- iii) To appoint the Auditors of the Bank for the year ending June 30, 2016 and to fix their remuneration.

SPECIAL BUSINESS:

- iv) To consider, and if deemed fit, to pass the following resolutions as Special Resolutions with or without any modifications, addition or deletion:

Whereas, this proposed resolution had already passed in EOGM dated September 21, 2013.

And whereas, Trust Investment Bank Limited (the "Company") issued 30,650,000 Preference Shares-Series "A" (Non-voting) of Rs.10/- each carrying preferential right of dividend @KIBOR plus 1 p.a. on cumulative basis in accordance with the approval given by the shareholders of the Company through a Special Resolution passed in their Extraordinary General Meeting held on August 25, 2009 and subsequent approval granted by the Securities and Exchange Commission of Pakistan.

And whereas the Company received call from its preference shareholder for the conversions of preference shares into ordinary shares at determined ratio (including accumulated un-paid dividend) after its last anniversary in accordance with the terms and conditions of the issue of preference shares.

And whereas, the Company send a notice to all the preference shareholders to obtain their consent for the conversion of the preference shares in to ordinary shares of the Company.

And whereas, the company received positive consent of 77% of preference shareholders

And whereas, the conversion dates of preference shares into ordinary shares was due after June 30, 2015 (5th Anniversary). Accordingly, the Board of Directors decided to **close the share transfer books of Preference Shares from October 24, 2015 to October 30, 2015 (both days inclusive).**

And whereas the existing total outstanding 30,650,000 preference shares to preference shareholders for conversion of their preference shares into ordinary shares with the following working towards conversion of preference shares into ordinary shares:-

Description of Conversion	Rupees	Shares
Total value of each preference share accrued up to October 23, 2015	306,500,000	30,650,000
Add: Accumulated dividend (from May 2010 to September 30, 2013) on total preference shares	85,890,355	8,589,035
Total value of preference shares accrued up to September 30, 2013	392,390,355	39,239,036

Therefore, it is hereby Resolved that the Company be and is hereby authorized to offer conversion of preference shares into ordinary shares of Rs.10/- each to the preference shareholders of the Company at the abovementioned value in accordance with the terms and conditions attached to the preference shares.

And whereas, this resolution is being passed for the compliance of term sheet.



Further Resolved that 39,239,036 ordinary shares be and are hereby allotted by way of (full conversion of 30,650,000 preference shares against total Preference Shares-Series "A" (non-voting) and against the amount to Rs. 85,890,355 dividend payable up to September 30, 2013).

Further Resolved that the formalities for further issue of capital be and hereby complied with.

Further Resolved that Chief Executive or Secretary of the Company be and are hereby authorized to take all necessary actions and steps for making the conversion of Preference Shares into the ordinary shares of the Company and to take actions as they may consider necessary and/or expedient for implementation and to give full force to the abovementioned resolutions and to do all such acts, deeds and things as may be required for conversion of preference shares including but not limited to issuing notices, making announcements, conversion of shares and issuance of ordinary shares to the preference shareholders and filing of all the requisite statutory returns, communication with the Securities & Exchange Commission of Pakistan, Stock Exchanges, Central Depository Company of Pakistan Ltd and all other concerned departments and executing documents and other papers as may be required in connection therewith.

I) To transact any other business with the permission of the Chair.

On Behalf of the Board

Lahore: October 09, 2015

(Company Secretary)

Notes:

- 1) The share transfer books of the Bank will remain closed from October 23, 2015 to October 30, 2015 (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 is 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.

STATEMENT UNDER SECTION 160 (1) (b) OF THE COMPANIES ORDINANCE, 1984

Statement Under Section 160(1) (b) has sent to share holders along with the notice of the meeting.

Directors' Report

On the behalf of Board of Directors, I am pleased to present the 24th Annual Report of Trust Investment Bank Limited for the financial year ended, June 30, 2015. The summarized financial results for the year ended June 30, 2015 are as under:

Financial Highlights:

Particular	For the financial year ended	
	June 30, 2015	June 30, 2014
	(Rupees in millions)	
Operating Expenses	75	77
Profit before taxation	14,795	6,252
Profit after taxation	13,963	4,819
Earnings per Share (Basic)	Rs. 0.19	Rs. 0.08
Earnings per Share (Diluted)	Rs. 0.17	Rs. 0.05
Liabilities against COI's	1,223	1,330
Equity	1,116	743

Performance Review:

FY 2015 was a year in which Board and management took tough decisions to drive a turnaround in performance by tackling barriers. The Board strongly supports the renewed strategic road map and look forward to sustain long term growth.

The Board of directors and management has critically analyzed the present situation and are making efforts to improve the revenue stream, efficiency and optimal utilization of resources, expedite recoverability of receivables and reduce expenses. The results of the efforts are encouraging as is evident from the fact that the TIBL has managed to improve its basic and diluted earnings per share for the current year Rs. 0.19 and Rs. 0.17 as compare to the previous year's Rs. 0.08 and Rs. 0.05 respectively, profit before tax for the year has been increased from Rs. 6.252 million to 14.795 million and profit after tax for the year has been increased from Rs. 4.819 million to 13.963 million and liabilities against COI's have been declined from Rs. 1,330 million to Rs. 1,223 million respectively.

Markup has not been accrued in many cases because of rescheduling, restructuring and or matters under litigations, further the Company has planned to convert its existing debt including mark-up of preference shares into ordinary shares. The necessary steps for the said conversion have already been initiated by the Company. With the foresaid conversion, the management of the Company envisages that sufficient financial resources will be available for the continuing operations and it is expected to operate profitably.

Auditors emphasized on treatment of Redeemable Preference Shares as a part of equity, in view of the requirements of Companies Ordinance, 1984. The matter of its clarification will be dealt in accordance with the clarification from Securities and Exchange Commission of Pakistan (SECP).

"Deferred Tax Asset" had arisen due to the temporary differences between the accounting and tax base of the certain financial statements components and was becoming permanent in nature due to their non-adjustability so far. Therefore it has been reversed during the year by restating the statement of changes in equity as per International Accounting Standard being issued

by the International Accounting Standard Board and adopted by the SECP. However, its effect on Balance Sheet remains the same.

As per NBFC Regulations, the magnitude of term "equity" encompasses subordinated loan to reinforce broad picture of Minimum Equity Requirement (MER). In that scenario, TIBL is equity complied.

During the year, TDL shares has been derecognized as subordinated loan, however, shares are still in TIBL possession until the formal approval from SECP.

Future Prospect:

Bank is gradually coming out of the turmoil it was facing since 2011. Bank for two consecutive years is showing nominal profits for the last 5 years. The adversity surrounding the bank is gradually fading out. Board is fairly of the view that bank will progress in coming years and signs of its revival are obvious.

Application for the renewal of its Investment Financial Services (IFS) license is pending with SECP for approval and management intends to approach PACRA to join the public rating report next year. In the long run Bank will attain its position that it was used to enjoy in past year.

Corporate Social Responsibility:

TIBL fairly understand its responsibilities toward the society and had been desirous to play a vital role. Unfortunately in 2015, TIBL contribution was not very significant. But it expected that in coming years TIBL will perform in a prominent fashion.

Code of Corporate Governance:

The Board and the management are committed not only to comply with the requirement but to implement the Code of Corporate Governance in letter and spirit. The Board and management are fully cognizant with their responsibilities and monitoring Company's operation and performance to enhance the accuracy, comprehensiveness and transparency of financial and non-financial information. The following statements are a manifestation of its commitment towards compliance with best practices of Code of Corporate Governance:

- a. These financial statements present fair and true picture of its affairs.
- b. Proper books of accounts have been maintained as required by the Companies Ordinance, 1984.
- c. Appropriate accounting policies have been consistently applied in preparation of financial statements, and accounting estimates are also based on reasonable and prudent judgment.
- d. International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- e. The system of internal control is sound in design and has been effectively implemented by the management and monitored by internal and external auditor as well as Audit Committee. The Board reviews the effectiveness of established internal control through Audit Committee and further improvement in the internal control systems, wherever required.
- f. There has been no material departure from the best practices of the Corporate Governance as detailed in the Listing Regulations.
- g. Key operating and financial data of last six years, in summarized form, is annexed.
- h. Information about outstanding taxes and other government levies are given in related note(s) to the accounts.

- i. During the year under review, five (05) meetings of the Board of Directors were held. The attendance by each Director is as follows:

Name of Director	Designation	Meeting Attended
Mr. Asif Kamal	Director	0
Mr. Ahsan Rafique	Chief Executive	5
Mr. Asad Kazmi	Director	5
Mr. Mamoon-Ur-Rashid	Director	5
Syed Sajjad Hussain Rizvi	Chairman	5
Mr. Tariq Hussain	Director	0
Mr. Abdul Shakeel	Director	5

Leaves of absence were granted to the directors who could not attend the Board of Directors' Meetings.

- j. The Statement of Code of Ethics and Business Practices has been developed and acknowledged by the directors and employees of the Company.
- k. All the major decisions relating to investment or disinvestment of funds, changes in significant policies and overall corporate strategies, appointment, remuneration and terms & conditions of appointment of Chief Executive Officer and Executive Directors are taken by the Board of Directors.
- l. The Audit Committee continued to function in compliance with the Code of Corporate Governance and it comprises the following members. All members are non-executive directors out of which one is independent director.

Sr. No.	Name	Designation
1.	Syed Sajjad Hussain Rizvi	Chairman
2.	Mr. Abdul Shakeel	Member
3.	Mr. Mamoon-ur-Rasheed Qureishi	Member

Leaves of absence were granted to the directors who could not attend the Board of Directors' Meetings.

Term of reference of the Audit Committee has been formulated by the Board of Directors in accordance with the Code of Corporate Governance.

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 internal control framework has been effectively implemented through an independent in-house Internal Audit function established by the Board. The Audit Committee has ensured the achievement of operational, compliance and financial reporting objectives, safeguarding of the assets of the Bank and the shareholders wealth through effective financial, operational and compliance controls and risk management at all levels within the Bank. The Head of Internal Audit has direct access to the Chairman of the Audit Committee, and has ensured staffing of personnel with sufficient internal control system experience. 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.

External Audit:

The statutory auditors of the Bank, Zahid Jamil & Company, Chartered Accountants, have completed their audit assignment of the "Bank's Financial Statements" and the "Statement of Compliance with the Code of Corporate Governance" for the financial year ended June 30, 2015.

Acknowledgement:

The Board places on record its gratitude for the hard work and dedication of employees of the company. 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. The Board is confident that with the persistent cooperation by the SECP and committed efforts of the employees, the Bank shall be able to pursue its corporate objectives with renewed vigor.

For and on behalf of the Board of Directors

Lahore
October 06, 2015

Ahsan Rafique
President & Chief Executive Officer

Six Years Financial Summary

(Rupees in million)

	2015	2014	2013	2012	2011	2010
Operational Results						
Total Lease Business Term Finances	-	-	-	27	1,002	2,101
Revenues	43	116	63	253	660	475
Financial Expenses	3	13	52	547	587	686
Total Expenses	111	111	209	724	754	869
\Profit/(loss) before tax	14	5	(149)	(1,002)	183	(905)
\Profit/(loss) after tax	13	4	(149)	(1,004)	166	(702)
Balance Sheet						
Total Asstes	4,409	4,687	4,454	3,869	5,381	5,906
Paid-up Capital	892	892	892	892	892	892
Reserves	(2,494)	(1,991)	(1,992)	(1,834)	(792)	(917)
Total Equity	1,134	1,260	595	(541)	501	376
Earning Per Share	0.19	0.07	(2.56)	(17.93)	2.12	(12.16)
Book Value per Share	0.17	14.13	10.43	(14.47)	3.32	1.19
Dividend						
Cash Dividend	Nil	Nil	Nil	Nil	Nil	Nil
Stock Devidend	Nil	Nil	Nil	Nil	Nil	Nil

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

Pattern of Shareholding

As at June 30, 2015

Number of Shareholders	Shareholding		Total Number of Shares Held	Percentage
	From	To		
436	1	100	18,742	0.03%
644	101	500	172,690	0.23%
317	501	1,000	237,283	0.32%
624	1,001	5,000	1,475,704	1.99%
93	5,001	10,000	712,484	0.96%
42	10,001	15,000	531,481	0.72%
25	15,001	20,000	465,034	0.63%
21	20,001	25,000	491,385	0.66%
10	25,001	30,000	278,781	0.38%
9	30,001	35,000	291,189	0.39%
6	35,001	40,000	229,165	0.31%
3	40,001	45,000	127,158	0.17%
2	45,001	50,000	97,791	0.13%
3	50,001	55,000	158,552	0.21%
1	55,001	60,000	55,478	0.07%
2	65,001	70,000	135,276	0.18%
3	70,001	75,000	219,821	0.30%
4	75,001	80,000	312,500	0.42%
2	95,001	100,000	200,000	0.27%
2	100,001	105,000	205,145	0.28%
1	110,001	115,000	112,222	0.15%
1	145,001	150,000	150,000	0.20%
1	165,001	170,000	170,000	0.23%
1	195,001	200,000	200,000	0.27%
1	200,001	205,000	203,067	0.27%
2	205,001	210,000	415,500	0.56%
1	225,001	230,000	229,000	0.31%
1	275,001	280,000	276,000	0.37%
1	295,001	300,000	300,000	0.40%
2	320,001	325,000	650,000	0.88%
1	325,001	330,000	327,200	0.44%
1	345,001	350,000	349,000	0.47%
1	470,001	475,000	473,500	0.64%
1	495,001	500,000	499,000	0.67%
1	670,001	675,000	675,000	0.91%
1	705,001	710,000	707,000	0.95%
1	995,001	1,000,000	1,000,000	1.35%
1	1,085,001	1,090,000	1,087,847	1.47%
1	1,245,001	1,250,000	1,250,000	1.69%
1	1,360,001	1,365,000	1,364,500	1.84%
1	1,645,001	1,650,000	1,650,000	2.23%
1	1,855,001	1,860,000	1,858,966	2.51%
1	2,495,001	2,500,000	2,500,000	3.37%
1	2,500,001	2,505,000	2,500,001	3.37%
1	2,565,001	2,570,000	2,567,242	3.46%
1	2,775,001	2,780,000	2,779,750	3.75%
1	2,995,001	3,000,000	3,000,000	4.05%
1	3,540,001	3,545,000	3,544,210	4.78%
1	4,350,001	4,355,000	4,354,601	5.87%
1	5,700,001	5,705,000	5,702,312	7.69%
1	7,105,001	7,110,000	7,106,551	9.59%
1	7,495,001	7,500,000	7,500,000	10.12%
1	12,205,001	12,210,000	12,209,742	16.47%
2,284			74,127,870	

Categories of Shareholders

As at June 30, 2015

Categories of Shareholders	Shares Held	Percentage
<u>DIRECTORS, CEO THEIR SPOUSES & MINOR CHILDREN:</u>		
MR. AHSAN RAFIQUE	500	0.0007%
SYED SAJJAD HUSSAIN RIZVI	500	0.0007%
MR. MAMOON-UR-RASHID QURESHI	500	0.0007%
MR. ASAD ALI KAZMIE	500	0.0007%
MR. ABDUL SHAKEEL	500	0.0007%
MR. TARIQ HUSAIN	500	0.0007%
MR. ASIF KAMAL (CDC)	7,106,551	9.5869%
	7,109,551	9.5909%
<u>ASSOCIATED COMPANIES:</u>		
GENESIS SECURITIES (PVT.) LTD. (CDC)	12,209,742	16.4712%
MR. ZAHID RAFIQUE (CDC)	5,702,312	7.6925%
MR. ZAHID RAFIQUE (CDC)	93	0.0001%
	17,912,147	24.1638%
<u>BANKS, DEVELOPMENT FINANCIAL INSTITUTIONS, NON BANKING FINANCIAL INSTITUTIONS:</u>		
THE BANK OF KHYBER	7,500,000	10.1177%
THE BANK OF PUNJAB	1,448	0.0020%
ALLIED BANK LIMITED	2,500,000	3.3726%
BANK AL-FALAH LIMITED	1,250,000	1.6863%
MUSLIM COMMERCIAL BANK LIMITED	24,575	0.0332%
N.B.P TRUSTEE DEPARTMENT	100	0.0001%
FIDELITY INVESTMENT BANK LIMITED	4,403	0.0059%
NATIONAL BANK OF PAKISTAN A/C (NDFC)	2,185	0.0029%
NATIONAL DEVELOPMENT LEASING	2,132	0.0029%
M/S AL-TOWFEEK INVS BANK LTD	212	0.0003%
KASB FUNDS LIMITED	3,000,000	4.0471%
ESCORTS INVESTMENT BANK LIMITED (CDC)	302	0.0004%
	14,285,357	19.2712%
<u>NIT & ICP, INSURANCE COMPANIES, INVESTMENT COMPANIES, MODARBAS, JOINT STOCK COMPANIES, FOREIGN COMPANIES, OTHERS</u>	16,112,257	21.7358%
<u>SHARES HELD BY THE GENERAL PUBLIC:</u>	18,708,558	25.2382%
TOTAL	74,127,870	100.0000%
<u>SHAREHOLDERS HOLDING 10% OR MORE OF TOTAL CAPITAL:</u>		
GENESIS SECURITIES (PVT.) LTD. (CDC)	12,209,742	16.4712%
THE BANK OF KHYBER	7,500,000	10.1177%
	19,709,742	26.5888%
<u>SHAREHOLDERS HOLDING 5% OR MORE OF TOTAL CAPITAL:</u>		
GENESIS SECURITIES (PVT.) LTD. (CDC)	12,209,742	16.4712%
THE BANK OF KHYBER	7,500,000	10.1177%
MR. ASIF KAMAL (CDC)	7,106,551	9.5869%
MR. ZAHID RAFIQUE (CDC)	5,702,405	7.6927%
SWICH SECURITIES (PVT) LIMITED (CDC)	4,354,601	5.8744%
	36,873,299	49.7428%



Financial Statements

Trust Investment Bank Limited

(For The Year Ended June 30, 2015)

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 Karachi, Lahore and Islamabad 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 four independent and non-executive directors, two non-executive directors and one 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. During the year two casual vacancies of the directors were duly filled and the Company has fulfilled all corporate and legal requirements and file necessary returns within stipulated time period.
5. 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.
6. 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.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, CFO, Company Secretary, Head of Internal Audit and other executives, have been taken by the Board.
8. 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.
9. 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.
10. During the year appointment of Chief Financial Officer was made consequent to the resignation. The remuneration, terms and conditions of employment of Chief Financial Officer and Company Secretary have been determined by the Board of Directors.

11. 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.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee. It comprises three members. Consist of two non-executive directors including the Chairman of the Committee and one executive director.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. 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.
18. 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.
19. 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.
20. We confirm that all other material principles contained in the Code have been complied with.

On behalf of the Board

Lahore
June 30, 2015

Zahra Khalid
Company Secretary



Review Report To The Members

On Statement Of Compliance With Best Practices Of Code Of Corporate Governance

We have reviewed the statement of compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of **TRUST INVESTMENT BANK LIMITED** to comply with the listing regulation No. 35 of Karachi Stock Exchange and Lahore Stock Exchange where the Company is listed.

The responsibility of compliance with the Code of Corporate Governance 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 Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the company to comply with the Code.

As part of our audit of 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 have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

Further, Sub-Regulation (x) of Listing Regulations 35 notified by the Karachi and Lahore Stock Exchanges require the Company to place before the board of directors for their consideration and approval 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 recording proper justification for using such alternate pricing mechanism. Further, all such transactions are also required to be separately placed before the audit committee. We are only required and have ensured compliance of requirement to the extent of approval of related party transactions by the board of directors and placement of such transactions before 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, except for the matter discussed in paragraph "a" below 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 of Corporate Governance for the year ended June 30, 2015.

- a) None of the director's has obtained a certification under any director's training program offered by institutions local or foreign that meet the criteria specified by the SECP;

We have also expressed an adverse opinion in our audit report to the financial statements for the year ended June 30, 2015.

LAHORE:
Date: October 06, 2015

CHARTERED ACCOUNTANTS
(Engagement Partner: Muhammad Amin)

Auditors' Report To The Members

We have audited the annexed balance sheet of **TRUST INVESTMENT BANK LIMITED** as at **JUNE 30, 2015** 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) and (b) 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 paragraphs (a) and (b) below, 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 1.1.2 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. 2,781.030 million (2014: Restated Rs. 2,792.683 million), shareholder's equity is negative by Rs. 1,672.028 million (2014: Restated Rs.1,614.800 million), its current liabilities exceed its current assets by Rs. 1,769.816 million (2014: Rs. 729.577 million) and overdue installments of financing from banking companies & financial institutions and term finance certificates (TFC) are amounting to Rs. 1,077.668 million (2014: 1,141.695 million). The company is facing operational & 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 amounting to Rs. 889.449 million on various financings / investments due to pending litigations. These factors, along with matters mentioned in paragraph (b) below, 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) during the year, management has reversed the deferred tax asset amounting to Rs. 515.932 million by restating the statement of changes in equity instead of profit and loss account. As per IAS -12 "Income Taxes" reversals of temporary differences should be routed from the same component of financial statements via which it originated, in the year in which conditions creating the deferred tax no longer exist. Had the company followed the requirements of IAS -12 "Income Taxes", the profit for the year would have been decreased by Rs. 515.932 million;
- c) in our opinion, except for the effects, if any, of the matters referred to in paragraphs (a) and (b) above, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

- d) in our opinion, except for the effects, if any, of the matters referred to in paragraphs (a) and (b) 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 expenditures incurred during the year were for the purpose of the Company's business; and
- iii. the business conducted, investments made and the expenditures incurred during the year were in accordance with the objects of the Company;
- e) 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 paragraphs '(a)' and '(b)' 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 **JUNE 30, 2015** 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).

Notwithstanding our adverse opinion, we draw attention to:

- I. Note # 18.3, Preference shares have been treated as part of equity in view of the requirements of the Companies Ordinance, 1984 and the matter of its classification will be dealt in accordance with the clarification sought by the Institute of Chartered Accountants of Pakistan from the Securities and Exchange Commission of Pakistan.

LAHORE:

Date: October 06, 2015

CHARTERED ACCOUNTANTS

(Engagement Partner: Muhammad Amin)

BALANCE SHEET

AS AT JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees (Restated)
ASSETS			
Non-current assets			
Fixed assets	6	2,956,326,178	1,462,582,956
Long term investments	7	29,716,958	43,222,939
Long term loans and advances	8	16,761,654	3,815,975
Net investment in lease finance	9	-	-
Long term deposits		3,611,550	811,310
Deferred tax asset	10	-	-
Total non-current assets		3,006,416,340	1,510,433,180
Current assets			
Current maturities of non - current assets	11	1,059,226,136	1,058,847,589
Short term loans and advances	12	46,520,641	72,462,301
Short term placements	13	11,000,000	4,000,000
Short term investments	14	-	1,129,005,480
Short term prepayments		2,972,914	215,237
Mark-up accrued	15	190,948,268	201,981,288
Taxation - net		1,045,388	1,669,382
Other receivables	16	84,546,031	183,288,213
Cash and bank balances	17	6,396,174	8,852,265
Total current assets		1,402,655,552	2,660,321,755
TOTAL ASSETS		4,409,071,892	4,170,754,935
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	18	822,028,729	892,028,729
Reserves	19	(2,494,056,346)	(2,506,828,288)
		(1,672,027,617)	(1,614,799,559)
Surplus on revaluation of fixed assets-net	20	18,511,500	18,511,500
Non-current liabilities			
Long term financing-subordinated loan	21	2,788,220,472	2,357,958,476
Long term financing-others	22	57,624,657	-
Long term morabaha	23	-	-
Long term certificates of investment	24	1,562,500	12,996,263
Deferred liabilities	25	7,471,687	6,189,364
Long term deposits	26	35,237,224	-
Total non-current liabilities		2,890,116,540	2,377,144,103
Current liabilities			
Short term borrowings	27	39,413,532	39,413,532
Short term certificates of investment	28	1,036,976,463	1,138,439,357
Current maturities of non current liabilities	29	1,663,119,562	1,779,912,742
Mark-up accrued	30	259,273,170	268,969,602
Trade and other payables	31	173,688,742	163,163,658
Total current liabilities		3,172,471,469	3,389,898,891
		6,062,588,009	5,767,042,994
CONTINGENCIES AND COMMITMENTS	32	-	-
		4,409,071,892	4,170,754,935

The annexed notes from 1 to 51 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

**PROFIT AND LOSS ACCOUNT**

FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees (Restated)
Income			
Income from lease operations	33	6,529,681	53,445,935
Income from investments	34	487,799	1,520,397
Income from term loans	35	35,919,441	60,651,335
		42,936,921	115,617,667
Finance cost	36	2,943,962	13,440,509
		39,992,959	102,177,158
Administrative and operating expenses	37	75,223,566	77,918,661
		(35,230,607)	24,258,497
Other income	38	20,286,272	92,694,744
		(14,944,335)	116,953,241
Other operating expenses	39	33,793,036	19,722,761
(Loss) / profit before provisions and taxation		(48,737,371)	97,230,480
Provision (reversed) / charged against lease and term loan	40	(84,708,632)	78,047,269
Impairment charged in the value of investment	41	21,175,559	12,931,184
		(63,533,073)	90,978,453
Profit before taxation		14,795,702	6,252,027
Provision for taxation	42	832,574	1,432,202
Net profit for the year		13,963,128	4,819,825
Earnings per share - basic	43	0.19	0.08
Earnings per share - diluted	43	0.17	0.05

