

**NRSP MICROFINANCE BANK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

INDEPENDENT AUDITORS' REPORT**To the members of NRSP Microfinance Bank Limited****Report on the Audit of the Financial Statements****Opinion**

We have audited the annexed financial statements of NRSP Microfinance Bank Limited (the Bank), which comprise the Balance Sheet as at December 31, 2023, and profit or loss account, statement of comprehensive income, the statement of changes in equity, the cash flow statement for the year then ended, and notes to the financial statements, including a material accounting policy information and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the accompanying statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017) and Microfinance Institutions Ordinance, 2001, in the manner so required and respectively give a true and fair view of the state of the Bank's affairs as at December 31, 2023 and of the profit, the comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

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

Emphasis of Matter

- i. We draw attention to note 1.1 to the financial statements, which describe the Bank's status of compliance with the regulatory Capital Adequacy Ratio requirements and management's plan to address the deficiency.
- ii. We draw attention to note 15 to the financial statements, which describes that management has recognized net deferred tax asset of Rs 3,459 million as at December 31, 2023. Based on financial projections for future years, approved by the Board, the management believes that, the Bank will be able to realize the deferred tax asset. The preparation of projections involves management's assumptions regarding future business and economic conditions and therefore any significant change in such assumptions or actual outcome that is different from assumptions may have an effect on the recoverability of the deferred tax asset in future.

Our opinion is not modified in respect of these matter.



Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting and reporting standards as applicable in Pakistan and the requirements of Companies Act, 2017 (XIX of 2017) and Microfinance Institutions Ordinance, 2001, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our



opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

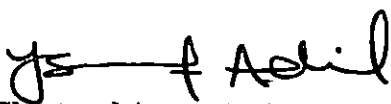
We communicate with the board of directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

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

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



Chartered Accountants

Islamabad

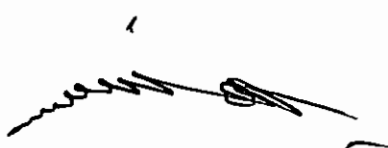
Date: April 05, 2024

UDIN: AR202310134pzOK1vVaA


NRSP MICROFINANCE BANK LIMITED
BALANCE SHEET
AS AT DECEMBER 31, 2023

	Note	Dec-23	Dec-22
		Rupees	
ASSETS			
Cash and balances with SBP and NBP	8	2,419,392,186	1,819,603,458
Balances with other Banks/ NBFIs /MFBs	9	5,164,273,305	4,369,152,215
Lending to financial institutions	10	1,020,000,000	-
Investments - net of provisions	11	5,605,817,272	2,435,811,437
Advances - net of provision	12	31,886,462,087	28,027,829,813
Operating fixed assets	13	1,299,694,864	1,356,094,857
Other assets	14	3,762,062,924	2,820,455,701
Deferred tax asset - net	15	3,459,592,772	3,361,981,972
Total Assets		54,617,295,410	44,190,929,453
LIABILITIES			
Deposits and other accounts	16	39,569,765,783	32,444,154,687
Borrowings	17	4,651,093,661	5,144,971,811
Subordinated debt	18	1,442,360,000	1,442,360,000
Other liabilities	19	6,910,306,476	5,066,848,062
Deferred tax liability - net		-	-
Total liabilities		52,573,525,920	44,098,334,560
Net assets		2,043,769,490	92,594,893
REPRESENTED BY			
Share capital	20	1,498,372,010	1,498,372,010
Advance against issue of right shares	20.4	1,000,000,000	-
Statutory reserve	7.1(a)	997,922,137	815,766,515
Depositors' protection fund	7.1(b)	393,207,509	305,381,345
Unappropriated profit / (loss)		(1,845,765,469)	(2,530,558,517)
		2,043,736,187	88,961,353
Surplus/ (deficit) on revaluation of assets		(254,870)	-
Deferred grants	21	288,173	3,633,540
Total capital		2,043,769,490	92,594,893
MEMORANDUM/ OFF-BALANCE SHEET ITEMS	22		


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



 President/ Chief Executive



 Chairman



 Director



 Director

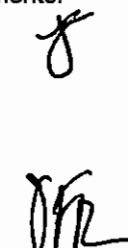
NRSP MICROFINANCE BANK LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD YEAR ON DECEMBER 31, 2023

	Note	Dec-23 Rupees	Dec-22
Mark-up/ return/ interest earned	23	9,803,958,861	4,187,706,686
Mark-up/ return/ interest expensed	24	(5,747,645,550)	(3,973,293,188)
Net mark-up/ interest income		4,056,313,311	214,413,498
Provision against non-performing loans and advances	12	(2,190,808,711)	(4,578,692,406)
Provision for demerit in the value of investments		-	-
Bad debts written off directly - net of insurance recoveries	12	(1,599,250)	(12,511,517)
		(2,192,407,961)	(4,591,203,923)
Net mark-up/ interest income after provisions		1,863,905,350	(4,376,790,425)
NON MARK-UP/ NON INTEREST INCOME			
Fee, commission and brokerage income	25	471,687,509	550,902,168
Dividend income		-	-
Other income - net	26	2,051,020,379	967,338,703
Total non mark-up/ non interest income		2,522,707,888	1,518,240,871
NON MARK-UP/ NON INTEREST EXPENSES			
Administrative expenses	27	(3,394,241,320)	(3,351,906,849)
Other charges	28	(6,328,510)	(11,725,820)
Total non mark-up/ non interest expenses		(3,400,569,830)	(3,363,632,669)
		986,043,408	(6,222,182,223)
Extra ordinary/ unusual items		-	-
PROFIT/ (LOSS) BEFORE TAXATION		986,043,408	(6,222,182,223)
Taxation - Current	29	(173,448,798)	(115,726,600)
Prior year		-	(17,577,150)
Deferred		98,183,500	2,137,192,105
		(75,265,298)	2,003,888,355
PROFIT/ (LOSS) AFTER TAXATION		910,778,110	(4,218,293,868)
Unappropriated profit/ (loss) brought forward		(2,530,558,517)	1,693,039,358
Less: Other comprehensive income		1,709,466	(5,304,007)
Profit available for appropriation		(1,618,070,941)	(2,530,558,517)
APPROPRIATIONS			
Transfer to:			
Statutory reserve		(182,155,622)	-
Depositors' protection fund		(45,538,906)	-
		(227,694,528)	-
Unappropriated loss carried forward		(1,845,765,469)	(2,530,558,517)
Earnings / (loss) per share	30	6.08	(28.15)

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


President/ Chief Executive


Chairman

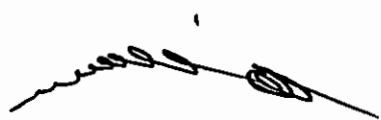

Director


Director


**NRSP MICROFINANCE BANK LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31,2023**

	Note	Dec-23 ----- Rupees -----	Dec-22 -----
Profit/ (loss) after taxation		910,778,110	(4,218,293,868)
Other comprehensive income/ (loss)			
Items that will not be subsequently reclassified through profit and loss account			
Gain/(Loss) on remeasurement of employees' retirement benefits	19.2	2,407,699	(5,304,007)
Related tax impact		(698,233)	-
		1,709,466	(5,304,007)
Comprehensive Income transferred to equity		<u>912,487,576</u>	<u>(4,223,597,875)</u>
Component of Comprehensive Income/(Loss) not reflected in equity			
Items that will be subsequently reclassified through profit and loss account			
Surplus/ (deficit) on revaluation of available for sale Investment		(380,403)	-
Related tax impact		125,533	-
		(254,870)	-
		<u>912,232,706</u>	<u>(4,223,597,875)</u>

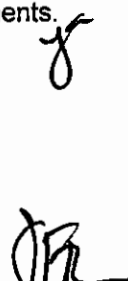
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President/ Chief Executive



Chairman



Director



Director

NRSP MICROFINANCE BANK LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED ON DECEMBER 31, 2023

	Dec-23	Dec-22
Note	Rupees	
CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	986,043,408	(6,222,182,223)
Less : Dividend income	-	-
	986,043,408	(6,222,182,223)
Adjustments for non-cash changes		
Depreciation	112,628,738	145,459,141
Depreciation on right of use asset	131,959,278	129,299,018
Amortization	23,432,976	43,060,789
Provision against non-performing advances	2,190,808,711	4,578,692,406
Advances directly written-off - net of insurance recoveries	1,599,250	12,511,517
Gain on sale/ redemption of securities	(515,533,923)	(390,688,437)
Gain on sale of fixed assets	(19,418,218)	(672,987)
Loss on Termination of Leased Agreements	(24,246,765)	(51,181,050)
finance charges on lease liability	127,154,638	120,606,338
Amortization of deferred grants	(14,948,890)	(32,722,421)
Capital Gain on Available for Sale Securities	-	160,301
Provision for gratuity and leave encashment	109,129,447	132,542,888
	2,122,565,242	4,687,067,503
(Increase)/ decrease in operating assets		
Lending to financial institutions	(2,414,466)	-
Advances	(6,051,040,235)	(5,440,217,723)
Other assets (excluding advance taxation)	(980,238,248)	2,592,341,870
	(7,033,692,949)	(2,847,875,853)
Increase/ (decrease) in operating liabilities		
Bills payable	(28,360,294)	(50,240,790)
Borrowings from financial institutions	(493,878,150)	(1,790,860,289)
Deposits	7,125,611,096	(1,682,583,571)
Finance cost paid on lease obligation	(127,154,638)	(120,606,338)
Other liabilities (excluding bills payable, current taxation, gratuity and leave encashment, finance lease)	1,960,168,167	549,835,061
	8,436,386,181	(3,094,455,927)
Income tax paid	(212,309,523)	(168,047,381)
Gratuity and leave encashment paid (including contributions)	(195,756,652)	(140,495,594)
Net cash flow generated from / (used in) operating activities	4,103,235,707	(7,785,989,475)
CASH FLOW FROM INVESTING ACTIVITIES		
Net investment in available-for-sale securities	(2,836,151,900)	2,851,112,239
Net investment in held-to-maturity securities	181,299,585	1,888,458,259
Investment in operating fixed assets	(41,095,471)	(176,728,640)
Interest income on depositors' protection fund	42,287,258	35,735,151
Sale proceeds from property and equipment disposed-off	28,213,772	1,152,400
Net cash flow from/ (used in) investing activities	(2,625,446,756)	4,599,729,409
CASH FLOW FROM FINANCING ACTIVITIES		
Grants received	11,603,523	31,568,907
Proceeds against future issue of right shares	1,000,000,000	-
Lease Payments	(74,482,656)	(74,639,763)
Net cash flow from/ (used in) financing activities	937,120,867	(43,070,856)
Increase/ (decrease) in cash and cash equivalents	2,414,909,818	(3,229,330,922)
Cash and cash equivalents at the beginning of the year	6,188,755,673	9,418,086,595
Cash and cash equivalents at the end of the year	8,603,665,491	6,188,755,673

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


 President/ Chief Executive


 Chairman


 Director


 Director

NRSP MICROFINANCE BANK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT DECEMBER 31, 2023

1 STATUS AND NATURE OF BUSINESS

NRSP Microfinance Bank Limited (the Bank) was incorporated in Pakistan on October 22, 2008 as a public limited company under the Companies Ordinance, 1984. The Bank obtained license from the State Bank of Pakistan (SBP) on February 18, 2009 to operate, on nationwide basis, as a microfinance bank under Microfinance Institutions Ordinance, 2001. Certificate of commencement of business was issued by the Securities and Exchange Commission of Pakistan (SECP) on February 8, 2011 and certificate of commencement of business from SBP was received on February 28, 2011.

The Bank was established to mobilize funds for providing microfinance banking and related services to low income and underserved segment of society for mitigating poverty through providing access to financial markets at micro level.

The Bank's registered office is situated at 7th Floor, UBL Tower, Jinnah Avenue, Blue Area, Islamabad and principal place of business is situated at University Road, Bahawalpur. The Bank is operating 133 branches (2022: 145) as at the year end including 37 (2022: 40) Islamic branches.

National Rural Support Programme (NRSP) is holding company of the Bank which holds 57.40% (2022: 57.40%) shares of the Bank.

1.1 Capital Adequacy Ratio (CAR)

The Bank is required to maintain the Capital Adequacy Ratio of at least 15% of its risk weighted assets, however, its CAR stood at negative as at December 31, 2023 which is non-compliance of minimum regulatory CAR threshold.

To address the shortfall, the parent company has placed a share deposit money of Rupees one Billion which shall be converted to share capital ensuing the completion of regulatory requirements. The Bank has also devised business plan in collaboration with the Parent Company to seek additional equity injection of over Rupees 2,000 million for foreseeable future so that regulatory CAR threshold is maintained and the Bank achieves growth and profitability. Furthermore, shareholders of the Bank have provided their in principle approval for issuance of right shares amounting to Rs. 3,500 million and authorised the Board to undertake necessary action for such right issue in due course. The Parent Company has also confirmed its commitment for equity injection and unconditional financial support to the Bank. The management believes that in view of above measures, financial health of the Bank shall be improved and accordingly the Bank will be able to comply with requirement for maintenance of minimum regulatory CAR threshold.

2 BASIS OF PRESENTATION

2.1 These financial statements have been presented in accordance with the requirements of Banking Supervision Department (BSD) Circular No. 11 dated December 30, 2003 issued by the State Bank of Pakistan (SBP).

2.2 The financial results of the Islamic Microfinance Division (IMD) of the Bank have been consolidated in these financial statements for reporting purpose, after eliminating inter-branch transactions/balances. Key figures of the IMD, derived from the related accounting records of the Bank, are disclosed as Annexure-II to these financial statements for disclosure purpose only to comply with the requirements of the license issued by the SBP to the Bank to commence Islamic microfinance operations. Further, the IMD results are to be separately reported upon for Shariah Compliance by the Shariah Advisor of the Bank as required by the SBP in conditions prescribed for the Bank to commence Islamic Microfinance operations.

3 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for Banks/DFIs/MFIs. The accounting and reporting standards applicable in Pakistan comprise of:

- International Financial Reporting Standards (IFRS Standards) issued by the International Accounting Standards Board (IASB) as are notified under the Companies Act, 2017;

- Islamic Financial Accounting Standards (IFAS Standards) issued by the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) as are adopted by SBP;
- Provisions of and directives issued under the Microfinance Institutions Ordinance, 2001 and the
- Directives issued by the SBP and the SECP.

Wherever the requirements of the Microfinance Institutions Ordinance, 2001, the Companies Act, 2017, or the directives issued by the SBP and the SECP differ with the requirements of the IFRSs or IFASs, the requirements of the Microfinance Institutions Ordinance, 2001, the Companies Act, 2017, and said directives shall prevail.

3.1 The SBP, vide its BSD Circular Letter no. 10 dated August 26, 2002 has deferred the applicability of International Accounting Standard 40, Investment Property, for banking companies till further instructions. Further, the SECP, through S.R.O 411(1)/2008 dated April 28, 2008, has deferred the applicability of IFRS 7, Financial Instruments: Disclosures, to banks. Additionally, the SBP via circular no. 3 of 2022 dated 05 July 2022, decided to extend the implementation of IFRS 9 from January 01, 2024 for Microfinance Banks (MFBs). Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements.

Banking Policy & Regulations Department of State Bank of Pakistan (SBP) via circular no. 3 of 2023 dated February 09, 2023, introduced the new format for preparation of annual and interim financial statements for microfinance banks due to significant regulatory developments including implementation of IFRS 9 as well as many other additions / amendments in the International Financial Reporting Standards. The revised format for preparation of annual financial statements are applicable effective from the accounting year ending December 31st, 2024 and revised format for preparation of interim financial statements are applicable effective from the first quarter of year 2024.

4 AMENDMENTS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS

4.1 STANDARDS, INTERPRETATIONS OF THE AMENDMENTS TO THE PUBLISHED APPROVED ACCOUNTING STANDARDS THAT ARE EFFECTIVE IN THE CURRENT YEAR

The following amendments are effective for the year ended December 31, 2023. These amendments are either not relevant to the Bank's operations or are not expected to have significant impact on the Bank's financial statements other than certain additional disclosures.

		Effective from Accounting period beginning on or after
IAS 1 and IFRS Practice Statement 2	Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 - The amendments aim to help entities provide accounting policy disclosures that are more useful by: - Replacing the requirement for entities to disclose their significant' accounting policies with a requirement to disclose their 'material' accounting policies; and - Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.	January 01, 2023
IAS 8	Definition of Accounting Estimates - Amendments to IAS 8 - The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.	January 01, 2023

IAS 12	Amendments to 'IAS 12 Income Taxes' - deferred tax related to assets and liabilities arising from a single transaction.	January 01, 2023
IAS 12	Amendments to IAS 12 ' Income taxes' - International Tax Reform — Pillar Two Model Rules	January 01, 2023

4.2 STANDARDS, INTERPRETATIONS OF THE AMENDMENTS TO APPROVED ACCOUNTING STANDARDS THAT ARE NOT YET EFFECTIVE

The following standard and amendments are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments are either not relevant to the Bank's operations or are not expected to have significant impact on the Bank's financial statements other than certain additional disclosures.

Standard and IFRIC	Effective date (annual periods beginning on or after)
IFRS 16 Leases' -Clarification on how seller-lessee subsequently measures sale and leaseback transactions	January 01, 2024
IAS 1 Presentation of Financial Statements' - Non-current liabilities with Convents along with Classification of liabilities as current or non-current	January 01, 2024
IAS 7 Statement of Cash Flows' and 'IFRS 7 'Financial instruments disclosures' - Supplier Finance Arrangements	January 01, 2024
IAS 21 The Effects of Changes in Foreign Exchange Rates' - Clarification on how entity accounts when there is long term lack of Exchangeability	January 01, 2025
IFRS -17 Insurance Contracts (including the June 2020 and December 2021 Amendments to IFRS 17)	January 01, 2026

Further, the following new standards have been issued by the IASB, which are yet to be notified by the SECP for the purpose of applicability in Pakistan:

Standard	Effective Date
IFRS 1 First-time Adoption of International Financial Reporting Standards	January 1, 2004

The Bank expects that the adoption of the above standards will have no material effect on the Bank's financial statements, in the period of initial application.

SBP has deferred the applicability of International Accounting Standard 40, 'Investment Property' for Banking Companies through BSD Circular Letter No. 10 dated August 26, 2002. Further, according to the notification of SECP dated April 28, 2008, the IFRS - 7 "Financial Instruments: Disclosures" has not been made applicable for banks. Accordingly, the requirements of these standards have not been considered in the preparation of these financial statements. However, investments have been classified and valued in accordance with the requirements of various circulars issued by the SBP.

SBP vide its BPRD Circular No. 04 of 2019 dated October 23, 2019 had directed banks in Pakistan to implement IFRS 9 with effect from January 01, 2021. Though keeping in view of COVID-19 impact and banking industry representations, SBP vide its BPRD Circular No. 03 dated July 05, 2022 has deferred the implementation of IFRS 9 from January 01, 2022 to January 01, 2024 for Microfinance Banks. IFRS 9 includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Accordingly the requirements of these standards have not been considered in preparation of these financial statements.

5 BASIS OF MEASUREMENT

- 5.1 These financial statements have been prepared under the historical cost convention except for certain investments carried at fair value and recognition of certain staff retirement benefits, liabilities against assets subject to finance lease which are stated at present value.
- 5.2 These financial statements are presented in Pakistan Rupees (Rupees), which is the Bank's functional currency. All financial information presented in PKR has been rounded to the nearest of Rupees, unless otherwise stated.