The annexed notes from 1 to 51 form an integral part of these financial statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		14,795,702	6,252,027
Adjustments for non cash / non operating items:			
Depreciation and amortization		5,537,632	7,106,648
Provision for staff service cost		2,225,349	3,485,988
Provision (reversed) / charged against lease and term loan		(84,708,632)	78,047,269
Lease receivables written off		33,793,036	19,722,761
Finance cost		2,943,962	13,440,509
Loss on disposal of fixed assets		20,805,939	188,592
Profit on settlement		(30,733,190)	(65,280,831)
Impairment charged in the value of investment		21,175,559	12,931,184
		(28,960,345)	69,642,120
Operating (loss) / profit before working capital changes		(14,164,643)	75,894,147
Changes in operating assets and liabilities:			
(Increase) / decrease in assets:			
Long term loans and advances		2,551,824	186,006
Net investment in lease finance		43,985,487	37,489,561
Short term loans and advances		(19,177,279)	36,576,252
Short term placements		(7,000,000)	858,663
Short term prepayments		(2,757,677)	1,384,767
Mark-up accrued		8,803,520	1,110,461
Other receivables		(24,357,039)	44,481,316
Increase / (decrease) in liabilities:			
Certificates of investment		(16,212,644)	(157,863,826)
Trade and other payables		10,529,444	(16,023,772)
Long term deposits		1,477,708	(15,299,104)
		(2,156,656)	(67,099,676)
Cash (used in) / generated from operations		(16,321,299)	8,794,471
Finance cost paid		(2,943,962)	(8,358,802)
Taxes paid		(208,580)	(117,247)
Staff service cost paid		(460,000)	(2,337,966)
		(3,612,542)	(10,814,015)
Net cash used in operating activities		(19,933,841)	(2,019,544)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(3,957,866)	(342,392)
Capital work in progress		(1,833,050)	-
Long term investments		-	11,718,750
Long term deposits		(2,800,240)	520,240
Proceeds from disposal of:			
Fixed assets		40,000,000	1,657,112
Net cash generated from investing activities		31,408,844	13,553,710
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing		(13,926,734)	(8,324,375)
Dividend		(4,360)	-
Net cash used in financing activities		(13,931,094)	(8,324,375)
Net (decrease) / increase in cash and cash equivalents		(2,456,091)	3,209,791
Cash and cash equivalents at the beginning of the year		(30,561,267)	(33,771,058)
Cash and cash equivalents at the end of the year	46	(33,017,358)	(30,561,267)

The annexed notes from 1 to 51 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

**STATEMENT OF COMPREHENSIVE INCOME**

FOR THE YEAR ENDED JUNE 30, 2015

	2015 Rupees	2014 Rupees (Restated)
Net profit for the year	13,963,128	4,819,825
Other comprehensive income / (loss)		
Items that may be reclassified subsequently to profit and loss account		
- Unrealized loss on remeasurement of available for sale investments	(1,674,212)	(833,874)
Items not to be reclassified to profit and loss account in subsequent periods		
- Remeasurement of defined benefit liability	483,026	(2,117,915)
Total comprehensive income for the year	12,771,942	1,868,036

The annexed notes from 1 to 51 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2015

	Ordinary Shares	Preference shares	CAPITAL RESERVES		REVENUE RESERVES		Sub total	Total
			Statutory reserve	Loss on remeasurement of available for sale investments	General reserve	Accumulated losses		
Rupees								
Balances as at 01 July 2013 (Restated)	585,528,729	306,500,000	240,030,907	(15,139,016)	61,000,000	(2,794,588,215)	(2,508,696,324)	(1,616,667,595)
Total comprehensive income for the year								
Net profit for the year	-	-	-	-	-	4,819,825	4,819,825	4,819,825
Other comprehensive income / (loss)						-	-	-
Items that may be reclassified subsequently to profit and loss account						-	-	-
- Unrealized loss on remeasurement of available for sale investments	-	-	-	(833,874)	-	-	(833,874)	(833,874)
Items not to be reclassified to profit and loss account in subsequent periods	-	-	-	-	-	(2,117,915)	(2,117,915)	(2,117,915)
- Remeasurement of defined benefit liability	-	-	-	(833,874)	-	2,701,910	1,868,036	1,868,036
Transfer to statutory reserve	-	-	797,190	-	-	(797,190)	-	-
Conversion of preference shares into ordinary shares	100,375,000	(100,375,000)	-	-	-	-	-	-
Balances as at 30 June 2014	685,903,729	206,125,000	240,828,097	(15,972,890)	61,000,000	(2,792,683,495)	(2,506,828,288)	(1,614,799,559)
Total comprehensive income for the year								
Net profit for the year	-	-	-	-	-	13,963,128	13,963,128	13,963,128
Other comprehensive income / (loss)						-	-	-
Items that may be reclassified subsequently to profit and loss account						-	-	-
- Unrealized loss on remeasurement of available for sale investments	-	-	-	(1,674,212)	-	-	(1,674,212)	(1,674,212)
Items not to be reclassified to profit and loss account in subsequent periods	-	-	-	-	-	483,026	483,026	483,026
- Remeasurement of defined benefit liability	-	-	-	(1,674,212)	-	14,446,154	12,771,942	12,771,942
Transfer to statutory reserve	-	-	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)
Balances as at 30 June 2015	741,278,729	80,750,000	243,620,723	(17,647,102)	61,000,000	(2,781,029,967)	(2,494,056,346)	(1,672,027,617)

The annexed notes from 1 to 51 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

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").

1.1. Parent Company

1.1.1. Trust Investment Bank Limited ("the Company") was incorporated in 1992 as a public limited Company under the Companies Ordinance, 1984 and is listed on Lahore, Karachi and Islamabad Stock Exchanges. 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).

1.1.2. The accumulated losses of the company amounts to Rs. 2,781.030/- million as at balance sheet date. The company has paid renewal fee for Investment Finance Services (IFS) license, however, the Securities & 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 November 19, 2012 on the management's request. These conditions indicate the existence of a material uncertainty regarding the future operations of the company. However, in order to improve the equity of the company, during the year as stated in note # 21, the company has acquired new assets by way of subordinated loan against the issuance of shares of Trust Investment Bank Limited, subject to approval from SECP, in order to comply with Minimum Equity Requirement (MER) as per NBFC Rules & Regulations. These transactions have strengthen the equity of the company and the company is equity complied. 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. The preference shares amounting to Rs.55.375 million have been converted into ordinary shares and preference shares of Rs. 70 million have been redeemed during the year resulting in saving future interest cost and preference dividend. 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.

1.2 Subsidiary Company

1.2.1. Trust Capital (Private) Limited was incorporated as a private limited company on 20 June 2008 under the Companies Ordinance, 1984. TCPL is engaged in the business of stock brokerage, portfolio management and trading in listed securities on all the three Stock Exchanges of Pakistan. 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 Lahore Stock Exchange Limited.

2 STATEMENT OF COMPLIANCE

2.1. 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.

2.2. Standards, interpretations and amendments to published approved accounting standards that are effective during the year

IAS 19	Employee Benefits (Amendment)
IAS 32	Financial Instruments - Presentation - (Amendment)
IAS 32	Offsetting Financial Assets & Financial Liabilities (Amendment)
IAS 36	Impairment of Assets - (Amendment)
IAS 36	Recoverable amount disclosures for Non - Financial Assets (Amendment)
IAS 39	Financial Instruments - Recognition and Measurement - (Amendment)
IFRIC 21	Levies

The adoption of the above standards, amendments and interpretations did not have any material effect on the financial statements of the Company.

2.3. Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following revised standards and interpretations with respect to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretations.

<u>Standard or Interpretation</u>		Effective date (accounting periods Beginning on or after)
IFRS 7	Financial instruments: Disclosures (Amendment)	1-Jan-15
IFRS 10	Consolidated financial statements	1-Jan-15
IFRS 10, 12 & IAS 27	Investment entities (Amendment)	1-Jan-15
IFRS 10, 12 & IAS 27	Investment entities: Applying the Consolidation Exception (Amendment)	1-Jan-16
IFRS 10 & IAS 28	Sale or Contribution of assets between an investor and its associate or joint venture	1-Jan-16
IFRS 11	Joint arrangements	1-Jan-15
IFRS 11	Accounting for acquisition of interest in joint operation (Amendment)	1-Jan-16
IFRS 12	Disclosure of interest in other entities	1-Jul-15
IFRS 13	Fair value measurement	1-Jan-15
IAS 1	Disclosure initiative (Amendment)	1-Jan-16
IAS 16 & 38	Clarification of acceptable method of depreciation and amortisation (Amendment)	1-Jan-16
IAS 16 & 41	Agriculture bearer plants (Amendment)	1-Jan-16
IAS 27	Equity method in separate financial statements	1-Jan-16

Standards issued by IASB but not yet notified by SECP

IFRS 9	Financial instruments: Classification and measurement	1-Jan-18
IFRS 14	Regulatory deferral accounts	1-Jan-16
IFRS 15	Revenue from contracts with customers	1-Jan-18

The company expects that the adoption of the above standards and interpretations will not have material effect on the Company's financial statements in the period of initial application except for IFRS 9 - Financial instruments: Classification and measurement, IFRS 10 - Consolidated financial statements, IFRS 12 - Disclosure of interest in other entities, IFRS 13 - Fair value measurement, which may affect certain disclosures.

3. BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Group and its subsidiary as at 30 June 2015.

Subsidiary is fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiary is prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, income and expenses, unrealised gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Losses are attributed to the non-controlling interest even if that results in a deficit balance.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss.

4. BASIS OF MEASUREMENT

4.1. Accounting convention

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

4.2. Significant estimates

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

	Note
- Taxation	5.1
- Residual value and useful life of depreciable assets	5.2
- Provisions	5.6
- Staff retirement benefits (Gratuity)	5.15
- Impairment	5.21

5 SIGNIFICANT ACCOUNTING POLICIES

5.1. Taxation **Current:**

The charge for current taxation is based on taxable income at current rate of taxation of the Income Tax Ordinance, 2001 after taking into account applicable tax credits and rebates, if any.

Deferred:

Deferred tax is recognized using the balance sheet liability method on all temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and amounts used for taxation purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which deductible difference, unused tax losses and tax credits can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax is calculated at the rates that are expected to apply to the period when differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is charged or credited to income statement, except in case of items credited or charged to equity, in which case it is included in equity.

5.2. Property and equipment

These are stated at historical cost/revalued amount less accumulated depreciation and impairment losses, if any.

Depreciation is calculated using the diminishing balance method, except vehicles for which straight line method is used, at the rates specified in the fixed assets schedule, which are considered appropriate to write off the cost of the assets over their estimated useful lives.

Full month's depreciation is charged on the additions during the month in which asset is available for use, while no depreciation is charged in the month in which the asset is disposed off.

Normal repairs and maintenance are charged to revenue as and when incurred. Renewals and replacements are capitalized when it is probable that respective future economic benefits will flow to the Company and the cost of the items can be reliably measured, and assets so replaced, if any, are retired.

Gains and losses on disposal of property and equipment are recognized in the profit and loss account in the year of disposal.

5.3. Intangible assets

These are stated at cost less impairment losses, if any. The carrying amounts are reviewed at each balance sheet date to assess whether these are recorded in excess of their recoverable amounts, and where carrying value is in excess of recoverable amount, these are written down to their estimated recoverable amount.

Expenditure incurred to acquire computer software are capitalized as intangible assets and stated at cost less accumulated amortization and any identified impairment loss. Intangible assets are amortized using the straight-line method over a period of 10 years.

Full month's amortization is charged on the additions during the month in which asset is available for use, while no amortization is charged in the month in which the asset is disposed off.

5.4. Non current assets - held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less cost to sell. Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in present conditions. Management must be committed to the sale, which should be expected to qualify for recognition as completes sale within one year from the date of classification.

Property and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

5.5. Financial instruments

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.

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.

5.6. Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provision has been made after taking the benefits of collaterals as per NBFC Regulations, 2008.

5.7. Investments

The Company classifies its investments other than in subsidiary as held to maturity, available for sale and held for trading.

Initial measurement:

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement:**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". Investment in associated undertaking, in the consolidated financial statements, is being accounted for using the equity method.

Held to maturity:

The investments with fixed maturity or determinable payments where management has both intent and ability to hold to maturity are classified as held to maturity. These are stated at amortized cost using the effective interest rate method less impairment, if any. The amortization for the period is charged to the profit and loss account.

Held for trading:

These include investments which are acquired principally for the purpose of generating profit from short term fluctuations in price or dealer's margins, are classified as investments held for trading. These are stated at fair values with any resulting surplus/(deficit) recognized in the profit and loss account.

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.

The measurement of surplus/(deficit) is done on portfolio basis for each of the above three categories separately.

5.8. Trade and settlement date accounting

All "regular way" purchases and sales of listed shares are recognized on the trade date, i.e. the date that the Company commits to purchase/sell the asset. Regular way purchase or sale of financial assets are those, the contract for which requires delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

5.9. 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.

5.10. 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.

5.11. Net investment in lease finance

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.

5.12. 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.

5.13. 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.

5.14. 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.

5.15. Staff retirement benefits

Gratuity:

The Company operates an approved funded gratuity 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.

Leave encashment:

The Company operates an unfunded leave encashment scheme for all of its permanent employees. Provisions are made in accordance with the actuarial valuation using 'Projected Unit Credit method'.

5.16. 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.

5.17. 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.

5.18. Borrowing costs

The borrowing cost incurred on debts of the Company is charged to income.

5.19. 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.

5.20. 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.

5.21. 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.

5.22. Dividends

Dividend is recognized as a liability in the period in which it is declared.

5.23. Bonus shares

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

	Note	2015 Rupees	2014 Rupees
6. FIXED ASSETS			
Tangible			
Property, plant and equipment	6.1	833,341,728	561,367,003
Capital work in progress	6.2	2,122,984,450	900,907,190
Intangible assets	6.4	-	308,763
		<u>2,956,326,178</u>	<u>1,462,582,956</u>

6.1. Property, plant and equipment

PARTICULARS	2015					DEPRECIATION					Rate %
	C O S T										
	As at 01 July 2014	Additions during the year	Deletions during the year	As at 30 June 2015	As at 01 July 2014	For the year	Adjustment	As at 30 June 2015	Book value as at 30 June 2015		
Rupees											
Owned											
Land	482,673,333	362,873,360	(25,578,733)	819,967,960	-	-	-	-	-	819,967,960	
Building on freehold land	70,000,000	-	(70,000,000)	-	6,825,000	2,369,061	(9,194,061)	-	-	-	5
Leasehold improvements	19,668,153	-	-	19,668,153	15,781,513	777,325	-	16,558,838	3,109,315	20	
Office equipment and machines	17,419,148	525,706	-	17,944,854	13,444,938	851,839	-	14,296,777	3,648,077	20	
Furniture and fixtures	10,897,319	189,200	(11,781)	11,074,738	6,550,151	431,276	(11,781)	6,969,646	4,105,092	10	
Air-conditioning equipment	807,184	-	-	807,184	488,854	31,836	-	520,690	286,494	10	
Vehicles	4,121,853	-	-	4,121,853	1,129,531	767,532	-	1,897,063	2,224,790	20	
	605,586,990	363,588,266	(95,590,514)	873,584,742	44,219,987	5,228,869	(9,205,842)	40,243,014	833,341,728		

PARTICULARS	2014					DEPRECIATION					Rate %
	C O S T										
	As at 01 July 2013	Additions during the year	Deletions during the year	As at 30 June 2014	As at 01 July 2013	For the year	Adjustment	As at 30 June 2014	Book value as at 30 June 2014		
-----Rupees-----											
<u>Owned</u>											
Land	-	513,700,210	(31,026,877)	482,673,333	-	-	-	-	-	482,673,333	
Building on freehold land	73,015,000	-	(3,015,000)	70,000,000	3,537,691	3,461,451	(174,142)	6,825,000	63,175,000	5	
Leasehold improvements	19,668,153	-	-	19,668,153	14,809,861	971,652	-	15,781,513	3,886,640	20	
Office equipment and machines	18,071,381	342,392	(994,625)	17,419,148	13,246,341	983,939	(785,342)	13,444,938	3,974,210	20	
Furniture and fixtures	12,329,702	-	(1,432,383)	10,897,319	6,886,558	534,102	(870,509)	6,550,151	4,347,168	10	
Air-conditioning equipment	1,964,028	-	(1,156,844)	807,184	1,064,950	80,836	(656,932)	488,854	318,330	10	
Vehicles	879,856	5,212,997	(1,971,000)	4,121,853	619,656	968,804	(458,929)	1,129,531	2,992,322	20	
	125,928,120	519,255,599	(39,596,729)	605,586,990	40,165,057	7,000,784	(2,945,854)	44,219,987	561,367,003		

	Note	2015 Rupees	2014 Rupees
6.2. Capital work in progress			
Opening Balance		900,907,190	878,121,000
Additions		2,001,833,050	240,000,000
		<u>2,902,740,240</u>	<u>1,118,121,000</u>
Disposal / transfer		(779,755,790)	(217,213,810)
Closing balance	6.3	<u>2,122,984,450</u>	<u>900,907,190</u>
6.3. Particulars of Capital work in progress			
Tricon Corporate Centre	6.3.1	110,082,050	108,249,000
China Centre	6.3.2	12,902,400	12,902,400
Land at Adyala road Rawalpindi	6.3.3	-	183,755,790
Land at Jail Road Lahore	6.3.3	-	356,000,000
Kallar Kahar Land near Khushab Road Cantt.	6.3.4	-	240,000,000
Land at Mouza Sadhoki	6.3.5	2,000,000,000	-
		<u>2,122,984,450</u>	<u>900,907,190</u>

6.3.1. Capital work in progress had been revalued by M/s Synergisers (Pvt) Limited (an independent professional valuer) in 2010. Second revaluation was carried out by M/s Ali and Ali Engineers and valuers (an independent professional valuer) in 2011, which resulted in the reversal of revaluation surplus by Rs. 12.801 million and third revaluation was carried out by M/s Luckyhiya Associates (Pvt) Limited (an independent professional valuer) in 2015. Had there been no revaluation the carrying amount of capital work in progress would have been Rs. 91.570 million (2014: Rs. 89.737 million). Construction of Tricon Corporate Centre is still under process, as at balance sheet date and an amount of Rs. 1.833 million has been incurred on registration of this property in the name of the company.

6.3.2. This amount of represents Shop # 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. Revaluation of this property has been carried out by M/s Luckyhiya Associates (Pvt) Limited (an independent professional valuer) in 2015.

6.3.3. These lands were against subordinated loan of Mr. Muhammad Akram (refer note 21.2.1) and other landlords (refer note 21.2.2), further, an equity participation agreement had been signed between Mr. Muhammad Akram and TIBL, dated 5th June 2013. According to the term of agreement TIBL had to issue preference or common shares in the name of Mr. Muhammad Akram against transfer of property, but due to certain reasons and legal issues the shares could not be issued in the name of said party. Subsequently, an "Addendum" was made on 16th June 2014, according to which Mr. Muhammad Akram agreed and gave consent that the above mentioned shares be issued in the name of Mr. Muhammad Asif Kamal, Director of TIBL. During the year, the title of Jail Road property amounting to Rs. 356 million has been transferred in the name of TIBL, so this land has been transferred to owned land. Moreover, the land at Adyala Road Rawalpindi has been derecognised on the discretion of the management because the title of property had not yet been transferred in the name of the company.

6.3.4. This land was acquired through agreement between TIBL and Mr. Imran Mehmood. As per the terms of the agreement TIBL will pay upto 10% of the agreed price in cash and balance 90% in the form of issuance / transfer of shares of Trust Investment Bank Limited at par in favor of legal owner of the property. Due to certain reasons and legal issues the shares could not be issued in the name of owner of the property. Subsequently, an "Addendum" was made on 18th June, 2014, according to which Mr. Imran Mehmood agreed and gave consent that the said shares be issued in the name of Mr. Sajjad Rizvi, a Director of TIBL. The title of these properties had not been transferred in the name of the company, so the management has decided to derecognise the land at Kallar Kahar near Khushab Road Cantt.

6.3.5. This land is against subordinated loan of Mr. Asad Kazmi. Title of this property has been transferred in the name of the company (refer note # 21.2.3).

6.4. Intangible Assets

PARTICULARS	2015							
	C O S T			A M O R T I Z A T I O N				Book value as at 30 June 2015
	As at 01 July 2014	Additions / (Deletions) during the year	As at 30 June 2015	As at 01 July 2014	For the year	Deletions	As at 30 June 2015	
Rupees								
Software Licenses	1,294,383	-	1,294,383	985,620	308,763	-	1,294,383	-
	1,294,383	-	1,294,383	985,620	308,763	-	1,294,383	-

PARTICULARS	2014							
	C O S T			A M O R T I Z A T I O N				Book value as at 30 June 2014
	As at 01 July 2013	Additions / (Deletions) during the year	As at 30 June 2014	As at 01 July 2013	For the year	Deletions	As at 30 June 2014	
	Rupees							
Software Licenses	1,294,383	-	1,294,383	879,756	105,864	-	985,620	308,763
	1,294,383	-	1,294,383	879,756	105,864	-	985,620	308,763



6.5. Following assets were disposed off during the year

2015						
Description	Cost	Book value	Sale proceeds	Gain / (loss)	Mode of disposal	Sold to
Rupees						
Assets with book value exceeding Rs. 50,000						
Land						
Land- (9 Kanal , 11 Marla)	5,730,313	5,730,313	9,214,685	3,484,372	Settlement against COI's	Azra & Co. House # 27. Street # 13, Ahmad Park, Lahore
Land- (4 Kanal , 3 Marla)	2,500,063	2,500,063	4,020,251	1,520,188	Settlement against COI's	Azra & Co. House # 27. Street # 13, Ahmad Park, Lahore
Land- (4 Kanal , 14 Marla)	2,820,625	2,820,625	4,535,733	1,715,108	Settlement against COI's	Azra & Co. House # 27. Street # 13, Ahmad Park, Lahore
Land- (4 Kanal , 9 Marla)	2,661,332	2,661,332	4,279,581	1,618,249	Settlement against COI's	Azra & Co. House # 27. Street # 13, Ahmad Park, Lahore
Land - (65 Kanal , 14 Marla)	11,866,400	11,866,400	24,000,000	12,133,600	Settlement against COI's	Azra & Co. House # 27. Street # 13, Ahmad Park, Lahore
Building						
Office - M. M. Tower	70,000,000	60,805,939	40,000,000	(20,805,939)	Negotiation	First Fidelity Leasing Modaraba, 10-B, Block E-2, Gulberg III, Lahore
Capital work in progress						
Land at Adyala road Rawalpindi	183,755,790	183,755,790	183,755,790	-	Settlement against Subordinated loan	Mamoon - ur - Rasheed - Director
Kallar Kahar Land near Khushab Road Cantt.	240,000,000	240,000,000	240,000,000	-	Settlement against Subordinated loan	Syed Sajjad Rizvi - Director
2015	519,334,523	510,140,462	509,806,040	(334,422)		
2014						
Description	Cost	Book value	Sale proceeds	Gain / (loss)	Mode of disposal	Sold to
Rupees						
Assets with book value exceeding Rs. 50,000						
Land						
Land- (4 Kanal , 15 Marla)	2,880,313	2,880,313	4,583,750	1,703,437	Settlement against COI's	Islamabad Electric Supply Company (IESCO)
Land- (9 Kanal , 15 Marla)	5,861,063	5,861,063	9,408,750	3,547,687	Settlement against COI's	Islamabad Electric Supply Company (IESCO)
Land- (4 Kanal , 15 Marla)	2,850,313	2,850,313	4,583,750	1,733,437	Settlement against COI's	Islamabad Electric Supply Company (IESCO)
Land- (4 Kanal , 14 Marla)	2,820,625	2,820,625	4,535,500	1,714,875	Settlement against COI's	Islamabad Electric Supply Company (IESCO)
Land- (14 Kanal , 18 Marla)	8,906,875	8,906,875	14,378,500	5,471,625	Settlement against COI's	Islamabad Electric Supply Company (IESCO)
Land- (2 Kanal , 17 Marla)	1,710,188	1,710,188	2,750,250	1,040,062	Settlement against COI's	Islamabad Electric Supply Company (IESCO)
Land- (10 Kanal)	5,997,500	5,997,500	9,650,000	3,652,500	Settlement against COI's	Islamabad Electric Supply Company (IESCO)
Building						
House At Shadbagh Lahore	2,315,000	2,315,000	12,285,240	9,970,240	Settlement against COI's	Mohsin Mehdi
House At Shadbagh Lahore	700,000	700,000	3,714,760	3,014,760	Settlement against COI's	Mohsin Mehdi
Equipments						
Laptop	63,500	50,377	50,377	-	Adjustment	Inter Office Laptop Loan Facility to Imran Azhar
Computers	489,775	72,090	136,300	64,210	Adjustment	Muhammad Zubair
Furniture						
Gujrat Branch furniture	326,601	122,691	117,000	(5,691)	Cash	Abdul Jabbar
Sign Boards	135,212	52,474	76,300	23,826	Cash	Asian House
Cavalry Branch furniture	154,800	54,515	84,112	29,597	Cash	Nasir Ali Bukhari
Faisal Town Branch furniture	161,620	57,920	108,700	50,780	Cash	Javed Iqbal
DHA Branch furniture	146,250	67,739	61,000	(6,739)	Cash	Several Persons
Air-conditioning equipment						
Air conditioners-Gujrat Branch	201,038	88,150	85,000	(3,150)	Cash	Nabi Noor
Air conditioner-Multan Branch	89,300	31,447	25,000	(6,447)	Cash	Shahid Iqbal
Vehicles						
Veh-Suzuki Cultus Lzs-6497	475,000	150,403	400,000	249,597	Cheque Received	Mr. Jamil Joseph
Veh-Honda Civic(Lzn-255)	950,000	902,501	700,000	(202,501)	Pay Order Received	Mr. Baha Ud Din Siqqiqui
Veh-Honda City (Pool Car LZU-6490)	475,000	459,166	575,000	115,834	Settlement against COI	Shaziab Hassan Gardazi
Assets with book value below Rs. 50,000	1,886,756	1,207,524	825,450	(382,074)	Cash	Several Persons
Capital work in progress						
China Centre Sale Of Shop No.01(190 Sq Ft) & Shop No.16	13,133,085	13,133,085	18,757,283	5,624,198	Adjustment	Adjusted Against COI's(Accountancy Outsourcing)
China Centre 1358 Sq. F Of Shops No.1 To 5	34,221,600	34,221,600	40,740,000	6,518,400	Adjustment	Adjusted Against COI's(MEPCO)
China Centre 1300 Sq. F Of Shops No.1 To 5	32,760,000	32,760,000	39,000,000	6,240,000	Adjustment	Adjusted Against COI's(MEPCO)
Land transfer to Work in progress for IESCO settlement	28,654,915	28,654,915	38,788,691	10,133,776	Settlement against COI's	Islamabad Electric Supply Company (IESCO)
China Centre 1000 Sq. F Of Shop No. 6	25,200,000	25,200,000	30,000,000	4,800,000	Adjustment	Adjusted Against COI's(MEPCO)
2014	173,566,329	171,328,474	236,420,713	65,092,239		

	Note	2015 Rupees	2014 Rupees
7. LONG TERM INVESTMENTS			
Investment in subsidiary-at cost	7.2	60,000,000	60,000,000
Investment in financial instruments	7.3	82,953,550	62,953,550
		<u>142,953,550</u>	<u>122,953,550</u>
Less: Impairment in the value of investments	7.4	88,793,132	65,943,361
		<u>54,160,418</u>	<u>57,010,189</u>
Less: Current portion of long term investments	11	24,443,460	13,787,250
		<u>29,716,958</u>	<u>43,222,939</u>
7.1. Particulars of long term investments			
Long term investments-considered good		54,160,418	57,010,189
Long term investments-considered doubtful		88,793,132	65,943,361
		<u>142,953,550</u>	<u>122,953,550</u>
Less: Impairment in the value of investments	7.4	88,793,132	65,943,361
		<u>54,160,418</u>	<u>57,010,189</u>
7.2. 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 (2014: 6,000,000) shares of Rs.10 each		60,000,000	60,000,000
Breakup value is Rs. 1.48/- per share as at June 30, 2015 (2014: Rs. 1.67/- per share), based on audited financial statements.			
7.2.1. Summarised financial information of subsidiary			
Aggregate amount of			
Assets		60,284,851	62,834,016
Liabilities		51,430,881	52,804,487
Revenue		-	-
Loss for the year		(1,175,559)	(16,453,184)
7.3. Investment in financial instruments			
Held to maturity			
Term finance certificates			
Azgard Nine Limited	7.3.1	30,485,310	30,485,310
Sukuks			
Eden Housing Limited-Sukuks	7.3.2	9,843,750	9,843,750
New Allied Electronics - Sukuk Bonds	7.3.3	20,000,000	-
Available for sale			
Shares			
Agritech Limited	7.3.1	22,624,490	22,624,490
		<u>82,953,550</u>	<u>62,953,550</u>

- 7.3.1.** The Company has purchased term finance certificates of Rs 40 million, out of total issue of Rs 2.5 billion, carrying mark-up rate @ 6 Months KIBOR +225 BPS upto June 04, 2010, 6 months KIBOR + 100 BPS upto December 2011, 6 Months KIBOR + 125 BPS upto December 2015 and 6 Months KIBOR + 175 BPS upto December 2017, issued for a period of 7 years. This Issue has been rescheduled and restructured on December 01, 2010 and the tenure is reset for a further period of 03 years which ended on March 04, 2017 with a further grace period of 1 Year. The amount of Rs. 39.968 Million will be redeemed in two equal installments of Rs. 1,600/- during the months of July 2010 and August 2010, eight Semi annual installments of Rs. 2.348 million and four semi annual installments of Rs. 5.295 million starting from July 2010 and matured on December 31, 2017.