6 SIGNIFICANT ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with approved accounting standards, as applicable in Pakistan, requires management to make judgments/ estimates and associated assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These judgments/ estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the estimates about carrying value 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. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have significant effect on the amounts recognized in the financial statements are discussed in following paragraphs:

a) Impairment of investments

Impairment in the value of investments is made after considering objective evidence of impairment. Provision for diminution in the value of investments is made as per the Regulations issued by SBP.

b) Advances

The Bank reviews its micro credit loan portfolio to assess amount of non-performing advances and provision required there against on regular basis. While assessing this requirement, the Regulations of SBP are also taken into consideration.

c) Operating fixed assets/ intangible assets

Estimates of residual values and useful lives of operating fixed assets and intangible assets are reassessed annually and any change in estimate is taken into account in the determination of depreciation/ amortization charge and impairment loss. Changes in estimates are accounted for over the estimated remaining useful life of the assets.

d) Fair value of derivative financial instruments

The Company reviews the fair values of derivative financial instruments on a regular basis. Fair values are sensitive to changes in interest and foreign currency exchange rates, and if there is any change in interest and foreign currency exchange rates, the fair values are adjusted accordingly.

e) Employees' benefits

Employees' benefits include gratuity and compensated absences which are provided for on basis of actuarial valuation. Estimate is made on the basis of expected period of service of employees, expected increase in salary, discount rate and other demographic assumptions.

f) Lease liability against right-of-use asset under IFRS 16 'Leases'

Lease liability is initially measured as the present value of the lease payments, discounted using the Bank's incremental weighted average borrowing rate. The lease liability is subsequently measured at amortised cost using the effective interest rate method.

g) Provisions and contingencies

Estimates of the amount of provisions recognized are based on current legal and constructive requirements. As actual outflows can differ from estimates due to changes in laws, regulations, public expectations, prices and conditions, and can take many years in the future, the carrying amounts of provisions are regularly reviewed and adjusted to take account of such changes. Further, the Bank also reviews the status of all the legal cases on a regular basis. Based on the expected outcome and consideration of opinion of its legal advisor, appropriate provision / disclosure is made.

h) Impairment of financial assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events would have a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognized in profit and loss account.

i) Taxation

Current Tax

The Bank takes into account the current income tax law and decisions taken by the taxation authorities. Those amounts are shown as contingent liabilities wherein, the Bank's views differ from the views taken by the taxation authorities at the assessment stage and where the Bank considers that its views on items of material nature are in accordance with law.

Deferred tax

The Bank records deferred tax assets / liabilities using the tax rates, enacted or substantively enacted by the reporting date expected to be applicable at the time of its reversal. Deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset 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

7 MATERIAL ACCOUNTING POLICY INFORMATION

During the year, the Bank adopted Disclosure of Accounting Policies (Amendments to IAS 1) from January 01, 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. Although the amendments did not result in any changes to the accounting policies themselves.

7.1 Cash and cash equivalents

Cash and cash equivalents represent cash in hand, balances held with State Bank of Pakistan (SBP) and National Bank of Pakistan (NBP), balances held with other banks/ Non-Banking Financial Institutions (NBFIs) / Microfinance Banks (MFBs) and call money lendings carried at cost.

7.2 Financial instruments

Financial assets and liabilities are recognized when the Bank becomes a party to the contractual provisions of the instrument. These are derecognized when the Bank ceases to be the party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at cost which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortized cost or historical cost, as the case may be.

Other particular recognition methods adopted by the Bank are disclosed in the individual policy statements associated with each item of financial instruments.

a) Financial Assets

Financial assets are cash and balances with SBP and NBP, balances with other banks, lending to financial institutions, investments, advances and other receivables. Advances are stated at their nominal value as reduced by appropriate provisions against non-performing advances, while other financial assets excluding investments are stated at cost. Investments are recognized as per note 7.4.

b) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangement entered into. Financial liabilities include borrowings and other liabilities which are stated at their nominal value. Financial charges are accounted for on accrual basis.

Any gain or loss on the recognition and de-recognition of the financial assets and liabilities is included in the net profit and loss for the year in which it arises.

c) Derivative financial instruments

Derivative financial instruments are initially recognized at fair value on the date on which the derivative contract is entered into and are subsequently re-measured at fair value using valuation techniques. All derivative financial instruments are carried as assets when fair value is positive and liabilities when fair value is negative. Any change in the fair value of derivative financial instruments is taken to the profit and loss account.

7.3 Sale and repurchase agreements

Securities sold under repurchase agreement (repo) are retained in the financial statements as investments and a liability for consideration received is included in borrowings. Conversely, consideration for securities purchased under resale agreement (reverse repo) are included in lendings to financial institutions. The difference between sale and repurchase / purchase and resale price is recognized as mark-up / return expensed and earned respectively on a time proportion basis as the case may be. Repo and reverse repo balances are reflected under borrowings from and lendings to financial institutions respectively.

7.4 Investments

All purchase and sale of investments that require delivery within the time frame established by regulation or market convention are recognized at the trade date, which is the date the Bank commits to purchase or sell the investment. All investments are derecognized when the right to receive economic benefits from the investments has expired or has been transferred or the Bank has transferred substantially all the risks and rewards of ownership.

Investments are classified into following categories:

a) Held for trading

These represent securities acquired with the intention to trade by taking advantage of short-term market / interest rate movements. These securities are required to be disposed off within 90 days from the date of their acquisition. After initial measurement, these are marked to market and surplus / deficit arising on revaluation of 'held for trading' investments is taken to profit and loss account in accordance with the requirements prescribed by SBP.

b) Held to maturity

Investments with fixed maturity, where management has both the intent and the ability to hold till maturity, are classified as held to maturity. Subsequent to initial recognition at cost, these investments are measured at amortized cost, less provision for impairment in value, if any, and amortized cost is calculated taking into account effective interest rate method. Profit on held to maturity investments is recognized on a time proportion basis taking into account the effective yield on the investments.

Premium or discount on acquisition of held to maturity investments is amortized through profit and loss account over the remaining period till maturity.

c) Available for sale

Investments which may be sold in response to need for liquidity or changes in interest rates, exchange rates or equity prices are classified as available for sale. Available for sale investments are initially recognized at cost and subsequently measured at fair value. Profit on available-for-sale investments is recognized on a time proportion basis taking into account the effective yield on the investments.

The surplus / (deficit) arising on revaluation of available for sale investments is kept in "surplus/(deficit) on revaluation of assets" through statement of comprehensive income. The surplus/(deficit) arising on these investments is taken to profit and loss account, when actually realized upon disposal of the investment.

7.5 Advances

Advances are stated net of provision for non-performing advances. Advances are classified under non-performing loans (NPLs) and the provision on such is charged as per the guidelines of Prudential Regulation for Microfinance Banks issued by the State Bank of Pakistan (SBP). Further the markup on classified advances is suspended and transferred to reserve account. On March 16, 2022 SBP AC&MFD has issued Circular No. 02 of 2022 making significant revisions to the MFB's Prudential Regulations. Following is the summary of Prudential Regulations, for classification and provisioning of advances.

Classification	New Classification criteria			
	Previous DPD criteria	General Loans	Housing Loans	Enterprise Loans (Property Collateral)

Days Passed Due Based

OAEM	30 - 59	30 - 59	90 - 179	90 - 179	90 - 179
Substandard	60 - 89	60 - 89	180 - 364	180 - 364	180 - 364
Doubtful	90 - 179	90 - 179	365 - 729	365 - 544	365 - 544
Loss	180 - 209	180 - 209	730 - 1944	545 - 1214	545 - 1944
Write off	>=210	>=210	>=1945	>=1215	>=1945

Provision Percentage

OAEM	0%	0%	0%	10%	10%
Substandard	25%	25%	25%	25%	25%
Doubtful	50%	50%	50%	50%	50%
Loss	100%	100%	100%	100%	100%
Write off	100%	100%	100%	100%	100%

Suspension Percentage

OAEM	0%	0%	0%	100%	100%
Substandard	100%	100%	100%	100%	100%
Doubtful	100%	100%	100%	100%	100%
Loss	100%	100%	100%	100%	100%
Write off	100%	100%	100%	100%	100%

In addition the Bank maintains a watch list of all overdue accounts before they are classified in terms of objective (time-based) criteria. However, such accounts are not treated as non-performing for the purpose of classification/provisioning.

In accordance with the Regulations, the Bank maintains specific provision of outstanding principal net of cash collaterals and Gold (ornaments and bullion) realizable without recourse to a Court of Law on the rates mentioned above.

In addition to above, a general provision is made equivalent to 1% (2022: 1%) of the net outstanding balance (advances net of specific provisions) in accordance with the requirement of the Regulations. However, where the loans/advances have been secured against gold and/or other liquid assets, the general provisioning against outstanding amount net of such security shall be required.

General and specific provisions are charged to the profit and loss account in the period in which they occur.

Non-performing loans/advances are written off as per the following criteria:

General/Unsecured loans:	NPL shall be charged-off one month after being classified as "Loss".
Housing loans:	NPL shall be charged-off one month after 05 years from the date of classification of financing.
Microenterprise loans:	NPL secured against Mortgaged residential, commercial, and industrial properties (Land & Building only) shall be charged off, one month after 05 years from date of classification. All other NPLs shall be charged off one month after 03 years from the date of classification of financing.

Charge off shall in no way extinguish the MFB's right of recovery of such loans.

7.5.1 Islamic financing and related assets

a) Murabaha

Receivable under Murabaha financing represent cost price plus an agreed markup on sale arrangement. Markup income is recognized on straight line basis over the tenure of financing period.

b) Ijarah

Ijarah financing represent arrangements whereby the Bank (being the owner of assets) transfers its usufruct to its customers for an agreed period at an agreed consideration. Assets leased out under Ijarah are stated at cost less accumulated depreciation and accumulated impairment losses, if any. These assets are depreciated over the term of the Ijarah financing. Ijarah income is recognized on an accrual basis.

c) Diminishing Musharaka

Diminishing Musharaka (DM) is a form of co-ownership in which Bank and the customer share the ownership of a tangible asset in an agreed proportion and customer undertakes to buy in periodic installments the proportionate share of the Bank until the title to such tangible asset is completely transferred to the customer.

7.6 Operating fixed assets

a) Capital work-in-progress

Capital work-in-progress is stated at cost less accumulated impairment losses, if any, and is transferred to the respective item of operating fixed assets when available for intended use.

b) Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset and the costs of dismantling and removing the items and restoring the site on which they are located, if any. Property and equipment are recognized when it is probable that future economic benefits associated with the item will flow to the Bank and the cost of the item can be measured reliably. Subsequent expenditure is capitalized only when it increases the future economic benefit embodied in the specific asset to which it relates. Carrying amount of the replaced component is derecognized. All other repair and maintenance are charged to profit and loss account.

Depreciation is charged on the straight line at rates specified in note 13.2 to the financial statements, so as to write off the cost of assets over their estimated useful lives. Full month's depreciation is charged in the month of acquisition while no depreciation is charged in the month of disposal.

Gains and losses arising on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amounts of fixed asset. Net gain is recognized within other income while net loss is recognized in administrative expenses in the profit and loss account.

c) Intangible assets

An intangible asset is recognized if it is probable that the future economic benefits that are attributable to the asset will flow to the Bank and that the cost of such asset can also be measured reliably. These are stated at cost less accumulated amortization and impairment losses, if any.

Intangible assets comprise of computer software and related applications. Intangible assets are amortized over their estimated useful lives at rate specified in note 13.3 to the financial statements. Subsequent expenditure is capitalized only when it increases the future economic benefit embodied in the specific asset to which it relates. All other expenditure is recognized in profit and loss account as incurred.

d) Right-of-use assets and their related lease liability

Right of-use assets

On initial recognition, right-of-use assets are measured at an amount equal to initial lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to be incurred to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

Right-of-use assets are subsequently stated at cost less any accumulated depreciation / accumulated impairment losses and are adjusted for any remeasurement of lease liability. The remeasurement of lease liability will only occur in cases where the terms of the lease are changed during the lease tenor.

Right-of-use assets are depreciated over their expected useful lives using the straight-line method. Depreciation on additions (new leases) is charged from the month in which the leases are entered into. No depreciation is charged in the month in which the leases mature or are terminated.

Lease liability against right-of-use assets

The lease liabilities are initially measured as the present value of the remaining lease payments, discounted using the Bank's incremental weighted average borrowing rate.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. The lease liability is also remeasured to reflect any reassessment or change in lease terms. These remeasurements of lease liabilities are recognised as adjustments to the carrying amount of related right-of-use assets after the date of initial recognition.

Each lease payment is allocated between a reduction of the liability and a finance cost. The finance cost is charged to the profit and loss account as Finance cost over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

7.7 Impairment

a) Non - financial assets

The carrying amounts of the Bank's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is determined.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups. Impairment losses are recognized in profit and loss account. Impairment losses recognized in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss recognized in prior years is assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

b) Financial Assets

A financial asset is considered to be impaired if objective evidence indicates that one or more events has a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognized in profit and loss account.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost the reversal is recognized in profit and loss account.

7.8 Taxation

Income tax expense comprises of current and deferred tax. Income tax expense is recognized in the profit and loss account except to the extent that it relates to items recognized directly in equity or below equity/ other comprehensive income in which case it is recognized in equity or below equity/ other comprehensive income.

Management periodically evaluates positions taken in tax returns, with respect to situations in which applicable tax regulation is subject to legal interpretation and decisions of superior appellate fora, and accordingly establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities. Instances where the Bank's view differs from the view taken by the income tax department at the assessment stage, the amounts are shown as contingent liabilities.

Current

Current tax is the tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, taking into account tax credits, rebates and tax losses, if any, and any adjustment to tax payable in respect of previous years.

As these special purpose financial statements cover a different period than the Bank's normal financial year i.e. calendar year, thus the financial results are split on the basis of the respective tax periods and the tax provisions applicable thereto have been considered for calculating current tax.

Deferred

Deferred tax is accounted for on all major taxable temporary differences between the carrying amounts of assets for financial reporting purposes and their tax base. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset 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. At each balance sheet date, the bank reassesses the carrying amount and the unrecognized amount of deferred tax assets.

Deferred tax assets and liabilities are calculated at the rate that are expected to apply for the period when the asset is realized or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantially enacted till the balance sheet date. Deferred tax, on revaluation of investments, if any, is recognized as an adjustment to surplus/ (deficit) arising on such revaluation.

7.9 Employee benefits

The main features of the schemes operated by the Bank for its employees are as follows:

a) Defined benefit plan

i) Employees' gratuity fund

The Bank operates an approved funded gratuity fund for all its regular employees. The cost of providing benefits under the plan is determined using the projected unit credit actuarial valuation method. Estimate is made on the basis of expected period of service of employees, expected increase in salary, discount rate and other demographic assumptions. Six or more months of service is counted as one full year. Qualifying service period is two years. Gratuity is paid to employee upon leaving the bank's service and is calculated on basis of last drawn gross salary multiplied with numbers of years of service with the bank.

The most recent valuation for defined benefit plan was carried out as at December 31, 2020 by an independent actuary using the projected unit credit method. Actuarial gains and losses arising due to changes in defined benefit obligations are recognized immediately in other comprehensive income in order for the net asset or liability recognized in the balance sheet to reflect the full value of plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets is calculated by applying the discount rate to the net defined benefit liability or asset.

ii) Accumulated compensated absences

The Bank provides compensated absences to all its regular employees who are entitled to accumulate the unutilized privilege leaves up to 90 days (2020: 90 days). Provision for expected cost of accumulated compensated absences is charged to profit and loss account on the basis of actuarial valuations. The most recent valuation for defined benefit plan was carried out as at December 31, 2023 by an independent actuary using the projected unit credit method.

b) Defined contribution plan

The Bank operates an approved defined contribution provident fund for all permanent employees. Equal monthly contributions at the rate of 10% of basic salary are made by the employees and by the Bank to the fund.

7.10 Reserves

a) Statutory reserve

In compliance with the Regulations, the Bank is required to maintain a statutory reserve to which an appropriation equivalent to 20% of the profit after tax is to be made till such time the reserve fund equals the paid up capital of the Bank. Thereafter, the contribution is to be reduced to 5% of the annual profit after tax.

b) Depositors' protection fund (DPF)

The Bank is required under the Microfinance Institutions Ordinance, 2001 to contribute 5% of annual after tax profit to DPF. Further, profits earned on investments of the fund are credited to DPF for the purpose of providing security or guarantee to specified persons for depositing money in the bank.

c) **Cash reserve**

In compliance with the related regulatory requirements, the Bank is required to maintain a cash reserve equivalent to not less than 5% of its deposits (including demand deposits and time deposits with tenor of less than 1 year) in a current account opened with the State Bank or its agent.

d) **Statutory liquidity requirement**

In compliance with the related regulatory requirements, the Bank is required to maintain liquidity equivalent to at least 10% of its total demand and time liabilities with tenor of less than one year in form of liquid assets i.e. cash, gold, unencumbered treasury bills, Pakistan Investment Bonds and Government of Pakistan sukuk bonds. Treasury bills and Pakistan Investment Bonds held under depositor protection fund are excluded for the purpose of determining liquidity.

7.11 Grants

Grants that compensate the Bank for the cost of an asset are initially recognized in the balance sheet as deferred income when grant is received or there is reasonable assurance that it will be received and that the Bank will comply with the conditions attached to it and are charged to the profit and loss account as other operating income on a systematic basis over the useful life of the asset. Grants that compensate the Bank for expenses are initially recognized as deferred income or receivable, depending upon the nature of grant arrangement and are recognized as income in the profit and loss account on a systematic basis in the same period in which the related expenses are incurred.

7.12 Earnings per share

The Bank presents earnings per share (EPS) for its ordinary shares which is calculated by dividing the profit or loss attributable to ordinary shareholders of the Bank by weighted average number of ordinary shares outstanding during the year. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the effect of all dilutive potential ordinary shares. There were no dilutive potential ordinary shares in issue as at December 31, 2023.

7.13 Revenue recognition

a) **Markup / return / interest earned on advances**

Markup / income / return / service charges on advances is recognized on accrual / time proportion basis using effective interest rate method at the Bank's prevailing interest rates for the respective loan products. Markup/ income on advances is collected with loan instalments. Due but unpaid service charges / income are accrued on overdue advances for period up to 30 days. After 30 days, overdue advances are classified as non-performing and recognition of unpaid service charges / income ceases. Further, accrued markup on non-performing advances are reversed and credited to suspense account. Subsequently, markup recoverable on non-performing advances is recognized on a receipt basis in accordance with the requirements of the Regulations. Application processing fee is recognized as income when service is performed.

Classification Days passed due based classification (DPD)	DPD Criteria			
	General loans	Housing loans	Enterprise loans	Enterprise loans (Property collateral)
OAEM	30-59	90-179	90-179	90-179
Substandard	60-89	180-364	180-364	180-364
Doubtful	90-179	365-729	365-544	365-544
Loss	180-209	730-1944	545-1214	545-1944
Write Off	=>210	=>1945	=>1215	=>1945
Suspension Percentage				
OAEM	0%	0%	100%	100%
Substandard	100%	100%	100%	100%
Doubtful	100%	100%	100%	100%
Loss	100%	100%	100%	100%
Write Off	100%	100%	100%	100%

b) Income from investments

Mark-up / return on investments is recognized on time proportion basis using effective interest method. Where debt securities are purchased at premium or discount, the related premiums or discounts are amortized through the profit and loss account over the remaining period of maturity of said investment.

Gain or loss on sale of securities is accounted for in the period in which the sale occurs.

c) Fee, commission and brokerage income

Fee, commission and brokerage income is recognized in the profit and loss to the extent of services rendered. Any advance payments received from customers for which services are yet to be rendered by the Bank, are recognized as contract liability in the financial statements.

d) Income on inter bank deposits

Income from interbank deposits in saving accounts are recognized in the profit and loss account using the effective interest method.

7.14 Borrowing costs

Borrowing costs are recognized as an expense in the period in which they are incurred except where such costs relate to the acquisition, construction or production of a qualifying asset in which case such costs are capitalized as part of the cost of that asset. Borrowing cost includes exchange differences arising from foreign currency borrowings to the extent these are regarded as an adjustment to borrowing costs.

7.15 Off-setting

Financial assets and financial liabilities and tax assets and tax liabilities are only off-set and the net amount is reported in the financial statements when there is a legally enforceable right to set off the recognized amount and the Bank intends either to settle on net basis or to realize the assets and to settle the liabilities simultaneously. Income and expense items of such assets and liabilities are also off-set and the net amount is reported in the financial statements.

7.16 Foreign currencies translation

Transactions in foreign currencies are translated into Pak Rupee at exchange rate on the date of transaction. All monetary assets and liabilities in foreign currencies are translated into Pak Rupee at the rate of exchange approximating those ruling at the balance sheet date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at the year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit and loss account.

7.17 Provisions

A provision is recognized when, and only when, the Bank has a present obligation (legal or constructive) as a result of a past event, 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 the obligation.

7.18 Dividend distribution and appropriation

Dividends (including bonus dividend) and other appropriations (except appropriations which are required by law) are recognized in the period in which these are approved.

7.19 Impact assessment - International Financial Reporting Standard - 9 "Financial Instruments"

As directed by SBP via BPRD Circular no 3 of 2022, IFRS 9 Financial Instruments is effective for periods beginning on or after January 01, 2024 for Microfinance Banks. SBP via same circular has finalized the instructions on IFRS 9 (Application Instructions) for ensuring smooth and consistent implementation of the standard in the banks.

During the 2023, the management of the Bank has performed an impact assessment of IFRS 9 taking into account the SBP's IFRS 9 application instructions. The assessment is based on available information and may be subject to changes arising from further reasonable and supportable information being made available to the Bank at the time of finalizing the impact for initial application of IFRS 9. In addition, the Bank will implement changes in classification of certain financial instruments. These changes and impacts are discussed in aforementioned paragraphs.

An overview of the IFRS 9 requirements that are expected to have significant impact are discussed below along with the additional requirements introduced by the SBP.

Governance, ownership and responsibilities

The Bank is developing a governance framework requiring the Risk, Finance, Operations, Internal Audit and IT functions to effectively work together to ensure input from all business lines. IFRS 9 requires robust credit risk models that can predict Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD).

Bank develop Models/ methodologies for PD, LGD and Credit Conversion Factor (CCF). These models shall be validated on annual basis considering the following aspects:

- Qualitative Validation: Expected credit loss (ECL) model design validation, data quality validation and benchmarking with external best practices.
- Quantitative Validation: Calibration testing which ensures the accuracy of the observed PDs.

Finance Division will ensure preparation of disclosures and incorporation of the impacts on the financial statements of the Bank. The function shall identify, prepare and extract the data required for the risk parameters modelling and ECL calculations. Finance Division shall ensure that all disclosures as required by the accounting standard and the SBP formats and guidelines are made.

The risk management division will perform the back testing of ECL at least on yearly basis and will be responsible for the independent validation of the risk parameters / risk models; including PD, LGD and CCF etc., that are used to compute the ECL which would be carried out as per the policy.

Internal Audit will carry out periodic review of IFRS 9 methodology and impacts calculated by the Management.

Classification and measurement

The classification and measurement of financial assets will depend on how these are managed (the entity's business model) and their contractual cash flow characteristics. Financial assets that do not meet the SPPI criteria are measured at FVTPL regardless of the business model in which they are held. The Bank's business model in which financial assets are held will determine whether the financial assets are measured at amortized cost, fair value through other comprehensive income ('FVOCI') or fair value through profit or loss ('FVTPL'). The classification of equity instruments is generally measured as Fair Value through Profit & Loss (FVTPL) unless the Bank elects for Fair Value through Other Comprehensive Income (FVTOCI) at initial recognition. The Bank has analyzed the impact of initial application of IFRS 9 on its financial assets as follows:

i. Debt securities and Loans and advances

Debt securities currently classified as AFS and those passes SPPI test, are expected to be measured at fair value through OCI under IFRS 9 as the Bank's business model is to hold the assets to collect contractual cash flows, but also to sell those investment. Debt securities currently classified as HTM and those passes SPPI test are expected to be measured at measured at amortized costs under IFRS 9 as the Group business model is to hold the assets to collect contractual cash flows.

ii. Impairment

The impairment requirements apply to financial assets measured at amortized cost and FVOCI (other than equity instruments), lease receivables, and certain loan commitments and financial guarantee contracts. At initial recognition, an impairment allowance (or provision in the case of commitments and guarantees) is required for expected credit losses ('ECL') resulting from default events that are possible within the next 12 months ('12-month ECL'). In the event of a significant increase in credit risk, an allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument ('lifetime ECL').

Financial assets where 12-month ECL is recognized are in 'stage 1'; financial assets that are considered to have experienced a significant increase in credit risk are in 'stage 2'; and financial assets for which there is objective evidence of impairment, so are considered to be in default or otherwise credit impaired, are in 'stage 3'.

The assessment of credit risk and the estimation of ECL are required to be unbiased and probability-weighted, and should incorporate all available information which is relevant to the assessment including information about past events, current conditions and reasonable and supportable forecasts of economic conditions at the reporting date. In addition, the estimation of ECL should take into account the time value of money.

Based on the requirement of IFRS 9 and SBP's IFRS 9 application instructions, the Bank has performed an ECL assessment taking into account the key elements such as assessment of SCIR, Probability of Default, Loss Given Default and Exposure at Default. These elements are described below:

- PD: The probability that a counterparty will default, calibrated over the 12 months from the reporting date (stage 1) or over the lifetime of the product (stage 2) and incorporating forward looking information.
- LGD: An estimate of the loss incurred on a facility upon default by a customer. LGD is calculated as the difference between contractual cash flows due and those that the Bank expects to receive, including from the liquidation of any form of collateral. It is expressed as a percentage of the exposure outstanding on the date of classification of an obligor.
- EAD: the expected balance sheet exposure at the time of default, incorporating expectations on drawdowns, amortization, pre-payments and forward-looking information where relevant.

For the purpose of calculation of ECL, the Bank has used 5 years data till December 31, 2023 and going forward, one more year's data shall be included until the Bank has at least 10 years data. For calculating ECL, the Bank shall classify its financial assets under three following categories:

- a) Stage 1: Performing Assets: Financial assets where there has not been a SICR since initial recognition, the Bank shall recognize an allowance based on the 12-month ECL.
- b) Stage 2: Under-Performing Assets: For financial assets where there has been a SICR since initial recognition, but which are not credit impaired, the Bank shall recognize an allowance based on lifetime ECL for all exposures categorized in this stage based on the actual maturity profile.
- c) Stage 3: Non-Performing Assets: For financial assets which have objective evidence of impairment at the reporting date, the Bank shall recognize ECL on these financial assets using the higher off approach, which means that lifetime ECL computed under IFRS 9 is compared with regulatory provision required as per Prudential regulations.

As required by the Application Instructions, financial assets may be reclassified out of stage 3 if they meet the requirements of Prudential Regulations (PR) issued by SBP. Financial assets in stage 2 may be reclassified to stage 1 if the conditions that led to a SICR no longer apply.

Significant increase in credit risk (SICR)

A SICR is assessed in the context of an increase in the risk of a default occurring over the life of the financial instrument when compared to that expected at the time of initial recognition. It is not assessed in the context of an increase in the ECL. The Bank uses a number of qualitative and quantitative measures in assessing SICR. Quantitative measures relate to deterioration of Obligor Risk Ratings (ORR) or where principal and / or interest payments are 60 days or more past due. Qualitative factors include unavailability of financial information and pending litigations.

Based on the level of increase in credit risk, the Bank shall calculate 12 month ECL for assets which did not have a SICR i.e., Stage 1 or a lifetime expected loss for the life of the asset (for assets which demonstrated a SICR) i.e., Stage 2.

At every reporting date, the Bank shall assess whether there has been a SICR since the initial recognition of the asset. If there is a SICR, the asset must be assigned to the appropriate stage of credit impairment (Stage 2 or 3).

Under the SBP's instructions, credit exposure (in local currency) guaranteed by the Government and Government Securities are exempted from the application of ECL Framework. Moreover, until implementation of IFRS 9 has stabilized, Stage 1 and stage 2 provisions would be made as per IFRS 9 ECL and stage 3 provision would be made considering higher of IFRS 9 ECL or provision computed under existing PRs' requirements.

Presentation and disclosure

IFRS 9 also introduces expanded disclosure requirements and changes in presentation which will be incorporated as per the SBP's revised format.

Loan / financing related fee

Loan origination / commitment fees that are regarded as compensation to the lender for an ongoing involvement with the acquisition of a financial instrument would be recognized over the life of the related loan. However, if the commitment expires without the lender making the loan, the fee would be recognized as revenue as earned.

Impact of adoption of IFRS 9

The actual impact of adopting IFRS 9 on the Bank's financial statements in the year 2024 may not be accurately estimated because it will be dependent on the financial instruments that the Bank would hold during 2024 and economic conditions at that time as well as accounting elections and judgements that it will make in future. Nevertheless, the Bank has performed a preliminary assessment of the potential impact of adoption of IFRS 9 based on its statement of financial position as at December 31, 2023.

Impact on impairment and regulatory capital

The introduction of IFRS 9 will result in reduction in regulatory capital of the Bank, which is likely to reduce their lending capacity and ability to support their clients. In order to mitigate the impact of expected credit loss (ECL) models on capital, the SBP has determined that it may be appropriate for the Financial Institution (FIs) to introduce a transitional arrangement for the impact on regulatory capital from the application of ECL accounting. Annexure B of the 'Application Instructions' issued by SBP have detailed the transitional arrangement.

The transitional arrangement must apply only to provisions for stage 1 and 2 financial assets. The transitional arrangement must adjust CET1 capital. Where there is a reduction in CET1 capital due to new provisions, net of tax effect, upon adoption of an ECL accounting model, the decline in CET1 capital (the "transitional adjustment amount") must be partially included (i.e. added back) to CET1 capital over the "transition period" of five years.

Based on the Bank' preliminary assessment, the impact of adoption of IFRS 9 on the Banks' financial statements as compared to applicable accounting and reporting standards as applicable in Pakistan. (ARS) are as follows:

	2023 Rupees
Expected Credit Loss	
Advances	99,764,332
Other assets	<u>8,278,224</u>
	<u><u>108,042,556</u></u>
Capital Adequacy ratio (change in basis points)	<u><u>-0.36%</u></u>

		Dec-23 ----- Rupees -----	Dec-22 -----
8	CASH AND BALANCES WITH SBP AND NBP		
	Cash in hand	753,489,542	616,249,507
	Balance with State Bank of Pakistan	1,009,357,375	905,594,652
	Balance with National Bank of Pakistan in		
	Current account	18,752,366	13,356,808
	Deposit accounts	637,792,903	284,402,491
		<u>2,419,392,186</u>	<u>1,819,603,458</u>

8.1 This represents balance maintained with SBP to comply with requirements of Prudential Regulations for Microfinance Banks to maintain minimum cash reserve equivalent to not less than 5% (2022: 5%) of the Bank's demand deposits and time deposits with tenor of less than one year.

		Dec-23 ----- Rupees -----	Dec-22 -----
9	BALANCES WITH OTHER BANKS		
	In Pakistan		
	Local currency current accounts	89,969,621	42,362,475
	Local currency deposit accounts	2,751,803,684	3,726,789,740
	Local currency term deposits	2,322,500,000	600,000,000
		<u>5,164,273,305</u>	<u>4,369,152,215</u>

9.1 These represent deposits with commercial banks and Islamic banks payable on demand maintained in current account.

9.2 These represent deposits with commercial banks and Islamic banks payable on demand carrying mark-up/profit ranging from 5% to 21% (2022: 7.25% to 16.70%) per annum.

9.3 Local currency term deposits represent an amount of Rs 2,322 Million (2022: Rs 600 million) that carries mark-up/profit at the rate of 17.4% to 22.7% (2022: 18%) and maturity is due in the month of January & April 2024.

		Dec-23 ----- Rupees -----	Dec-22 -----
10	LENDING TO FINANCIAL INSTITUTIONS		
	Call money lendings	1,020,000,000	-
		<u>1,020,000,000</u>	<u>-</u>

10.1 This represents call money Lending from :

- Bank of Khyber at the rate of 21.60% amounting to Rs 700 million with maturity date of January 02, 2024.
- Habib Bank Limited at the rate of 21.60% amounting to Rs. 320 million with maturity date of January 02, 2024.

	Note	Dec-23	Dec-22
----- Rupees -----			
11 INVESTMENTS - NET OF PROVISIONS			
Held to maturity			
Federal Government Securities			
Pakistan Investment Bonds (PIBs)	11.1	1,839,271,076	-
Market treasury bills (MTBs)	11.2	504,410,212	2,125,832,104
Ijarah Sukuks	11.3	315,224,387	309,979,333
		2,658,905,675	2,435,811,437
Term Deposit Receipts (TDRs)		-	-
		2,658,905,675	2,435,811,437
Available for sale			
Federal Government Securities			
Market treasury bills (MTBs)		2,947,292,000	-
Deficit on revaluation of available for sale investments		(380,403)	-
		2,946,911,597	-
		5,605,817,272	2,435,811,437

- 11.1** The PIB's carry markup at the rate of 21.84% to 23.39% (2022: Nil) per annum and are due to mature in September 2024. This includes PIBs having face value of Rs. 500 million given as collateral for obtaining running finance facility from National bank of Pakistan.
- 11.2** The T-Bills carry mark up at the rate of 21.17% to 21.45% (2022: 15.60% to 16.95%) per annum and are due to mature in May, November and December 2024. These also include investment held for the purposes of Depositors' Protection Fund with a carrying amount of Rs 323.225 million (2022: Rs 287.324 million) that carries markup at the rate of 23.39% (2022: 16.95%) per annum and is due to mature in September 2024. This includes T-Bills having face value of Rs. 602.365 million given as collateral for obtaining Running finance facility from National bank of Pakistan.
- 11.3** Ijarah sukuks carry mark up at the rate of 14.85% to 22.67% (2022: 7% to 15%) per annum and are due to mature in 2025.

12 ADVANCES - NET OF PROVISION

Loan type	Note	Dec-23		Dec-22	
		Number	Rupees	Number	Rupees
Micro credit		170,615	21,692,894,754	241,509	23,793,928,706
Islamic financing		19,056	11,787,250,700	17,443	8,591,678,908
		189,671	33,480,145,454	258,952	32,385,607,614
Less: Provision held					
Specific	12.1	24,106	(597,356,184)	68,224	(4,156,658,205)
General					
Mandatory	12.2		(211,740,622)		(201,119,596)
Additional	12.2		(784,586,561)		-
			(1,593,683,367)		(4,357,777,801)
Advances - net of provisions			<u>31,886,462,087</u>		<u>28,027,829,813</u>

12.1 Particulars of non performing loans

Advances include Rs 1,216.64 million (2022: 5,168.65 million) which as detailed below, have been placed under non performing status.

Category of classification	Dec-23			Dec-22		
	Amount outstanding	Provisions required	Provisions held	Amount outstanding	Provisions required	Provisions held
	Rupees			Rupees		
OAEM	399,488,656	2,374,751	2,374,751	276,477,574	4,248,118	4,248,118
Sub-Standard	128,109,575	22,963,742	22,963,742	518,293,882	127,410,771	127,410,771
Doubtful	172,261,186	67,103,522	67,103,522	666,370,159	330,091,054	330,091,054
Loss	516,780,648	504,914,169	504,914,169	3,707,506,110	3,694,908,262	3,694,908,262
	<u>1,216,640,065</u>	<u>597,356,184</u>	<u>597,356,184</u>	<u>5,168,647,725</u>	<u>4,156,658,205</u>	<u>4,156,658,205</u>

12.2 This represents general provision maintained against unsecured micro-credit advances net of specific provision at the rate of 1% (2022: 1%) in accordance with the requirement of Prudential Regulations issued by the State Bank of Pakistan. This also include additional provision charged against outstanding loans to previously defaulted customers amounting to Rs. 784.58 million.

12.3 Particulars of provision against non-performing advances

	Dec-23			Dec-22		
	Specific	General	Total	Specific	General	Total
	Rupees			Rupees		
Opening balance	4,156,658,205	201,119,596	4,357,777,801	1,332,725,416	2,335,971,379	3,668,696,795
Charge for the year	1,395,601,124	795,207,587	2,190,808,711	6,713,544,189	(2,134,851,783)	4,578,692,406
Amounts written off	(4,954,903,145)	-	(4,954,903,145)	(4,010,264,552)	-	(4,010,264,552)
Reversals	-	-	-	120,653,152	-	120,653,152
Closing balance	<u>597,356,184</u>	<u>996,327,183</u>	<u>1,593,683,367</u>	<u>4,156,658,205</u>	<u>201,119,596</u>	<u>4,357,777,801</u>

12.4 Particulars of advances written off

	Dec-23	Dec-22
	Rupees	
Against provisions	4,954,903,145	3,889,611,400
Directly charged to profit & loss account	1,599,250	12,511,517
	<u>4,956,502,395</u>	<u>3,902,122,917</u>

13 OPERATING FIXED ASSETS

	Note	Dec-23	Dec-22
		Rupees	
Capital work-in-progress	13.1	32,396,845	28,878,433
Property and equipment	13.2	556,230,548	643,965,891
Right of use assets	13.3	693,802,827	646,441,023
Intangible assets	13.4	15,264,644	36,809,510
		<u>1,299,694,864</u>	<u>1,356,094,857</u>

13.1 Capital work-in-progress

	Dec-23	Dec-22
	Rupees	
Civil works	10,137,479	2,040,166
Implementation of Oracle Softwares	22,259,366	26,838,267
	<u>32,396,845</u>	<u>28,878,433</u>

13.2 Property and equipment

Particulars	COST				ACCUMULATED DEPRECIATION				Net Book Value As At December 31,2023	Rate of depreciation (%)
	As At January 01,2023	Additions	Disposal	As At December 31,2023	As At January 01,2023	Charge for the year	Disposal	As At December 31,2023		
-----Rupees-----										
Owned assets										
Freehold land	253,419,808	-	-	253,419,808	-	-	-	-	253,419,808	-
Furniture and fixtures	502,169,940	928,601	(19,339,379)	483,759,162	267,205,917	45,388,055	(12,264,615)	300,329,357	183,429,805	10
Office equipment	288,305,449	546,300	(6,275,346)	282,576,403	267,191,103	15,012,225	(6,248,282)	275,955,046	6,621,357	20
Computer equipment	540,665,453	21,621,901	(13,017,667)	549,269,687	422,820,620	38,038,381	(12,053,824)	448,805,177	100,464,510	33.33
Vehicles	96,992,202	11,308,646	(5,136,566)	103,164,282	84,153,889	10,333,391	(4,627,019)	89,860,261	13,304,021	20
	<u>1,681,552,852</u>	<u>34,405,448</u>	<u>(43,768,958)</u>	<u>1,672,189,342</u>	<u>1,041,371,529</u>	<u>108,772,052</u>	<u>(35,193,740)</u>	<u>1,114,949,841</u>	<u>557,239,501</u>	
Leased assets										
Vehicles	117,531,825	1,283,501	(21,318,505)	97,496,821	113,747,257	3,856,686	(21,098,169)	96,505,774	991,047	20
	<u>1,799,084,677</u>	<u>35,688,949</u>	<u>(65,087,463)</u>	<u>1,769,686,163</u>	<u>1,155,118,786</u>	<u>112,628,738</u>	<u>(56,291,909)</u>	<u>1,211,455,615</u>	<u>558,230,548</u>	

Particulars	COST				ACCUMULATED DEPRECIATION				Net Book Value As At December 31,2022	Rate of depreciation (%)
	As At January 01,2022	Additions	Disposal	As At December 31,2022	As At January 01,2022	Charge for the year	Disposal	As At December 31,2022		
-----Rupees-----										
Owned assets										
Freehold land	253,419,808	-	-	253,419,808	-	-	-	-	253,419,808	-
Furniture and fixtures	495,944,179	6,552,611	(326,850)	502,169,940	219,956,320	47,416,881	(167,084)	267,205,917	234,964,023	10
Office equipment	287,765,979	1,827,625	(1,288,155)	288,305,449	237,529,360	30,927,567	(1,265,824)	267,191,103	21,114,346	20
Computer equipment	422,946,799	120,114,872	(2,396,218)	540,665,453	385,168,507	39,751,015	(2,098,902)	422,820,620	117,844,833	33.33
Vehicles	95,833,354	1,292,848	(134,000)	96,992,202	65,430,316	18,857,573	(134,000)	84,153,889	12,838,313	20
	<u>1,555,910,119</u>	<u>129,787,956</u>	<u>(4,145,223)</u>	<u>1,681,552,852</u>	<u>908,084,503</u>	<u>136,953,037</u>	<u>(3,665,810)</u>	<u>1,041,371,529</u>	<u>640,181,323</u>	
Leased assets										
Vehicles	116,651,367	880,458	-	117,531,825	105,241,153	8,506,104	0	113,747,257	3,784,568	20
	<u>1,672,561,486</u>	<u>130,668,414</u>	<u>(4,145,223)</u>	<u>1,799,084,677</u>	<u>1,013,325,656</u>	<u>145,459,141</u>	<u>(3,665,810)</u>	<u>1,155,118,786</u>	<u>643,965,891</u>	

13.2.1 Cost of fully depreciated property and equipment that are still in use is Rs 802.43 million (2022: Rs 688.26 million).