A new TFC Investors agreement was signed on June 28, 2012 for the settlement of Mark up Payable of Rs. 13.145 million upto March 31, 2012 against 2,669 numbers of Zero coupon TFCs with a grace period of 1 year and will be separately redeemed in three semi annual installments of Rs. 1.315 million, two semi annual installments of Rs. 1.972 million and two semi annual installments of Rs. 2.629 million starting from March 2014 and maturing on March 31, 2017.

The credit rating assigned to such issue by Pakistan Credit Rating Agency (PACRA) is "D".

Subsequently, an agreement was signed between Azgard Nine Limited and TFC,s holders on April 12, 2012. According to the terms of agreement 646,414 shares of Agritech Limited @ Rs. 35/- per share will be transferred against adjustment of Rs. 22.625 million towards outstanding principle amount. The market value of shares as at June 30, 2015 is Rs. 7.7/- per share (2014: Rs. 10.29/- per share).

- 7.3.2.** The Company has participated in Sukuks issue of Rs. 3 billion by investing Rs. 50 million secured against first pari passu charge over current and future receivables of the investee upto extent of the issue. This issue has been rescheduled and restructured for a further period of 1.5 years with a expiry of September 29, 2013. These carry mark-up @ 3 Months KIBOR + 250 BPS with floor 7% and cap of 20%. These certificates are redeemable in two equal semi annual installments of Rs. 6.250 million, four equal quarterly installments of Rs. 0.938 million starting from 29 December 2010, four equal quarterly installments of Rs. 2.344 million starting from December 29, 2011, four equal quarterly installments of Rs. 2.813 million and the last four quarterly installments of Rs. 3.281 million. The credit rating assigned to such sukuku "D" by the JCR-VIS.
- 7.3.3.** This represent the investment amounting to Rs. 40 million made in Sukuku 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 installments of Rs. 1.250 million starting from 25 October 2008. JCR-VIS assigned rating of "D" to said Sukuku which were subsequently withdrawn. The investment has been reversed, previously disposed off at par against settlement of preference shares of M/s AMZ Plus Liquid Fund, subsequently acquired by KASB Liquid Fund.

	Note	2015 Rupees	2014 Rupees
7.4. Impairment in the value of investments			
Opening balance as at July 01,		65,943,361	52,178,303
Charged during the year		22,849,771	13,765,058
Closing balance as at June 30,	7.4.1	<u>88,793,132</u>	<u>65,943,361</u>
7.4.1. Particulars of impairment			
New Allied Electronics - Sukuk Bonds		20,000,000	-
Trust Capital (Pvt.) Limited		51,146,030	49,970,471
Agritech Limited - shares		17,647,102	15,972,890
		<u>88,793,132</u>	<u>65,943,361</u>

8. LONG TERM LOANS AND ADVANCES

Secured:

Employees - considered good	8.1	464,159	579,608
Companies, organizations and individuals			
Considered good	8.2	28,743,828	31,180,203
Considered doubtful		7,047,805	7,047,805
		<u>35,791,633</u>	<u>38,228,008</u>
		36,255,792	38,807,616

Un-secured:

Companies, organizations and individuals - Considered doubtful	8.3	397,838,899	397,838,899
		434,094,691	436,646,515
Less: provision against doubtful loans	8.4	396,594,364	403,653,029
		37,500,327	32,993,486
Less : current maturity	11	20,738,673	29,177,511
		<u>16,761,654</u>	<u>3,815,975</u>

- 8.1.** These includes long term loans provided to employees against mortgage of property and carry mark-up ranging from 0% to 15.20% (2014: 0% to 15.20%) per annum. The maximum aggregate balance due from executives is Rs. 0.039 million (2014: Rs. 0.111 million).
- 8.2.** 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 16.00% to 21% (2014: 16.00% to 20.62%) per annum.
- 8.3.** It includes receivables of Trust Capital (Pvt) Limited (TCPL), a subsidiary of the company, amounting to Rs. 393 million, (2014: 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 three quarterly installments of Rs. 0.5 million, four quarterly installments of Rs. 0.75 million, 31 quarterly installments of Rs. 11.332 million and last installment of Rs. 38.829 million receivable latest by June 30, 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. 1.500 million have been received to date and remaining balance has been fully provided.

	Note	2015 Rupees	2014 Rupees
8.4. Provision against doubtful loans			
Opening balance as at July 01		403,653,029	401,076,412
Charge for the year		44,099	2,576,617
Reversal during the year		(7,102,764)	-
Closing balance as at June 30		<u>396,594,364</u>	<u>403,653,029</u>
8.4.1. Particulars of provision against doubtful loans			
Companies, organizations and individuals		<u>396,594,364</u>	<u>403,653,029</u>
9. NET INVESTMENT IN LEASE FINANCE			
Lease payments receivable	9.1	1,126,251,228	1,214,753,521
Add: Residual value		<u>293,558,161</u>	<u>324,929,233</u>
Gross investment in leases		<u>1,419,809,389</u>	<u>1,539,682,754</u>
Less: Unearned finance income		839,808	1,726,375
Income suspended	9.3	129,584,710	133,635,056
Provision for lease losses	9.4	<u>275,340,868</u>	<u>388,438,495</u>
		<u>405,765,386</u>	<u>523,799,926</u>
Net investment in lease finance		<u>1,014,044,003</u>	<u>1,015,882,828</u>
Less: Current portion of net investment in lease finance	11	<u>1,014,044,003</u>	<u>1,015,882,828</u>
		<u>-</u>	<u>-</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
	<u>1,418,969,581</u>	<u>-</u>	<u>-</u>	<u>1,418,969,581</u>

30th June 2014

	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	1,539,682,754	-	-	1,539,682,754
Less: Unearned finance income	1,726,375	-	-	1,726,375
	<u>1,537,956,379</u>	<u>-</u>	<u>-</u>	<u>1,537,956,379</u>

- 9.1. The Company has entered into various lease agreements with implicit rate of return ranging from 8% to 25% (2014: 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.

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.

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

9.3. Income suspended

Balance at the beginning of the year
Suspended during the year
Reversal of suspension
Balance at the end of the year

2015 Rupees	2014 Rupees
133,635,056	183,984,668
3,562,348	11,472,238
(7,612,694)	(61,821,850)
<u>129,584,710</u>	<u>133,635,056</u>

9.4. Provision for lease losses

Balance at the beginning of the year
Provision during the year
Provision reversed during the year
Balance at the end of the year

388,438,495	336,064,025
34,470,671	122,808,968
(147,568,298)	(70,434,498)
<u>275,340,868</u>	<u>388,438,495</u>

Note	2015 Rupees	2014 Rupees (Restated)
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10. DEFERRED TAX ASSET

10.1

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10.1. Deferred tax asset amounting to Rs. 714.491 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.

10.2. Deferred tax asset amounting to Rs. 515.932 million should not have been recognised in prior years due to non availability of taxable profits and non fulfillment of requirements of IAS - 12. Now adjustment of error has been made retrospectively with effects as under;

10.3. Accumulated losses as on July 01, 2013		-	(2,293,795,553)
Effect due to restatement	10.3.1	-	-
Deferred tax asset		-	(515,931,678)
Unrealized loss on remeasurement of available for sale investment		-	15,139,016
Accumulated losses as on July 01, 2013 - (Restated)		<u>-</u>	<u>(2,794,588,215)</u>

10.3.1. Decrease in deferred tax asset		-	(515,931,678)
Increase in profit for the year		-	15,139,016
Increase in accumulated losses		<u>-</u>	<u>(500,792,662)</u>

11. CURRENT MATURITIES OF NON-CURRENT ASSETS

Note

2015 Rupees	2014 Rupees
24,443,460	13,787,250
20,738,673	29,177,511
1,014,044,003	1,015,882,828
<u>1,059,226,136</u>	<u>1,058,847,589</u>

12. SHORT TERM LOANS AND ADVANCES

Short term loans-secured
Short term advances

12.1	31,460,541	53,289,126
12.2	15,060,100	19,173,175
	<u>46,520,641</u>	<u>72,462,301</u>

12.1. Short term loans-secured

Companies, organizations and individuals
Considered good
Considered doubtful

12.1.1	30,926,939	53,289,126
	1,302,541	650,000
	32,229,480	53,939,126
12.1.2	768,939	650,000
	<u>31,460,541</u>	<u>53,289,126</u>

12.1.1 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 16% to 20.62% (2014: 14.75% to 23.19%) per annum.

12.1.2 Provision against doubtful loans

Opening balance as at July 01,
Charged during the year
Reversed during the year
Closing balance as at June 30,

650,000	650,000
534,939	-
(416,000)	-
<u>768,939</u>	<u>650,000</u>

		2015 Rupees	2014 Rupees
12.2. Short term advances	Note		
Considered good			
Advances to employees & others		<u>15,060,100</u>	<u>19,173,175</u>
13. SHORT TERM PLACEMENTS			
Repurchase agreement lendings (Reverse Repo)		7,022,877	7,022,877
Placement with First Fidelity Leasing Modaraba		1,000,000	1,000,000
TDR		<u>10,000,000</u>	<u>3,000,000</u>
	13.1	<u>18,022,877</u>	<u>11,022,877</u>
Less: Provision against doubtful lending		<u>7,022,877</u>	<u>7,022,877</u>
		<u>11,000,000</u>	<u>4,000,000</u>
13.1. Particulars of short term placements			
Considered good			
Placement with First Fidelity Leasing Modaraba	13.2	1,000,000	1,000,000
TDR	13.3	10,000,000	3,000,000
Considered doubtful			
Hascomb Business Solutions	13.4	7,022,877	7,022,877
		<u>18,022,877</u>	<u>11,022,877</u>
13.2	This placement is made during 2011-2012 against the loan of ENPLAN with 0% mark up which was due to be settled before or on March 31, 2013. Subsequently it was settled against the Certificate of Investments of Mr. Abdul Rasheed and the remaining balance of Rs. 1.0 Million is still receivable as on balance sheet date.		
13.3	The amount has been placed with BURJ bank Limited for one month @ 7.25% (2014: 7.5%) p.a.		
13.4	These were secured against fair value of quoted securities and mortgage of property. These carry mark-up at the rate of 22% (2014: 22%). Quoted securities placed as collateral were disposed off during the 2011. Remaining balance has been fully provided.		
14. SHORT TERM INVESTMENTS			
Un-quoted			
TRICON Developers Limited			
Nil (2014: 112,900,548) fully paid ordinary shares			
of Rs. 10 each. Equity held nil (2014: 50.11%)	14.1	-	1,129,005,480
14.1	Investment in shares of M/s Tricon Developers Limited "TDL" was acquired against Sub-Ordinated Loan of Mr. Asif kamal to strengthen the equity of the company. TDL and TIBL through their respective Board of Directors' Meetings held on June 30, 2015 have agreed to derecognise the investment of TIBL because the break-up value of shares of TDL has dropped to Rs. 2.51/- based on un-audited financial statements as at June 30, 2014 duly initialed by auditors. Further, registrar of companies has not yet approved the issuance of shares. Further, TIBL is not willing to carry on this loan any longer neither has intentions to issue shares against TDL investment.		
15. MARK-UP ACCRUED			
Mark-up accrued on:			
Term finance certificates and Sukuks	15.1	962,649	536,675
Short term and long term loans	15.2	20,749,450	31,317,483
Investments in lease	15.3	169,236,169	170,070,629
Short term placements	15.4	-	56,501
		<u>190,948,268</u>	<u>201,981,288</u>
15.1. Mark-up accrued on bonds and term finance certificates			
Considered good		962,652	536,675
Considered doubtful		<u>55,314,978</u>	<u>53,420,450</u>
		<u>56,277,630</u>	<u>53,957,125</u>
Less: Suspension against doubtful receivables	15.1.1	<u>55,314,981</u>	<u>53,420,450</u>
		<u>962,649</u>	<u>536,675</u>

	Note	2015 Rupees	2014 Rupees
15.1.1. Suspension against doubtful receivables			
Opening balance as at July 01,		53,420,450	53,140,168
Suspended during the year		1,894,531	280,282
Closing balance as at June 30,		<u>55,314,981</u>	<u>53,420,450</u>
15.2. Mark-up accrued on short term and long term loans			
Considered good		20,749,450	31,317,483
Considered doubtful		104,564,543	102,335,043
		<u>125,313,993</u>	<u>133,652,526</u>
Less: Suspension against doubtful loans	15.2.1	<u>104,564,543</u>	<u>102,335,043</u>
		<u>20,749,450</u>	<u>31,317,483</u>
15.2.1. Suspension against doubtful loans			
Opening balance as at July 01,		102,335,043	102,335,043
Suspended during the year		2,229,500	-
Closing balance as at June 30,		<u>104,564,543</u>	<u>102,335,043</u>
15.3. Mark-up accrued on investment in lease-considered good			
This includes additional mark up on lease rentals amounting to Rs. 169.236 million (Restated 2014: Rs. 170.070 million) in respect of overdue rentals receivable from performing lease portfolio in accordance with the terms of lease agreement.			
15.4. Mark-up accrued on short term placements			
Considered doubtful		8,241,270	6,752,738
Less: Suspension against doubtful placements	15.4.1	<u>8,241,270</u>	<u>6,696,237</u>
		<u>-</u>	<u>56,501</u>
15.4.1. Suspension against doubtful placements			
Opening balance as at July 01,		6,696,237	5,151,204
Suspended during the year		1,545,033	1,545,033
Closing balance as at June 30,		<u>8,241,270</u>	<u>6,696,237</u>
16. OTHER RECEIVABLES			
Receivable from broker - considered doubtful		14,614,432	21,143,275
Miscellaneous receivables from lessees:	16.1		
Considered doubtful		380,501,827	318,830,017
Other receivables			
Considered good	16.2	58,013,442	183,328,213
Considered doubtful	16.3	4,625,524	4,625,524
		<u>62,638,966</u>	<u>187,953,737</u>
		<u>457,755,225</u>	<u>527,927,029</u>
Less: Provision for doubtful receivables	16.4	<u>373,209,194</u>	<u>344,638,816</u>
		<u>84,546,031</u>	<u>183,288,213</u>
16.1. This represents insurance and other miscellaneous charges receivable from lessees, in respect of vehicles insured by the bank against assets leased to them.			
16.2. This includes receivable from TCPL amounting to Rs. 49.700 million (2014: Rs. 51.074 million). It also includes Rs. 6.058 million (2014: Rs. nil) receivable from Tricon Developers Limited.			
16.3. This includes receivable from Trust Management (Pvt) Limited amounting to Rs. 3.920 million (2014: Rs. 3.920 million)			
16.4. Movement of provisions for doubtful receivable			
Opening balance as at July 01,		344,638,816	373,202,823
Charged for the year		80,767,848	106,153,058
		<u>425,406,664</u>	<u>479,355,881</u>
Written off during the year		(16,420,412)	(51,660,188)
Reversed during the year		(35,777,058)	(83,056,877)
Closing balance as at June 30,		<u>373,209,194</u>	<u>344,638,816</u>

	Note	2015 Rupees	2014 Rupees
17. CASH AND BANK BALANCES			
Cash in hand		429,766	120,694
Cash with banks in:			
Current accounts		244,194	244,194
Deposit accounts	17.1	5,722,214	8,487,377
		5,966,408	8,731,571
		6,396,174	8,852,265

17.1. Deposit accounts carry mark-up rate ranging from 5% to 9% per annum (2014: 6.50% to 9.50%).

18. Issued, subscribed and paid up capital

2015 (Number of shares)	2014		2015 (Rupees in thousand)	2014
80,000,000	80,000,000	Ordinary shares of Rs. 10 each	800,000,000	800,000,000
70,000,000	70,000,000	Preference shares of Rs. 10 each	700,000,000	700,000,000
150,000,000	150,000,000		1,500,000,000	1,500,000,000
		Issued, subscribed and paid up		
		Ordinary shares of Rs. 10 each		
35,717,984	30,180,484	fully paid-up in cash	357,179,840	301,804,840
		Ordinary shares of Rs. 10 each		
38,409,889	38,409,889	issued as bonus shares	384,098,889	384,098,889
		Preference shares of Rs.		
8,075,000	20,612,500	10 each issued	80,750,000	206,125,000
82,202,873	89,202,873		822,028,729	892,028,729

18.1. Mr. Zahid Rafiq and Genesis Securities (Pvt) Limited, related parties of the Bank held 5,702,405 (7.69%) [2014: 5,702,405 (9.74%)] and 12,209,742 (16.47%) [2014: 12,209,742 (20.85%)] Ordinary shares of Rs. 10 each respectively, as at June 30, 2015.

18.2. 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.

The Company may exercise the Call Option and repurchase these preference shares from investors from the commencement of 3rd anniversary, by giving 30 days notice, in accordance with following schedule:

- 3rd to 4th anniversary	upto 25%
- 4th to 5th anniversary	upto 50%
- After 5th anniversary	upto 100%

Further, these preference shares are convertible into ordinary shares of the Company at the option of investors from the 3rd anniversary till the 5th anniversary by giving thirty day notice in advance in following manner:

- 3rd to 4th anniversary	upto 25%
- 4th to 5th anniversary	upto 50%
- After 5th anniversary	upto 100%

The conversion ratio (A/B) for such issue is as follows:

A= Rupees ten (10/-) plus unpaid dividend, if any, on each preference share

B= Higher of following:

- Face value of shares
- Average discounted price of the ordinary share quoted in the daily quotation of KSE during the last twelve months prior to the conversion date.

As the fair value of financial liability is equal to fair value of financial instrument and intrinsic value of financial instrument is nil so the whole amount is recognized as financial liability.

18.3. The above stated preference shares have been treated as part of equity on the following basis:

- The preference shares were issued under the provision of Section 86 of the Companies Ordinance, 1984 (the Ordinance) read with Section 90 of the Ordinance and the Companies Share Capital (Variation in Rights and Privileges) Rules, 2000.
- The authorized capital of the Company and the issue of the preference shares were duly approved by the shareholders of the Company at the Extraordinary General Meeting held on May 02, 2005.
- Return of allotment of shares was filed under Section 93(1) of the Ordinance.
- Dividend on the preference shares is appropriation of profit both under the Ordinance and the tax laws.
- The requirements of the Ordinance take precedence over the requirements of IFRSs.

However, considering the requirements of the IFRSs for classification of debt and equity instruments, which suggests that the above preference shares be classified as debt, the ICAP has sought a clarification from the SECP in respect of the presentation of preference shares in the financial statements prepared in accordance with the requirements of the Companies Ordinance, 1984. Pending the decision of the SECP in this matter, the preference shares have been reflected as equity of the Company.

18.4. Particulars of Preference Shares

	2015 Rupees	2014 Rupees
Saudi Pak Industrial & Agricultural Investment Company	10,000,000	15,000,000
Pak Brunei Investment Company Limited	3,250,000	4,875,000
AMZ Income Fund (KASB Liquid Fund)	30,000,000	130,000,000
Bank Alfalah Limited	12,500,000	18,750,000
Allied Bank Limited	25,000,000	37,500,000
	<u>80,750,000</u>	<u>206,125,000</u>

19. RESERVES	Note	2015 Rupees	2014 Rupees (Restated)
Capital reserves			
Statutory reserve	19.1	243,620,723	240,828,097
Unrealized loss on remeasurement of available for sale investments	19.2	(17,647,102)	(15,972,890)
		<u>225,973,621</u>	<u>224,855,207</u>
Revenue reserves			
General reserve		61,000,000	61,000,000
Accumulated loss		(2,781,029,967)	(2,792,683,495)
		<u>(2,720,029,967)</u>	<u>(2,731,683,495)</u>
		<u>(2,494,056,346)</u>	<u>(2,506,828,288)</u>
19.1. Statutory Reserve			
Opening balance as at July 01,		240,828,097	240,030,907
Transfer from revenue reserves		2,792,626	797,190
Closing balance as at June 30,		<u>243,620,723</u>	<u>240,828,097</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.

19.2. Prior year figures have been reclassified for better presentation. (ref note: # 51.4)

20. SURPLUS ON REVALUATION OF FIXED ASSETS-NET	Note	2015 Rupees	2014 Rupees
Capital work in progress	20.1	<u>18,511,500</u>	<u>18,511,500</u>
20.1. Particulars of surplus on revaluation of fixed assets			
Opening balance as at July 01,		18,511,500	18,511,500
Addition / (deletion) during the year		-	-
Closing balance as at June 30, (ref: note # 6.3.1)		<u>18,511,500</u>	<u>18,511,500</u>

	Note	2015 Rupees	2014 Rupees
21. LONG TERM FINANCING - SUBORDINATED LOAN			
Long term financing-subordinated loan	21.1	<u>2,788,220,472</u>	<u>2,357,958,476</u>
21.1. Long term financing-Subordinated loan			
Opening balance as at July 01,		2,357,958,476	1,696,282,851
Obtained during the year		1,996,950,000	661,675,625
Paid / adjusted during the year		(1,566,688,004)	-
Closing balance as at June 30,	21.2	<u>2,788,220,472</u>	<u>2,357,958,476</u>
21.2. Particulars of subordinated loan			
Loan from:			
Directors			
Asif Kamal	21.2.1	716,350,637	1,759,282,851
Mamoon -ur- Rasheed	21.2.2	74,919,835	258,675,625
Syed Sajjad Rizvi (ref: note # 6.3.4)		-	240,000,000
Asad Kazmi	21.2.3	1,996,950,000	-
Tricon Developers Limited		-	100,000,000
		<u>2,788,220,472</u>	<u>2,357,958,476</u>
21.2.1. 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 favor of Mr. Asif Kamal 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 favor 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.			
21.2.2. Properties amounting to Rs. 258.675 million of Mrs. Samina Khurram had been injected for equity participation in favor 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. 183.756 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.			
21.2.3. This represents subordinated loan acquired against land from Mr. Khizer Hayat for equity participation in favor 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.			
22. LONG TERM FINANCING - OTHERS			
Banking companies and other financial institutions-Secured	22.1	57,624,657	-
Banking companies and other financial institutions-Unsecured	22.2	-	-
Term finance certificates (TFC)-Secured	22.3	-	-
		<u>57,624,657</u>	<u>-</u>
22.1. Banking companies and other financial institutions-Secured			
The Bank of Punjab	22.1.1	296,077,333	296,077,333
Allied Bank Limited	22.1.2	70,000,005	70,000,005
Pak Oman Investment Company (Pvt.) Limited	22.1.3	5,161,297	5,161,297
The Bank of Khyber	22.1.4	27,777,780	27,777,780
Standard Chartered Bank Limited	22.1.5	49,329,674	49,329,674
Summit Bank Limited (Formerly Atlas Bank Limited)	22.1.6	81,640,625	81,640,625
First Women Bank Limited	22.1.7	64,027,397	64,027,397
CDC Trustee Askari Income Fund	22.1.8	126,250,000	126,250,000
PAK Brunei Investment Company	22.1.9	2,536,941	2,536,941
IGI Investment Bank Limited	22.1.10	67,500,000	67,500,000
The Punjab Provincial Co-operative Bank Limited	22.1.11	88,058,721	88,058,721
		<u>878,359,773</u>	<u>878,359,773</u>
Less: Current portion shown under current liabilities	29	<u>820,735,116</u>	<u>878,359,773</u>
		<u>57,624,657</u>	<u>-</u>