13.2.2 As required by BSD Circular No 11 of 2003, details of property and equipment disposed off during the year is disclosed in Annexure-I and forms integral part of these financial statements.

13.3 Right of use assets	Note	Dec-23	Dec-22
-----Rupees-----			
Right of use assets - Initial Recognition under IFRS-16		646,441,023	619,063,593
Additions during the period		255,093,753	165,861,712
Deletions during the year		(75,772,671)	(9,185,264)
Depreciation charged during the period		(131,959,278)	(129,299,018)
Net book value at the end		<u>693,802,827</u>	<u>646,441,023</u>

13.4 Intangible assets

Computer softwares	13.4.1	<u>15,264,644</u>	<u>36,809,510</u>
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13.4.1 Computer softwares

Cost

Opening balance	436,905,387	411,423,212
Additions during the year	1,888,110	25,482,175
Closing balance	<u>438,793,497</u>	<u>436,905,387</u>

Amortization

Opening balance	(400,095,877)	(357,035,089)
Charge for the year	(23,432,976)	(43,060,788)
Closing balance	<u>(423,528,853)</u>	<u>(400,095,877)</u>
Net book value	<u>15,264,644</u>	<u>36,809,510</u>

13.4.2 Amortization is charged on straight line basis at the rate of 33.33% per annum, starting from the month the asset is available for use and no amortization is charged in month of disposal.

13.4.3 Cost of fully amortized intangible assets that are still in use is Rs 372.71 million (2022: Rs 302.85 million).

14 OTHER ASSETS	Note	Dec-23	Dec-22
-----Rupees-----			
Income / mark-up accrued on			
Loans and Advances		2,645,868,348	2,277,309,286
Bank deposits		205,885,388	11,682,849
Lending to financial institutions		2,414,466	-
Advances to employees			
Interest bearing staff loans	14.1	68,990,763	89,113,276
Personal advances		8,600,867	6,864,437
Operational advances		8,167,275	8,670,458
Advances to suppliers		16,663,520	8,541,728
Prepayments		67,417,017	45,807,380
FED/Sales tax refundable		<u>76,531,177</u>	<u>29,913,404</u>
Less : Provisions held against classified other assets		<u>(12,979,235)</u>	<u>(12,979,235)</u>
		63,551,942	16,934,169
Insurance claims receivables		255,181,368	173,253,421
Crop and livestock insurance claims	14.2	272,015,801	87,482,567
Employees' gratuity fund	19.2	86,511,610	-
Receivable from parent company		448,563	258,609
Others		60,345,996	94,537,521
Other assets - net of provisions		<u>3,762,062,924</u>	<u>2,820,455,701</u>

- 14.1 The Bank provides advances & loans to its employees as per Bank's HR policies. Specific and general provision is charged against personal advances to employees in accordance with provisions of the Regulations as explained in note 7.5. Breakup of employee advances and provision held there against is as follow:

	Markup rate		Amount	
	Dec-23	Dec-22	Dec-23	Dec-22
	----- Percentage -----		----- Rupees -----	
Advances against Salary	18.89%	14.92%	53,201,974	51,233,747
Advances for house	KIBOR + 1%	KIBOR + 1%	10,494,989	20,071,359
Advances for cars - note 14.1.1	5%	5%	4,897,904	16,029,991
Advances for motorbike - note 14.1.1	5%	5%	395,896	1,778,179
			<u>68,990,763</u>	<u>89,113,276</u>
Less provision held				
Specific			-	-
General			-	-
			<u>68,990,763</u>	<u>89,113,276</u>

- 14.1.1 The loan for acquisition of personal vehicles represent present value of minimum lease payments in respect of vehicles leased by the Bank for its employees as per the Bank's policy. The interest rate inherent in the leases is KIBOR+1.5% (2022:KIBOR+1.5%) per annum, however, interest rate charged to the employee is fixed at 5% (2022: 5%) per annum.

- 14.2 This represents claims for the amount of insurance premiums lodged with SBP under crop loan insurance scheme and livestock insurance scheme for borrowers of the Bank. This also includes amount of Claim lodged against first loss of Kamyab Kissan Loan (KKNL) which is Rs. 189 million (2022: nil)

15 DEFERRED TAX ASSET - NET

Bank recognise deferred tax asset only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Based on financial projections for future years, approved by the Board, the management believes that, the Bank will be able to realize the deferred tax asset. The preparation of projections involves management's assumptions regarding future business and economic conditions and therefore any significant change in such assumptions or actual outcome that is different from assumptions may have an effect on the recoverability of the deferred tax asset in future.

	Dec-23	Dec-22
	-----Rupees-----	
Deferred tax asset arising on account of deductible temporary differences on:		
Accelerated depreciation allowance - owned assets	20,085,335	16,873,938
Amortization on intangible assets	1,658,630	-
Lease liability	312,204,624	289,282,972
Grants	95,097	1,199,068
Provision for non-performing loans	525,915,511	1,438,066,674
Surplus/ (deficit) on revaluation of assets	125,533	-
Accumulated Compensated Absences	66,576,501	-
Minimum tax	303,605,081	144,590,171
Adjustable tax losses C/F	2,502,149,982	1,690,188,850
	<u>3,732,416,294</u>	<u>3,580,201,673</u>
Deferred tax liability arising on account of taxable temporary differences on:		
Accelerated depreciation allowance - leased assets	(229,281,978)	(214,574,445)
Amortization on intangible assets	-	(457,664)
Employee gratuity Fund	(28,548,831)	-
Un-realised mark-up on Government Securities	(14,992,713)	(3,187,592)
	<u>(272,823,522)</u>	<u>(218,219,701)</u>
	<u>3,459,592,772</u>	<u>3,361,981,972</u>

15.1 Deferred tax - Movement	Dec-23	Dec-22
	-----Rupees-----	
Charged to profit and loss account		
Accelerated depreciation allowance - owned assets	3,211,397	2,002,515
Amortization on intangible assets	2,116,294	(439,736)
Lease liability	22,921,652	41,260,846
Grants	(1,103,971)	(189,178)
Provision for non-performing loans	(912,151,163)	374,144,605
Accumulated Compensated Absences	66,576,501	-
Minimum tax	159,014,910	54,273,604
Adjustable tax losses C/F	811,961,132	1,690,188,850
Accelerated depreciation allowance - leased assets	(14,707,533)	(31,737,041)
Employee gratuity Fund	(27,850,598)	-
Un-realised mark-up on Government Securities	(11,805,121)	7,687,640
	<u>98,183,500</u>	<u>2,137,192,105</u>
Charged to other comprehensive income		
Gain/(Loss) on remeasurement of employees' retirement benefits	(698,233)	-
Surplus/ (deficit) on revaluation of available for sale investments	125,533	-
	<u>(572,700)</u>	<u>-</u>
	<u>97,610,800</u>	<u>2,137,192,105</u>

	Dec-23		Dec-22	
	No of accounts	Rupees	No of accounts	Rupees
16 DEPOSITS AND OTHER ACCOUNTS				
Conventional				
Current deposits	414,077	5,198,239,622	340,360	2,486,517,819
Saving deposits	698,920	9,782,994,908	741,533	8,520,941,651
Fixed deposits	3,981	16,922,234,031	4,125	15,521,245,699
	<u>1,116,978</u>	<u>31,903,468,561</u>	<u>1,086,018</u>	<u>26,528,705,169</u>
Islamic				
Current deposits	58,623	2,091,004,107	58,051	1,407,205,910
Saving deposits	20,176	1,861,437,143	19,995	2,009,989,182
Fixed deposits	1,979	3,713,855,972	2,592	2,498,254,426
	<u>80,778</u>	<u>7,666,297,222</u>	<u>80,638</u>	<u>5,915,449,518</u>
	<u>1,197,756</u>	<u>39,569,765,783</u>	<u>1,166,656</u>	<u>32,444,154,687</u>
16.1 Particulars of Deposits by ownership				
Individual depositors	1,194,191	19,378,243,829	1,163,062	14,172,535,849
Institutional depositors				
Corporation / firms etc.	3,396	16,276,508,815	3,422	14,106,081,929
Banks & financial institutions	169	3,915,013,139	172	4,165,536,909
	<u>3,565</u>	<u>20,191,521,954</u>	<u>3,594</u>	<u>18,271,618,838</u>
Total	<u>1,197,756</u>	<u>39,569,765,783</u>	<u>1,166,656</u>	<u>32,444,154,687</u>

16.2 Deposits include related parties balances amounting to Rs 1,181 million (2022: Rs 1,218 million) as disclosed in note 35.

	Note	Dec-23	Dec-22
		-----Rupees-----	
17 BORROWINGS			
Borrowings from Banks / Financial Institutions			
In Pakistan	17.1	4,651,093,661	5,144,971,811
		<u>4,651,093,661</u>	<u>5,144,971,811</u>

	Note	Dec-23	Dec-22
		-----Rupees-----	
17.1 Borrowings from Banks / Financial Institutions in Pakistan			
Secured			
Askari Bank Limited (Running Finance)	17.1.1	-	345,000,000
National Bank of Pakistan (Running Finance)	17.1.2	2,000,000,000	999,971,808
Borrowing from BOP (Running Finance)	17.1.3	-	500,000,003
Borrowing from BOP (Term Finance)	17.1.4	100,000,000	300,000,000
Borrowing from Pakistan Mortgage Refinance Company Limited (Term Finance)	17.1.5	126,121,853	500,000,000
National Bank of Pakistan (Running Finance)	17.1.6	2,424,971,808	2,500,000,000
		<u>4,651,093,661</u>	<u>5,144,971,811</u>

17.1.1 The Bank entered into running finance facility agreement amounting to Rs 350 million with Askari Bank Limited to finance its operations. The principal amount is repayable at the end of the term and carries mark-up at the rate of three months KIBOR + 1% per annum payable on quarterly basis. The term of the loan is 1 year commencing from September 26, 2018 and is renewed every year. The term of the facility were updated on 01 November, 2022 and the 3 month KIBOR was substituted with 1 month KIBOR. As at the period end, the facility has been repaid (2022: Rs 345 million).

This loan is secured against a demand promissory note and a First Pari Passu charge on the present and future current assets of the Bank with 25% margin.

17.1.2 The Bank entered into running finance facility agreement amounting to Rs 2,000 million with National Bank of Pakistan to participate in Government's scheme of PMYB&ALS. The principal amount is repayable at the end of the term and carries mark-up at the rate of Three month KIBOR + 0.5% per annum on un-utilized amount of financing. The term of the loan is 1 year commencing from December 18, 2023. As at the period end, the facility has been availed upto Rs 2,000 million (2022: 999 million).

This loan is secured against a demand promissory note and a lien on investment amount equivalent of 50% facility amount placed in IPS account while 50% facility amount is secured through Government of Pakistan.

17.1.3 The Bank entered into running finance facility agreement amounting to Rs 500 million with The Bank of Punjab to finance its operations. The principal amount is repayable at the end of the term and carries mark-up at the rate of Three month KIBOR + 1.25% per annum payable on quarterly basis. The term of the loan is 1 year commencing from January 22, 2020 and is renewed every year. As at the year end, the facility has been repaid (2022: Rs 500 million).

This loan is secured against a demand promissory note and a hypothecated First pari passu charge on the present and future current assets of the Bank with 25% margin.

17.1.4 The Bank entered into a loan agreement amounting to Rs 500 million with The Bank of Punjab to finance its operations. The principal amount is repayable in five equal semi-annual installments of Rs 100 million each commencing from June 15, 2022 and culminating in June 2024. Markup is chargeable at the rate of six months KIBOR+1.5% per annum payable on semi-annual basis.

This loan is secured against a demand promissory note and a first pari passu charge on the present and future current assets of the Bank with 25% margin.

17.1.5 The Bank entered into a loan agreement amounting to Rs 500 million with Pakistan Mortgage Refinance Company Limited to participate into Government Mark-up Subsidy Scheme and Credit Guarantee Scheme. The principal amount is repayable in 32 quarterly installments commencing from September 30, 2023 and culminating in June 30, 2031. Markup rate is fixed for first five years at 6.50% and for next five years at 8.50%.

This loan is secured through a first pari passu charge on the present and future current assets of the Bank with 25% margin.

17.1.6 The Bank entered into running finance facility agreement amounting to Rs 2,424 million with National Bank of Pakistan to participate in Government's scheme of Prime Minister Youth Programme for financing under Youth Programme. The principal amount is repayable at the end of the term and carries mark-up at the rate of Three month KIBOR + 0.5% per annum payable on quarterly basis. The term of the loan is from March 29, 2023 to December 31, 2023. As at the period end, the facility has been fully availed (2022: 2500 million).

This loan is secured against a demand promissory note and a first pari passu charge on the present and future current assets of the Bank with 25% margin. The charge is on 50% facility amount and 50% is secured through Government of Pakistan.

	Note	Dec-23	Dec-22
		Rupees	
18 SUBORDINATED DEBT			
KfW - Germany	18.1	672,360,000	672,360,000
TFCs Subordinated Debt	18.2	770,000,000	770,000,000
		<u>1,442,360,000</u>	<u>1,442,360,000</u>

18.1 The Bank entered into a loan agreement with KfW - Germany, on December 29, 2014 for an amount of EURO 6 million. The loan is intended to be availed as TIER-II subordinated debt for inclusion in the Bank's Supplementary Capital. The amount was translated into local currency at the exchange rate of Rs.112.06 and sub-ordinated debt of Rs 672,360,000 was recorded in the financial statements. Loan carries interest at rate of KIBOR + 3.5% per annum. Principal amount and interest is repayable in a bullet payment at the end of loan term by converting the principal and accrued markup into EUROS at the exchange rate prevalent as at June 30, 2023 which is now extended till June 30, 2025. All foreign currency risks in connection with the transaction rest with the KfW.

18.2 This represents Rated, Unsecured, subordinated and privately placed Tier II Term Finance Certificates of worth Rs.100,000/- each fully subscribed on July 09, 2021 to improve the Capital Adequacy Ratio at the rate of 3 Month KIBOR plus 3% per annum. The issue is for a period of 7 years from the date of subscription and will mature on July 09, 2028. The issue has assigned preliminary rating of single "A-" (Single "A minus"). The principal amount of issue TFC will be redeemed in four (4) equal quarterly installments during the last year of the issue. The Subordinated Debt agreement has a call option exercisable after obtaining written approval of SBP at any point on or after a period of 5 years from the issue date. The issue has Lock in and Lock absorbency clause.

	Note	Dec-23	Dec-22
		Rupees	
19 OTHER LIABILITIES			
Mark-up / return / interest payable on			
Deposits and other accounts		1,488,096,388	765,476,034
Borrowings	19.1	1,017,078,042	765,328,432
Payable for employees' benefit plans			
Employees' gratuity fund	19.2	-	9,463,337
Accumulated compensated absences	19.3	201,746,972	194,806,929
Provident Fund	19.4	1,934,846	496,111
Payable to employees' - final settlement		3,690,744	3,231,948
Obligation under finance lease			
Right-of-use asset	19.5	946,074,617	876,615,065
Payable to suppliers		18,872,916	8,227,713
Withholding tax payable		78,886,029	26,147,562
Income tax payable		68,076,439	189,589,035
Workers' Welfare Fund	19.6	42,730,598	36,494,088
Accrued expenses		155,246,470	93,570,726
Security deposits against Islamic financing		428,869,921	541,660,366
Payable to the parent company		219,031,156	181,199,516
Insurance payable		22,738,082	20,610,254
Unearned / deferred income on Islamic financing		1,843,266,165	854,577,557
Unearned / Deferred income on LPF ATM and SMS services		265,034,270	338,403,524
Bills payable		90,400,636	118,760,930
Payable to Customer Against Insurance Claims		5,657,142	34,446,272
Payable to Banks/FIsDFIs/NGOs		230,903	-
Others		12,644,140	7,742,663
		<u>6,910,306,476</u>	<u>5,066,848,062</u>

19.1 This includes markup payable amounting to Rs 750.32 million (2022: Rs 589.90 million) in respect of subordinated loan from KfW - Germany.

19.2 Employees' gratuity fund

The latest actuarial valuation was carried out at December 31, 2023 on the basis of which, amounts recognised in financial statements in respect of employees' gratuity fund as at December 31, 2023 are as follow:

	Dec-23	Dec-22
	Rupees	
i) Amounts recognized in the balance sheet		
Present value of defined benefit obligation	440,696,561	483,719,705
Fair value of plan assets	(576,854,137)	(507,397,166)
Benefits due but not paid	49,645,966	33,140,798
Net liability / (Asset)	<u>(86,511,610)</u>	<u>9,463,337</u>

	Dec-23	Dec-22
	-----Rupees-----	
ii) Amounts recognized in the profit and loss account		
Current service cost	78,416,496	90,025,810
Past Service Cost	(14,675,239)	-
Interest cost	61,508,142	46,160,563
Expected return on plan assets	(77,006,314)	(53,801,967)
	<u>48,243,085</u>	<u>82,384,406</u>
iii) Remeasurements chargeable to other comprehensive income		
Actuarial (gains)/losses from changes in demographic assumptions	7,262,310	-
Actuarial (gains)/losses from changes in financial assumptions	312,068	4,582,422
Experience adjustments	(17,531,420)	(1,405,874)
Return on plan assets, excluding interest income	7,549,343	4,293,884
	<u>(2,407,699)</u>	<u>7,470,432</u>
iv) Changes in present value of defined benefit obligation		
Opening defined benefit obligation	483,719,705	441,354,925
Current service cost for the year	78,416,496	90,025,810
Past Service Cost (Credit)	(14,675,239)	-
Interest cost for the year	61,508,142	46,160,563
Adjustment for opening payables	-	(4,559)
Benefits due but not paid	(59,124,701)	(20,715,752)
Benefits paid during the year	(99,190,800)	(76,277,830)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	7,262,310	-
Actuarial (gains)/losses from changes in financial assumptions	312,068	4,582,422
Experience adjustments	(17,531,420)	(1,405,874)
Closing defined benefit obligation	<u>440,696,561</u>	<u>483,719,705</u>
v) Changes in fair value of plan assets		
Opening fair value of plan assets	507,397,166	457,889,083
Interest income on plan assets	77,006,314	53,801,967
Return on plan assets, excluding interest income	(7,549,343)	(4,293,884)
Closing fair value of plan assets	<u>576,854,137</u>	<u>507,397,166</u>

	Dec-23	Dec-22
	-----Rupees-----	
vi) Changes in net liability as follows:		
Opening defined benefit obligation	9,463,337	18,112,194
Amounts recognized in the profit and loss account	48,243,085	82,384,406
Remeasurements chargeable in other comprehensive Income	(2,407,699)	7,470,432
Contributions	-	-
Benefits paid directly by the bank	(141,810,333)	(98,503,695)
	<u>(86,511,610)</u>	<u>9,463,337</u>

vii) Plan assets of the staff gratuity fund comprise of only term deposits with the Bank. The bank ensures that the investment positions are managed to match the assets with retirement benefit obligations by investing in long term fixed interest securities having maturities that match the benefit payments as they fall due. The Bank actively monitors that duration and expected yield of the investments are matching the expected cash outflows arising from retirement benefit plan obligations. The bank has not changed the processes used to manage its risks from the previous periods.

viii) Significant actuarial assumptions were as follows

The Projected Unit Credit Method using the following significant assumptions was used for the valuation:

Discount rate - per annum	14.50%	11.75%
Discount rate used for year end obligation	15.50%	14.50%
Expected rate of increase in salaries - per annum	14.50%	13.50%
Mortality rate	SLIC 2001 - 2005	SLIC 2001 - 2005
Average expected remaining working life of employees	7 years	9 years

ix) Sensitivity Analysis

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

	Defined benefit obligation Effect of 1%	
	Increase	Increase
	-----Rupees-----	
Expected impact of change in discount rate	(29,670,380)	34,239,860
Expected impact of change in rate of increment in salaries	34,239,860	(30,156,943)

- x) Based on actuarial advice, expense to be charged in profit and loss account during financial year 2023 in respect of employees' gratuity scheme is estimated to be Rs 48.24 million.

19.3 Accumulated compensated absences

All employees of the bank are entitled to earned leaves of thirty days every year. Earned leaves can be accumulated upto fifteen days each year upto a maximum of ninety days. Unutilized leaves are encashed on basis of gross salary upon leaving the service with the Bank. Amount recognised in the financial statements in respect of accumulated compensated absences on basis of actuarial valuation as at December, 2023 are as follows:

	Dec-23	Dec-22
	-----Rupees-----	
i) Amounts recognized in the balance sheet		
Present value of accumulated compensated absences	176,617,000	178,534,928
Benefits due but not paid	25,129,972	16,272,001
Fair value of plan assets	-	-
Net liability	201,746,972	194,806,929
	Dec-23	Dec-22
	-----Rupees-----	
ii) Amounts recognized in the profit and loss account		
Current service cost	20,513,856	17,654,721
Adjustment for opening payables	47,104	424,598
(Gains)/Losses arising from PVDBO	18,994,564	14,497,116
Interest cost	21,330,838	17,582,047
Remeasurement adjustment	-	-
	60,886,362	50,158,482
iii) Changes in present value of defined benefit obligation		
Opening defined benefit obligation	178,534,928	171,317,038
Current service cost for the year	20,513,856	17,654,721
Adjustment for opening payables	47,104	424,598
Interest cost for the year	21,330,838	17,582,047
Benefits due but not paid	(17,305,691)	(9,274,626)
Benefits paid during the year	(45,498,599)	(33,665,996)
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumptions	5,684,733	-
Actuarial (gains)/losses from changes in financial assumptions	679,613	1,761,363
Experience adjustments	12,630,218	12,735,753
Closing defined benefit obligation	176,617,000	178,534,898
iv) Significant actuarial assumptions were as follows:		
Discount rate - per annum	14.75%	11.75%
Discount rate used for year end obligation	15.50%	14.50%
Expected rate of increase in salaries - per annum	14.50%	13.50%
Mortality rate	SLIC 2001- 2005	SLIC 2001- 2005
Average expected remaining working life of employees	6 years	9 years
Average number of leaves accumulated - per annum	15 days	15 days

v) Sensitivity Analysis

The calculation of the accumulated compensated absences is sensitive to assumptions set out above. The following table summarizes how the accumulated compensated absences at the end of reporting period would have increased/ (decreased) as a result of change in respective assumptions by one percent.

	Defined benefit obligation Effect of 1%	
	Increase	Decrease
	-----Rupees-----	
Expected impact of change in discount rate	(10,522,894)	12,710,416
Expected impact of change in rate of increment in salaries	12,109,434	(11,254,972)

19.4 Defined contribution plan

The bank operates a recognised provident fund for all its regular employees for which equal monthly contributions are made both by the Bank and the employees to the fund at the rate of 10% of basic salary of the employee. Payments are made to the employees as specified in the rules of the fund.

Details of the provident fund based on un-audited financial statements for the year ended December 31, 2023 are as follows:

	Dec-23 (Un-Audited)	Dec-22 (Audited)
	-----Rupees-----	
Size of the fund	681,223,103	658,961,904
Cost of investments made	681,223,103	658,961,904
Fair value of investments made	681,223,103	658,961,904
%age of investments made	100%	100%

Breakup of investment - at cost	Dec-23		Dec-22	
	Rupees	Percentage	Rupees	Percentage
Term deposits with banks	425,000,000	62%	565,000,000	86%
Accrued income on deposit with banks	80,088,630	12%	-	0%
Saving deposits with banks	176,134,473	26%	93,961,904	14%
	<u>681,223,103</u>	<u>100.00%</u>	<u>658,961,904</u>	<u>100.00%</u>

Investments out of provident funds include placement with the bank as disclosed in note 35.

19.5 Lease liability on right of use asset:

	Dec-23	Dec-22
	-----Rupees-----	
Opening lease liability	876,615,065	853,207,438
Lease liability on right of use asset - Initial Recognition under IFRS-16	-	-
Additions during the period	248,605,537	162,550,312
Deletion during the period	(100,019,436)	(60,366,314)
Finance cost on lease liability on right of use assets	127,154,616	120,496,406
Payment of lease liability on right of use assets	(206,281,165)	(199,272,777)
Net book value at the end	<u>946,074,617</u>	<u>876,615,065</u>
<i>Minimum lease payments:</i>		
Not later than one year	212,107,449	200,720,765
Later than one year but not later than five years	831,026,270	835,186,264
Later than five years	491,368,267	309,626,550
	<u>1,534,501,986</u>	<u>1,345,533,579</u>
Less: Finance cost allocated to future period	(588,427,370)	(468,918,514)
	<u>946,074,617</u>	<u>876,615,065</u>
<i>Present value of minimum lease payments</i>		
Not later than one year	197,169,120	184,124,255
Later than one year but not later than five years	567,155,313	559,585,420
Later than five years	181,750,184	132,905,390
	<u>946,074,617</u>	<u>876,615,065</u>

19.6 Workers' Welfare Fund

	Dec-23	Dec-22
	-----Rupees-----	
Sindh Workers' Welfare Fund	13,202,797	12,048,308
Punjab Workers' Welfare Fund	16,816,029	15,269,260
KPK Workers' Welfare Fund	12,711,772	9,176,520
	<u>42,730,598</u>	<u>36,494,088</u>

20 SHARE CAPITAL

20.1 Authorized capital

Dec-23	Dec-22		Dec-23	Dec-22
-----Number-----			-----Rupees-----	
<u>1,000,000,000</u>	<u>300,000,000</u>	Ordinary shares of Rs. 10 each	<u>10,000,000,000</u>	<u>3,000,000,000</u>

20.2 Issued, subscribed and paid-up capital

Dec-23	Dec-22		Dec-23	Dec-22
-----Number-----			-----Rupees-----	
<u>149,837,201</u>	<u>149,837,201</u>	Ordinary shares of Rs 10 each fully paid in cash	<u>1,498,372,010</u>	<u>1,498,372,010</u>

20.3 The shareholders of the Bank are as follows:

Dec-23	Dec-22		Dec-23	Dec-22
-----Number-----			-----Rupees-----	
85,999,550	85,999,550	NRSP	859,995,500	859,995,500
24,000,000	24,000,000	International Finance Corporation (IFC)	240,000,000	240,000,000
16,000,000	16,000,000	Acumen Fund USA	160,000,000	160,000,000
23,837,201	23,837,201	PROPARCO France	238,372,010	238,372,010
150	150	Mr. Shoaib Sultan	1,500	1,500
150	150	Mr. Fazalullah Qureshi	1,500	1,500
150	150	Dr. Rashid Bajwa	1,500	1,500
<u>149,837,201</u>	<u>149,837,201</u>		<u>1,498,372,010</u>	<u>1,498,372,010</u>

20.4 The BOD of Bank in 61st meeting and shareholder of the bank in 14th AGM approved to issue right share of PKR 3.5 billion. In this regard, The Parent Company has paid PKR 1 billion as share deposit money.

	Note	Dec-23 -----Rupees-----	Dec-22
21 DEFERRED GRANTS			
Opening balance		3,633,540	4,787,054
Grants received from			
SBP	21.1	85,040	870,600
KfW	21.2	11,518,483	30,609,890
		11,603,523	31,480,490
Interest income		-	88,417
Amortization of grants during the year		(14,948,890)	(32,722,421)
		<u>288,173</u>	<u>3,633,540</u>

21.1 This represents grant received from State Bank of Pakistan (SBP) under the Financial Innovation Challenge Fund (FICF) for activities related to establishment of Islamic Banking.

21.2 This represents grant received under an agreement with KfW-Germany through Economic Affairs Division of Government of Pakistan for the purpose of institutional strengthening, to develop and strengthen its overall strategy and planning process, internal procedures, banking functions, product offerings and staff capacities of the Bank.

22 MEMORANDUM / OFF BALANCE SHEET ITEMS

22.1 Contingencies

- i) The income tax assessment for the tax year 2016 was amended by the ADCIR whereby net tax demand of Rs 103.86 million was raised. while deciding the appeal filed by NRSP Bank the CIR (A) decided certain issues in favour of NRSP Bank whereas certain issues were remanded back with directions to officer. The ADCIR while finalizing the remand back proceedings disallowed provision against non- performing loans and advances of Rs. 19.42 million being the difference of the charge for the year towards provision against non- performing loans and actual write off against the aforesaid provision. Further, he also disallowed the refund adjustment claim of 34.30 million from previous years against demand of TY 2016 without assigning any reason thereof, resultantly aggregate tax demand of Rs. 41.10 million was raised.

The hearing of appeal have been concluded and the CIR(A) has upheld the disallowance of the provision against non-performing loans advances of Rs. 19.42 million and with respect to refund adjustment aggregating Rs. 34.30 million the CIR(A) has directed the assessing officer to ascertain the amount of refundable after making proper verifications and adjusting the same. Later on, the ADCIR issued notice for further amendment of assessment for the TY2016 on account of adjustment of tax refunds by NRSP Bank against tax demand and charged default surcharge of Rs. 22.39 million. As a result of final amendment, the aggregate tax demand of Rs. 63.49 million was raised. The NRSP Bank filed appeal before CIR(A) against the order of the ADCIR. The appeal filed on further amendment is pending adjudication with CIR(A).

- ii) The income tax assessment for the tax year 2018 was amended by the Assessing Officer Inland Revenue, whereby tax demand of Rs 52.30 million was raised. Major issues on which assessment was amended include disallowing the difference between provision against non-performing loans and actual write-offs against the aforesaid provision, partial disallowance of accounting gain on sale of assets, disallowance of charge for employees' leave encashment scheme and disallowance for foreign tax credit. Being aggrieved with the decision of the ADCIR, the Bank has filed appeal with the Commissioner Inland Revenue (Appeals) [CIR(A)] which has been decided against order of the Bank. The Bank has filed appeal before the ATIR against order of CIR(A) which is pending adjudication till date. Further, the contingent liability involved is only Rs. 27m as the remaining liability pertains to the provision against non performing loans the effect of which is already taken while recording the tax liability in accounts.
- iii) Tax authorities of the Punjab Revenue Authority (PRA) have passed the Order in Original NO NRSP/2020 dated February 03, 2020 whereby demand for Punjab Sales Tax amounting to Rs 86.40 million and penalty of Rs 86.40 million have been raised for alleged inadmissible claim of input tax credit without apportionment between taxable services i.e. fee, commission and brokerage income and non-taxable services i.e. mark-up receipts during the financial years 2012, 2013, 2014, 2015 and 2018. The Bank has preferred appeal against the order along with stay application before the Commissioner (Appeals) PRA which has deleted the penalty of 86.4 and raised demand of Rs. 86.4million. The Bank has filed an appeal before ATIR against the order of Commissioner Appeal which is pending till date.
- iv) The Inland Revenue authorities have concluded the tax audit proceedings initiated under section 177 o the Ordinance for the Tax Year 2015. The Inland Revenue authorities accepted the stance of NRSP Bank on most of the issues; however, expenses on account of training, meeting & conferences, markup, provision against non-performing loans and actuarial loss on employee's retirement benefit were partially disallowed thereby raising tax demand of Rs. 8.55million. The NRSP Bank being aggrieved with the decision filed appeal before CIR(A). The CIR(A) has decided the case against the Bank and passed the order dated Jan 17, 2022. The Bank has file an appeal before ATIR against the order of CIR(A) which is pending adjudication to date.

- v) The income tax assessment for the tax years 2013 and 2014 were amended by the Additional Commissioner Inland Revenue (ADCIR) by making certain disallowances and add backs including, apportionment of income and expenses between exempt and taxable period, disallowance of provision against non performing loans, bad debts written off etc. and raising an aggregate tax demand of Rs 362.34 million. The Bank filed appeal against the order of ADCIR before CIR (A) who remanded the case back to ADCIR for reassessment. The Bank has preferred appeal against the decision of CIR (A) before the Appellate Tribunal, Inland Revenue (ATIR). The ATIR has directed the CIR(A) to reconsider the matter after providing proper opportunity to the NRSP Bank. The hearing of appeal has been concluded and the decision of CIR(A) is awaited.
- vi) Sindh Sales Tax Authorities issued show- cause Notice whereby it was observed that NRSP Bank had not discharge its due sales tax liability of Rs. 17.67 million in the province of Sindh during the tax period January 2015 to December 2015. Against the Notice comprehensive response was filed. The Notice culminated into passing the OIO dated 04 August 2023 through which Sindh sales tax demand of Rs 0.47 million along with penalty of Rs 0.02 million was raised. NRSP Bank has challenged the OIO before the Commissioner Appeal Sind Revenue Board ["CA(SRB)"], hearing of the appeal has been concluded however the appellate order is awaited.
- vii) Bank has unadjusted balance of input tax of approximately Rs.25.958 million pertaining to the tax periods March 2017 to December 2019 which the bank has not been able to claim after implementation of STRIVE software on the web portal of PRA. The Bank has taken up the matter with the PRA Tax Authorities seeking their approval for adjustment/ refund of the said amount however the matter is pending approval.
- viii) The Inland Revenue authorities issued show cause notice under section 161/205 of the Ordinance for the Tax Year 2017 in order to verify the withholding compliance. Requisite information was provided. The ACIR has raised demand of Rs. 4.96 million on account of short deduction of tax along with the surcharge of Rs. 3.6million. Major heads on which short deduction of tax was detected are rent charges; salary & wages; printing & stationary; fixed assets; and mark-up on deposit; communication; meeting & conference etc. The NRSP Bank has filed appeal against the decision of CIR. The CIR(A) has remanded back the case to CIR with direction to issue fresh order after affording proper opportunity of being heard to the NRSP Bank.
- ix) Assessment of NRSP Bank for TY-2022 was amended by the ADCIR whereby net demand of Rs. 362.7 million was raised. Major issues under amendment proceeding is disallowance of provision for non-performing loan/advances. Being aggrieved with the order of ADCIR, NRSP Bank has filed an appeal with CIR(A) which is pending adjudication to date.
- x) The Inland Revenue authorities issued show cause notice under section 161/205 of the Ordinance for the Tax Year 2016 in order to verify the withholding compliance. Requisite information was provided. The ACIR has raised demand of Rs. 45.62 million on account of short deduction of tax. Major heads on which short deduction of tax was detected are vehicle running and maintenance; rent charges; fixed assets; and mark-up on deposit. The NRSP Bank filed rectification application to allow tax credit on mark up on deposit and rent which was earlier not considered by the ACIR while computing the tax demand, the rectification application of the NRSP Bank is partially accepted and total demand under this order was rectified to Rs. 14.09 million. NRSP Bank filed appeal before CIR (A) which has been decided against NRSP Bank. NRSP Bank has filed appeal before the ATIR against order of the CIR(A). The ATIR after hearing of the appeal has vacated the order of ACIR and CIR(A) and remanded the case to the taxation officer for denovo proceedings after fulfilling all the legal requirements of the law for the year under appeal. Remand back proceedings has been finalized and order of Rs. 9.0m along with the surcharge of 7 million has been ordered by CIR. Being aggrieved, the Bank has filed appeal to CIR (A) against the decision of CIR which is pending adjudication till date.
- xi) Tax authorities of the Punjab Revenue Authority (PRA) have passed the Order in Original No. ENF-IV, UNIT13/22/2023 dated Nov 13, 2023 whereby demand for Punjab Sales Tax amounting to Rs 697.5 million and penalty of Rs 34.87 million have been raised for alleged short payment of Sales tax and Sales tax withholding for the year 2019, 2020, 2021 and 2022. The Bank has preferred appeal against the order along with stay application before the Commissioner (Appeals) PRA which has annulled the order the remanded back the case to Commissioner. The Bank has also got the stay from Honorable Lahore High Court. The Bank has also paid Rs. 30million against order in order to avoid recovery from authority.

The management of the Bank is of the view that ultimate outcome of the proceedings in respect of cases referred to in (i) to (xi) above are expected to be favorable to the Bank. The management further believes that liability, if any, arising on the settlement of the aforementioned cases is not likely to be material.

22.2 Commitments:

There are no known material capital and other commitments as at December 31 2023 (2022: Nil).

	Note	Dec-23	Dec-22
		-----Rupees-----	
23 MARK-UP / RETURN / INTEREST EARNED			
Interest / mark-up on Advances		6,750,957,993	1,957,181,905
Mark-up Discount on Def/Rest/Rollover	23.1	(522,160,952)	(436,293,069)
		6,228,797,041	1,520,888,836
Lending to financial institutions		47,099,198	1,361,373
Investments in government securities		515,533,923	390,688,437
Deposits accounts, placements with other bank / financial institutions		735,413,146	479,582,829
Employees' loan		12,035,654	12,358,098
Profit on Islamic financing		2,136,957,702	1,617,660,792
Income from Government Subsidy Scheme	23.2	128,122,197	165,166,321
		<u>9,803,958,861</u>	<u>4,187,706,686</u>

23.1 The Bank, during the last year, adopted a policy to waive off the markup for overdue period to improve recovery from its customers and to reduce the potential loss in the future. This amount relates to the waiver provided to customers in this regard.

23.2 This income relates to the subsidy received from the government regarding the Government's Markup Subsidy Scheme on Housing Finance and the Kamyab Pakistan Program and Prime Minister Program of the Federal Government of Pakistan.

	Note	Dec-23	Dec-22
		-----Rupees-----	
24 MARK-UP / RETURN / INTEREST EXPENSED			
Deposits	24.1	4,198,066,210	2,654,288,024
Profit Sharing Islamic Deposits		719,711,913	497,164,046
Borrowings	24.2	696,732,901	694,222,587
Amortization of loan processing fee on borrowings		3,369,590	4,505,463
Finance lease charges		-	109,932
Interest on Lease Liability. IFRS-16		127,154,616	120,496,406
Other costs of deposits		2,610,320	2,506,730
		<u>5,747,645,550</u>	<u>3,973,293,188</u>

24.1 Mark-up expense on deposits includes amount of Rs 106.18 million (2022: 305.47 million) in respect of deposit account balances of related parties as disclosed in note 35.

24.2 It includes an amount of Rs 344.95 million (2022: Rs 241.94 million) in respect of markup expense on subordinated loans.