- 22.1.1.** This represents two facilities of an aggregate amount of Rs. 301.77 million. These facilities are secured against exclusive charge on specific leased assets. Facility of Rs. 279.752 million carries mark-up rate of 9.33% per annum. This facility is repayable in 2 quarterly installments of Rs. 2.5 million, one installment of Rs. 12 Million, Two installments of Rs. 27 million, two Installments of Rs. 40 Million, One Installment of Rs. 33.33 Million, One Installment of Rs. 30.419 Million, One Installment of Rs. 16 Million, Two Installments of Rs. 21 Million and One Installment of Rs 7 Million on Quarterly basis Starting from October 31, 2011 to September 30, 2014. The other facility of Rs. 21.325 Million is a non service able facility and repayable in six quarterly installments starting from June 30, 2013 to September 30, 2014.
- 22.1.2.** This represent an unsecured facility of an amount of Rs. 200 million, out of which Rs. 50 Million is converted into preference shares from May 10, 2010. This facility (200 M) carries mark up rate of 1 Month KIBOR + 200 bps upto July 2009 and 1 Month KIBOR from July 01, 2009 onward and is repayable in 36 equal monthly installments of Rs. 3,333,333/- starting from June 4, 2010 and expiring on May 29, 2013.
- 22.1.3.** This represents facility of Rs.23 million. 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 and was repayable in twelve equal monthly installments starting from 10 August 2009 and expiring on 10 July 2010. Facility has been restructured on 4 December 2009. Mark-up rate has been changed to 6 month KIBOR + 150 bps per annum and principal is repayable in immediate payment of Rs. 3,000,000 on 4 December 2009 and 31 equal monthly installments starting from 23 December 2009 and expired on 23 June 2012.
- 22.1.4.** This represents a facility of Rs. 137.5 million secured against first charge on specified leased assets and related receivables amounting Rs.75 Million has been converted into preference shares and the while the balance amount of Rs. 62.5 Million has been converted into term Finance facility which carries mark up @ 1 month KIBOR. This facility is repayable in thirty six equal monthly installments starting from 01 January 2010 and expiring on 31 December 2012.
- 22.1.5.** 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 is repayable in twelve equal quarterly installments starting from 31 May 2008 and expired on 28 February 2011.
- 22.1.6.** This represents two facilities of Rs.100 million each. These facilities are secured against first charge on specific/exclusive leased assets and related receivables with 25% margin. These carry mark-up @ 3 month KIBOR + 185 bps per annum with floor of 13.50%. These facilities were repayable in sixteen equal quarterly installments starting from 28 June 2008 and expiring on 28 May 2012. However, these facilities have been rescheduled on 7 January 2010. Outstanding principal of Rs. 68.75 million of Term Finance 1 is repayable in 16 equal quarterly installments starting from 1 February 2010 and expiring on 1 November 2013. While outstanding principal of Rs. 68.75 million of Term Finance 2 is repayable in 16 equal quarterly installments starting from 1 March 2010 and expiring on 1 December 2013.
- 22.1.7.** During the year, the bank started negotiations for settlement with the company as on April 30, 2015 and the agreement finalised in July, 2015, as a result of which existing liability has been agreed at an amount of Rs.64.03 million along with cost and cost of funds. The company has waived off mark up payable amounting to Rs. 9.696 million as a result of this settlement agreement. Moreover bank has agreed to sanction a new term finance facility of Rs. 30 million at mark-up @ 6 months KIBOR +2.50% p.a. The company will pay an amount of Rs. 6.402 million, 10% of the total existing payable amount as upfront, at the time of disbursement of fresh loan. Balance will be paid in 36 equal monthly installments. These are secured through collateral security in shape of mortgage of property in favor of the bank.
- 22.1.8.** This represents facility of Rs.194 million rescheduled. This facility is secured against exclusive charge and carries @ 1 month KIBOR per annum. This facility is repayable in immediate payment of Rs.8 million, first installment of Rs. 3 million and 22 equal monthly installments starting from 31 January 2010 and expired on 1 February 2013.
- 22.1.9.** 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 23 equal monthly installments of Rs.420,000 and last installment of Rs.436.941 starting from 8 May 2010 and expired on 8 Apr 2012.
- 22.1.10.** This represents facility of Rs.80 million rescheduled. This facility is secured against ranking charge on current assets equivalent to Rs.115 million with 30% margin. The facility carries mark-up rate of 1 month KIBOR per annum. This facility is repayable in six equal monthly installments of Rs.0.5 million, 12 equal monthly installments of Rs.0.75 million, 6 equal monthly installments of Rs.1 million, 12 equal monthly installments of 1.5 million, 10 equal monthly installments of Rs.1.75 million and 13 equal monthly installments of Rs. 2 million, starting from 15 March 2010 and expiring on 15 Feb 2015.
- 22.1.11.** This represents facility of Rs.284.298 million converted from short term loans to long term loans. This facility is secured against exclusive first charge against Leased assets and related receivables. The facility carries mark-up rate of 1 month KIBOR + 200 bps per annum. This facility is repayable in twenty eight equal monthly installments of Rs.10 million and the balance amount of Rs. 4,298,472 will be paid the last installment, starting from 16 September 2010 and expiring on 15 Feb 2013. Loan amounting to Rs.140M has been swapped with term loan due from Vital enterprises.

	Note	2015 Rupees	2014 Rupees
22.2 Banking companies and other financial institutions-Unsecured			
CDC Trustee KASB Liquid Fund	22.2.1	3,500,000	3,500,000
Dawood Money Market Fund	22.2.2	7,842,873	7,842,873
House Building Finance Corporation	22.2.3	5,909,086	5,909,086
		17,251,959	17,251,959
Less: Current portion shown under current liabilities	29	17,251,959	17,251,959
		-	-
22.2.1. This represents facility of Rs.41 million rescheduled. This facility is unsecured and carries mark-up @ 1 month KIBOR per annum. This facility is repayable two monthly installments of Rs.5 million, three monthly installments of Rs. 2.5 million, eighteen monthly installments of Rs. 1 million and last installment of Rs. 0.5 million starting from 19 January 2010 and expired on 19 December 2011.			
22.2.2. This represents facility of Rs.37.8 million rescheduled. This facility is unsecured and carries mark-up @ 1 month KIBOR per annum. This facility is repayable in twenty four monthly installments of Rs.1.5 million and last installment of Rs. 1.8 million starting from 25 January 2010 and expired on 7 January 2012.			
22.2.3. This represents facility of Rs.35.5 million rescheduled. This facility is unsecured and carries mark-up @ 3 month KIBOR + 200 bps per annum at the start of each month. This facility is repayable in first installment of Rs. 3 million and 22 equal monthly installments of Rs.1.477 each starting from 15 March 2010 and expired on 15 January 2012.			
22.3. Term finance certificates (TFC)-Secured			
TFC III	22.3.1	230,583,980	230,583,980
Less: Unamortized portion of the initial transaction cost		-	-
		230,583,980	230,583,980
Less: Current portion shown under current liabilities	29	230,583,980	230,583,980
		-	-
22.3.1. 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 installments and the remaining principal in eight semi-annual installments 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. LONG TERM MORABAHA			
Long term morabaha	23.1	15,500,000	15,500,000
Less: Current portion shown under current liabilities	29	15,500,000	15,500,000
		-	-
23.1. This represents Bi Muajjal murabaha facility of Rs.20.5 million and profit thereon amounting to Rs. 5,008,602/- be distributed over the period of its agreement. This facility is repayable in twenty equal monthly installments of Rs.1 million and last installment of Rs.0.5 million, starting from 25th May, 2011 and expired on 25th Feb, 2013.			
24. LONG TERM CERTIFICATES OF INVESTMENT			
- Corporate			
Secured		22,371,263	22,371,263
Unsecured		163,295,179	165,995,179
- Individuals		-	3,100,000
	24.1	185,666,442	191,466,442
Less: Current portion shown under current liabilities	29	184,103,942	178,470,179
		1,562,500	12,996,263

- 24.1. 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 over 1 year to 5 years and carries profit ranging from 9.85% to 22.22% (2014: 9.85% to 22.22%) per annum.

	Note	2015 Rupees	2014 Rupees
25. DEFERED LIABILITIES			
Gratuity	25.1	6,292,651	5,010,328
Leave encashment	25.1	1,179,036	1,179,036
		<u>7,471,687</u>	<u>6,189,364</u>

Gratuity scheme is funded 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.

		Gratuity		Leave Encashment	
		2015	2014	2015	2014
Note		Rupees			
25.1. Amount recognized in the balance sheet					
Present value of defined benefit obligations	25.1.1	6,292,651	4,514,424	1,179,036	1,179,036
Less: Fair value of plan assets	25.1.2	-	-	-	-
Add: Benefits due but not paid		-	495,904	-	-
		<u>6,292,651</u>	<u>5,010,328</u>	<u>1,179,036</u>	<u>1,179,036</u>
25.1.1. Movement in the defined benefit obligation:					
Present value of defined benefit obligation at beginning of the year		4,514,424	3,105,936	1,179,036	1,439,502
Current service cost for the year		2,142,856	1,151,018	-	-
Interest cost for the year		578,397	217,055	-	-
Benefits paid / discharged during the year		(460,000)	(2,077,500)	-	(260,466)
Experience adjustments		(483,026)	2,117,915	-	-
		<u>6,292,651</u>	<u>4,514,424</u>	<u>1,179,036</u>	<u>1,179,036</u>
25.1.2. Movement in the fair value of plan assets:					
Fair value of plan assets as at July 01,		-	-	-	-
Total contributions made in the year		2,077,500	2,077,500	-	-
Expected return on plan assets for the year		-	-	-	-
Benefits paid / discharged during the year		(2,077,500)	(2,077,500)	-	-
Return on plan assets, excluding interest income		-	-	-	-
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		Gratuity		Leave Encashment	
		2015	2014	2015	2014
		Rupees			
25.2. Movement of liability:					
Balance sheet liability as at July 01		5,010,328	3,601,840	1,179,036	1,439,502
Expense chargeable to profit & loss	25.3	2,721,253	1,368,073	-	-
Remeasurement (gain) / loss on obligation	25.4	(483,026)	2,117,915	-	-
Contribution made during the year		(460,000)	(2,077,500)	-	(260,466)
Payables written off during the year		(495,904)	-	-	-
		<u>6,292,651</u>	<u>5,010,328</u>	<u>1,179,036</u>	<u>1,179,036</u>
		Gratuity		Leave Encashment	
		2015	2014	2015	2014
		Rupees			
25.3. Staff service cost expense charged in the profit & loss account					
Current service cost		2,142,856	1,151,018	-	-
Interest cost		578,397	217,055	-	-
		<u>2,721,253</u>	<u>1,368,073</u>	<u>-</u>	<u>-</u>
25.4. Staff service cost expense charged in other comprehensive income					
Remeasurement of plan obligation		(483,026)	2,117,915	-	-
Experience adjustments		(483,026)	2,117,915	-	-
Interest income on plan assets		-	-	-	-
		<u>(483,026)</u>	<u>2,117,915</u>	<u>-</u>	<u>-</u>

- 25.5. Qualified actuary carried out the valuation as on 30 June 2015 using the Projected Unit Credit Method. Following significant assumptions have been used:

	Gratuity		Leave encashment	
	2015	2014	2015	2014
	-----Per annum-----			
Discount rate	9.75%	13.5%	13%	13%
Expected rate of increase in salary	8.75%	12.5%	12%	12%
Expected rate of return on plan assets	13.5%	10.5%	-	-
Average number of leaves utilized per annum	-	-	-	-
Expected average remaining years until vesting as on 30 June	9 years	15 years	-	-

	Note	2015 Rupees	2014 Rupees
26. LONG TERM DEPOSITS			
Margin against letters of guarantee		137,176,220	135,698,512
Less: Current portion shown under current liabilities	29	101,938,996	135,698,512
		35,237,224	-
Deposits against lease arrangements	26.1	293,005,569	324,048,339
Less: Current portion shown under current liabilities	29	293,005,569	324,048,339
		-	-
		35,237,224	-

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

27. SHORT TERM BORROWINGS

Banking companies and other financial institutions:
Running finances - secured

27.1	39,413,532	39,413,532
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- 27.1. Total limit against running finances amounting to Rs. 40 million (2014: Rs. 40.00 million). This carry mark-up @ 3 month KIBOR + 300 bps with a floor ranging from 4.5% to 10% per annum (2014: 3 months KIBOR + 300 bps with a floor ranging from 4.5% to 10%) payable on quarterly basis respectively.

The above facilities have been obtained for a period of one year and are secured against promissory notes, first charge on specific leased assets, related receivables.

28. SHORT TERM CERTIFICATES OF INVESTMENT

- Financial institutions	10,350,006	12,850,006
- Corporate	1,003,875,642	1,099,838,536
- Individuals	22,750,815	25,750,815
	1,036,976,463	1,138,439,357

- 28.1. These represent unsecured short term certificates of investment for a period of one months to one year. These carry mark-up rate ranging from 0% to 18.75% (2014: 0% to 18.75%) per annum.

29. CURRENT MATURITIES OF NON CURRENT LIABILITIES

Long term financing from banking companies & financial Institutions			
Secured	22.1	820,735,116	878,359,773
Unsecured	22.2	17,251,959	17,251,959
Term finance certificates-Secured	22.3	230,583,980	230,583,980
Long term morabaha	23	15,500,000	15,500,000
Certificates of investment	24	184,103,942	178,470,179
Long term deposits	26	394,944,565	459,746,851
		1,663,119,562	1,779,912,742

30. MARK-UP ACCRUED	Note	2015 Rupees	2014 Rupees
Secured			
- Short and long term financing		79,679,040	89,375,472
- Term finance certificates	30.1	16,913,910	16,913,910
		96,592,950	106,289,382
Unsecured			
- Certificates of investment		162,680,220	162,680,220
		259,273,170	268,969,602

30.1. It includes Rs. 1.986 million (2014: 1.986 million) payable to Trust Capital (Pvt.) Limited (Subsidiary company)

31. TRADE AND OTHER PAYABLES

Advance receipt against finance facilities	31.1	5,564,822	8,064,822
Unclaimed dividend		3,092,624	3,096,984
Preference dividend payable		58,023,278	58,023,278
Accrued liabilities		16,628,162	16,517,299
Other liabilities	31.2 & 31.3	90,379,856	77,461,275
		173,688,742	163,163,658

31.1 These represent initial security deposit received against financing facilities.

31.2. These include withholding tax payable Rs.20.576 million (2014: Rs.19.966 million), central excise duty payable Rs. 9.023 million (2014: Rs. 6.968 million) and Zakat payable Rs. 3,499/- (2014: Rs.3,499/-).

31.3. It also includes Rs. nil (2014: Rs. 1.897 Million) payable to Tricon Developers Limited against transfer of various houses of "Tricon Village". These houses were transferred from Allied Developers on behalf of Tricon Developers Limited.

32. CONTINGENCIES AND COMMITMENTS

32.1. Contingencies

- (a) The Company has issued guarantees to various parties on behalf of clients amounting to Rs. 879.162 million (2014: Rs. 574.848 million).
- (b) The Company has filed recovery suits amount to Rs. 2,195.42 million (2014: Rs. 1,428.42 million). Prima facie the Bank has good arguable cases, the financial impact of the same has been accounted for in these financial statements.

Following litigations are pending against Trust Bank in the court of law:

	Rs. in million
Privatization Commission of Pakistan	396.5
The bank of Punjab	315.5
Levi's Strauss Pakistan (Pvt.) Limited	100.0
Punjab Provincial Co-operative Bank Limited	103.0
Shifa Co-operative Housing Society	5.0
Shifa international Hospital	10.0
Trading Corporation of Pakistan	95.7
House Building Finance Company	6.6
Summit Bank Limited	95.9
IGI Investment Bank Limited	73.0
Standard Chartered Bank Limited	56.3
KASB Bank Limited	26.2
National Transmission and Distribution Company	118.8
Lyari Development Authority	168.8
Pak Oman Investment Company (Pvt.) Limited	5.3

(c) The delayed payment of income tax withheld and CED may attract additional surcharge and penal action (refer note # 31.2).

(d) The company has not provided for mark-up of Rs. 668.522 in preceding year and Rs. 220.927 million during the year on financing from banking companies & 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 markup been provided net profit for the year would have been decreased by Rs. 220.927 million, mark up payable and accumulated losses would have been increased by Rs. 889.449 million;

	Note	2015 Rupees	2014 Rupees
32.2. Commitments			
32.2.1 There exists no commitment as at balance sheet date.			
33. INCOME FROM LEASE OPERATIONS			
Finance lease income		2,568,555	52,671,757
Commitment and other fees		30,000	65,000
Miscellaneous lease income	33.1	3,931,126	709,178
		<u>6,529,681</u>	<u>53,445,935</u>
33.1. Miscellaneous lease income			
Additional mark up on overdue lease rentals		<u>3,931,126</u>	<u>709,178</u>
34. INCOME FROM INVESTMENTS			
Profit on short term placements		61,825	117,506
Profit on long term investments		425,974	1,402,891
		<u>487,799</u>	<u>1,520,397</u>
35. INCOME FROM TERM LOANS			
Mark- up earned on long term loans			
Employees		45,110	57,739
Customers		1,057,940	7,969,530
		<u>1,103,050</u>	<u>8,027,269</u>
Mark- up earned on long term loans			
Customers		34,816,391	52,624,066
		<u>35,919,441</u>	<u>60,651,335</u>
36. FINANCE COST			
Mark-up on certificates of investment		2,855,143	5,419,748
Bank charges and commission		88,819	8,020,761
		<u>2,943,962</u>	<u>13,440,509</u>
37. ADMINISTRATIVE AND OPERATING EXPENSES			
Salaries and other benefits	37.1	35,845,952	30,359,540
Printing and stationery		1,034,538	1,159,764
Vehicle running and maintenance		598,106	2,414,259
Postage, telephone and telex		790,612	852,753
Traveling and conveyance		2,055,828	1,716,326
Boarding and lodging		1,849,333	739,231
Entertainment		968,293	1,072,258
Advertisement		166,560	122,510
Electricity, gas and water		1,759,954	1,606,853
Newspapers and periodicals		16,065	11,885
Auditors' remuneration	37.2	1,500,000	1,500,000
Fee and subscription		2,195,772	1,177,256
Rent, rates and taxes		1,495,796	1,201,700
Insurance		586,013	469,488
Office maintenance		1,853,539	1,578,882
Legal and professional charges		12,178,707	20,167,876
Security charges		185,620	280,550
Staff training		-	4,700
Depreciation on property, plant and equipment	6.1	5,228,869	7,000,784
Amortization of intangible assets	6.4	308,763	105,864
Miscellaneous		4,605,246	4,376,182
		<u>75,223,566</u>	<u>77,918,661</u>

37.1. It includes provision for gratuity amounting to Rs. 2.721 million (2014: Rs. 1.368 million).



		2015 Rupees	2014 Rupees
37.2. 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>
38. OTHER INCOME			
Loss on disposal of fixed assets		(20,805,939)	(188,592)
Commission income		9,866,172	20,692,202
Profit on bank deposits		492,849	392,454
Profit on settlement		30,733,190	65,280,831
Miscellaneous gain		-	6,517,849
		<u>20,286,272</u>	<u>92,694,744</u>
39. OTHER OPERATING EXPENSES			
These represent lease receivables written off during the year.			
40. PROVISION (REVERSED) / CHARGED AGAINST LEASE AND TERM LOAN			
Provision (reversed) / charged for potential lease losses		(113,097,627)	52,374,476
Provision (reversed) / charged for loans and advances		(4,710,226)	2,576,617
Provision for other receivable		33,099,221	23,096,176
		<u>(84,708,632)</u>	<u>78,047,269</u>
		2015 Rupees	2014 Rupees (Restated)
41. IMPAIRMENT IN THE VALUE OF INVESTMENT			
Charge of impairment of investment in subsidiary		1,175,559	16,453,184
Impairment charged / (reversed) in the value of investment in TFC,s		20,000,000	(3,522,000)
		<u>21,175,559</u>	<u>12,931,184</u>
		2015 Rupees	2014 Rupees
42. PROVISION FOR TAXATION	Note		
Current tax			
For the year	42.1	<u>832,574</u>	<u>1,432,202</u>
42.1. The reconciliation of tax expense and product of accounting profit of corresponding year multiplied by the applicable tax rate cannot be made in view of minimum taxation and final tax on dividend income.			
43. EARNINGS PER SHARE			
43.1. Earnings per share - basic			
Net profit for the year	Rupees	<u>13,963,128</u>	<u>4,819,825</u>
Weighted average number of ordinary shares	Numbers	<u>72,282,040</u>	<u>59,389,331</u>
Earnings per share - basic	Rupees	<u>0.19</u>	<u>0.08</u>
43.2. Earnings per share - diluted			
Net profit for the year	Rupees	<u>13,963,128</u>	<u>4,819,825</u>
Weighted average number of ordinary shares	Numbers	<u>82,202,873</u>	<u>89,202,873</u>
Earnings per share - diluted	Rupees	<u>0.17</u>	<u>0.05</u>

44. REMUNERATION OF CHIEF EXECUTIVE, EXECUTIVE AND DIRECTORS

	Chief Executive		Directors		Executives	
	2015	2014	2015	2014	2015	2014
	-----Rupees-----					
Managerial remuneration	5,418,000	4,170,960	-	774,192.00	1,908,591	2,472,425
Housing and utilities	2,982,000	1,876,932	-	348,386.00	1,050,464	1,112,591
Bonus	-	417,096	-	77,419.00	19,000	247,242
Medical	110,736	100,000	-	-	105,000	195,000
Others	800,000	600,000	-	800,000.00	263,176	1,188,208
Gratuity	-	-	-	-	-	1,140,000
Directorship Fee	-	-	1,340,000	445,000	-	-
	9,310,736	7,164,988	1,340,000	2,444,997	3,346,231	6,355,466
Number of persons	1	1	5	3	3	7

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

44.2. Fee was paid to directors for attending the board meetings amount to Rs. 1,340,000/- (2014: Rs.445,000/-).

45. MATURITIES OF ASSETS AND LIABILITIES

	2015			
	Total	Upto one year	Over one to five years	Over five years
	-----Rupees-----			
Financial assets:				
Net investment in lease finance	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 placements	11,000,000	11,000,000	-	-
Markup accrued	190,948,268	190,948,268	-	-
Other receivables	84,546,031	84,546,031	-	-
Cash and bank balances	6,396,174	6,396,174	-	-
	1,845,321,776	1,795,231,614	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	(4,148,678,644)	(1,316,123,953)	(2,832,554,691)	-
Shareholders' equity	(1,672,027,617)			

	2014			
	Total	Upto one year	Over one to five years	Over five years
Financial assets:	Rupees			
Net investment in lease finance	1,015,882,828	1,015,882,828	-	-
Long term loans and advances	436,646,515	432,830,540	3,815,975	-
Long term investments	57,010,189	13,787,250	43,222,939	-
Long term deposits	811,310	-	811,310	-
Short term loans and advances	72,462,301	72,462,301	-	-
Short term placements	4,000,000	4,000,000	-	-
Short term investments	1,129,005,480	1,129,005,480	-	-
Markup accrued	201,981,288	201,981,288	-	-
Other receivables	183,288,213	183,288,213	-	-
Cash and bank balances	8,852,265	8,852,265	-	-
	3,109,940,389	3,062,090,165	47,850,224	-
Financial liabilities				
Long term certificates of investments	191,466,442	178,470,179	12,996,263	-
Long term financing	3,484,154,188	1,126,195,712	2,357,958,476	-
Long term morabaha	15,500,000	15,500,000	-	-
Long term deposits	459,746,851	459,746,851	-	-
Short term certificates of investments	1,138,439,357	1,138,439,357	-	-
Short term borrowings	39,413,532	39,413,532	-	-
Mark-up accrued	268,969,602	268,969,602	-	-
Trade and other payables	102,043,396	102,043,396	-	-
	5,699,733,368	3,328,778,629	2,370,954,739	-
Net Balance	(2,589,792,979)	(266,688,464)	(2,323,104,515)	-
Shareholders' equity	(1,614,799,559)			

45.1. FINANCIAL RISK MANAGEMENT

45.1.1. 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.

			2015	2014
Reporting date all index points			24037	21973
			</	

(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:

Floating rate instruments	2015 Rupees	2014 Rupees
Financial assets		
Bank balances - deposit accounts	5,722,214	8,487,377
Short term placements	11,000,000	4,000,000
Short term loans and advances	46,520,641	72,462,301
Long term investments	54,160,418	57,010,189
Lease rental receivables	1,014,044,003	1,015,882,828
Long term loans and advances	434,094,691	436,646,515

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:

Bank balances	5,966,408	8,731,571
Short term placements	11,000,000	4,000,000
Short term investments	-	1,129,005,480
Short term loans and advances-net	46,520,641	72,462,301
Markup accrued	190,948,268	201,981,288
Other receivables	84,546,031	183,288,213
Long term investments	54,160,418	57,010,189
Lease rental receivables	1,014,044,003	1,015,882,828
Long term loans and advances	434,094,691	436,646,515
	1,841,280,460	3,109,008,385

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:

	2015 Rupees	2014 Rupees
Chemical & fertilizer	6,536,664	7,443,746
Construction / Real Estate	74,938,818	85,337,931
Financial institutions / Insurance Companies	182,533,780	207,863,635
Health care	16,384,568	18,658,223
Hotels	6,037,183	6,874,952
Individuals / auto lease	541,115,763	616,205,333
Miscellaneous manufacturing	162,405,503	184,942,196
Miscellaneous services	103,953,352	118,378,755
Natural gas & LPG	29,196,616	33,248,173
Paper & board	6,038,791	6,876,783
Steel & engineering	10,145,169	11,552,995
Sugar & allied	17,084,339	19,455,099
Textile composite	16,215,139	18,465,283
Textile knitwear / apparel	84,490,950	96,215,593
Textile spinning	11,073,181	12,609,773
Transport & communication	179,988,878	204,965,580
	<u>1,448,138,694</u>	<u>1,649,094,050</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	26,779,349	6,158,369
Past due 181 - 365 days	20,472,019	383,432
1 - 2 years	1,458,803	1,255,020
More than 2 years	1,837,423,389	1,612,447,599
	<u>1,886,133,560</u>	<u>1,620,244,420</u>

Provision on term loans and lease rental receivables

Past due 0 - 180 days	-	-
Past due 181 - 365 days	69,780	204,634
1 - 2 years	62,884	359,979
More than 2 years	672,571,507	1,115,672,450
	<u>672,704,171</u>	<u>1,116,237,063</u>

Collaterals held against term financing and lease rentals receivables

	2015				
Gross exposure	Collaterals			Net exposure	
	Mortgage	Hypothecation	Liquid-collaterals		
	----- Rupees -----				
Long term finances	434,094,691	113,060,000	800,000	20,312,500	299,922,191
Short term finances	32,229,480	84,124,000	-	1,560,550	(53,455,070)
Lease rental receivables	1,419,809,389	149,055,000	148,232,909	144,772,660	977,748,820

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:

Banks	Rating		2015	2014
	Long term	Agency	(Rupees)	
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	2,306,836	5,327,645
NIB Bank Limited	AA-	PACRA	1,533,420	1,486,771
Standard Chartered Bank	AAA	PACRA	5,517	5,517
State Bank of Pakistan			826	826
Burj Bank Limited	A-	JCR	1,856,916	1,647,977
KASB Bank Limited	A+	PACRA	13,839	13,839
Bank Al Habib Limited	AA+	PACRA	4,865	4,807
JS Bank Limited	A+	PACRA	821	821
			5,966,408	8,731,571

Sukuks / Bonds	Rating		2015	2014
	Long term	Agency	(Rupees)	
Eden Housing Limited-Sukuks			9,843,750	9,843,750
Term finance certificates				
Azgard Nine Limited	D	PACRA	30,485,310	30,485,310

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 of 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.

	Carrying Amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years	Over 5 years
30 June 2015	----- Rupees -----				
Customers' security deposits	430,181,789	-	394,944,565	35,237,224	-
Trade and other payables	112,572,840	-	112,572,840	-	-
	542,754,629	-	507,517,405	35,237,224	-
30 June 2014					
Customers' security deposits	459,746,851	-	459,746,851	-	-
Trade and other payables	102,043,396	-	102,043,396	-	-
	561,790,247	-	561,790,247	-	-

The contractual cash flows relating to the above financial liabilities have been determined on the basis of markup / profit rates effective as at 30 June 2015. The rates of mark up have been disclosed in respective notes to the financial statements.

45.2. Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

45.3. Financial instruments by categories

	Cash and cash equivalents	Loans and receivables	Available for sale	Held to maturity	Assets at fair value through profit or loss	Total
(Rupees)						
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
	6,396,174	1,793,619,154	4,977,388	40,329,060	-	1,845,321,776

Financial liabilities at amortized cost

(Rupees)

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
	5,994,000,420

	Cash and cash equivalents	Loans and receivables	Available for sale	Held to maturity	Assets at fair value through profit or loss	Total
(Rupees)						
As at 30 June 2014						
Assets as per balance sheet						
Cash and bank balances	8,852,265	-	-	-	-	8,852,265
Short term placements	-	4,000,000	-	-	-	4,000,000
Short term loans and advances	-	72,462,301	-	-	-	72,462,301
Markup accrued	-	201,981,288	-	-	-	201,981,288
Other receivables	-	183,288,213	-	-	-	183,288,213
Long term deposits	-	811,310	-	-	-	811,310
Long term investments	-	10,029,529	6,651,600	40,329,060	-	57,010,189
Lease rental receivables	-	1,015,882,828	-	-	-	1,015,882,828
Long term loans and advances	-	436,646,515	-	-	-	436,646,515
	8,852,265	1,925,101,984	6,651,600	40,329,060	-	1,980,934,909

Financial liabilities at amortized cost

(Rupees)

Liabilities as per balance sheet

Customers' security deposits	459,746,851
Long term financing-subordinated loan	2,357,958,476
Long term financing-others	1,126,195,712
Long term morabaha	15,500,000
Long term certificates of investment	191,466,442
Short term borrowings	39,413,532
Short term certificates of investment	1,138,439,357
Mark up accrued	268,969,602
Trade and other payables	102,043,396
	5,699,733,368

45.4. 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. 1,000 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, surplus on revaluation of fixed assets, subordinated loans and redeemable preference shares.

	2015 Rupees	2014 Rupees
46. CASH AND EQUIVALENTS		
Cash and bank balances	6,396,174	8,852,265
Short term running finance	(39,413,532)	(39,413,532)
	<u>(33,017,358)</u>	<u>(30,561,267)</u>
47. 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 June 30	71,065,510	71,065,510
Subordinate Loan	224,277,371	1,253,282,851
Mr. Zahid Rafiq		
Share capital as on June 30	57,024,050	57,024,050
Genesis Securities (Pvt) Limited.		
Share capital as on June 30	122,097,420	122,097,420
Associated undertakings:		
Habib Rafiq (Pvt) Limited		
Letter of Guarantees issued during the year	188,490,032	97,000,000
Letter of Guarantees outstanding as at June 30	360,445,074	171,955,042
Income charged during the year	4,027,025	3,723,080
Tricon Developers Limited		
Long term financing - subordinated loan as on June 30	-	100,000,000
Trust Capital (Private) Limited		
Loan (recovered) / paid during the period	-	(130,100,000)
Outstanding loans and advances as at June 30	49,700,223	51,073,829
Outstanding TFC,s	9,371,250	9,371,250
Mark-up payable on TFC,s (overdue more than 365 days)	1,986,254	1,986,254

48. SEGMENT ANALYSIS

Trust investment bank activities 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.

Income from lease operations
Income from investments
Income from term loans
Total income for reportable segments

Finance cost
Administrative and operating expenses
Other operating expenses
Provision reversed against lease and term loans
Impairment charged in the value of investment
Other income
Segment result

Profit before taxation

-----2015-----		
Financing activities	Investment activities	Total
-----Rupees-----		
6,529,681	-	6,529,681
-	487,799	487,799
35,919,441	-	35,919,441
42,449,122	487,799	42,936,921
2,855,143	88,819	2,943,962
71,854,547	3,369,019	75,223,566
33,793,036	-	33,793,036
(84,708,632)	-	(84,708,632)
-	21,175,559	21,175,559
-	20,286,272	20,286,272
18,655,028	(3,859,326)	14,795,702
		14,795,702

Segment assets
Unallocated assets

Segment liabilities
Unallocated liabilities

-----2015-----		
Financing activities	Investment activities	Total
-----Rupees-----		
1,900,424,721	167,372,601	2,067,797,322
		2,341,274,570
		4,409,071,892
3,953,829,715	1,222,642,905	5,176,472,620
		886,115,389
		6,062,588,009

Income from lease operations
Income from investments
Income from finances / loans
Total income for reportable segments

Finance cost
Administrative and operating expenses
Other operating expenses
Provision charged against lease and term loans
Impairment charged in the value of investment
Other income
Segment result

Profit before taxation

-----2014-----		
Financing activities	Investment activities	Total
-----Rupees-----		
53,445,935	-	53,445,935
-	1,520,397	1,520,397
60,651,335	-	60,651,335
114,097,270	1,520,397	115,617,667
5,419,748	8,020,761	13,440,509
74,845,419	3,073,242	77,918,661
19,722,761	-	19,722,761
78,047,269	-	78,047,269
-	12,931,184	12,931,184
6,517,849	86,176,895	92,694,744
(57,420,078)	63,672,105	6,252,027
		6,252,027

Segment assets
Unallocated assets

Segment liabilities
Unallocated liabilities

-----2014-----		
Financing activities	Investment activities	Total
-----Rupees-----		
2,048,791,570	142,828,692	2,191,620,262
		1,979,134,673
		4,170,754,935
3,523,567,720	1,163,910,620	4,687,478,340
		1,079,564,654
		5,767,042,994

**Amount
(in Rupees)**

49. EXPOSURE EXCEEDING 20% OF EQUITY

Below is the outstanding exposure exceeding 20% of equity:

Ali Pervaiz and Associates	393,125,286/-
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50. DATE OF AUTHORIZATION

These financial statements were authorized for issue on October 06, 2015 by the Board of Directors.

51. GENERAL

51.1. The no of employees are as follows:

	No. of employees	
	2015	2014
Average no of employees during the year	42	43
No. of employees as at 30 June	43	45

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

51.3. Nomenclature of following accounts have been changed during the year:

Previous nomenclature

Current nomenclature

Charge of impairment of investments in shares

Unrealized loss on remeasurement of available for sale investments

Remeasurement chargeable in - other comprehensive income

Remeasurement (gain) / loss on obligation

51.4. Previously, transfer to statutory reserves was being routed through statement of comprehensive income which is now transferred through statement of changes in equity for better presentation.

51.5. Unrealised loss on remeasurement of available for sale investments should not have been charged to profit & loss account in previous years. Now this amount has been properly transferred to capital reserves.

Consolidated Financial Statements

Trust Investment Bank Limited

(For The Year Ended June 30, 2015)

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 **JUNE 30, 2015** and the consolidated related 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 note 1.1.2 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. 2,781.030 million (2014: Restated Rs.2,792.683 million), shareholder's equity is negative by Rs. 1,672.028 million (2014: Restated Rs.1,614.800 million), its current liabilities exceed its current assets by Rs. 1,797.972 million (2014: Rs. 756.473 million) and overdue installments of financing from banking companies & financial institutions and term finance certificates (TFC) are amounting to Rs. 1,068.297 million (2014: 1,132.324 million). The company is facing operational & financial crisis. Moreover, the company is defendant / petitioner in various law suits 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 amounting to Rs. 889.449 million on various financings / investments due to pending litigations. These factors, along with mentioned in (b) below, 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) during the year, management has reversed the deferred tax asset amounting to Rs. 515.932 million by restating the statement of changes in equity instead of profit and loss account. As per IAS -12 "Income Taxes" reversals of temporary differences should be routed from the same component of financial statements via which it originated, in the year in which conditions creating the deferred tax no longer exist. Had the company followed the requirements of IAS-12 "Income Taxes", the profit for the year would have been decreased by Rs. 515.932 million;
- c) in our opinion, except for the effects, if any, of the matters referred to in paragraphs (a) and (b) above, proper books of account have been kept by the Company as required by the Companies Ordinance, 1984;

- d) in our opinion, except for the effects, if any, of the matters referred to in paragraphs (a) and (b) 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 expenditures incurred during the year were for the purpose of the Company's business; and
 - iii. the business conducted, investments made and the expenditures incurred during the year were in accordance with the objects of the Company;
- e) 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 paragraphs '(a)' and '(b)' above, the consolidated statements do not present fairly, the financial position of **TRUST INVESTMENT BANK LIMITED** and its subsidiary company as at **June 30, 2015** and the result of their operations, their cash flows and changes in equity for the year then ended in accordance with the approved accounting standards as applicable in Pakistan.

Notwithstanding our adverse opinion, we draw attention to:

- I. Note # 18.3, Preference shares have been treated as part of equity in view of the requirements of the Companies Ordinance, 1984 and the matter of its classification will be dealt in accordance with the clarification sought by the Institute of Chartered Accountants of Pakistan from the Securities and Exchange Commission of Pakistan.

LAHORE:
Date: October 06, 2015

CHARTERED ACCOUNTANTS
(Engagement Partner: Muhammad Amin)

CONSOLIDATED BALANCE SHEET

AS AT JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees (Restated)
ASSETS			
Non-current assets			
Fixed assets	6	2,988,254,534	1,494,426,529
Long term investments	7	20,862,988	33,193,410
Long term loans and advances	8	16,761,654	3,815,975
Net investment in lease finance	9	-	-
Long term deposits		8,693,458	5,893,218
Deferred tax asset	10	-	-
Total non-current assets		3,034,572,634	1,537,329,132
Current assets			
Current maturities of non - current assets	11	1,059,226,136	1,058,847,589
Short term loans and advances	12	58,299,581	83,441,123
Short term placements	13	11,000,000	4,000,000
Short term investments	14	-	1,129,005,480
Short term prepayments		2,972,914	215,237
Mark-up accrued	15	190,948,268	201,981,288
Taxation - net		1,096,139	1,694,538
Other receivables	16	34,845,808	132,214,384
Cash and bank balances	17	6,483,570	12,399,322
Total current assets		1,364,872,416	2,623,798,961
TOTAL ASSETS		4,399,445,050	4,161,128,093
EQUITY AND LIABILITIES			
Share capital and reserves			
Share capital	18	822,028,729	892,028,729
Reserves	19	(2,494,056,346)	(2,506,828,288)
		(1,672,027,617)	(1,614,799,559)
Surplus on revaluation of fixed assets-net	20	18,511,500	18,511,500
Non-current liabilities			
Long term financing-subordinated loan	21	2,788,220,472	2,357,958,476
Long term financing-others	22	57,624,657	-
Long term morabaha	23	-	-
Long term certificates of investment	24	1,562,500	12,996,263
Deferred liabilities	25	7,471,687	6,189,364
Long term deposits	26	35,237,224	-
Total non-current liabilities		2,890,116,540	2,377,144,103
Current liabilities			
Short term borrowings	27	39,413,532	39,413,532
Short term certificates of investment	28	1,036,976,463	1,138,439,357
Current maturities of non current liabilities	29	1,653,748,312	1,770,541,492
Mark-up accrued	30	257,286,916	266,983,348
Trade and other payables	31	175,419,404	164,894,320
Total current liabilities		3,162,844,627	3,380,272,049
		6,052,961,167	5,757,416,152
CONTINGENCIES AND COMMITMENTS	32	-	-
		4,399,445,050	4,161,128,093

The annexed notes from 1 to 51 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR

**CONSOLIDATED PROFIT AND LOSS ACCOUNT**

FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees (Restated)
Income			
Income from lease operations	33	6,529,681	53,445,935
Income from investments	34	487,799	1,520,397
Income from term loans	35	35,919,441	60,651,335
		<u>42,936,921</u>	<u>115,617,667</u>
Finance cost	36	2,959,960	13,443,607
		<u>39,976,961</u>	<u>102,174,060</u>
Administrative and operating expenses	37	76,712,449	94,482,816
		<u>(36,735,488)</u>	<u>7,691,244</u>
Other income	38	20,615,594	92,808,813
		<u>(16,119,894)</u>	<u>100,500,057</u>
Other operating expenses	39	33,793,036	19,722,761
(Loss) / profit before provisions and taxation		<u>(49,912,930)</u>	<u>80,777,296</u>
Provision (reversed) / charged against lease and term loan	40	(84,708,632)	78,047,269
Impairment charged / (reversed) in the value of investment	41	20,000,000	(3,522,000)
		<u>(64,708,632)</u>	<u>74,525,269</u>
Profit before taxation		<u>14,795,702</u>	<u>6,252,027</u>
Provision for taxation	42	832,574	1,432,202
Net profit for the year		<u>13,963,128</u>	<u>4,819,825</u>
Earning per share - basic	43	<u>0.19</u>	<u>0.08</u>
Earning per share - diluted	43	<u>0.17</u>	<u>0.05</u>

The annexed notes from 1 to 51 form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees (Restated)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		14,795,702	6,252,027
Adjustments for non cash / non operating items:			
Depreciation and amortization		5,783,639	7,374,050
Provision for staff service cost		2,225,349	3,485,988
Provision (reversed) / charged against lease and term loan		(84,708,632)	78,047,269
Lease receivables written off		33,793,036	19,722,761
Finance cost		2,959,960	13,443,607
Loss on disposal of fixed assets		20,805,939	188,592
Profit on settlement		(30,733,190)	(65,280,831)
Impairment charged / (reversed) in the value of investment		20,000,000	(3,522,000)
		(29,873,899)	53,459,436
Operating (loss) / profit before working capital changes		(15,078,197)	59,711,463
Changes in operating assets and liabilities:			
(Increase) / decrease in assets:			
Long term loans and advances		2,551,824	186,006
Net investment in lease finance		43,985,487	37,489,561
Short term loans and advances		(19,977,397)	36,576,252
Short term placements		(7,000,000)	858,663
Short term investments		-	10,126,500
Short term prepayments		(2,757,677)	16,989,976
Mark-up accrued		8,803,520	1,110,461
Other receivables		(25,730,645)	(80,701,518)
Increase / (decrease) in liabilities:			
Certificates of investment		(16,212,644)	(157,863,826)
Trade and other payables		10,529,444	(28,537,493)
Long term deposits		1,477,708	(15,299,104)
		(4,330,380)	(179,064,522)
Cash used in operations		(19,408,577)	(119,353,059)
Finance cost paid		(2,959,960)	(6,868,407)
Taxes paid		(234,175)	(117,247)
Staff service cost paid		(460,000)	(2,337,966)
		(3,654,135)	(9,323,620)
Net cash used in operating activities		(23,062,712)	(128,676,679)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(4,288,656)	(342,392)
Capital work in progress		(1,833,050)	-
Long term investments		-	141,718,750
Long term deposits		(2,800,240)	520,240
Proceeds from disposal of:			
Fixed assets		40,000,000	1,657,112
Net cash generated from investing activities		31,078,054	143,553,710
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term financing		(13,926,734)	(8,324,375)
Dividend		(4,360)	-
Net cash used in financing activities		(13,931,094)	(8,324,375)
Net (decrease) / increase in cash and cash equivalents		(5,915,752)	6,552,656
Cash and cash equivalents at the beginning of the year		(27,014,210)	(33,566,866)
Cash and cash equivalents at the end of the year	46	(32,929,962)	(27,014,210)

The annexed notes from 1 to 51 form an integral part of these financial statements.

CHIEF EXECUTIVE

DIRECTOR



CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees (Restated)
Net profit for the year		13,963,128	4,819,825
Other comprehensive income / (loss)			
Items that may be reclassified subsequently to profit and loss account			
- Unrealized loss on remeasurement of available for sale investments		(1,674,212)	(833,874)
Items not to be reclassified to profit and loss account in subsequent periods			
- Remeasurement of defined benefit liability		483,026	(2,117,915)
Total comprehensive income for the year		12,771,942	1,868,036

The annexed notes from 1 to 51 form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2015

	Ordinary Shares	Preference shares	CAPITAL RESERVES		REVENUE RESERVES		Sub total	Total
			Statutory reserve	Loss on remeasurement of available for sale investments	General reserve	Accumulated losses		
Balances as at 01 July 2013 (Restated)	585,528,729	306,500,000	240,030,997	(15,139,016)	61,000,000	(2,794,588,215)	(2,508,696,324)	(1,616,667,595)
Total comprehensive income for the year								
Net profit for the year	-	-	-	-	-	4,819,825	4,819,825	4,819,825
Other comprehensive income / (loss)	-	-	-	-	-	-	-	-
Items that may be reclassified subsequently to profit and loss account	-	-	-	-	-	-	-	-
- Unrealized loss on remeasurement of available for sale investments	-	-	-	(833,874)	-	-	(833,874)	(833,874)
Items not to be reclassified to profit and loss account in subsequent periods	-	-	-	-	-	(2,117,915)	(2,117,915)	(2,117,915)
- Remeasurement of defined benefit liability	-	-	-	(833,874)	-	2,701,910	1,868,036	1,868,036
Transfer to statutory reserve	-	-	797,190	-	-	(797,190)	-	-
Conversion of preference shares into ordinary shares	100,375,000	(100,375,000)	-	-	-	-	-	-
Balances as at 30 June 2014	685,903,729	206,125,000	240,828,097	(15,972,890)	61,000,000	(2,792,683,495)	(2,506,828,288)	(1,614,799,559)
Total comprehensive income for the year								
Net profit for the year	-	-	-	-	-	13,963,128	13,963,128	13,963,128
Other comprehensive income / (loss)	-	-	-	-	-	-	-	-
Items that may be reclassified subsequently to profit and loss account	-	-	-	-	-	-	-	-
- Unrealized loss on remeasurement of available for sale investments	-	-	-	(1,674,212)	-	-	(1,674,212)	(1,674,212)
Items not to be reclassified to profit and loss account in subsequent periods	-	-	-	-	-	483,026	483,026	483,026
- Remeasurement of defined benefit liability	-	-	-	(1,674,212)	-	14,446,154	12,771,942	12,771,942
Transfer to statutory reserve	-	-	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)
Balances as at 30 June 2015	741,278,729	80,750,000	243,620,723	(17,647,102)	61,000,000	(2,781,029,967)	(2,494,056,346)	(1,672,027,617)

CHIEF EXECUTIVE

DIRECTOR

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

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").

1.1. Parent Company

1.1.1. Trust Investment Bank Limited ("the Company") was incorporated in 1992 as a public limited Company under the Companies Ordinance, 1984 and is listed on Lahore, Karachi and Islamabad Stock Exchanges. 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).

1.1.2. The accumulated losses of the company amounts to Rs. 2,781.030/- million as at balance sheet date. The company has paid renewal fee for Investment Finance Services (IFS) license, however, the Securities & 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 November 19, 2012 on the management's request. These conditions indicate the existence of a material uncertainty regarding the future operations of the company. However, in order to improve the equity of the company, during the year as stated in note # 21, the company has acquired new assets by way of subordinated loan against the issuance of shares of Trust Investment Bank Limited, subject to approval from SECP, in order to comply with Minimum Equity Requirement (MER) as per NBFC Rules & Regulations. These transactions have strengthen the equity of the company and the company is equity complied. 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. The preference shares amounting to Rs. 55.375 million have been converted into ordinary shares and preference shares of Rs. 70 million have been redeemed during the year resulting in saving future interest cost and preference dividend. 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.

1.2 Subsidiary Company

1.2.1. Trust Capital (Private) Limited was incorporated as a private limited company on 20 June 2008 under the Companies Ordinance, 1984. TCPL is engaged in the business of stock brokerage, portfolio management and trading in listed securities on all the three Stock Exchanges of Pakistan. 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 Lahore Stock Exchange Limited.

2 STATEMENT OF COMPLIANCE

2.1. 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.

2.2. Standards, interpretations and amendments to published approved accounting standards that are effective during the year

IAS 19	Employee Benefits (Amendment)
IAS 32	Financial Instruments - Presentation - (Amendment)
IAS 32	Offsetting Financial Assets & Financial Liabilities (Amendment)
IAS 36	Impairment of Assets - (Amendment)
IAS 36	Recoverable amount disclosures for Non - Financial Assets (Amendment)
IAS 39	Financial Instruments - Recognition and Measurement - (Amendment)
IFRIC 21	Levies

The adoption of the above standards, amendments and interpretations did not have any material effect on the financial statements of the Company.

2.3. Standards, interpretations and amendments to published approved accounting standards that are not yet effective

The following revised standards and interpretations with respect to approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standards or interpretations.

<u>Standard or Interpretation</u>		Effective date (accounting periods Beginning on or after)
IFRS 7	Financial instruments: Disclosures (Amendment)	1-Jan-15
IFRS 10	Consolidated financial statements	1-Jan-15
IFRS 10, 12 & IAS 27	Investment entities (Amendment)	1-Jan-15
IFRS 10, 12 & IAS 27	Investment entities: Applying the Consolidation Exception (Amendment)	1-Jan-16
IFRS 10 & IAS 28	Sale or Contribution of assets between an investor and its associate or joint venture	1-Jan-16
IFRS 11	Joint arrangements	1-Jan-15
IFRS 11	Accounting for acquisition of interest in joint operation (Amendment)	1-Jan-16
IFRS 12	Disclosure of interest in other entities	1-Jul-15
IFRS 13	Fair value measurement	1-Jan-15
IAS 1	Disclosure initiative (Amendment)	1-Jan-16
IAS 16 & 38	Clarification of acceptable method of depreciation and amortisation (Amendment)	1-Jan-16
IAS 16 & 41	Agriculture bearer plants (Amendment)	1-Jan-16
IAS 27	Equity method in separate financial statements	1-Jan-16

Standards issued by IASB but not yet notified by SECP

IFRS 9	Financial instruments: Classification and measurement	1-Jan-18
IFRS 14	Regulatory deferral accounts	1-Jan-16
IFRS 15	Revenue from contracts with customers	1-Jan-18

The company expects that the adoption of the above standards and interpretations will not have material effect on the Company's financial statements in the period of initial application except for IFRS 9 - Financial instruments: Classification and measurement, IFRS 10 - Consolidated financial statements, IFRS 12 - Disclosure of interest in other entities, IFRS 13 - Fair value measurement, which may affect certain disclosures.

3. BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Group and its subsidiary as at 30 June 2015.

Subsidiary is fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiary is prepared for the same reporting period as the parent company, using consistent accounting policies. All intra-group balances, income and expenses, unrealised gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Losses are attributed to the non-controlling interest even if that results in a deficit balance.

If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss.

4. BASIS OF MEASUREMENT

4.1. Accounting convention

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

4.2. Significant estimates

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period, or in the period of revision and future periods if the revision affects both current and future periods. The areas where various assumptions and estimates are significant to Company's financial statements or where judgments were exercised in application of accounting policies are as follows:

	Note
- Taxation	5.1
- Residual value and useful life of depreciable assets	5.2
- Provisions	5.6
- Staff retirement benefits (Gratuity)	5.15
- Impairment	5.21

5 SIGNIFICANT ACCOUNTING POLICIES

5.1. Taxation

Current:

The charge for current taxation is based on taxable income at current rate of taxation of the Income Tax Ordinance, 2001 after taking into account applicable tax credits and rebates, if any.

Deferred:

Deferred tax is recognized using the balance sheet liability method on all temporary differences between the amounts attributed to assets and liabilities for financial reporting purposes and amounts used for taxation purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which deductible difference, unused tax losses and tax credits can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Deferred tax is calculated at the rates that are expected to apply to the period when differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is charged or credited to income statement, except in case of items credited or charged to equity, in which case it is included in equity.

5.2. Property and equipment

These are stated at historical cost/revalued amount less accumulated depreciation and impairment losses, if any.

Depreciation is calculated using the diminishing balance method, except vehicles for which straight line method is used, at the rates specified in the fixed assets schedule, which are considered appropriate to write off the cost of the assets over their estimated useful lives.

Full month's depreciation is charged on the additions during the month in which asset is available for use, while no depreciation is charged in the month in which the asset is disposed off.

Normal repairs and maintenance are charged to revenue as and when incurred. Renewals and replacements are capitalized when it is probable that respective future economic benefits will flow to the Company and the cost of the items can be reliably measured, and assets so replaced, if any, are retired.

Gains and losses on disposal of property and equipment are recognized in the profit and loss account in the year of disposal.

5.3. Intangible assets

These are stated at cost less impairment losses, if any. The carrying amounts are reviewed at each balance sheet date to assess whether these are recorded in excess of their recoverable amounts, and where carrying value is in excess of recoverable amount, these are written down to their estimated recoverable amount.

Expenditure incurred to acquire computer software are capitalized as intangible assets and stated at cost less accumulated amortization and any identified impairment loss. Intangible assets are amortized using the straight-line method over a period of 10 years.

Full month's amortization is charged on the additions during the month in which asset is available for use, while no depreciation is charged in the month in which the asset is disposed off.

5.4. Non current assets - held for sale

Non-current assets classified as held for sale are measured at the lower of carrying amount and fair value less cost to sell. Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in present conditions. Management must be committed to the sale, which should be expected to qualify for recognition as completes sale within one year from the date of classification.