	Note	Dec-23	Dec-22
		-----Rupees-----	
25 FEE, COMMISSION AND BROKERAGE INCOME			
Loan processing fee on advances		367,068,434	466,366,910
Other banking services fee		83,356,345	71,456,959
Commission Income		21,262,730	13,078,299
		<u>471,687,509</u>	<u>550,902,168</u>

	Note	Dec-23	Dec-22
		-----Rupees-----	
26 OTHER INCOME - NET			
Investment income / (loss)		-	(160,301)
Amortization of deferred grant	21	14,948,890	32,722,421
Gain on disposal of fixed assets - Annexure I		19,418,218	672,987
Gain on Termination of Leased Agreements		24,246,765	51,181,050
Write off recovered		1,973,323,633	886,766,772
Other services income/ (loss)		19,082,873	(3,844,226)
		<u>2,051,020,379</u>	<u>967,338,703</u>

		Dec-23	Dec-22
	Note	-----Rupees-----	
27 ADMINISTRATIVE EXPENSES			
Staff wages and salaries		1,615,512,913	1,539,793,633
Charge for defined benefit plans	19.2	109,129,447	132,542,888
Contribution for defined contribution plan		75,020,762	81,085,242
Incentives		244,952,898	186,455,482
Non-Executive directors' fee		6,068,434	3,650,000
Trainings		18,354,794	45,169,774
Legal and professional charges		127,657,379	174,401,397
Communication	27.1	91,287,826	78,288,621
Postage, courier etc.		8,299,001	12,614,981
Verification fee	27.1	18,678,123	17,275,897
Repair and maintenance		28,753,329	35,995,549
Stationary and printing		54,527,581	51,075,146
Advertisement and publicity		1,979,343	2,423,983
Depreciation	13.2	112,628,738	145,459,141
Amortization	13.4	23,432,976	43,060,789
Depreciation- right of use assets (IFRS-16)	13.3	131,959,278	129,299,018
Staff travel		20,191,472	15,709,688
Fuel and power		156,909,901	145,945,336
Vehicle running and maintenance		21,845,965	26,554,372
Office supplies		5,710,319	6,177,566
Meetings and conferences		27,393,239	22,869,765
Utilities		96,824,307	95,642,381
Rent expenses		3,045,402	6,334,601
Flex Cube Maintenance Fee		138,961,529	97,590,998
Insurance expenses		95,677,101	79,987,248
Security and administration		121,590,226	118,279,481
Donations	27.2	417,590	805,020
Auditor's remuneration	27.3	5,851,011	5,652,540
Corporate social responsibility		249,242	450,660
Credit Guarantee Expense		293,793	254,117
Miscellaneous expenses		31,037,401	51,061,535
		<u>3,394,241,320</u>	<u>3,351,906,849</u>

27.1 This includes verification charges of National Database and Registration Authority (NADRA) for verisys and eCIB charges of SBP.

27.2 This represents donations to Social Welfare and Bait-ul-Maal, Bahawalpur. The directors / executives of the Bank, or their spouses have no interest in the donee.

		Dec-23	Dec-22
	Note	-----Rupees-----	
27.3 Auditor's remuneration			
Annual audit		1,089,000	1,089,000
Interim review		555,976	550,000
Special purpose financial statements and group reporting		1,546,950	1,530,100
Special certifications etc.		2,359,085	2,183,440
Out of pocket expenses		300,000	300,000
		<u>5,851,011</u>	<u>5,652,540</u>

28 OTHER CHARGES

Penalties imposed by the State Bank of Pakistan		92,000	8,013,000
Provision for Workers' Welfare Fund	28.1	6,236,510	3,712,820
		<u>6,328,510</u>	<u>11,725,820</u>

	Dec-23	Dec-22
	-----Rupees-----	
28.1 Provision for Workers' Welfare Fund		
Sindh Workers' Welfare Fund	1,154,489	-
Punjab Workers' Welfare Fund	1,546,769	-
KPK Workers' Welfare Fund	3,535,252	3,712,820
	<u>6,236,510</u>	<u>3,712,820</u>

	Dec-23	Dec-22
	-----Rupees-----	
29 TAXATION		
Current tax		
Current year	173,448,798	115,726,600
Prior year	-	17,577,150
	<u>173,448,798</u>	<u>133,303,750</u>
Deferred tax /Income	(98,183,500)	(2,137,192,105)
	<u>75,265,298</u>	<u>(2,003,888,355)</u>

29.1 Reconciliation of average tax rate and applicable tax rate		
Applicable tax rate %	33.00	33.00
Effect of change in rate	-	(0.78)
Income charged at different tax rate	(0.29)	(3.59)
Penalties	0.003	0.39
Remeasurement	(23.40)	(0.36)
Super tax	-	2.64
Prior year tax due to NPLs	-	(0.86)
Others	(1.68)	1.76
Average effective tax rate %	<u>7.63</u>	<u>32.20</u>

		Dec-23	Dec-22
30 EARNINGS / (LOSS) PER SHARE			
Profit / (Loss) after taxation	Rupees	910,778,110	(4,218,293,868)
Weighted average ordinary shares	Number	149,837,201	149,837,201
Basic and diluted earning/ (loss) per share	Rupees	<u>6.08</u>	<u>(28.15)</u>

	Note	Dec-23	Dec-22
		-----Rupees-----	
31 CASH AND CASH EQUIVALENTS			
Cash and balances with SBP and NBP	8	2,419,392,186	1,819,603,458
Balances with other banks / NBFIs / MFBS	9	5,164,273,305	4,369,152,215
Call money lendings	10	1,020,000,000	-
		<u>8,603,665,491</u>	<u>6,188,755,673</u>

	Credit/ sales staff	Banking /support staff	Total
	----- Number -----		
32 NUMBER OF EMPLOYEES			
For the Period ended on December 31 , 2023			
Permanent	1,154	525	1,679
Temporary / contractual	509	117	626
	<u>1,663</u>	<u>642</u>	<u>2,305</u>
Daily Wages	88	310	398
	<u>1,751</u>	<u>952</u>	<u>2,703</u>

	Credit/ sales staff	Banking /support staff	Total
	----- Number -----		
For the Period ended on December 31 , 2022			
Permanent	1,258	649	1,907
Temporary / contractual	668	100	768
	<u>1,926</u>	<u>749</u>	<u>2,675</u>
Daily Wages	177	357	534
	<u>2,103</u>	<u>1,106</u>	<u>3,209</u>

33 NUMBER OF BRANCHES/SERVICE CENTRES

	Dec-23		Dec-22	
	Branches	Service centers	Branches	Service centers
	----- Number -----		----- Number -----	
Branches at beginning of the year	145	-	150	-
Add: Opened during the year	-	-	-	-
Less: Closed / merged during the year	(12)	-	(5)	-
As at end of the year	<u>133</u>	<u>-</u>	<u>145</u>	<u>-</u>

33.1 These include 37 (2022: 40) branches of the Bank's Islamic Microfinance Division.

34 REMUNERATION OF DIRECTORS AND EXECUTIVES

	President / CEO		Executives	
	Dec-23	Dec-22	Dec-23	Dec-22
	-----Rupees-----		-----Rupees-----	
Short-term employee benefits				
Fees / Managerial remuneration	7,853,642	10,263,276	188,660,562	208,693,398
Rent and house maintenance	3,534,138	4,618,476	84,896,681	93,911,775
Utilities	785,362	1,026,324	18,866,173	20,869,332
Conveyance	785,362	1,026,324	18,866,173	20,869,332
Medical	62,645	69,518	4,502,104	4,976,926
Other allowances	2,046,774	-	17,428,007	16,846,471
Leave encashment	522,085	705,600	12,641,281	13,849,585
Incentives	-	-	130,708,024	75,609,250
Termination benefits				
Charge for defined benefit plan	1,051,670	1,414,250	26,918,110	29,433,222
Contribution to defined contribution plan	785,362	1,026,324	16,529,623	19,766,725
	<u>17,427,040</u>	<u>20,150,092</u>	<u>520,016,738</u>	<u>504,826,016</u>
Number of persons	<u>1</u>	<u>1</u>	<u>197</u>	<u>203</u>

In addition to the above, President / CEO and certain other executives are provided with the Bank maintained car in accordance with their terms of employment.

Non-executive directors of the Bank were not paid any remunerations except the fee for attending meetings for an aggregate amount of Rs 6.06 million (2022: Rs 3.65 million). Boarding / lodging expenses incurred for such meetings were borne by the Bank.

Executives mean employees, other than President / CEO and directors, whose basic salary exceeds five hundred thousand rupees in a year.

35 BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The Bank is a subsidiary of National Rural Support Program (NRSP) which holds 57.4% share capital of the Bank. Therefore, all subsidiaries and associated undertakings of NRSP are related parties of the Bank. Other related parties include staff retirement benefits, directors, key management personnel which include CEO and Head of Departments (HOD's) and entities under common directorship. Remuneration to directors and executives is disclosed in note 34 to these financial statements. All transactions involving related parties are subject to the approval of the Board of Directors. Significant transactions with the related parties other than those referred to in the foregoing entered into during the year are as follows:

Transactions during the year:	Relationship with related party	Dec-23	Dec-22
		Rupees	
National Rural Support Program (NRSP)	Parent Company		
Funds deposited for share issuance		1,000,000,000	-
Funds withdrawn		-	6,000
Payment of profit on deposits		5,839	5,195
Accrued Rent of Training Centre, NRSP Building and Bwp area office		4,132,068	4,438,232
Mark-up Accrued on CRFA's for NRSP		-	7,014,995
Payable to NRSP Against TFC's Markup Payment		172,813,103	35,633,480
Receivable from NRSP		214,434	189,954
Payment to NRSP against CRFA's		143,745,780	-
Received from NRSP		12,240	-
Institute of Rural Management (IRM)	Parent Company's Subsidiary		
Funds deposited		220,256,099	22,693,142
Funds withdrawn		215,665,975	22,354,115
Payment of profit on deposits		29,491	30,222
Employees' Gratuity Fund	Employees' Trust		
Funds deposited		-	-
Funds withdrawn		-	-
Payment of profit on deposits		69,456,972	51,138,759
Expense charged in respect of gratuity fund		141,810,333	98,499,043
Employees' Provident Fund Trust	Employees' Trust		
Funds deposited including terms deposit roll overs		1,092,338,462	1,328,965,548
Funds withdrawn including term deposits maturity		1,195,172,511	1,358,344,134
Payment of profit on deposits		30,176,018	107,929,063
Bank's contribution paid to the fund		55,584,950	122,905,429
Expense charged in respect of employer's contribution		55,584,950	122,905,429
Employees' Welfare Trust	Employees' Trust		
Funds deposited		6,012,920	21,552,470
Funds withdrawn		20,382,998	41,348,700
Payment of profit on deposits		978,470	3,013,060
Employee Housing Colony	Employees' Trust		
Funds deposited		2,704,050	2,864,050
Funds withdrawn		2,858,854	2,802,576
Payment of profit on deposits		137,222	87,352
NRSP Contributory Provident Fund	Parent Company's Employees' Trust		
Funds deposited		-	2,387,321,670
Funds withdrawn		12,406,111	3,083,309,483
Payment of profit on deposits		3,966,975	63,454,385
NRSP Employees Gratuity Fund Trust	Parent Company's Employees' Trust		
Funds deposited		-	3,188,202,229
Funds withdrawn		10,540,515	4,019,544,668
Payment of profit on deposits		717,402	79,362,217
NRSP Rohi Handlooms	Parent Company's Project		
Funds deposited		-	-
Funds withdrawn		-	-
Payment of profit on deposits		328	-
NRSP Natural Resource Management	Parent Company's Project		
Funds deposited		497,000	75,000
Funds withdrawn		350,044	114,607
Payment of profit on deposits		6,586	4,149
Rural Support Programmes Network (RSPN)	Common Directorship		
Funds deposited		-	-
Funds withdrawn		-	-
Payment of profit on deposits		1,303	914
NRSP Green Forest Private Limited	Parent Company's Subsidiary		
Funds deposited		-	-
Funds withdrawn		-	-
Profit on deposits		67,734	55,384
NRSP Agriculture Processing (Pvt) LTD	Parent Company's Subsidiary		
Funds deposited		86,261,499	120,046,491
Funds withdrawn		93,217,063	113,978,116
Profit on deposits		632,516	326,803
Silk Bank Limited (SBL)	Common Share holder		
Funds deposited with SBL		10,807,044,012	18,470,470,457
Funds withdrawn from SBL		12,322,896,845	17,110,006,397
Profit on deposits received from SBL		86,947,863	77,404,374

		Dec-23	Dec-22
		Rupees	
Bank Alfalah (BAFL)	Common Directorship		
Funds deposited with BAFL		-	519,276,762
Funds withdrawn from BAFL		-	519,276,762
Call money lending to BAFL		-	400,000,000
Call money repayments received from BAFL		-	400,000,000
Profit on call money lending received from BAFL		-	172,603
Repayment of Borrowing to Bank Alfalah		-	499,000,000
Markup From Borrowing of Bank Alfalah		-	43,092,876
Balances Outstanding as at December 31 2023			
Payable to NRSP	Parent Organisation	219,031,156	181,199,516
Employees' gratuity fund	Employees' Trust	(86,511,610)	9,463,337
Payable to staff leave encashment fund	Employees' Trust	201,746,972	194,806,929
Payable to employees' provident fund	Employees' Trust	1,934,846	496,111
Balance Maintained with Silk Bank Limited	Common Share holder	417,006,112	1,845,911,082
Receivable From NRSP	Common Share holder	448,563	258,609
Deposits accounts contain amounts relating to following related parties:			
Institute of Rural Management (IRM)	Parent Company's Subsidiary	6,627,352	2,007,737
Employees' Gratuity Fund	Employees' Trust	576,854,138	507,397,166
Employees' Provident Fund Trust	Employees' Trust	586,525,245	658,961,904
Employees' Welfare Trust	Employees' Trust	3,093,099	16,484,707
Employee Housing Colony	Employees' Trust	1,217,405	1,234,986
NRSP Contributory Provident Fund	Parent Company's Employees' Trust	734,101	9,173,238
NRSP Employees Gratuity Fund Trust	Parent Company's Employees' Trust	717,402	10,540,515
NRSP Rohi Handlooms	Parent Company's Project	3,928	3,600
NRSP Natural Resource Management	Parent Company's Project	264,206	110,663
Rural Support Programmes Network (RSPN)	Common Directorship	12,137	10,834
Pakistan Microfinance Network	Common Directorship	-	-
National Rural Support Programme	Parent Organisation	58,950	53,111
Nrsp Green Forest (Pvt) Limited	Parent Company's Subsidiary	760,872	693,137
Nrsp Agriculture Processing Company Limited	Parent Company's Subsidiary	148,297	6,471,345
Key management personnel		4,255,656	5,753,615

35.1 Following are the related parties with whom the Company had entered into transactions or have arrangement / agreement in place.

Sr. No.	Company Name	Basis of association		Aggregate % of shareholding
1	NRSP	Holding Company	57.40%	57.40%
2	Institute of Rural Management (IRM)	Parent Company's Subsidiary	Nil	Nil
3	NRSP Green Forest Private Limited	Parent Company's Subsidiary	Nil	Nil
4	NRSP Agriculture Processing Company Limited	Parent Company's Subsidiary	Nil	Nil
5	NRSP Contributory Provident Fund	Parent Company's Employees' Trust	Nil	Nil
6	NRSP Employees Gratuity Fund Trust	Parent Company's Employees' Trust	Nil	Nil
7	NRSP Bank Employees Contributory Pf Trust	NRSP MFBL Employees' Trust	Nil	Nil
8	NRSP Bank Employees Gratuity Fund Trust	NRSP MFBL Employees' Trust	Nil	Nil
9	NRSP Rohi Handlooms	Parent Company's Project	Nil	Nil
10	NRSP Natural Resource Management	Parent Company's Project	Nil	Nil
11	Silk Bank Limited (SBL)	Common Share holder	Nil	Nil

36 FAIR VALUE MEASUREMENT

The fair value of traded investments is based on quoted market prices, except for securities classified by the Bank as 'held to maturity'. Securities classified as held to maturity are carried at amortized cost. Fair value of unquoted equity investments is determined on the basis of break up value of these investments as per the latest available audited financial statements.

Fair value of fixed term loans, other assets, other liabilities, fixed term deposits and borrowings cannot be calculated with sufficient reliability due to the absence of current and active market for such assets and liabilities and reliable data regarding market rates for similar instruments. The provision for impairment of loans and advances has been calculated in accordance with the Bank's accounting policy as stated in note 7.5 to these financial statements.

Fair value of remaining financial assets and liabilities except fixed term loans, staff loans, non-performing advances and fixed term deposits is not significantly different from the carrying amounts since assets and liabilities are either short term in nature or are frequently repriced in the case of customer loans and deposits.

The Bank measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Fair value measurements using quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Fair value measurements using inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Fair value measurements using input for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

a) Financial Instruments in level 1

Currently, no financial instruments are classified in level 1.

b) Financial Instruments in level 2

Investment in federal government securities (market treasury bills, sukuk and Pakistan investment bonds) are classified in level 2.

c) Financial instruments in level 3

Financial instruments included in level 3 comprise of derivative financial assets.

The Bank's policy is to recognise transfers into and out of the different fair value hierarchy levels at the date the event or change in circumstances that caused such transfer takes place. There were no transfers between levels 1 and 2 during the year.

The table below analyses the financial and non-financial assets carried at fair values, by valuation methods. Valuation of investments is carried out as per guidelines specified by the SBP.

	Level 1	Level 2	Level 3
-----Rupees-----			
December 31, 2023			
Financial assets measured at fair value			
Market treasury bills - Available for sale		2,946,911,597	
Market treasury bills - Held to maturity*		504,410,212	
Sukkuks - Held to maturity*		315,224,387	
Pakistan Investment Bond (PIB's) - Held to maturity		1,839,271,076	
	-	<u>5,605,817,272</u>	-

*Book value of Market Treasury Bills and Sukkuks Held to Maturity is fair approximation of their fair value.

December 31, 2022			
Financial assets measured at fair value			
Market treasury bills - Available for sale		-	
Market treasury bills - Held to maturity*		2,125,949,200	
Sukkuks - Held to maturity*		308,918,038	
Pakistan Investment Bond (PIB's) - Held to maturity		-	
	-	<u>2,434,867,238</u>	-

Valuation techniques and inputs used in determination of fair values

Item	Valuation techniques and inputs used
Market Treasury Bills, Pakistan Investment Bonds and Sukus	Fair values of investment in market treasury bills, pakistan investment bond and sukkuks and is calculated based on the rates from MUFAP.