Property and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

5.5. Financial instruments

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.

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. Markup 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.

5.6. Provisions

A provision is recognized when the Company has a present legal or constructive obligation as a result of past events and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provision has been made after taking the benefits of collaterals as per NBFC Regulations, 2008.

5.7. Investments

The Company classifies its investments other than in subsidiary as held to maturity, available for sale and held for trading.

Initial measurement:

All financial assets are recognised initially at fair value plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement:**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". Investment in associated undertaking, in the consolidated financial statements, is being accounted for using the equity method.

Held to maturity:

The investments with fixed maturity or determinable payments where management has both intent and ability to hold to maturity are classified as held to maturity. These are stated at amortized cost using the effective interest rate method less impairment, if any. The amortization for the period is charged to the profit and loss account.

Held for trading:

These include investments which are acquired principally for the purpose of generating profit from short term fluctuations in price or dealer's margins, are classified as investments held for trading. These are stated at fair values with any resulting surplus/(deficit) recognized in the profit and loss account.

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.

The measurement of surplus/(deficit) is done on portfolio basis for each of the above three categories separately.

5.8. Trade and settlement date accounting

All "regular way" purchases and sales of listed shares are recognized on the trade date, i.e. the date that the Company commits to purchase/sell the asset. Regular way purchase or sale of financial assets are those, the contract for which requires delivery of assets within the time frame established generally by regulation or convention in the market place concerned.

5.9. 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 markup 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.

5.10. 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.

5.11. Net investment in lease finance

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.

5.12. 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.

5.13. 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.

5.14. 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

5.15. Staff retirement benefits**Gratuity:**

The Company operates an approved funded gratuity 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.

Leave encashment:

The Company operates an unfunded leave encashment scheme for all of its permanent employees. Provisions are made in accordance with the actuarial valuation using 'Projected Unit Credit method'.

5.16. 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.

5.17. 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.

5.18. Borrowing costs

The borrowing cost incurred on debts of the Company is charged to income.

5.19. 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.

5.20. 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.

5.21. 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.

5.22. Dividends

Dividend is recognized as a liability in the period in which it is declared.

5.23. Bonus shares

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

	Note	2015 Rupees	2014 Rupees
6. FIXED ASSETS			
Tangible			
Property, plant and equipment	6.1	834,335,783	562,180,834
Capital work in progress	6.2	2,122,984,450	900,907,190
Intangible assets	6.4	30,934,301	31,338,505
		<u>2,988,254,534</u>	<u>1,494,426,529</u>

6.1. Property, plant and equipment

PARTICULARS	2015									Rate %
	C O S T				D E P R E C I A T I O N					
	As at 01 July 2014	Additions during the year	Deletions during the year	As at 30 June 2015	As at 01 July 2014	For the year	Adjustment	As at 30 June 2015	Book value as at 30 June 2015	
Rupees										

Rupees

Owned

Land	482,673,333	362,873,360	(25,578,733)	819,967,960	-	-	-	-	819,967,960
Building on freehold land	70,000,000	-	(70,000,000)	-	6,825,000	2,369,061	(9,194,061)	-	-
Leasehold improvements	19,668,157	-	-	19,668,157	15,781,513	777,325	-	16,558,838	3,109,319
Office equipment and machines	19,442,861	525,706	-	19,968,567	15,018,214	941,926	-	15,960,140	4,008,427
Furniture and fixtures	11,606,045	511,990	(11,781)	12,106,254	6,895,487	483,755	(11,781)	7,367,461	4,738,793
Air-conditioning equipment	807,184	-	-	807,184	488,854	31,836	-	520,690	286,494
Vehicles	4,121,853	-	-	4,121,853	1,129,531	767,532	-	1,897,063	2,224,790
	608,319,433	363,911,056	(95,590,514)	876,639,975	46,138,599	5,371,435	(9,205,842)	42,304,192	834,335,783

PARTICULARS	2014							Rate %
	C O S T				D E P R E C I A T I O N			
	As at 01 July 2013	Additions during the year	Deletions during the year	As at 30 June 2014	As at 01 July 2013	For the year	Adjustment	

Rupees

Owned

Land	-	513,700,210	(31,026,877)	482,673,333	-	-	-	-	482,673,333
Building on freehold land	73,015,000	-	(3,015,000)	70,000,000	3,537,691	3,461,451	(174,142)	6,825,000	63,175,000
Leasehold improvements	19,668,157	-	-	19,668,157	14,809,861	971,652	-	15,781,513	3,886,644
Office equipment and machines	20,095,094	342,392	(994,625)	19,442,861	14,707,008	1,096,548	(785,342)	15,018,214	4,424,647
Furniture and fixtures	13,038,428	-	(1,432,383)	11,606,045	7,191,517	574,479	(870,509)	6,895,487	4,710,558
Air-conditioning equipment	1,964,028	-	(1,156,844)	807,184	1,064,950	80,836	(656,932)	488,854	318,330
Vehicles	879,856	5,212,697	(1,971,000)	4,121,853	619,656	968,804	(458,929)	1,129,531	2,992,322
	128,660,563	519,255,599	(39,596,729)	608,319,433	41,930,683	7,153,770	(2,945,854)	46,138,599	562,180,834

	Note	2015 Rupees	2014 Rupees
6.2. Capital work in progress			
Opening Balance		900,907,190	878,121,000
Additions		2,001,833,050	240,000,000
		<u>2,902,740,240</u>	<u>1,118,121,000</u>
Disposal / transfer		(779,755,790)	(217,213,810)
Closing balance	6.3	<u>2,122,984,450</u>	<u>900,907,190</u>
6.3. Particulars of Capital work in progress			
Tricon Corporate Centre	6.3.1	110,082,050	108,249,000
China Centre	6.3.2	12,902,400	12,902,400
Land at Adyala road Rawalpindi	6.3.3	-	183,755,790
Land at Jail Road Lahore	6.3.3	-	356,000,000
Kallar Kahar Land near Khushab Road Cantt.	6.3.4	-	240,000,000
Land at Mouza Sadhoki	6.3.5	2,000,000,000	-
		<u>2,122,984,450</u>	<u>900,907,190</u>

6.3.1. Capital work in progress had been revalued by M/s Synergisers (Pvt) Limited (an independent professional valuer) in 2010. Second revaluation was carried out by M/s Ali and Ali Engineers and valuers (an independent professional valuer) in 2011, which resulted in the reversal of revaluation surplus by Rs. 12.801 million and third revaluation was carried out by M/s Luckyhiya Associates (Pvt) Limited (an independent professional valuer) in 2015. Had there been no revaluation the carrying amount of capital work in progress would have been Rs. 91.570 million (2014: Rs. 89.737 million). Construction of Tricon Corporate Centre is still under process, as at balance sheet date and an amount of Rs. 1.833 million has been incurred on registration of this property in the name of the company.

6.3.2. This amount represents Shop # 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. Revaluation of this property has been carried out by M/s Luckyhiya Associates (Pvt) Limited (an independent professional valuer) in 2015.

6.3.3. These lands were against subordinated loan of Mr. Muhammad Akram (refer note 21.2.1) and other landlords (refer note 21.2.2), further, an equity participation agreement had been signed between Mr. Muhammad Akram and TIBL, dated 5th June 2013. According to the term of agreement TIBL had to issue preference or common shares in the name of Mr. Muhammad Akram against transfer of property, but due to certain reasons and legal issues the shares could not be issued in the name of said party. Subsequently, an "Addendum" was made on 16th June 2014, according to which Mr. Muhammad Akram agreed and gave consent that the above mentioned shares be issued in the name of Mr. Muhammad Asif Kamal, Director of TIBL. During the year, the title of Jail Road property amounting to Rs. 356 million has been transferred in the name of TIBL, so this land has been transferred to owned land. Moreover, the land at Adyala Road Rawalpindi has been derecognised on the discretion of the management because the title of property had not yet been transferred in the name of the company.

6.3.4. This land was acquired through agreement between TIBL and Mr. Imran Mehmood. As per the terms of the agreement TIBL will pay upto 10% of the agreed price in cash and balance 90% in the form of issuance / transfer of shares of Trust Investment Bank Limited at par in favor of legal owner of the property. Due to certain reasons and legal issues the shares could not be issued in the name of owner of the property. Subsequently, an "Addendum" was made on 18th June, 2014, according to which Mr. Imran Mehmood agreed and gave consent that the said shares be issued in the name of Mr. Sajjad Rizvi, a Director of TIBL. The title of these properties had not been transferred in the name of the company, so the management has decided to derecognise the land at Kallar Kahar near Khushab Road Cantt.

6.3.5. This land is against subordinated loan of Mr. Asad Kazmi. Title of this property has been transferred in the name of the company (refer note # 21.2.3).

6.4. Intangible Assets

PARTICULARS	2015							
	C O S T			A M O R T I Z A T I O N				Book value as at 30 June 2015
	As at 01 July 2014	Additions / (Deletions) during the year	As at 30 June 2015	As at 01 July 2014	For the year	Deletions	As at 30 June 2015	
Rupees								
Membership card	30,000,000	-	30,000,000	-	-	-	-	30,000,000
Software Licenses	3,582,700	8,000	3,590,700	2,244,195	412,204	-	2,656,399	934,301
	33,582,700	8,000	33,590,700	2,244,195	412,204	-	2,656,399	30,934,301

PARTICULARS	2014							
	C O S T			A M O R T I Z A T I O N				Book value as at 30 June 2014
	As at 01 July 2013	Additions / (Deletions) during the year	As at 30 June 2014	As at 01 July 2013	For the year	Deletions	As at 30 June 2014	
Rupees								
Membership card	30,000,000	-	30,000,000	-	-	-	-	30,000,000
Software Licenses	3,582,700	-	3,582,700	2,023,915	220,280	-	2,244,195	1,338,505
	33,582,700	-	33,582,700	2,023,915	220,280	-	2,244,195	31,338,505

6.5. Following assets were disposed off during the year

2015						
Description	Cost	Book value	Sale proceeds	Gain / (loss)	Mode of disposal	Sold to
Rupees						
Assets with book value exceeding Rs. 50,000						
<u>Land</u>						
Land- (9 Kanal , 11 Marla)	5,730,313	5,730,313	9,214,685	3,484,372	Settlement against COI's	Azra & Co. House # 27. Street # 13, Ahmad Park Lahore
Land- (4 Kanal , 3 Marla)	2,500,063	2,500,063	4,020,251	1,520,188	Settlement against COI's	Azra & Co. House # 27. Street # 13, Ahmad Park Lahore
Land- (4 Kanal , 14 Marla)	2,820,625	2,820,625	4,535,733	1,715,108	Settlement against COI's	Azra & Co. House # 27. Street # 13, Ahmad Park Lahore
Land- (4 Kanal , 9 Marla)	2,661,332	2,661,332	4,279,581	1,618,249	Settlement against COI's	Azra & Co. House # 27. Street # 13, Ahmad Park Lahore
Land - (65 Kanal , 14 Marla)	11,866,400	11,866,400	24,000,000	12,133,600	Settlement against COI's	Azra & Co. House # 27. Street # 13, Ahmad Park Lahore
<u>Building</u>						
Office - M. M. Tower	70,000,000	60,805,939	40,000,000	(20,805,939)	Negotiation	First Fidelity Leasing Modaraba, 10-B, Block E-2 Gulberg III, Lahore
<u>Capital work in progress</u>						
Land at Adyala road Rawalpindi	183,755,790	183,755,790	183,755,790	-	Settlement against Subordinated loan	Mamoon - ur - Rasheed - Director
Kallar Kahar Land near Khushab Road Cantt.	240,000,000	240,000,000	240,000,000	-	Settlement against Subordinated loan	Syed Sajjad Rizvi - Director
2015	519,334,523	510,140,462	509,806,040	(334,422)		

2014						
Description	Cost	Book value	Sale proceeds	Gain / (loss)	Mode of disposal	Sold to
Rupees						
Assets with book value exceeding Rs. 50,000						
Land						
Land- (4 Kanal , 15 Marla)	2,880,313	2,880,313	4,583,750	1,703,437	Settlement against COI's	Islamabad Electric Supply Company (IESCO)
Land- (9 Kanal , 15 Marla)	5,861,063	5,861,063	9,408,750	3,547,687	Settlement against COI's	Islamabad Electric Supply Company (IESCO)
Land- (4 Kanal , 15 Marla)	2,850,313	2,850,313	4,583,750	1,733,437	Settlement against COI's	Islamabad Electric Supply Company (IESCO)
Land- (4 Kanal , 14 Marla)	2,820,625	2,820,625	4,535,500	1,714,875	Settlement against COI's	Islamabad Electric Supply Company (IESCO)
Land- (14 Kanal , 18 Marla)	8,906,875	8,906,875	14,378,500	5,471,625	Settlement against COI's	Islamabad Electric Supply Company (IESCO)
Land- (2 Kanal , 17 Marla)	1,710,188	1,710,188	2,750,250	1,040,062	Settlement against COI's	Islamabad Electric Supply Company (IESCO)
Land- (10 Kanal)	5,997,500	5,997,500	9,650,000	3,652,500	Settlement against COI's	Islamabad Electric Supply Company (IESCO)
Building						
House At Shadbagh Lahore	2,315,000	2,315,000	12,285,240	9,970,240	Settlement against COI's	Mohsin Mehdi
House At Shadbagh Lahore	700,000	700,000	3,714,760	3,014,760	Settlement against COI's	Mohsin Mehdi
Equipments						
Laptop	63,500	50,377	50,377	-	Adjustment	Inter Office Laptop Loan Facility to Imran Azhar
Computers	489,775	72,090	136,300	64,210	Adjustment	Muhammad Zubair
Furniture						
Gujrat Branch furniture	326,601	122,691	117,000	(5,691)	Cash	Abdul Jabbar
Sign Boards	135,212	52,474	76,300	23,826	Cash	Asian House
Cavalry Branch furniture	154,800	54,515	84,112	29,597	Cash	Nasir Ali Bukhari
Faisal Town Branch furniture	161,620	57,920	108,700	50,780	Cash	Javed Iqbal
DHA Branch furniture	146,250	67,739	61,000	(6,739)	Cash	Several Persons
Air-conditioning equipment						
Air conditioners-Gujrat Branch	201,038	88,150	85,000	(3,150)	Cash	Nabi Noor
Air conditioner-Multan Branch	89,300	31,447	25,000	(6,447)	Cash	Shahid Iqbal
Vehicles						
Veh-Suzuki Cultus Lzs-6497	475,000	150,403	400,000	249,597	Cheque Received	Mr. Jamil Joseph
Veh-Honda Civic(Lzn-255)	950,000	902,501	700,000	(202,501)	Pay Order Received	Mr. Baha Ud Din Siquiqui
Veh-Honda City (Pool Car LZU-6490)	475,000	459,166	575,000	115,834	Settlement against COI	Shaziab Hassan Gardazi
Assets with book value below Rs. 50,000						
	1,886,756	1,207,524	825,450	(382,074)	Cash	Several Persons
Capital work in progress						
China Centre Sale Of Shop No.01(190 Sq Ft) & Shop No.16	13,133,085	13,133,085	18,757,283	5,624,198	Adjustment	Adjusted Against COI's(Accountancy Outsourcing)
China Centre 1358 Sq. F Of Shops No.1 To 5	34,221,600	34,221,600	40,740,000	6,518,400	Adjustment	Adjusted Against COI's(MEPCO)
China Centre 1300 Sq. F Of Shops No.1 To 5	32,760,000	32,760,000	39,000,000	6,240,000	Adjustment	Adjusted Against COI's(MEPCO)
Land transfer to Work in progress for IESCO settlement	28,654,915	28,654,915	38,788,691	10,133,776	Settlement against COI's	Islamabad Electric Supply Company (IESCO)
China Centre 1000 Sq. F Of Shop No. 6	25,200,000	25,200,000	30,000,000	4,800,000	Adjustment	Adjusted Against COI's(MEPCO)
2014	173,566,329	171,328,474	236,420,713	65,092,239		

	Note	2015 Rupees	2014 Rupees
7. LONG TERM INVESTMENTS			
Investment in financial instruments	7.2	82,953,550	62,953,550
Less: Impairment in the value of investments	7.3	37,647,102	15,972,890
		45,306,448	46,980,660
Less: Current portion of long term investments	11	24,443,460	13,787,250
		20,862,988	33,193,410
7.1. Particulars of long term investments			
Long term investments-considered good		45,306,448	46,980,660
Long term investments-considered doubtful		37,647,102	15,972,890
		82,953,550	62,953,550
Less: Impairment in the value of investments	7.3	37,647,102	15,972,890
		45,306,448	46,980,660

	Note	2015 Rupees	2014 Rupees
7.2. Investment in financial instruments			
Held to maturity			
Term finance certificates			
Azgard Nine Limited	7.2.1	30,485,310	30,485,310
Sukuks			
Eden Housing Limited-Sukuks	7.2.2	9,843,750	9,843,750
New Allied Electronics - Sukuk Bonds	7.2.3	20,000,000	-
Available for sale			
Shares			
Agriotech Limited	7.2.1	22,624,490	22,624,490
		<u>82,953,550</u>	<u>62,953,550</u>

- 7.2.1.** The Company has purchased term finance certificates of Rs 40 million, out of total issue of Rs 2.5 billion, carrying mark-up rate @ 6 Months KIBOR +225 BPS upto June 04, 2010, 6 months KIBOR + 100 BPS upto December 2011, 6 Months KIBOR + 125 BPS upto December 2015 and 6 Months KIBOR + 175 BPS upto December 2017, issued for a period of 7 years. This Issue has been rescheduled and restructured on December 01, 2010 and the tenure is reset for a further period of 03 years which ended on March 04, 2017 with a further grace period of 1 Year. The amount of Rs. 39.968 Million will be redeemed in two equal installments of Rs. 1,600/- during the months of July 2010 and August 2010, eight Semi annual installments of Rs. 2.348 million and four semi annual installments of Rs. 5.295 million starting from July 2010 and matured on December 31, 2017.
- A new TFC Investors agreement was signed on June 28, 2012 for the settlement of Mark up Payable of Rs. 13.145 million upto March 31, 2012 against 2,669 numbers of Zero coupon TFCs with a grace period of 1 year and will be separately redeemed in three semi annual installments of Rs. 1.315 million, two semi annual installments of Rs. 1.972 million and two semi annual installments of Rs. 2.629 million starting from March 2014 and maturing on March 31, 2017.

The credit rating assigned to such issue by Pakistan Credit Rating Agency (PACRA) is "D".

Subsequently, an agreement was signed between Azgard Nine Limited and TFC,s holders on April 12, 2012. According to the terms of agreement 646,414 shares of Agriotech Limited @ Rs. 35/- per share will be transferred against adjustment of Rs. 22.625 million towards outstanding principle amount. The market value of shares as at June 30, 2015 is Rs. 7.7/- per share (2014: Rs. 10.29/- per share).

- 7.2.2.** The Company has participated in Sukuks issue of Rs. 3 billion by investing Rs. 50 million secured against first pari passu charge over current and future receivables of the investee upto extent of the issue. This issue has been rescheduled and restructured for a further period of 1.5 years with a expiry of September 29, 2013. These carry mark-up @ 3 Months KIBOR+ 250 BPS with floor 7% and cap of 20% . These certificates are redeemable in two equal semi annual installments of Rs. 6.250 million, four equal quarterly installments of Rs. 0.938 million starting from 29 December 2010, four equal quarterly installments of Rs. 2.344 million starting from December 29, 2011, four equal quarterly installments of Rs. 2.813 million and the last four quarterly installments of Rs. 3.281 million. The credit rating assigned to such sukuks "D" by the JCR-VIS.
- 7.2.3.** This represent the investment amounting to Rs. 40 million 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 installments of Rs. 1.250 million starting from 25 October 2008. JCR-VIS assigned rating of "D" to said Sukuks which were subsequently withdrawn. The investment has been reversed, previously disposed off at par against settlement of preference shares of M/s AMZ Plus Liquid Fund, subsequently acquired by KASB Liquid Fund.

7.3. Impairment in the value of investments

Opening balance as at July 01,		15,972,890	18,661,016
Charged / (reversed) during the year		21,674,212	(2,688,126)
Closing balance as at June 30,	7.3.1	<u>37,647,102</u>	<u>15,972,890</u>

7.3.1. Particulars of impairment

New Allied Electronics - Sukuk Bonds		20,000,000	-
Agriotech Limited - shares		17,647,102	15,972,890
		<u>37,647,102</u>	<u>15,972,890</u>

	Note	2015 Rupees	2014 Rupees
8. LONG TERM LOANS AND ADVANCES			
Secured:			
Employees - considered good	8.1	464,159	579,608
Companies, organizations and individuals			
Considered good	8.2	28,743,828	31,180,203
Considered doubtful		7,047,805	7,047,805
		<u>35,791,633</u>	<u>38,228,008</u>
		36,255,792	38,807,616
Un-secured:			
Companies, organizations and individuals - Considered doubtful	8.3	397,838,899	397,838,899
		<u>434,094,691</u>	<u>436,646,515</u>
Less: provision against doubtful loans	8.4	396,594,364	403,653,029
		<u>37,500,327</u>	<u>32,993,486</u>
Less : current maturity	11	20,738,673	29,177,511
		<u>16,761,654</u>	<u>3,815,975</u>
8.1. These includes long term loans provided to employees against mortgage of property and carry mark-up ranging from 0% to 15.20% (2014: 0% to 15.20%) per annum. The maximum aggregate balance due from executives is Rs. 0.039 million (2014: Rs. 0.111 million).			
8.2 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 16.00% to 21% (2014: 16.00% to 20.62%) per annum.			
8.3 It includes receivables of Trust Capital (Pvt) Limited (TCPL), a subsidiary of the company, amounting to Rs. 393 million, (2014: 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 three quarterly installments of Rs. 0.5 million, four quarterly installments of Rs. 0.75 million, 31 quarterly installments of Rs. 11.332 million and last installment of Rs. 38.829 million receivable latest by June 30, 2020. It carries markup @ 10% per annum increasing by 2% each year upto 5 years and @ 18% from 5th year onwards. Receipts of Rs. 1.500 million have been received to date and remaining balance has been fully provided.			
8.4. Provision against doubtful loans			
Opening balance as at July 01		403,653,029	401,076,412
Charge for the year		44,099	2,576,617
Reversal during the year		(7,102,764)	-
Closing balance as at June 30		<u>396,594,364</u>	<u>403,653,029</u>
8.4.1. Particulars of provision against doubtful loans			
Companies, organizations and individuals		<u>396,594,364</u>	<u>403,653,029</u>
9. NET INVESTMENT IN LEASE FINANCE			
Lease payments receivable	9.1	1,126,251,228	1,214,753,521
Add: Residual value		<u>293,558,161</u>	<u>324,929,233</u>
Gross investment in leases		<u>1,419,809,389</u>	<u>1,539,682,754</u>
Less: Unearned finance income		839,808	1,726,375
Income suspended	9.3	129,584,710	133,635,056
Provision for lease losses	9.4	275,340,868	388,438,495
		<u>405,765,386</u>	<u>523,799,926</u>
Net investment in lease finance		<u>1,014,044,003</u>	<u>1,015,882,828</u>
Less: Current portion of net investment in lease finance	11	1,014,044,003	1,015,882,828
		<u>-</u>	<u>-</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
	1,418,969,581	-	-	1,418,969,581

30th June 2014

	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	1,539,682,754	-	-	1,539,682,754
Less: Unearned finance income	1,726,375	-	-	1,726,375
	1,537,956,379	-	-	1,537,956,379

- 9.1. The Company has entered into various lease agreements with implicit rate of return ranging from 8% to 25% (2014: 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.

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.

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

9.3. Income suspended	Note	2015 Rupees	2014 Rupees
Balance at the beginning of the year		133,635,056	183,984,668
Suspended during the year		3,562,348	11,472,238
Reversal of suspension		(7,612,694)	(61,821,850)
Balance at the end of the year		129,584,710	133,635,056

9.4. Provision for lease losses

Balance at the beginning of the year	388,438,495	336,064,025
Provision during the year	34,470,671	122,808,968
Provision reversed during the year	(147,568,298)	(70,434,498)
Balance at the end of the year	275,340,868	388,438,495

	Note	2015 Rupees	2014 Rupees (Restated)
10. DEFERRED TAX ASSET	10.1	-	-

- 10.1. Deferred tax asset amounting to Rs. 714.491 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.
- 10.2. Deferred tax asset amounting to Rs. 515.932 million should not have been recognised in prior years due to non availability of taxable profits and non fulfillment of requirements of IAS - 12. Now adjustment of error has been made retrospectively with effects as under;

	Note	2015 Rupees	2014 Rupees (Restated)
10.3. Accumulated losses as on July 01, 2013		-	(2,293,795,553)
Effect due to restatement	10.3.1	-	-
Deferred tax asset		-	(515,931,678)
Unrealized loss on remeasurement of available for sale investment		-	15,139,016
Accumulated losses as on July 01, 2013 - (Restated)		-	(2,794,588,215)
10.3.1. Decrease in deferred tax asset		-	(515,931,678)
Increase in profit for the year		-	15,139,016
Increase in accumulated losses		-	(500,792,662)
11. CURRENT MATURITIES OF NON-CURRENT ASSETS	Note	2015 Rupees	2014 Rupees
Long term investments	7	24,443,460	13,787,250
Long term loans and advances	8	20,738,673	29,177,511
Net investment in lease finance	9	1,014,044,003	1,015,882,828
		<u>1,059,226,136</u>	<u>1,058,847,589</u>
12. SHORT TERM LOANS AND ADVANCES			
Short term loans-secured	12.1	31,460,541	53,289,126
Short term advances	12.2	26,839,040	30,151,997
		<u>58,299,581</u>	<u>83,441,123</u>
12.1. Short term loans-secured			
Companies, organizations and individuals			
Considered good	12.1.1	30,926,939	53,289,126
Considered doubtful		1,302,541	650,000
		<u>32,229,480</u>	<u>53,939,126</u>
Less: Provision against doubtful loans	12.1.2	768,939	650,000
		<u>31,460,541</u>	<u>53,289,126</u>
12.1.1 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 16% to 20.62% (2014: 14.75% to 23.19%) per annum.			
12.1.2 Provision against doubtful loans			
Opening balance as at July 01,		650,000	650,000
Charged during the year		534,939	-
Reversed during the year		(416,000)	-
Closing balance as at June 30,		<u>768,939</u>	<u>650,000</u>
12.2. Short term advances			
Considered good			
Advances to employees & others	12.2.1	<u>26,839,040</u>	<u>30,151,997</u>
13. SHORT TERM PLACEMENTS			
Repurchase agreement lendings (Reverse Repo)		7,022,877	7,022,877
Placement with First Fidelity Leasing Modaraba		1,000,000	1,000,000
TDR		10,000,000	3,000,000
	13.1	<u>18,022,877</u>	<u>11,022,877</u>
Less: Provision against doubtful lending		7,022,877	7,022,877
		<u>11,000,000</u>	<u>4,000,000</u>
13.1. Particulars of short term placements			
Considered good			
Placement with First Fidelity Leasing Modaraba	13.2	1,000,000	1,000,000
TDR	13.3	10,000,000	3,000,000
Considered doubtful			
Hascomb Business Solutions	13.4	7,022,877	7,022,877
		<u>18,022,877</u>	<u>11,022,877</u>



- 13.2 This placement is made during 2011-2012 against the loan of ENPLAN with 0% mark up which was due to be settled before or on March 31, 2013. Subsequently it was settled against the Certificate of Investments of Mr. Abdul Rasheed and the remaining balance of Rs. 1.0 Million is still receivable as on balance sheet date.
- 13.3 The amount has been placed with BURJ bank Limited for one month @ 7.25% (2014: 7.5%) p.a.
- 13.4 These were secured against fair value of quoted securities and mortgage of property. These carry mark-up at the rate of 22% (2014: 22%). Quoted securities placed as collateral were disposed off during the 2011. Remaining balance has been fully provided.

	Note	2015 Rupees	2014 Rupees
14. SHORT TERM INVESTMENTS			
Un-quoted TRICON Developers Limited Nil (2014: 112,900,548) fully paid ordinary shares of Rs. 10 each. Equity held nil (2014: 50.11%)	14.1	-	1,129,005,480
14.1 Investment in shares of M/s Tricon Developers Limited "TDL" was acquired against Sub-Ordinated Loan of Mr. Asif kamal to strengthen the equity of the company. TDL and TIBL through their respective Board of Directors' Meetings held on June 30, 2015 have agreed to derecognise the investment of TIBL because the break-up value of shares of TDL has dropped to Rs. 2.51/- based on un-audited financial statements as at June 30, 2014 duly initialed by auditors. Further, registrar of companies has not yet approved the issuance of shares. Further, TIBL is not willing to carry on this loan any longer neither has intentions to issue shares against TDL investment.			
15. MARK-UP ACCRUED			
Mark-up accrued on:			
Term finance certificates and Sukuks	15.1	962,649	536,675
Short term and long term loans	15.2	20,749,450	31,317,483
Investments in lease	15.3	169,236,169	170,070,629
Short term placements	15.4	-	56,501
		<u>190,948,268</u>	<u>201,981,288</u>
15.1. Mark-up accrued on bonds and term finance certificates			
Considered good		962,652	536,675
Considered doubtful		55,314,978	53,420,450
		<u>56,277,630</u>	<u>53,957,125</u>
Less: Suspension against doubtful receivables	15.1.1	55,314,981	53,420,450
		<u>962,649</u>	<u>536,675</u>
15.1.1. Suspension against doubtful receivables			
Opening balance as at July 01,		53,420,450	53,140,168
Suspended during the year		1,894,531	280,282
Closing balance as at June 30,		<u>55,314,981</u>	<u>53,420,450</u>
15.2. Mark-up accrued on short term and long term loans			
Considered good		20,749,450	31,317,483
Considered doubtful		104,564,543	102,335,043
		<u>125,313,993</u>	<u>133,652,526</u>
Less: Suspension against doubtful loans	15.2.1	104,564,543	102,335,043
		<u>20,749,450</u>	<u>31,317,483</u>
15.2.1. Suspension against doubtful loans			
Opening balance as at July 01,		102,335,043	102,335,043
Suspended during the year		2,229,500	-
Closing balance as at June 30,		<u>104,564,543</u>	<u>102,335,043</u>

15.3. Mark-up accrued on investment in lease-considered good

This includes additional mark up on lease rentals amounting to Rs. 169.236 million (Restated 2014: Rs. 170.070 million) in respect of overdue rentals receivable from performing lease portfolio in accordance with the terms of lease agreement.

	Note	2015 Rupees	2014 Rupees
15.4. Mark-up accrued on short term placements			
Considered doubtful		8,241,270	6,752,738
Less: Suspension against doubtful placements	15.4.1	8,241,270	6,696,237
		<u>-</u>	<u>56,501</u>

15.4.1. Suspension against doubtful placements

Opening balance as at July 01,	6,696,237	5,151,204
Suspended during the year	1,545,033	1,545,033
Closing balance as at June 30,	<u>8,241,270</u>	<u>6,696,237</u>

16. OTHER RECEIVABLES

Receivable from broker - considered doubtful		14,614,432	21,143,275
Miscellaneous receivables from lessees:	16.1		
Considered doubtful		380,501,827	318,830,017
Other receivables			
Considered good	16.2	8,313,219	132,254,384
Considered doubtful	16.3	4,625,524	4,625,524
		<u>12,938,743</u>	<u>136,879,908</u>
		408,055,002	476,853,200
Less: Provision for doubtful receivables	16.4	373,209,194	344,638,816
		<u>34,845,808</u>	<u>132,214,384</u>

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

16.2. This includes Rs. 6.058 million (2014: Rs. nil) receivable from Tricon Developers Limited.

16.3. This includes receivable from Trust Management (Pvt) Limited amounting to Rs. 3.920 million (2014: Rs. 3.920 million)

16.4. Movement of provisions for doubtful receivable

Opening balance as at July 01,	344,638,816	373,202,823
Charged for the year	80,767,848	106,153,058
	<u>425,406,664</u>	<u>479,355,881</u>
Written off during the year	(16,420,412)	(51,660,188)
Reversed during the year	(35,777,058)	(83,056,877)
Closing balance as at June 30,	<u>373,209,194</u>	<u>344,638,816</u>

17. CASH AND BANK BALANCES

Cash in hand		429,766	120,694
Cash with banks in:			
Current accounts		331,590	3,791,251
Deposit accounts	17.1	5,722,214	8,487,377
		<u>6,053,804</u>	<u>12,278,628</u>
		<u>6,483,570</u>	<u>12,399,322</u>

17.1. Deposit accounts carry markup rate ranging from 5% to 9% per annum (2014: 6.50% to 9.50%).

**18. Issued, subscribed and paid up capital**

2015	2014		2015	2014
(Number of shares)			(Rupees in thousand)	
80,000,000	80,000,000	Ordinary shares of Rs. 10 each	800,000,000	800,000,000
70,000,000	70,000,000	Preference shares of Rs. 10 each	700,000,000	700,000,000
150,000,000	150,000,000		1,500,000,000	1,500,000,000
Issued, subscribed and paid up				
35,717,984	30,180,484	Ordinary shares of Rs. 10 each fully paid-up in cash	357,179,840	301,804,840
38,409,889	38,409,889	Ordinary shares of Rs. 10 each issued as bonus shares	384,098,889	384,098,889
8,075,000	20,612,500	Preference shares of Rs. 10 each issued	80,750,000	206,125,000
82,202,873	89,202,873		822,028,729	892,028,729

18.1. Mr. Zahid Rafiq and Genesis Securities (Pvt) Limited, related parties of the Bank held 5,702,405 (7.69%) [2014: 5,702,405 (9.74%)] and 12,209,742 (16.47%) [2014: 12,209,742 (20.85%)] Ordinary shares of Rs. 10 each respectively, as at June 30, 2015.

18.2. 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.

The Company may exercise the Call Option and repurchase these preference shares from investors from the commencement of 3rd anniversary, by giving 30 days notice, in accordance with following schedule:

- 3rd to 4th anniversary	upto 25%
- 4th to 5th anniversary	upto 50%
- After 5th anniversary	upto 100%

Further, these preference shares are convertible into ordinary shares of the Company at the option of investors from the 3rd anniversary till the 5th anniversary by giving thirty day notice in advance in following manner:

- 3rd to 4th anniversary	upto 25%
- 4th to 5th anniversary	upto 50%
- After 5th anniversary	upto 100%

The conversion ratio (A/B) for such issue is as follows:

A= Rupees ten (10/-) plus unpaid dividend, if any, on each preference share

B= Higher of following:

- Face value of shares
 - Average discounted price of the ordinary share quoted in the daily quotation of KSE during the last twelve months prior to the conversion date.
- As the fair value of financial liability is equal to fair value of financial instrument and intrinsic value of financial instrument is nil so the whole amount is recognized as financial liability.

18.3. The above stated preference shares have been treated as part of equity on the following basis:

- The preference shares were issued under the provision of Section 86 of the Companies Ordinance, 1984 (the Ordinance) read with Section 90 of the Ordinance and the Companies Share Capital (Variation in Rights and Privileges) Rules, 2000.
- The authorized capital of the Company and the issue of the preference shares were duly approved by the shareholders of the Company at the Extraordinary General Meeting held on May 02, 2005.
- Return of allotment of shares was filed under Section 93(1) of the Ordinance.
- Dividend on the preference shares is appropriation of profit both under the Ordinance and the tax laws.
- The requirements of the Ordinance take precedence over the requirements of IFRSs.



However, considering the requirements of the IFRSs for classification of debt and equity instruments, which suggests that the above preference shares be classified as debt, the ICAP has sought a clarification from the SECP in respect of the presentation of preference shares in the financial statements prepared in accordance with the requirements of the Companies Ordinance, 1984. Pending the decision of the SECP in this matter, the preference shares have been reflected as equity of the Company.

		2015 Rupees	2014 Rupees
18.4. Particulars of Preference Shares			
Saudi Pak Industrial & Agricultural Investment Company		10,000,000	15,000,000
Pak Brunei Investment Company Limited		3,250,000	4,875,000
AMZ Income Fund (KASB Liquid Fund)		30,000,000	130,000,000
Bank Alfalah Limited		12,500,000	18,750,000
Allied Bank Limited		25,000,000	37,500,000
		<u>80,750,000</u>	<u>206,125,000</u>
19. RESERVES			
	Note	2015 Rupees	2014 Rupees (Restated)
Capital reserves			
Statutory reserve	19.1	243,620,723	240,828,097
Unrealized loss on remeasurement of available for sale investments	19.2	(17,647,102)	(15,972,890)
		<u>225,973,621</u>	<u>224,855,207</u>
Revenue reserves			
General reserve		61,000,000	61,000,000
Accumulated loss		(2,781,029,967)	(2,792,683,495)
		<u>(2,720,029,967)</u>	<u>(2,731,683,495)</u>
		<u>(2,494,056,346)</u>	<u>(2,506,828,288)</u>
19.1. Statutory Reserve			
Opening balance as at July 01,		240,828,097	240,030,907
Transfer from revenue reserves		2,792,626	797,190
Closing balance as at June 30,		<u>243,620,723</u>	<u>240,828,097</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.			
19.2. Prior year figures have been reclassified for better presentation. (ref note: # 51.4)			
		2015 Rupees	2014 Rupees
20. SURPLUS ON REVALUATION OF FIXED ASSETS-NET			
Capital work in progress	20.1	<u>18,511,500</u>	<u>18,511,500</u>
20.1. Particulars of surplus on revaluation of fixed assets			
Opening balance as at July 01,		18,511,500	18,511,500
Addition / (deletion) during the year		-	-
Closing balance as at June 30, (ref: note # 6.3.1)		<u>18,511,500</u>	<u>18,511,500</u>
21. LONG TERM FINANCING - SUBORDINATED LOAN			
Long term financing-subordinated loan	21.1	<u>2,788,220,472</u>	<u>2,357,958,476</u>
21.1. Long term financing-Subordinated loan			
Opening balance as at July 01,		2,357,958,476	1,696,282,851
Obtained during the year		1,996,950,000	661,675,625
Paid / adjusted during the year		(1,566,688,004)	-
Closing balance as at June 30,	21.2	<u>2,788,220,472</u>	<u>2,357,958,476</u>



	Note	2015 Rupees	2014 Rupees
21.2. Particulars of subordinated loan			
Loan from:			
Directors			
Asif Kamal	21.2.1	716,350,637	1,759,282,851
Mamoon -ur- Rasheed	21.2.2	74,919,835	258,675,625
Syed Sajjad Rizvi (ref: note # 6.3.4)		-	240,000,000
Asad Kazmi	21.2.3	1,996,950,000	-
Tricon Developers Limited		-	100,000,000
		<u>2,788,220,472</u>	<u>2,357,958,476</u>

21.2.1. 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 favor of Mr. Asif Kamal 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 favor 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.

21.2.2. Properties amounting to Rs. 258.675 million of Mrs. Samina Khurram had been injected for equity participation in favor 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. 183.756 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.

21.2.3. This represents subordinated loan acquired against land from Mr. Khizer Hayat for equity participation in favor 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.

22. LONG TERM FINANCING - OTHERS

Banking companies and other financial institutions-Secured	22.1	57,624,657	-
Banking companies and other financial institutions-Unsecured	22.2	-	-
Term finance certificates (TFC)-Secured	22.3	-	-
		<u>57,624,657</u>	<u>-</u>
22.1. Banking companies and other financial institutions-Secured			
The Bank of Punjab	22.1.1	296,077,333	296,077,333
Allied Bank Limited	22.1.2	70,000,005	70,000,005
Pak Oman Investment Company (Pvt.) Limited	22.1.3	5,161,297	5,161,297
The Bank of Khyber	22.1.4	27,777,780	27,777,780
Standard Chartered Bank Limited	22.1.5	49,329,674	49,329,674
Summit Bank Limited (Formerly Atlas Bank Limited)	22.1.6	81,640,625	81,640,625
First Women Bank Limited	22.1.7	64,027,397	64,027,397
CDC Trustee Askari Income Fund	22.1.8	126,250,000	126,250,000
PAK Brunei Investment Company	22.1.9	2,536,941	2,536,941
IGI Investment Bank Limited	22.1.10	67,500,000	67,500,000
The Punjab Provincial Co-operative Bank Limited	22.1.11	88,058,721	88,058,721
		<u>878,359,773</u>	<u>878,359,773</u>
Less: Current portion shown under current liabilities	29	<u>820,735,116</u>	<u>878,359,773</u>
		<u>57,624,657</u>	<u>-</u>

22.1.1. This represents two facilities of an aggregate amount of Rs. 301.77 million. These facilities are secured against exclusive charge on specific leased assets. Facility of Rs. 279.752 million carries mark-up rate of 9.33% per annum. This facility is repayable in 2 quarterly installments of Rs. 2.5 million, one installment of Rs. 12 Million, Two installments of Rs. 27 million, two Installments of Rs. 40 Million, One Installment of Rs. 33.33 Million, One Installment of Rs. 30.419 Million, One Installment of Rs. 16 Million, Two Installments of Rs. 21 Million and One Installment of Rs 7 Million on Quarterly basis Starting from October 31, 2011 to September 30, 2014. The other facility of Rs. 21.325 Million is a non service able facility and repayable in six quarterly installments starting from June 30, 2013 to September 30, 2014.

22.1.2. This represent an unsecured facility of an amount of Rs. 200 million, out of which Rs. 50 Million is converted into preference shares from May 10, 2010. This facility (200 M) carries mark up rate of 1 Month KIBOR + 200 bps upto July 2009 and 1 Month KIBOR from July 01, 2009 onward and is repayable in 36 equal monthly installments of Rs. 3,333,333/- starting from June 4, 2010 and expiring on May 29, 2013.

- 22.1.3. This represents facility of Rs.23 million. 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 and was repayable in twelve equal monthly installments starting from 10 August 2009 and expiring on 10 July 2010. Facility has been restructured on 4 December 2009. Mark-up rate has been changed to 6 month KIBOR + 150 bps per annum and principal is repayable in immediate payment of Rs. 3,000,000 on 4 December 2009 and 31 equal monthly installments starting from 23 December 2009 and expired on 23 June 2012.
- 22.1.4. This represents a facility of Rs. 137.5 million secured against first charge on specified leased assets and related receivables amounting Rs.75 Million has been converted into preference shares and the while the balance amount of Rs. 62.5 Million has been converted into term Finance facility which carries mark up @ 1 month KIBOR. This facility is repayable in thirty six equal monthly installments starting from 01 January 2010 and expiring on 31 December 2012.
- 22.1.5. 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 is repayable in twelve equal quarterly installments starting from 31 May 2008 and expired on 28 February 2011.
- 22.1.6. This represents two facilities of Rs.100 million each. These facilities are secured against first charge on specific/exclusive leased assets and related receivables with 25% margin. These carry mark-up @ 3 month KIBOR + 185 bps per annum with floor of 13.50%. These facilities were repayable in sixteen equal quarterly installments starting from 28 June 2008 and expiring on 28 May 2012. However, these facilities have been rescheduled on 7 January 2010. Outstanding principal of Rs. 68.75 million of Term Finance 1 is repayable in 16 equal quarterly installments starting from 1 February 2010 and expiring on 1 November 2013. While outstanding principal of Rs. 68.75 million of Term Finance 2 is repayable in 16 equal quarterly installments starting from 1 March 2010 and expiring on 1 December 2013.
- 22.1.7. During the year, the bank started negotiations for settlement with the company as on April 30, 2015 and the agreement finalised in July, 2015, as a result of which existing liability has been agreed at an amount of Rs.64.03 million along with cost and cost of funds. The company has waived off mark up payable amounting to Rs. 9.696 million as a result of this settlement agreement. Moreover bank has agreed to sanction a new term finance facility of Rs. 30 million at markup @ 6 months KIBOR +2.50% p.a. The company will pay an amount of Rs. 6.402 million, 10% of the total existing payable amount as upfront, at the time of disbursement of fresh loan. Balance will be paid in 36 equal monthly installments. These are secured through collateral security in shape of mortgage of property in favor of the bank.
- 22.1.8. This represents facility of Rs.194 million rescheduled. This facility is secured against exclusive charge and carries @ 1 month KIBOR per annum. This facility is repayable in immediate payment of Rs.8 million, first installment of Rs. 3 million and 22 equal monthly installments starting from 31 January 2010 and expired on 1 February 2013.
- 22.1.9. 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 23 equal monthly installments of Rs.420,000 and last installment of Rs.436,941 starting from 8 May 2010 and expired on 8 Apr 2012.
- 22.1.10. This represents facility of Rs.80 million rescheduled. This facility is secured against ranking charge on current assets equivalent to Rs.115 million with 30% margin. The facility carries mark-up rate of 1 month KIBOR per annum. This facility is repayable in six equal monthly installments of Rs.0.5 million, 12 equal monthly installments of Rs.0.75 million, 6 equal monthly installments of Rs.1 million, 12 equal monthly installments of 1.5 million, 10 equal monthly installments of Rs.1.75 million and 13 equal monthly installments of Rs. 2 million, starting from 15 March 2010 and expiring on 15 Feb 2015.
- 22.1.11. This represents facility of Rs.284.298 million converted from short term loans to long term loans. This facility is secured against exclusive first charge against Leased assets and related receivables. The facility carries mark-up rate of 1 month KIBOR + 200 bps per annum. This facility is repayable in twenty eight equal monthly installments of Rs.10 million and the balance amount of Rs. 4,298,472 will be paid the last installment, starting from 16 September 2010 and expiring on 15 Feb 2013. Loan amounting to Rs.140M has been swapped with term loan due from Vital enterprises.

	Note	2015 Rupees	2014 Rupees
22.2 Banking companies and other financial institutions-Unsecured			
CDC Trustee KASB Liquid Fund	22.2.1	3,500,000	3,500,000
Dawood Money Market Fund	22.2.2	7,842,873	7,842,873
House Building Finance Corporation	22.2.3	5,909,086	5,909,086
		17,251,959	17,251,959
Less: Current portion shown under current liabilities	29	17,251,959	17,251,959
		<u>-</u>	<u>-</u>

22.2.1. This represents facility of Rs.41 million rescheduled. This facility is unsecured and carries mark-up @1 month KIBOR per annum. This facility is repayable two monthly installments of Rs.5 million, three monthly installments of Rs. 2.5 million, eighteen monthly installments of Rs. 1 million and last installment of Rs. 0.5 million starting from 19 January 2010 and expired on 19 December 2011.

22.2.2. This represents facility of Rs.37.8 million rescheduled. This facility is unsecured and carries mark-up @1 month KIBOR per annum. This facility is repayable in twenty four monthly installments of Rs.1.5 million and last installment of Rs. 1.8 million starting from 25 January 2010 and expired on 7 January 2012.

22.2.3. This represents facility of Rs.35.5 million rescheduled. This facility is unsecured and carries mark-up @ 3 month KIBOR + 200 bps per annum at the start of each month. This facility is repayable in first installment of Rs. 3 million and 22 equal monthly installments of Rs.1.477 each starting from 15 March 2010 and expired on 15 January 2012.

	Note	2015 Rupees	2014 Rupees
22.3. Term finance certificates (TFC)-Secured			
TFC III	22.3.1	221,212,730	221,212,730
Less: Unamortized portion of the initial transaction cost		-	-
		<u>221,212,730</u>	<u>221,212,730</u>
Less: Current portion shown under current liabilities	29	<u>221,212,730</u>	<u>221,212,730</u>
		<u>-</u>	<u>-</u>

22.3.1. 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 installments and the remaining principal in eight semi-annual installments 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. LONG TERM MORABAHA

Long term morabaha	23.1	15,500,000	15,500,000
Less: Current portion shown under current liabilities	29	<u>15,500,000</u>	<u>15,500,000</u>
		<u>-</u>	<u>-</u>

23.1. This represents Bi Muajjal murabaha facility of Rs.20.5 million and profit thereon amounting to Rs. 5,008,602/- be distributed over the period of its agreement. This facility is repayable in twenty equal monthly installments of Rs.1 million and last installment of Rs.0.5 million, starting from 25th May, 2011 and expired on 25th Feb, 2013.

24. LONG TERM CERTIFICATES OF INVESTMENT

- Corporate			
Secured		22,371,263	22,371,263
Unsecured		163,295,179	165,995,179
- Individuals		-	3,100,000
	24.1	<u>185,666,442</u>	<u>191,466,442</u>
Less: Current portion shown under current liabilities	29	<u>184,103,942</u>	<u>178,470,179</u>
		<u>1,562,500</u>	<u>12,996,263</u>

- 24.1. 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 over 1 year to 5 years and carries profit ranging from 9.85% to 22.22% (2014: 9.85% to 22.22%) per annum.

	Note	2015 Rupees	2014 Rupees
25. DEFERED LIABILITIES			
Gratuity	25.1	6,292,651	5,010,328
Leave encashment	25.1	1,179,036	1,179,036
		<u>7,471,687</u>	<u>6,189,364</u>

Gratuity scheme is funded 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	
		2015	2014	2015	2014
		-----Rupees-----			
25.1. Amount recognized in the balance sheet					
Present value of defined benefit obligations	25.1.1	6,292,651	4,514,424	1,179,036	1,179,036
Less: Fair value of plan assets	25.1.2	-	-	-	-
Add: Benefits due but not paid		-	495,904	-	-
		<u>6,292,651</u>	<u>5,010,328</u>	<u>1,179,036</u>	<u>1,179,036</u>

25.1.1. Movement in the defined benefit obligation:

Present value of defined benefit obligation at beginning of the year		4,514,424	3,105,936	1,179,036	1,439,502
Current service cost for the year		2,142,856	1,151,018	-	-
Interest cost for the year		578,397	217,055	-	-
Benefits paid / discharged during the year		(460,000)	(2,077,500)	-	(260,466)
Experience adjustments		(483,026)	2,117,915	-	-
		<u>6,292,651</u>	<u>4,514,424</u>	<u>1,179,036</u>	<u>1,179,036</u>

25.1.2. Movement in the fair value of plan assets:

Fair value of plan assets as at July 01,		-	-		
Total contributions made in the year		2,077,500	2,077,500		
Expected return on plan assets for the year		-	-		
Benefits paid / discharged during the year		(2,077,500)	(2,077,500)		
Return on plan assets, excluding interest income		-	-		
		<u>-</u>	<u>-</u>		

Gratuity		Leave Encashment	
2015	2014	2015	2014
-----Rupees-----			

25.2. Movement of liability:

Balance sheet liability as at 01 July		5,010,328	3,601,840	1,179,036	1,439,502
Expense chargeable to profit & loss	25.3	2,721,253	1,368,073	-	-
Remeasurement (gain) / loss on obligation	25.4	(483,026)	2,117,915	-	-
Contribution made during the year		(460,000)	(2,077,500)	-	(260,466)
Payables written off during the year		(495,904)	-	-	-
		<u>6,292,651</u>	<u>5,010,328</u>	<u>1,179,036</u>	<u>1,179,036</u>

25.3. Staff service cost expense charged in the profit & loss account

	Gratuity		Leave Encashment	
	2015	2014	2015	2014
	-----Rupees-----			
Current service cost	2,142,856	1,151,018	-	-
Interest cost	578,397	217,055	-	-
	<u>2,721,253</u>	<u>1,368,073</u>	<u>-</u>	<u>-</u>

25.4. Staff service cost expense charged in other comprehensive income

Remeasurement of plan obligation				
Experience adjustments	(483,026)	2,117,915	-	-
	<u>(483,026)</u>	<u>2,117,915</u>	<u>-</u>	<u>-</u>
Interest income on plan assets	-	-	-	-
	<u>(483,026)</u>	<u>2,117,915</u>	<u>-</u>	<u>-</u>

25.5. Qualified actuary carried out the valuation as on 30 June 2015 using the Projected Unit Credit Method. Following significant assumptions have been used:

	Gratuity		Leave encashment	
	2015	2014	2015	2014
	-----Per annum-----			
Discount rate	9.75%	13.5%	13%	13%
Expected rate of increase in salary	8.75%	12.5%	12%	12%
Expected rate of return on plan assets	13.5%	10.5%	-	-
Average number of leaves utilized per annum	-	-	-	-
Expected average remaining years until vesting as on 30 June	9 years	15 years	-	-

	Note	2015 Rupees	2014 Rupees
26. LONG TERM DEPOSITS			
Margin against letters of guarantee		137,176,220	135,698,512
Less: Current portion shown under current liabilities	29	<u>101,938,996</u>	<u>135,698,512</u>
		35,237,224	-
Deposits against lease arrangements	26.1	293,005,569	324,048,339
Less: Current portion shown under current liabilities	29	<u>293,005,569</u>	<u>324,048,339</u>
		<u>35,237,224</u>	<u>-</u>

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

27. SHORT TERM BORROWINGS

Banking companies and other financial institutions:

Running finances - secured	27.1	<u>39,413,532</u>	<u>39,413,532</u>
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27.1. Total limit against running finances amounting to Rs. 40 million (2014: Rs. 40.00 million). This carry mark-up @ 3 month KIBOR + 300 bps with a floor ranging from 4.5% to 10% per annum (2014: 3 months KIBOR + 300 bps with a floor ranging from 4.5% to 10%) payable on quarterly basis respectively.