37 SCHEDULE OF MATURITY OF MARKET RATE ASSETS AND LIABILITIES

	Total	Upto one month	Over one month upto six months	Over six months upto one year	Over one year
----- Rupees -----					
As At December 31, 2023					
Market rate assets					
Advances - net of provision	31,886,462,087	994,946,130	8,036,652,036	5,571,031,189	17,283,832,732
Lending to financial institutions	1,020,000,000	1,020,000,000	-	-	-
Investments	5,605,817,272	1,960,627	459,495,000	4,829,137,258	315,224,387
Balances with NBP on saving deposits	637,792,903	637,792,903	-	-	-
Balances with other banks on saving deposits	5,074,303,684	4,051,803,684	1,022,500,000	-	-
Staff Advances -Interest Bearing	68,990,763	6,899,076	17,247,691	13,798,153	31,045,843
Total market rate assets	44,293,366,709	6,713,402,420	9,535,894,727	10,413,966,600	17,630,102,962
Other non-earning assets					
Cash and balances with SBP and NBP	1,781,599,283	1,781,599,283	-	-	-
Balances with other banks on current accounts	89,969,621	89,969,621	-	-	-
Operating fixed assets	1,299,694,864	-	-	-	1,299,694,864
Other assets	3,693,072,161	429,425,362	2,383,092,885	183,783,904	696,770,010
Deferred tax asset	3,459,592,772	-	-	-	3,459,592,772
Total non-earning assets	10,323,928,701	2,300,994,266	2,383,092,885	183,783,904	5,456,057,646
Total assets	54,617,295,410	9,014,396,686	11,918,987,612	10,597,750,504	23,086,160,608
Market rate liabilities					
Deposits and other accounts	32,280,522,054	11,644,432,052	1,858,515,795	16,078,126,736	2,699,447,471
Lease Liability	946,074,617	6,669,535	34,762,983	46,826,561	857,815,538
Subordinated loan	1,442,360,000	-	-	-	1,442,360,000
Borrowings	4,651,093,661	-	100,000,000	4,424,971,808	126,121,853
Total market rate liabilities	39,320,050,332	11,651,101,587	1,993,278,778	20,549,925,105	5,125,744,862
Other non-cost bearing liabilities					
Current deposits	7,289,243,729	7,289,243,729	-	-	-
Other liabilities	5,964,231,859	1,063,830,506	863,128,860	1,323,192,264	2,714,080,227
Total non-cost bearing liabilities	13,253,475,588	8,353,074,235	863,128,860	1,323,192,264	2,714,080,227
Total liabilities	52,573,525,920	20,004,175,822	2,856,407,638	21,873,117,369	7,839,825,089
Net Assets	2,043,769,490				
Represented by					
Share capital	1,498,372,010				
Advance against future issue of right shares	1,000,000,000				
Statutory reserve	997,922,137				
Depositors' protection fund	393,207,509				
Unappropriated profit	(1,845,765,469)				
Surplus / (Deficit) on revaluation of assets	(254,870)				
Deferred grants	288,173				
Total capital	2,043,769,490				

37.1 SCHEDULE OF MATURITY OF MARKET RATE ASSETS AND LIABILITIES

	Total	Upto one month	Over one month upto six months	Over six months upto one year	Over one year
	Rupees				
As At December 31, 2022					
Market rate assets					
Advances - net of provision	28,027,829,813	2,287,651,580	12,000,652,017	3,381,654,636	10,357,871,580
Lending to financial institutions	-	-	-	-	-
Investments	2,435,811,437	498,721,795	1,628,171,600	-	308,918,042
Balances with NBP on deposit accounts	284,402,491	284,402,491	-	-	-
Balances with other banks on deposit accounts	4,326,789,740	4,326,789,740	-	-	-
Staff Advances -Interest Bearing	89,113,276	8,911,328	22,278,319	17,822,655	40,100,974
Total market rate assets	35,163,946,757	7,406,476,934	13,651,101,936	3,399,477,291	10,706,890,596
Other non-earning assets					
Cash and balances with SBP and NBP	1,535,200,967	1,535,200,967	-	-	-
Balances with other banks on current accounts	42,362,475	42,362,475	-	-	-
Operating fixed assets	1,356,094,857	-	-	-	1,356,094,857
Other assets (Excluding Staff advances-Interest Bearing)	2,731,342,425	449,500,230	1,205,915,586	245,649,835	830,276,774
Deferred tax asset	3,361,981,972	-	-	-	3,361,981,972
Total non-earning assets	9,026,982,696	2,027,063,672	1,205,915,586	245,649,835	5,548,353,603
Total assets	44,190,929,453	9,433,540,606	14,857,017,522	3,645,127,126	16,255,244,199
Market rate liabilities					
Deposits and other accounts	28,550,430,958	12,476,594,704	4,340,888,034	8,236,971,682	3,495,976,538
Lease obligation	876,615,065	-	-	-	876,615,065
Subordinated loan	1,442,360,000	-	-	-	1,442,360,000
Borrowings	5,144,971,811	4,344,971,811	100,000,000	100,000,000	600,000,000
Total market rate liabilities	36,014,377,834	16,821,566,515	4,440,888,034	8,336,971,682	6,414,951,603
Other non-cost bearing liabilities					
Current deposits	3,893,723,729	3,893,723,729	-	-	-
Other liabilities (excluding lease liability)	4,190,232,997	750,690,180	1,468,009,264	531,144,998	1,440,388,555
Total non-cost bearing liabilities	8,083,956,726	4,644,413,909	1,468,009,264	531,144,998	1,440,388,555
Total liabilities	44,098,334,560	21,465,980,424	5,908,897,298	8,868,116,680	7,855,340,158
Net Assets	92,594,893				
Represented by					
Share capital	1,498,372,010				
Statutory reserve	815,766,515				
Depositors' protection fund	305,381,345				
Unappropriated profit	(2,530,558,517)				
Surplus / (Deficit) on revaluation of assets	-				
Deferred grants	3,633,540				
Total capital	92,594,893				

38 CAPITAL MANAGEMENT

The Bank's objectives when managing its capital are:

- a) To comply with the capital requirements set by the SBP. As per requirement Bank is required to maintain minimum capital net of losses amounting to Rs. 1,000 million. The Banks is non-compliant with these requirements;
- b) To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders; and
- c) To maintain a strong capital base to support the development of its business.
- d) To comply with regulatory CAR compliance. Refer to note 1.1 to the financial statements for relvant disclosure.

The Bank intends to maintain the required regulatory capital either through its risk management strategies or by increasing the capital in line with the business and capital needs.

39 GENERAL

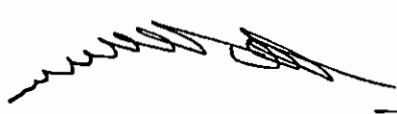
39.1 Account captions, as prescribed by BSD Circular No. 11, dated December 30, 2003, in the context of which there are no amounts, have not been reproduced in these financial statements, except for the captions of the balance sheet and profit and loss account.

39.2 Corresponding figures have been re-arranged and reclassified for more appropriate presentation where necessary

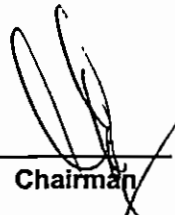
40 DATE OF APPROVAL

These financial statements were approved and authorised by the Board of Directors of the Bank in their meeting held on APRIL 5, 2024

J




President/ Chief Executive



Chairman



Director



Director

Details of property and equipment disposed off during the year as referred to in Note 13.2.2 of financial statements:

Particulars of Assets	Cost	Depreciation	Book Value	Sale Proceed	Gain/Loss	Mode of disposal	Party
Motor Vehicles-Owned							
Faw XPV 970 CC (Reg # BR-19-477, Eng # 8701735-J2 Chassis # AHFMVS119P0000902)	1,078,460	966,168	112,292	742,500	630,208	Assets Auction	Adnan Mughal-4550439405761 - Lot-22
70 CC - Bike (Reg # BRO-16-9984, Eng # 9339394, Chassis # JH-087977)	67,385	67,385	-	55,220	55,220	Assets Auction	Muhammad Latif-3120285291677 - Lot-17
800 CC - Mehran (Reg # BR -13 -495, Eng # PK8550405, Chassis # SP308PK01089226)	746,148	612,634	133,514	677,743	544,229	Assets Auction	Ashfaq Ahmad
800 CC - Mehran (Reg # BR -13 - 885, Eng # PK8550405, Chassis # SP308PK01089226)	696,239	695,603	636	687,830	687,194	Assets Auction	Ashfaq Ahmad
Faw XPV 970 CC (Reg # ANC-19-783, Eng # 8701677-J2 Chassis # AFHMVS119P0000903)	1,060,278	951,622	108,656	748,866	640,210	Assets Auction	Muhammad Sajid-3660283211187 - Lot-23
Faw XPV 970 CC Dual AC (Reg # BR-19-476, Eng # 8601532-J2 Chassis # AHFMVA119P0007443)	1,214,171	1,059,722	154,449	671,000	516,551	Assets Auction	Liaqat Ali-3120287975153 - Lot-24
70 CC - Bike (Reg # BRN-14-8542, Eng # 6298252, Chassis # JE-990322)	72,885	72,885	-	46,544	46,544	Assets Auction	Muhammad Imran-3120214441597 - Lot-18
70 CC - Bike (Reg # BRL-17-8779, Eng # 9496900, Chassis # JH-277464)	67,000	67,000	-	50,050	50,050	Assets Auction	Muhammad Latif-3120285291677 - Lot-19
70 CC - Bike (Reg # BRL-17-8791, Eng # 9496730, Chassis # JH-277301)	67,000	67,000	-	58,266	58,266	Assets Auction	Muhammad Imran-3120214441597 - Lot-20
70 CC - Bike (Reg # BRL-17-8784, Eng # 9496935, Chassis # JH-277509)	67,000	67,000	-	53,130	53,130	Assets Auction	Muhammad Latif-3120285291677 - Lot-21
Sub-total :	5,136,566	4,617,019	509,547	9,791,149	3,261,602		
Motor Vehicles-Leased							
796 CC - Mehran Car (Registration #: B8W-025 , Engine #: 583093, Chassis #: 1121643)	877,583	722,750	154,833	566,500	411,667	Assets Auction	Nauman Masood Khan
796 CC - Mehran Car (Reg # BRA-14-209, Eng # 592570, Chassis # 1131111)	681,750	681,750	-	728,530	728,530	Assets Auction	Syed Imran Ahmed
796 CC - Mehran Car (Reg # BRA-14-211, Eng # 592860, Chassis # 1131385)	681,750	681,750	-	666,710	666,710	Assets Auction	Ashfaq Ahmad
796 CC - Mehran Car (Reg # BRA-14-216, Eng # 593556, Chassis # 1132109)	681,750	681,750	-	738,243	738,243	Assets Auction	Ashfaq Ahmad
796 CC - Mehran Car (Reg # BRA-14-217, Eng # 593411, Chassis # 1131914)	681,750	681,750	-	683,221	683,221	Assets Auction	Ashfaq Ahmad
796 CC - Mehran Car (Reg # BRA-14-289 , Eng # 1136407, Chassis # 1136407)	683,300	683,300	-	732,365	732,365	Assets Auction	Afraz Mehmood Niazi
796 CC - Mehran Car (Reg # BR-15-727, Eng # 612057, Chassis # 1150549)	771,204	705,702	65,502	716,221	650,719	Assets Auction	Ashfaq Ahmad
796 CC - Mehran Car (Reg # BR-15-724, Eng # 614225, Chassis # 1152750)	683,300	683,300	-	803,660	803,660	Assets Auction	Ashfaq Ahmad
796 CC - Mehran Car (Reg # BR-15-721, Eng # 614245, Chassis # 1152782)	702,254	702,254	-	716,331	716,331	Assets Auction	Ashfaq Ahmad
796 CC - Mehran Car (Reg # BR-15-720, Eng # 614259, Chassis # 1152788)	702,254	702,254	-	606,965	606,965	Assets Auction	Muhammad Qasim
796 CC - Mehran Car (Reg # BR-15-968, Eng # PK8620198, Chassis # SB308PK01158692)	655,800	655,800	-	672,320	672,320	Assets Auction	Syed Imran Ahmed
796 CC - Mehran Car (Reg # BR-15-971, Eng # PK8623329, Chassis # SB308PK01161854)	674,754	674,754	-	617,243	617,243	Assets Auction	Ashfaq Ahmad
796 CC - Mehran Car (Reg # BR-15-973, Eng # PK8623322, Chassis # SB308PK01161741)	674,754	674,754	-	638,385	638,385	Assets Auction	Syed Imran Ahmed
796 CC - Mehran Car (Reg # BR-15-978, Eng # PK8623329, Chassis # SB308PK01161757)	751,119	751,119	-	716,243	716,243	Assets Auction	Ashfaq Ahmad
796 CC - Mehran Car (Reg # BR-15-982, Eng # PK8623245, Chassis # SB308PK01161768)	655,800	655,800	-	726,748	726,748	Assets Auction	Muhammad Latif
796 CC - Mehran Car (Reg # BR-15-983, Eng # PK8623308, Chassis # SB308PK01161821)	674,754	674,754	-	617,965	617,965	Assets Auction	Muhammad Qasim
796 CC - Mehran Car (Reg # BR-15-985, Eng # PK8623233, Chassis # SB308PK01161753)	674,754	674,754	-	672,375	672,375	Assets Auction	Ashfaq Ahmad
796 CC - Mehran Car (Reg # BR-15-988, Eng # PK8623264, Chassis # SB308PK01161750)	674,754	674,754	-	672,243	672,243	Assets Auction	Ashfaq Ahmad
796 CC - Mehran Car (Reg # BR-15-992, Eng # PK8623254, Chassis # SB308PK01161766)	655,800	655,800	-	782,100	782,100	Assets Auction	Muhammad Imran Khan
796 CC - Mehran Car (Reg # BR-15-993, Eng # PK8623256, Chassis # SB308PK01161847)	655,800	655,800	-	666,122	666,122	Assets Auction	Muhammad Latif
796 CC - Mehran Car (Reg # BR-15-974, Eng # PK8623253, Chassis # SB308PK01161725)	655,800	655,800	-	666,000	666,000	Assets Auction	Ejaz Ul Hassan
796 CC - Mehran Car (Reg # BR-16-243, Eng # PK8636422, Chassis # SB308PK01174923)	675,254	675,254	-	716,331	716,331	Assets Auction	Ashfaq Ahmad
796 CC - Mehran Car (Reg # BR-16-241, Eng # PK8636986, Chassis # SB308PK01175486)	751,604	751,604	-	771,265	771,265	Assets Auction	Ashfaq Ahmad
796 CC - Mehran Car (Reg # BR-16-235, Eng # PK8637270, Chassis # SB308PK01175782)	656,300	656,300	-	661,965	661,965	Assets Auction	Muhammad Qasim
796 CC - Mehran Car (Reg # BR-16-237, Eng # PK8637324, Chassis # SB308PK01175836)	675,254	675,254	-	738,298	738,298	Assets Auction	Ashfaq Ahmad
796 CC - Mehran Car (Reg # BR-16-245, Eng # PK8637301, Chassis # SB308PK01175824)	656,300	656,300	-	661,965	661,965	Assets Auction	Muhammad Qasim
796 CC - Mehran Car (Reg # BR-16-164, Eng # PK8635301, Chassis # SB308PK01173829)	656,300	656,300	-	639,965	639,965	Assets Auction	Muhammad Qasim
796 CC - Mehran Car (Reg # BR-16-239, Eng # PK8636994, Chassis # SB308PK01175488)	657,370	657,370	-	660,865	660,865	Assets Auction	Muhammad Qasim
796 CC - Mehran Car (Reg # BR-16-963, Eng # PK8639261, Chassis # SB308PK01197839)	675,404	675,404	-	771,100	771,100	Assets Auction	Muhammad Sohail Sadiq
796 CC - Mehran Car (Reg # BR-16-978, Eng # PK8639582, Chassis # SB308PK01198097)	675,404	675,404	-	621,500	621,500	Assets Auction	Zafar Iqbal
796 CC - Mehran Car (Reg # BRA-16-281, Eng # PK8667416, Chassis # SB308PK01200967)	688,531	688,531	-	682,330	682,330	Assets Auction	Ashfaq Ahmad
	21,318,505	21,098,169	220,336	21,332,074	21,111,738		
Office Equipment							
Digital Camera (Sony)	7,608	7,608	-	1,000	1,000	Assets Auction	Zardad Khan-3120203023637 LOT-03
06 CCTV Security Cameras + 01 DVR + 01 LCD Monitor	351,048	351,048	-	589	589	Assets Auction	Hamid Khan-3120279222629 LOT-32
06 CCTV Security Cameras + 01 DVR + 1 LCD	136,619	136,619	-	589	589	Assets Auction	Hamid Khan-3120279222629 LOT-32
Back up DVR+8camera With 4TB branch	1	1	-	589	589	Assets Auction	Hamid Khan-3120279222629 LOT-32
Alarm System	72,763	72,763	-	70	70	Assets Auction	Hamid Khan-3120279222629 Lot-32
Alarm System Shujabad	4,292	2,790	1,502	20	[1,482]	Assets Auction	mid Khan-3120279222629 Lot-32
Television LG 17"	3,448	3,448	-	1,175	1,175	Assets Auction	Hamid Khan-3120279222629 LOT-15
Water Dispenser (Orient) Room 11 IT Audit	11,500	11,500	-	5,500	5,500	Assets Auction	Hamid Khan-3120279222629 LOT-31
Electric Stabilizer	3,486	3,486	-	12,375	12,375	Assets Auction	Hamid Khan-3120279222629 LOT-16
Electric Stabilizer	3,029	3,029	-	12,375	12,375	Assets Auction	Hamid Khan-3120279222629 LOT-16
Huawei Y9 Prime Mobile Phone (Naveed Iqbal Finance J01382)	20,000	20,000	-	-	-	As Per Policy	
LED	29,740	29,740	-	1,150	1,150	Assets Auction	Hamid Khan-3120279222629 - LOT-15
Solar Geezer(Water Heater)	73,164	73,164	-	3,000	3,000	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Solar Water Heater	60,992	60,992	-	3,000	3,000	Assets Auction	Muhammad Qasim-3120102277765 LOT-02
Solar Water Heater	57,772	57,772	-	3,000	3,000	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Solar Water Heater	47,219	47,219	-	3,000	3,000	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Solar Water Heater	47,218	47,218	-	3,000	3,000	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Grass Cutter Machine	47,610	47,610	-	4,000	4,000	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
LCD Sony	67,355	67,355	-	1,519	1,519	Assets Auction	Muhammad Saleem-3120212657595 - LOT-10