The above facilities have been obtained for a period of one year and are secured against promissory notes, first charge on specific leased assets, related receivables.

	Note	2015 Rupees	2014 Rupees
28. SHORT TERM CERTIFICATES OF INVESTMENT			
- Financial institutions		10,350,006	12,850,006
- Corporate		1,003,875,642	1,099,838,536
- Individuals		22,750,815	25,750,815
		<u>1,036,976,463</u>	<u>1,138,439,357</u>
28.1. These represent unsecured short term certificates of investment for a period of one months to one year. These carry mark-up rate ranging from 0% to 18.75% (2014: 0% to 18.75%) per annum.			
29. CURRENT MATURITIES OF NON CURRENT LIABILITIES			
Long term financing from banking companies & financial Institutions			
Secured	22.1	820,735,116	878,359,773
Unsecured	22.2	17,251,959	17,251,959
Term finance certificates-Secured	22.3	221,212,730	221,212,730
Long term morabaha	23	15,500,000	15,500,000
Certificates of investment	24	184,103,942	178,470,179
Long term deposits	26	394,944,565	459,746,851
		<u>1,653,748,312</u>	<u>1,770,541,492</u>
30. MARK-UP ACCRUED			
Secured			
- Short and long term financing		79,679,040	89,375,472
- Term finance certificates		14,927,656	14,927,656
		<u>94,606,696</u>	<u>104,303,128</u>
Unsecured			
- Certificates of investment		162,680,220	162,680,220
		<u>257,286,916</u>	<u>266,983,348</u>
31. TRADE AND OTHER PAYABLES			
Advance receipt against finance facilities	31.1	5,564,822	8,064,822
Unclaimed dividend		3,092,624	3,096,984
Preference dividend payable		58,023,278	58,023,278
Accrued liabilities		16,628,162	16,517,299
Other liabilities	31.2 & 31.3	92,110,518	79,191,937
		<u>175,419,404</u>	<u>164,894,320</u>
31.1 These represent initial security deposit received against financing facilities.			
31.2. These include withholding tax payable Rs.20.576 million (2014: Rs.19.966 million), central excise duty payable Rs. 9.023 million (2014: Rs. 6.968 million) and Zakat payable Rs. 3,499/- (2014: Rs.3,499/-).			
31.3. It also includes Rs. nil (2014: Rs. 1.897 Million) payable to Tricon Developers Limited against transfer of various houses of "Tricon Village". These houses were transferred from Allied Developers on behalf of Tricon Developers Limited.			
32. CONTINGENCIES AND COMMITMENTS			
32.1. Contingencies			
(a) The Company has issued guarantees to various parties on behalf of clients amounting to Rs. 879.162 million (2014: Rs. 574.848 million).			
(b) The Company has filed recovery suits amount to Rs. 2,195.42 million (2014: Rs. 1,428.42 million). Prima facie the Bank has good arguable cases, the financial impact of the same has been accounted for in these financial statements.			

Following litigations are pending against Trust Bank in the court of law:

	Rs. in million
Privatization Commission of Pakistan	396.5
The bank of Punjab	315.5
Levi's Strauss Pakistan (Pvt.) Limited	100.0
Punjab Provincial Co-operative Bank Limited	103.0
Shifa Co-operative Housing Society	5.0
Shifa international Hospital	10.0
Trading Corporation of Pakistan	95.7
House Building Finance Company	6.6
Summit Bank Limited	95.9
IGI Investment Bank Limited	73.0
Standard Chartered Bank Limited	56.3
KASB Bank Limited	26.2
National Transmission and Distribution Company	118.8
Lyari Development Authority	168.8
Pak Oman Investment Company (Pvt.) Limited	5.3

- (c) The delayed payment of income tax withheld and CED may attract additional surcharge and penal action (refer note # 31.2).
- (d) The company has not provided for mark-up of Rs. 668.522 in preceding year and Rs. 220.927 million during the year on financing from banking companies & 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 markup been provided net profit for the year would have been decreased by Rs. 220.927 million, mark up payable and accumulated losses would have been increased by Rs. 889.449 million;

32.2. Commitments

32.2.1 There exists no commitment as at balance sheet date.

33. INCOME FROM LEASE OPERATIONS

	Note	2015 Rupees	2014 Rupees
Finance lease income		2,568,555	52,671,757
Commitment and other fees		30,000	65,000
Miscellaneous lease income	33.1	3,931,126	709,178
		<u>6,529,681</u>	<u>53,445,935</u>

33.1. Miscellaneous lease income

Additional mark up on overdue lease rentals	<u>3,931,126</u>	<u>709,178</u>
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34. INCOME FROM INVESTMENTS

Profit on short term placements	61,825	117,506
Profit on long term investments	425,974	1,402,891
	<u>487,799</u>	<u>1,520,397</u>

35. INCOME FROM TERM LOANS

Mark- up earned on long term loans

Employees	45,110	57,739
Customers	1,057,940	7,969,530
	<u>1,103,050</u>	<u>8,027,269</u>

Mark- up earned on long term loans

Customers	34,816,391	52,624,066
	<u>35,919,441</u>	<u>60,651,335</u>

36. FINANCE COST

Mark-up on certificates of investment	2,855,143	5,419,748
Bank charges and commission	104,817	8,023,859
	<u>2,959,960</u>	<u>13,443,607</u>



	Note	2015 Rupees	2014 Rupees
37. ADMINISTRATIVE AND OPERATING EXPENSES			
Salaries and other benefits	37.1	35,845,952	30,862,540
Printing and stationery		1,034,538	1,159,764
Vehicle running and maintenance		598,106	2,414,259
Postage, telephone and telex		886,362	852,753
Traveling and conveyance		2,055,828	1,731,326
Boarding and lodging		1,849,333	739,231
Entertainment		968,293	1,172,258
Advertisement		166,560	122,510
Electricity, gas and water		1,759,954	1,606,853
Newspapers and periodicals		16,065	11,885
Auditors' remuneration	37.2	1,720,000	1,720,000
Fee and subscription		2,546,268	1,527,256
Rent, rates and taxes		1,495,796	1,201,700
Insurance		586,013	469,488
Office maintenance		1,853,539	1,578,882
Legal and professional charges		12,743,837	20,557,876
Security charges		185,620	280,550
Staff training		-	4,700
Depreciation on property, plant and equipment	6.1	5,371,435	7,153,770
Amortization of intangible assets	6.4	412,204	220,280
Advances written off		-	14,659,588
Miscellaneous		4,616,746	4,435,347
		<u>76,712,449</u>	<u>94,482,816</u>
37.1. It includes provision for gratuity amounting to Rs. 2.721 million (2014: Rs. 1.368 million).			
37.2. 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>
38. OTHER INCOME			
Loss on disposal of fixed assets		(20,805,939)	(188,592)
Commission income		9,866,172	20,692,202
Profit on bank deposits		492,849	392,454
Profit on settlement		30,733,190	65,280,831
Dividend income		288,722	114,069
Miscellaneous gain		40,600	6,517,849
		<u>20,615,594</u>	<u>92,808,813</u>
39. OTHER OPERATING EXPENSES			
These represent lease receivables written off during the year.			
40. PROVISION (REVERSED) / CHARGED AGAINST LEASE AND TERM LOAN			
Provision (reversed) / charged for potential lease losses		(113,097,627)	52,374,476
Provision (reversed) / charged for loans and advances		(4,710,226)	2,576,617
Provision for other receivable		33,099,221	23,096,176
		<u>(84,708,632)</u>	<u>78,047,269</u>
41. IMPAIRMENT IN THE VALUE OF INVESTMENT	Note	2015 Rupees	2014 Rupees (Restated)
Impairment charged / (reversed) in the value of investment in TFC,s		<u>20,000,000</u>	<u>(3,522,000)</u>



	Note	2015 Rupees	2014 Rupees
42. PROVISION FOR TAXATION			
Current tax			
For the year	42.1	<u>832,574</u>	<u>1,432,202</u>
42.1. The reconciliation of tax expense and product of accounting profit of corresponding year multiplied by the applicable tax rate cannot be made in view of minimum taxation and final tax on dividend income.			
43. EARNINGS PER SHARE			
43.1. Earnings per share - basic			
Net profit for the year	Rupees	<u>13,963,128</u>	<u>4,819,825</u>
Weighted average number of ordinary shares	Numbers	<u>72,282,040</u>	<u>59,389,331</u>
Earnings per share - basic	Rupees	<u>0.19</u>	<u>0.08</u>
43.2. Earnings per share - diluted			
Net profit for the year	Rupees	<u>13,963,128</u>	<u>4,819,825</u>
Weighted average number of ordinary shares	Numbers	<u>82,202,873</u>	<u>89,202,873</u>
Earnings per share - diluted	Rupees	<u>0.17</u>	<u>0.05</u>

44. REMUNERATION OF CHIEF EXECUTIVE, EXECUTIVE AND DIRECTORS

	Chief Executive		Directors		Executives	
	2015	2014	2015	2014	2015	2014
	-----Rupees-----					
Managerial remuneration	5,418,000	4,170,960	-	774,192.00	1,908,591	2,472,425
Housing and utilities	2,982,000	1,876,932	-	348,386.00	1,050,464	1,112,591
Bonus	-	417,096	-	77,419.00	19,000	247,242
Medical	110,736	100,000	-	-	105,000	195,000
Others	800,000	600,000	-	800,000.00	263,176	1,188,208
Gratuity	-	-	-	-	-	1,140,000
Directorship Fee	-	-	1,340,000	445,000	-	-
	<u>9,310,736</u>	<u>7,164,988</u>	<u>1,340,000</u>	<u>2,444,997</u>	<u>3,346,231</u>	<u>6,355,466</u>
Number of persons	<u>1</u>	<u>1</u>	<u>5</u>	<u>3</u>	<u>3</u>	<u>7</u>

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

44.2. Fee was paid to directors for attending the board meetings amount to Rs. 1,340,000/- (2014: Rs.445,000/-).

45. MATURITIES OF ASSETS AND LIABILITIES

	2015			
	Total	Upto one year	Over one to five years	Over five years
Financial assets:	Rupees			
Net investment in lease finance	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 placements	11,000,000	11,000,000	-	-
Markup accrued	190,948,268	190,948,268	-	-
Other receivables	34,845,808	34,845,808	-	-
Cash and bank balances	6,483,570	6,483,570	-	-
	1,803,715,827	1,757,397,727	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	1,036,976,463	1,036,976,463	-	-
Short term borrowings	39,413,532	39,413,532	-	-
Mark-up accrued	257,286,916	257,286,916	-	-
Trade and other payables	114,303,502	114,303,502	-	-
	5,984,373,578	3,101,728,725	2,882,644,853	-
Net Balance	(4,180,657,750)	(1,344,330,998)	(2,836,326,753)	-
Shareholders' equity	(1,672,027,617)			
	2014			
	Total	Upto one year	Over one to five years	Over five years
Financial assets:	Rupees			
Net investment in lease finance	1,015,882,828	1,015,882,828	-	-
Long term loans and advances	436,646,515	432,830,540	3,815,975	-
Long term investments	46,980,660	13,787,250	33,193,410	-
Long term deposits	5,893,218	-	5,893,218	-
Short term loans and advances	72,462,301	72,462,301	-	-
Short term placements	4,000,000	4,000,000	-	-
Short term investments	1,129,005,480	1,129,005,480	-	-
Markup accrued	201,981,288	201,981,288	-	-
Other receivables	132,214,384	132,214,384	-	-
Cash and bank balances	12,399,322	12,399,322	-	-
	3,057,465,996	3,014,563,393	42,902,603	-
Financial liabilities				
Long term certificates of investments	191,466,442	178,470,179	12,996,263	-
Long term financing	3,484,154,188	1,126,195,712	2,357,958,476	-
Long term morabaha	15,500,000	15,500,000	-	-
Long term deposits	459,746,851	459,746,851	-	-
Short term certificates of investments	1,138,439,357	1,138,439,357	-	-
Short term borrowings	39,413,532	39,413,532	-	-
Mark-up accrued	266,983,348	266,983,348	-	-
Trade and other payables	103,774,058	103,774,058	-	-
	5,699,477,776	3,328,523,037	2,370,954,739	-
Net Balance	(2,642,011,780)	(313,959,644)	(2,328,052,136)	-
Shareholders' equity	(1,614,799,559)			

45.1. FINANCIAL RISK MANAGEMENT

45.1.1. 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.

	2015	2014
Reporting date all index points	24037	21973

		Changes in KSE all Index	Effects on Profit Before Tax	Effects on Equity
			(Rupees)	
Available for sale investment	2015	+10%	-	497,739
		-10%	-	(497,739)
	2014	+10%	-	665,160
		-10%	-	(665,160)

(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:

	2015 Rupees	2014 Rupees
Floating rate instruments		
Financial assets		
Bank balances - deposit accounts	5,722,214	8,487,377
Short term placements	11,000,000	4,000,000
Short term loans and advances	46,520,641	72,462,301
Long term investments	54,160,418	57,010,189
Lease rental receivables	1,014,044,003	1,015,882,828
Long term loans and advances	434,094,691	436,646,515

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:

	2015 Rupees	2014 Rupees
Bank balances	6,053,804	12,399,322
Short term placements	11,000,000	4,000,000
Short term investments	-	1,129,005,480
Short term loans and advances-net	58,299,581	72,462,301
Markup accrued	190,948,268	201,981,288
Other receivables	34,845,808	132,214,384
Long term investments	45,306,448	46,980,660
Lease rental receivables	1,014,044,003	1,015,882,828
Long term loans and advances	434,094,691	436,646,515
	<u>1,794,592,604</u>	<u>3,051,572,778</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:

Chemical & fertilizer	6,536,664	7,443,746
Construction / Real Estate	74,938,818	85,337,931
Financial institutions / Insurance Companies	182,533,780	207,863,635
Health care	16,384,568	18,658,223
Hotels	6,037,183	6,874,952
Individuals / auto lease	541,115,763	616,205,333
Miscellaneous manufacturing	162,405,503	184,942,196
Miscellaneous services	103,953,352	118,378,755
Natural gas & LPG	29,196,616	33,248,173
Paper & board	6,038,791	6,876,783
Steel & engineering	10,145,169	11,552,995
Sugar & allied	17,084,339	19,455,099
Textile composite	16,215,139	18,465,283
Textile knitwear / apparel	84,490,950	96,215,593
Textile spinning	11,073,181	12,609,773
Transport & communication	179,988,878	204,965,580
	<u>1,448,138,694</u>	<u>1,649,094,050</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	26,779,349	6,158,369
Past due 181 - 365 days	20,472,019	383,432
1 - 2 years	1,458,803	1,255,020
More than 2 years	1,837,423,389	1,612,447,599
	<u>1,886,133,560</u>	<u>1,620,244,420</u>

Provision on term loans and lease rental receivables

Past due 0 - 180 days	-	-
Past due 181 - 365 days	69,780	204,634
1 - 2 years	62,884	359,979
More than 2 years	672,571,507	1,115,672,450
	<u>672,704,171</u>	<u>1,116,237,063</u>

Collaterals held against term financing and lease rentals receivables

2015				
Gross exposure	Collaterals			Net exposure
	Mortgage	Hypothecation	Liquid-collaterals	

----- Rupees -----

Long term finances	434,094,691	113,060,000	800,000	20,312,500	299,922,191
Short term finances	32,229,480	84,124,000	-	1,560,550	(53,455,070)
Lease rental receivables	1,419,809,389	149,055,000	148,232,909	144,772,660	977,748,820

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:

Banks	Rating		2015	2014
	Long term	Agency	(Rupees)	
Summit Bank Limited	A	JCR	10,169	10,169
Habib Bank Limited	AAA	JCR	188,084	188,084
Habib Metropolitan Bank	AA+	PACRA	82,641	80,641
MCB Bank Limited	AAA	PACRA	2,306,836	5,327,645
NIB Bank Limited	AA-	PACRA	1,533,420	1,486,771
Standard Chartered Bank	AAA	PACRA	5,517	5,517
State Bank of Pakistan			826	826
Burj Bank Limited	A-	JCR	1,856,916	1,647,977
KASB Bank Limited	A+	PACRA	13,839	13,839
Bank Al Habib Limited	AA+	PACRA	53,735	3,516,338
JS Bank Limited	A+	PACRA	821	821
United Bank Limited	AA+	JCR	1,000	-
			6,053,804	12,278,628
Sukuks / Bonds	Rating		2015	2014
	Long term	Agency	(Rupees)	
Eden Housing Limited-Sukuks			9,843,750	9,843,750
Term finance certificates				
Azgard Nine Limited	D	PACRA	30,485,310	30,485,310

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.

	Carrying Amount	Contractual cash flows	Less than 1 year	Between 1 and 5 years	Over 5 years
30 June 2015	----- Rupees -----				
Customers' security deposits	430,181,789	-	394,944,565	35,237,224	-
Trade and other payables	114,303,502	-	114,303,502	-	-
	<u>544,485,291</u>	<u>-</u>	<u>509,248,067</u>	<u>35,237,224</u>	<u>-</u>
30 June 2014					
Customers' security deposits	459,746,851	-	459,746,851	-	-
Trade and other payables	103,774,058	-	103,774,058	-	-
	<u>563,520,909</u>	<u>-</u>	<u>563,520,909</u>	<u>-</u>	<u>-</u>

The contractual cash flows relating to the above financial liabilities have been determined on the basis of markup / profit rates effective as at 30 June 2015. The rates of mark up have been disclosed in respective notes to the financial statements.

45.2. Fair values of financial assets and liabilities

The carrying values of all financial assets and liabilities reflected in financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

45.3. Financial instruments by categories

	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	6,483,570	-	-	-	-	6,483,570
Short term placements	-	11,000,000	-	-	-	11,000,000
Short term loans and advances	-	58,299,581	-	-	-	58,299,581
Markup accrued	-	190,948,268	-	-	-	190,948,268
Other receivables	-	34,845,808	-	-	-	34,845,808
Long term deposits	-	8,693,458	-	-	-	8,693,458
Long term investments	-	-	4,977,388	40,329,060	-	45,306,448
Lease rental receivables	-	1,014,044,003	-	-	-	1,014,044,003
Long term loans and advances	-	434,094,691	-	-	-	434,094,691
	6,483,570	1,751,925,809	4,977,388	40,329,060	-	1,803,715,827

Financial liabilities at amortized cost
(Rupees)
Liabilities as per balance sheet

Customers' security deposits	430,181,789
Long term financing-subordinated loan	2,788,220,472
Long term financing-others	1,116,824,462
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	257,286,916
Trade & other payables	114,303,502
	5,984,373,578

	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 2014						
Assets as per balance sheet						
Cash and bank balances	12,399,322	-	-	-	-	12,399,322
Short term placements	-	4,000,000	-	-	-	4,000,000
Short term loans and advances	-	72,462,301	-	-	-	72,462,301
Markup accrued	-	201,981,288	-	-	-	201,981,288
Other receivables	-	132,214,384	-	-	-	132,214,384
Long term deposits	-	5,893,218	-	-	-	5,893,218
Long term investments	-	-	6,651,600	40,329,060	-	46,980,660
Lease rental receivables	-	1,015,882,828	-	-	-	1,015,882,828
Long term loans and advances	-	436,646,515	-	-	-	436,646,515
	12,399,322	1,869,080,534	6,651,600	40,329,060	-	1,928,460,516

Financial liabilities at amortized cost
(Rupees)
Liabilities as per balance sheet

Customers' security deposits	459,746,851
Long term financing-subordinated loan	2,357,958,476
Long term financing-others	1,126,195,712
Long term morabaha	15,500,000
Long term certificates of investment	191,466,442
Short term borrowings	39,413,532
Short term certificates of investment	1,138,439,357
Mark-up accrued	266,983,348
Trade and other payables	103,774,058
	5,699,477,776

45.4. 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. 1,000 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, surplus on revaluation of fixed assets, subordinated loans and redeemable preference shares.

	2015 Rupees	2014 Rupees
46. CASH AND EQUIVALENTS		
Cash and bank balances	6,483,570	12,399,322
Short term running finance	(39,413,532)	(39,413,532)
	<u>(32,929,962)</u>	<u>(27,014,210)</u>

47. 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 June 30	71,065,510	71,065,510
Subordinate Loan	224,277,371	1,253,282,851
Mr. Zahid Rafiq		
Share capital as on June 30	57,024,050	57,024,050
Genesis Securities (Pvt) Limited.		
Share capital as on June 30	122,097,420	122,097,420
Associated undertakings:		
Habib Rafiq (Pvt) Limited		
Letter of Guarantees issued during the year	188,490,032	97,000,000
Letter of Guarantees outstanding as at June 30	360,445,074	171,955,042
Income charged during the year	4,027,025	3,723,080
Tricon Developers Limited		
Long term financing - subordinated loan as on June 30	-	100,000,000

48. SEGMENT ANALYSIS

Trust investment bank activities 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.

Income from lease operations
Income from investments
Income from term loans
Total income for reportable segments

Finance cost
Administrative and operating expenses
Other operating expenses
Provision reversed against lease and term loans
Impairment charged in the value of investment
Other income
Segment result

Profit before taxation

-----2015-----		
Financing activities	Investment activities	Total
-----Rupees-----		
6,529,681	-	6,529,681
-	487,799	487,799
35,919,441	-	35,919,441
42,449,122	487,799	42,936,921
2,855,143	104,817	2,959,960
73,343,430	3,369,019	76,712,449
33,793,036	-	33,793,036
(84,708,632)	-	(84,708,632)
-	20,000,000	20,000,000
40,600	20,574,994	20,615,594
17,206,745	(2,411,043)	14,795,702
		14,795,702

Segment assets
Unallocated assets

Segment liabilities
Unallocated liabilities

-----2015-----		
Financing activities	Investment activities	Total
-----Rupees-----		
1,912,203,661	107,459,997	2,019,663,658
		2,379,781,392
		4,399,445,050
3,944,458,466	1,222,642,905	5,167,101,371
		885,859,796
		6,052,961,167

Income from lease operations
Income from investments
Income from finances / loans
Total income for reportable segments

Finance cost
Administrative and operating expenses
Other operating expenses
Provision charged against lease and term loans
Impairment charged in the value of investment
Other income
Segment result

Profit before taxation

-----2014-----		
Financing activities	Investment activities	Total
-----Rupees-----		
53,445,935	-	53,445,935
-	1,520,397	1,520,397
60,651,335	-	60,651,335
114,097,270	1,520,397	115,617,667
5,419,748	8,023,859	13,443,607
91,409,574	3,073,242	94,482,816
19,722,761	-	19,722,761
78,047,269	-	78,047,269
-	(3,522,000)	(3,522,000)
6,517,849	86,290,964	92,808,813
(73,984,233)	80,236,260	6,252,027
		6,252,027

Segment assets
Unallocated assets

Segment liabilities
Unallocated liabilities

-----2014-----		
Financing activities	Investment activities	Total
-----Rupees-----		
2,048,791,570	86,375,749	2,135,167,319
		2,025,960,774
		4,161,128,093
3,514,196,470	1,163,910,620	4,678,107,090
		1,079,309,062
		5,757,416,152

**Amount
(in Rupees)**

49. EXPOSURE EXCEEDING 20% OF EQUITY

Below is the outstanding exposure exceeding 20% of equity:

Ali Pervaiz and Associates 393,125,286/-

50. DATE OF AUTHORIZATION

These financial statements were authorized for issue on October 06, 2015 by the Board of Directors.

51. GENERAL

	No. of employees	
	2015	2014
51.1. The no of employees are as follows:		
Average no of employees during the year	42	46
No. of employees as at 30 June	43	48

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

51.3. Nomenclature of following accounts have been changed during the year:

Previous nomenclature

Current nomenclature

Charge of impairment of investments in shares

Unrealized loss on remeasurement of available for sale investments

Remeasurement chargeable in - other comprehensive income

Remeasurement (gain) / loss on obligation

51.4. Previously, transfer to statutory reserves was being routed through statement of comprehensive income which is now transferred through statement of changes in equity for better presentation.

Account Head	Previous Classification	Current Classification	Amount
Loans and advances	Short term prepayments	Short term loans and advances	Rs. 10,978,822/-
Advance income tax	Short term prepayments	Taxation - Net	Rs. 25,156/-
Unrealized loss on remeasurement of available for sale investments	Revenue reserves	Capital reserves	Rs. 15,972,890/-

51.5. Unrealised loss on remeasurement of available for sale investments should not have been charged to profit & loss account in previous years. Now this amount has been properly transferred to capital reserves.



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 / behalf at the Annual General Meeting of the Bank to be held on the 30th day of October, 2015 at 04.00
p.m. at Hotel Sunfort, 72-D/1, Commercial Zone, Liberty Market, Gulberg-III, Lahore.

Signature this _____ day of _____ 2015

Revenue affix Five
Rupees Revenue
Stamp

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. If a member appoints more than one proxy and more than one instruments of proxies are deposited by a member with the Bank, all such instruments of proxy shall be rendered invalid.
3. No person can act as proxy unless she/he is member of the Bank, except that a corporation may appoint a person who is not a member.

For CDC Account Holders/Corporate Entities.

In addition to the above, the following requirements have to be met.

- i. The proxy form shall be witnessed by two persons whose name, address and Computerized National Identity Card (CNIC) numbers shall be mentioned on the form.
- ii. Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be provided with the proxy form.
- iii. The proxy shall produce his original CNIC or Passport at the time of attending the meeting.
- iv. In case of corporate entity, the Board of Directors' Resolution/Power of Attorney with specimen signatures shall be submitted (unless it has been provided earlier) along with proxy form to the Bank.

AFFIX
CORRECT
POSTAGE

Head Office:

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

Tel: +92-42-3581 7601-5

Fax: +92-42-3581 7600

Email: info@trustbank.com.pk

Website: www.trustbank.com.pk

Head Office:

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

Tel: +92-42-3581 7601-5 **Fax:** +92-42-3581 7600

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