Particulars of Assets	Cost	Depreciation	Book Value	Sale Proceed	Gain/Loss	Mode of disposal	Party
Stabilizer 10000 W	8,364	8,364	-	12,375	12,375	Assets Auction	Hamid Khan-3120279222629 LOT-16
Alarm System	92,187	92,187	-	70	70	Assets Auction	Hamid Khan-3120279222629 Lot-32
Alarm System	71,199	71,199	-	70	70	Assets Auction	Hamid Khan-3120179222629 Lot-32
Alarm System	99,403	98,403	-	70	70	Assets Auction	Hamid Khan-3120279222629 Lot-32
Alarm System	80,468	80,468	-	70	70	Assets Auction	Hamid Khan-3120279222629 Lot-32
Alarm System	88,680	88,680	-	70	70	Assets Auction	Hamid Khan-3120279222629 Lot-32
Alarm System	81,300	81,300	-	70	70	Assets Auction	Hamid Khan-3120279222629 Lot-32
Alarm System	42,779	42,779	-	70	70	Assets Auction	Hamid Khan-3120279222629 Lot-32
Alarm System	44,915	40,423	4,492	70	(4,422)	Assets Auction	Hamid Khan-3120279222629 Lot-32
Split A.C 1.5 ton Haier	64,165	64,165	-	22,000	22,000	Assets Auction	Hamid Khan-3120279222629 LOT-28
Split AC 1.5 ton Haier	44,794	44,794	-	22,000	22,000	Assets Auction	Hamid Khan-3120279222629 - LOT-28
Split AC (Dawlance)	36,808	36,808	-	22,000	22,000	Assets Auction	Hamid Khan-3120179222629 - LOT-28
Split AC (Orient 2 Ton)	50,715	50,715	-	22,000	22,000	Assets Auction	Hamid Khan-3120279222629 - LOT-28
Split AC (Orient 2 Ton)	50,715	50,715	-	22,000	22,000	Assets Auction	Hamid Khan-3120279222629 - LOT-28
Split AC (Orient 1 Ton)	30,000	30,000	-	22,000	22,000	Assets Auction	Hamid Khan-3120279222629 - LOT-28
Split AC (Orient 1.5 Ton)	50,715	50,715	-	22,000	22,000	Assets Auction	Hamid Khan-3120279222629 - LOT-28
Split AC 1.5 Ton (Media)	49,970	49,970	-	22,000	22,000	Assets Auction	Hamid Khan-3120279222629 - LOT-28
Split AC 1.5 Ton Orient	46,000	46,000	-	22,000	22,000	Assets Auction	Hamid Khan-3120279222629 - LOT-28
Split AC 2 Ton Orient	56,250	56,250	-	22,000	22,000	Assets Auction	Hamid Khan-3120279222629 - LOT-28
Split AC 2 Ton Orient	67,895	67,895	-	22,000	22,000	Assets Auction	Hamid Khan-3120279222629 - LOT-28
Floor Standing 2 Ton Orient	107,100	107,100	-	22,000	22,000	Assets Auction	Hamid Khan-3120279222629 - LOT-28
Split AC 1.5 Ton Orient	50,526	50,526	-	22,000	22,000	Assets Auction	Hamid Khan-3120279222629 - LOT-28
Air Cooler	12,200	12,200	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 - LOT-6
Water Dispenser Orient	9,626	9,626	-	2,750	2,750	Assets Auction	Hamid Khan-3120279222629 LOT-31
Water Dispenser (Orient)	14,100	14,100	-	5,500	5,500	Assets Auction	Hamid Khan-3120279222629 LOT-31
Water Dispenser	10,200	10,200	-	5,500	5,500	Assets Auction	Hamid Khan-3120279222629 LOT-31
Water Dispenser (Orient)	14,300	14,300	-	5,500	5,500	Assets Auction	Hamid Khan-3120279222629 LOT-31
Electric Kettle	2,500	2,375	125	300	175	Assets Auction	Zardad Khan-3120203023637 LOT-03
Electric Kettle	2,300	1,955	345	300	(45)	Assets Auction	Zardad Khan-3120203023637 LOT-03
Electric Kettle	2,100	1,750	350	300	(50)	Assets Auction	Zardad Khan-3120203023637 LOT-03
Electric Kettle for IHA	2,200	1,173	1,027	300	(727)	Assets Auction	Zardad Khan-3120203023637 LOT-03
Breaker (63 A)	2,000	2,000	-	300	300	Assets Auction	Zardad Khan-3120203023637 LOT-03
Stabilizer 10000 W	8,364	8,364	-	12,375	12,375	Assets Auction	Hamid Khan-3120279222629 LOT-16
Stabilizer 10000 W	8,365	8,365	-	12,375	12,375	Assets Auction	Hamid Khan-3120279222629 LOT-16
Stabilizer	14,000	14,000	-	12,375	12,375	Assets Auction	Hamid Khan-3120279222629 LOT-16
Stabilizer	14,000	14,000	-	12,375	12,375	Assets Auction	Hamid Khan-3120279222629 LOT-16
Stabilizer	14,000	14,000	-	12,375	12,375	Assets Auction	Hamid Khan-3120279222629 LOT-16
Change Over 50 A	2,315	2,315	-	300	300	Assets Auction	Zardad Khan-3120203023637 LOT-03
Water Barrel Lodhran Islamic Branch	2,400	1,520	880	2,750	1,870	Assets Auction	Hamid Khan-3120279222629 Lot-08
Floor Standing (Orient 2 Ton)	90,285	90,285	-	22,000	22,000	Assets Auction	Hamid Khan-3120279222629 - LOT-28
Floor Standing (Orient 2 Ton)	90,286	90,286	-	22,000	22,000	Assets Auction	Hamid Khan-3120279222629 - LOT-28
1.5 ton LEA Haier	63,579	54,419	9,160	22,000	12,840	Assets Auction	Hamid Khan-3120279222629 - LOT-28
Tower AC 2 Ton	71,428	71,428	-	22,000	22,000	Assets Auction	Hamid Khan-3120279222629 - LOT-28
Split AC (Orient)	72,540	72,540	-	22,000	22,000	Assets Auction	Hamid Khan-3120279222629 - LOT-28
Air Cooler	12,000	12,000	-	1,435	1,435	Assets Auction	Hamid Khan-3120179222629 - LOT-6
Room Cooler with Stand (Store)	14,500	13,292	1,208	1,435	227	Assets Auction	Hamid Khan-3120279222629 - LOT-6
Room Cooler DC	4,500	3,975	525	1,435	910	Assets Auction	Hamid Khan-3120279222629 - LOT-6
Room Cooler	12,000	10,400	1,600	1,435	(165)	Assets Auction	Hamid Khan-3120279222629 - LOT-6
Refrigerator (Hier Small Size)	16,622	16,622	-	5,500	5,500	Assets Auction	Hamid Khan-3120279222629 LOT-31
Water Dispenser	6,768	6,768	-	2,750	2,750	Assets Auction	Hamid Khan-3120279222629 LOT-31
06 CCTV Security Cameras + 01 DVR + 01 LCD Monitor	280,287	280,287	-	589	589	Assets Auction	Hamid Khan-3120279222629 LOT-32
06 CCTV Security Cameras + 01 DVR + 01 LCD Monitor	99,025	99,025	-	589	589	Assets Auction	Hamid Khan-3120279222629 LOT-32
DC Inverter Orient 1.5 Ton	72,000	72,000	-	22,000	22,000	Assets Auction	Hamid Khan-3120279222629 LOT-28
Split AC 2 Ton Orient	72,000	69,900	2,100	22,000	19,900	Assets Auction	Hamid Khan-3120279222629 - LOT-28
Floor Standing AC 2 Ton	103,600	103,600	-	22,000	22,000	Assets Auction	Hamid Khan-3120279222629 - LOT-28
Floor Standing Acson 4 Ton	220,000	220,000	-	22,000	22,000	Assets Auction	Hamid Khan-3120279222629 - LOT-28
Digital Camera	2,792	2,792	-	1,000	1,000	Assets Auction	Zardad Khan-3120203023637 LOT-03
Digital Camera	6,158	6,158	-	1,000	1,000	Assets Auction	Zardad Khan-3120203023637 LOT-03
Digital Camera (122 Nikon)	3,595	3,595	-	1,000	1,000	Assets Auction	Zardad Khan-3120203023637 LOT-03
Digital Camera (Nikon S4400) with 4 GB Card (AVC)	15,300	15,300	-	1,000	1,000	Assets Auction	Zardad Khan-3120203023637 LOT-03
06 CCTV Security Cameras + 01 DVR + 01 LCD Monitor	253,469	253,469	-	589	589	Assets Auction	Hamid Khan-3120279222629 LOT-32
06 CCTV Security Cameras + 01 DVR + 01 TV	194,914	194,914	-	589	589	Assets Auction	Hamid Khan-3120279222629 - LOT-32
IP Security Camera	20,747	20,747	-	589	589	Assets Auction	Hamid Khan-3120279222629 - LOT-32
06 CCTV Security Cameras + 01 DVR + 01 TV	259,021	259,021	-	589	589	Assets Auction	Hamid Khan-3120279222629 - LOT-32
06 CCTV Security Cameras + 01 DVR + 01 LCD Monitor (Samsung)	141,598	141,598	-	589	589	Assets Auction	Hamid Khan-3120279222629 - LOT-32
02 CCTV Security Cameras + 1 IR Camera + 01 DVR with 1 TB HDD + 01 LCD 17"	35,314	35,314	-	589	589	Assets Auction	Hamid Khan-3120279222629 - LOT-32
02 CCTV Security Cameras + 1 IR Camera + 01 DVR with 1 TB HDD + 01 LCD 17"	35,706	35,706	-	589	589	Assets Auction	Hamid Khan-3120279222629 - LOT-32
05 CCTV Security Cameras + 1 IR Camera + 01 DVR + 01 LCD 17" (OLD Okara Cantt Booth)	89,225	89,225	(0)	589	589	Assets Auction	Hamid Khan-3120279222629 - LOT-32
02 CCTV Security Cameras + 1 IR Camera + 01 DVR with 1 TB HDD + 01 LCD 17"	31,389	31,389	-	589	589	Assets Auction	Hamid Khan-3120279222629 - LOT-32
02 CCTV Security Cameras + 1 IR Camera + 01 DVR with 1 TB HDD + 01 LCD 17"	42,158	42,158	-	589	589	Assets Auction	Hamid Khan-3120279222629 - LOT-32
02 CCTV Security Cameras + 1 IR Camera + 01 DVR with 1 TB HDD + 01 LCD 17"	29,610	29,610	-	589	589	Assets Auction	Hamid Khan-3120279222629 - LOT-32
02 CCTV Security Cameras + 1 IR Camera + 01 DVR with 1 TB HDD + 01 LCD 17"	34,355	34,355	-	576	576	Assets Auction	Hamid Khan-3120279222629 - LOT-32
Alarm System	82,007	82,007	-	70	70	Assets Auction	Hamid Khan-3120279222629 - LOT-32
Alarm System	68,793	68,793	-	70	70	Assets Auction	Hamid Khan-3120279222629 - LOT-32

Particulars of Assets	Cost	Depreciation	Book Value	Sale Proceed	Gain/Loss	Mode of disposal	Party
Alarm System	10,450	10,450	-	70	70	Assets Auction	Hamid Khan-3120279222629 - LOT-32
Alarm System	45,031	45,031	-	70	70	Assets Auction	Hamid Khan-3120279222629 - LOT-32
Alarm System (Old Lahore Garden Town Branch)	66,466	66,466	-	70	70	Assets Auction	Hamid Khan-3120279222629 - LOT-32
TV LG 21"	9,136	9,136	-	1,175	1,175	Assets Auction	Hamid Khan-3120279222629 - LOT-15
TV LG 21"	11,635	11,635	-	1,175	1,175	Assets Auction	Hamid Khan-3120279222629 - LOT-15
TV LG 21"	11,635	11,635	-	1,175	1,175	Assets Auction	Hamid Khan-3120279222629 - LOT-15
Television Luminar 14"	5,234	5,234	-	1,175	1,175	Assets Auction	Hamid Khan-3120279222629 - LOT-15
Television (L.G 14")	2,079	2,079	-	1,175	1,175	Assets Auction	Hamid Khan-3120279222629 - LOT-15
Television LG 14"	4,586	4,586	-	1,175	1,175	Assets Auction	Hamid Khan-3120279222629 - LOT-15
Television LG 14"	4,977	4,977	-	1,175	1,175	Assets Auction	Hamid Khan-3120279222629 - LOT-15
Television LG 14"	3,554	3,554	-	1,175	1,175	Assets Auction	Hamid Khan-3120279222629 - LOT-15
Television LG 14"	4,626	4,626	-	1,175	1,175	Assets Auction	Hamid Khan-3120279222629 - LOT-15
Television LG 14"	4,034	4,034	-	1,175	1,175	Assets Auction	Hamid Khan-3120279222629 - LOT-15
Battery A.G.S 120 Ah (50 KVA Generator)	9,110	9,110	-	3,450	3,450	Assets Auction	Hamid Khan-3120279222629 - LOT-07
Battery A.G.S 120 Ah (UPS 3 KVA IT Room)	9,110	9,110	-	3,450	3,450	Assets Auction	Hamid Khan-3120279222629 - LOT-07
Battery A.G.S 120 Ah (UPS 3 KVA IT Room)	9,110	9,110	-	3,450	3,450	Assets Auction	Hamid Khan-3120279222629 - LOT-07
Battery A.G.S 120 Ah (UPS 3 KVA IT Room)	9,110	9,110	-	3,450	3,450	Assets Auction	Hamid Khan-3120279222629 - LOT-07
Telephone Set (KX-TS880 MX) CEO	5,500	5,500	-	200	200	Assets Auction	Zardad Khan-3120203023637 LOT-03
Telephone Set (KX-TS880 MX) CEO	4,900	4,900	-	200	200	Assets Auction	Zardad Khan-3120203023637 LOT-03
Telephone Set (TSC-910)	2,460	2,460	-	200	200	Assets Auction	Zardad Khan-3120203023637 LOT-03
Split A.C 2 ton Mitsubishi	62,358	62,358	-	22,000	22,000	Assets Auction	Hamid Khan-3120279222629 - LOT-28
Split A.C 1 Ton (Media)	40,570	40,570	-	22,000	22,000	Assets Auction	Hamid Khan-3120279222629 - LOT-28
Air Cooler	2,259	2,259	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 - LOT-6
Room Cooler	5,859	5,859	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 - LOT-6
Room Cooler	5,859	5,859	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 - LOT-6
Room Air Cooler	6,303	6,303	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 - LOT-6
Room Air Cooler	2,867	2,867	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 - LOT-6
Room Air Cooler	4,302	4,302	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 - LOT-6
Room Cooler (Millat)	2,509	2,509	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 - LOT-6
Room Cooler (Millat)	2,509	2,509	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 - LOT-6
Room Cooler (Yashica)	2,509	2,509	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 - LOT-6
Room Cooler (Pak)	2,933	2,933	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 - LOT-6
Room Cooler (Royal)	2,933	2,933	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 - LOT-6
Room Cooler	6,182	6,182	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 - LOT-6
Room Cooler	3,953	3,953	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 - LOT-6
Air Cooler	7,500	7,500	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 - LOT-6
Air Cooler (ZECCO)	10,400	10,400	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 - LOT-6
Room Cooler Toyo	15,500	15,500	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 - LOT-6
Air Cooler	12,000	12,000	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 - LOT-6
Water Dispenser (Orient)	14,300	14,300	-	20,996	20,996	Assets Auction	Hamid Khan-3120279222629 - LOT-31
Electric Kettle	3,500	3,500	-	300	300	Assets Auction	Zardad Khan-3120203023637 LOT-03
Electric Kettle Cambridge 4069	4,000	4,000	-	300	300	Assets Auction	Zardad Khan-3120203023637 LOT-03
Electric Geezer	14,810	14,810	-	3,000	3,000	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Westpoint Belfor Heater (Operations)	3,100	3,100	-	500	500	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Breaker (MCCB TP 160-250 A)	28,440	28,440	-	300	300	Assets Auction	Zardad Khan-3120203023637 LOT-03
Breaker (200 AMP)	14,600	14,600	-	300	300	Assets Auction	Zardad Khan-3120203023637 LOT-03
Grass Cutter Machine	10,500	10,500	-	4,000	4,000	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Grass Cutter Machine (Manual)	8,000	8,000	-	4,000	4,000	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Automatic Level	15,791	15,791	-	1,000	1,000	Assets Auction	Zardad Khan-3120203023637 LOT-03
Automatic Level	15,791	15,791	-	1,000	1,000	Assets Auction	Zardad Khan-3120203023637 LOT-03
Cable for Generator	115,228	115,228	-	500	500	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Water Filter	3,450	3,450	-	25	25	Assets Auction	Muhammad Sajid-3660283121187 LOT-05
Huawei Y9 (Jaz Ahmed IT 00020)	20,000	20,000	-	-	-	As Per Policy	Huawei Y9 (Jaz Ahmed IT 00020)
Samsung A10 Mobile Phone (Fazal Shah Manager Microfinance 00043)	20,000	20,000	-	-	-	As Per Policy	Samsung A10 Mobile Phone (Fazal Shah Manager Microfinance 00043)
Samsung A30S Mobile Phone (Riaz Khan Bangash 02340)	39,000	39,000	-	-	-	As Per Policy	
Samsung A10s Mobile Phone (Muhammad Yasir 04055)	20,000	20,000	-	-	-	As Per Policy	
Redme 9 Mobile Phone for Majid Ali IT 00030	20,000	20,000	-	-	-	As Per Policy	Majid Ali 00030
Real Me-S Mobile Phone(Sajjad Ali 05818)	20,000	20,000	-	-	-	As Per Policy	Real Me-S Mobile Phone(Sajjad Ali 05818)
Vivo S1 Pro Mobile Phone (Husnain Ahmed 05471)	20,000	18,333	1,667	2,222	555	Cleared to Staff Member	
Xiaomi Redme Note 9 Pro Mobile Phone(Muhammad Amir 00169)	25,000	22,917	2,083	8,333	6,250	Cleared to Staff Member	
Oppo A12 Mobile Phone (Qaiser Jameel 00608)	20,000	20,000	-	-	-	As Per Policy	Qaiser Jameel - 00608
Nokia -105 Mobile Phone zahid 01933	2,850	2,850	-	-	-	As Per Policy	Nokia -105 Mobile Phone zahid 01933
Nokia -105 Mobile Phone Iqbal 01187	3,000	3,000	-	-	-	As Per Policy	Nokia -105 Mobile Phone Iqbal 01187
Split AC 1.5 Ton Orient	46,475	46,475	-	22,000	22,000	Assets Auction	Hamid Khan-3120279222629 - LOT-28
oppo A5s Mobile Phone (Shahid Ayub 04640)	20,000	20,000	-	-	-	As Per Policy	oppo A5s Mobile Phone (Shahid Ayub 04640)
Oppo A5s Mobile Phone (Amjad Ali Bukhari 06206)	20,000	20,000	-	-	-	As Per Policy	Oppo A5s Mobile Phone (Amjad Ali Bukhari 06206)
AS 2020 Oppo Mobile Phone(Qamar Zaman 06437)	20,000	20,000	-	-	-	Cleared to Staff Member	Qamar Zaman 06437
Infinix S5 Mobile Phone (Abdul Hameed 02425)	20,000	20,000	-	-	-	As Per Policy	Infinix S5 Mobile Phone (Abdul Hameed 02425)
Samsung J5 Prime (Javed Iqbal 02624)	20,000	20,000	-	-	-	As Per Policy	Samsung J5 Prime (Javed Iqbal 02624)
Samsung Note10 Plus Mobile Phone (Rehan Qazi 03135)	25,000	25,000	-	-	-	As Per Policy	Samsung Note10 Plus Mobile Phone (Rehan Qazi 03135)
Samsung A10 Mobile Phone (Hakim Shah Area Manager 06080)	20,000	20,000	-	-	-	As Per Policy	Samsung A10 Mobile Phone (Hakim Shah Area Manager 06080)
VIVO S 1 Mobile Phone (Naeem Sattar 06249)	20,000	20,000	-	-	-	As Per Policy	VIVO S 1 Mobile Phone (Naeem Sattar 06249)
Realme C3 Mobile Phone (Shakil Ahmad 01488)	20,000	20,000	-	-	-	As Per Policy	Realme C3 Mobile Phone (Shakil Ahmad 01488)
Sub-total:	6,275,346	6,248,282	27,064	833,340	806,276		

Furniture and Fixtures

Particulars of Assets	Cost	Depreciation	Book Value	Sale Proceed	Gain/Loss	Mode of disposal	Party
Master Aura VC	7,183	7,183	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Office Chair Steel with Foam	3,793	3,793	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Office Chair Steel with Foam	3,795	3,795	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Office Chair	2,993	2,993	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Office Revolving chair	7,170	7,170	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Trunk Box	22,335	22,335	-	750	750	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Single Bed	2,236	2,236	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Matress	7,253	7,253	-	25	25	Assets Auction	Muhammad Sajid-3660283121187 LOT-05
Door Polish	26,376	26,376	-	10,000	10,000	Assets Auction	Hamid Khan-3120279222629 LOT-29
Exhaust Fan Pak	2,000	1,317	683	1,435	752	Assets Auction	Hamid Khan-3120279222629 LOT-6
Sign Board (Back Lit Board)	42,000	42,000	-	5,000	5,000	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Double Bed	6,625	6,625	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Office Table	5,666	5,666	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Office Table	5,666	5,666	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Office Table	5,666	5,666	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Office Table	5,666	5,666	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Office Table	8,598	8,598	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Office table with key Board	12,901	12,901	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Master Aura LBC	7,555	7,555	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Master Aura LBC	7,555	7,555	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Master Aura VC	6,695	6,695	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Master Aura VC	7,463	7,463	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Office Chairs	2,494	2,494	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Office Chairs	4,097	4,097	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Office Chairs	4,097	4,097	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Low Base Office Chair (Hydraulic Base)	9,777	9,777	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Low Base Office Chair (Hydraulic Base)	9,777	9,777	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Office Chair	5,274	5,274	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Office Chair	5,273	5,273	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
File Rack	2,357	2,357	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
File Rack	2,597	2,597	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
File Rack	2,597	2,597	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Trunk Box	7,605	7,605	-	750	750	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Cloth Cabinet Iron	16,958	16,958	-	5,000	5,000	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Bench	2,157	2,157	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Bench	2,737	2,737	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Ceiling Fan (Pak Fan 18")	2,850	2,850	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 LOT-6
Ceiling Fan (Pak Fan 18")	2,850	2,850	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 LOT-6
Pedestal Fan (Pak Fan 14")	3,650	3,650	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 LOT-6
Ceiling Fan Royal 56"	2,380	2,380	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 LOT-6
Ceiling Fan Royal 56"	2,380	2,380	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 LOT-6
Ceiling Fan Royal 56"	2,380	2,380	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 LOT-6
Ceiling Fan Royal 56"	2,380	2,380	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 LOT-6
Ceiling Fan Royal 56"	2,380	2,380	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 LOT-6
Ceiling Fan Royal 56"	2,380	2,380	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 LOT-6
Ceiling Fan Royal 56"	2,380	2,380	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 LOT-6
Ceiling Fan Royal 56"	2,380	2,380	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 LOT-6
Ceiling Fan Royal 56"	2,380	2,380	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 LOT-6
Ceiling Fan Royal 56" Head Audit	2,380	2,380	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 LOT-6
Bracket Fan 18"	2,473	2,473	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 LOT-6
Bracket Fan 18"	2,473	2,473	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 LOT-6
Bracket Fan 18"	2,473	2,473	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 LOT-6
Exhaust Fan (Pak)	2,158	2,032	126	1,435	1,309	Assets Auction	Hamid Khan-3120279222629 LOT-6
Exhaust Fan (Pak)	2,158	2,032	126	1,435	1,309	Assets Auction	Hamid Khan-3120279222629 LOT-6
Exhaust Fan Pak	2,064	1,875	189	1,435	1,246	Assets Auction	Hamid Khan-3120279222629 LOT-6
Bracket Fan 18" (Pak Fan)	2,500	1,812	688	1,435	747	Assets Auction	Hamid Khan-3120279222629 LOT-6
Exhaust Fan	3,500	2,567	933	1,435	502	Assets Auction	Hamid Khan-3120279222629 LOT-6
Exhaust Fan	3,500	2,567	933	1,435	502	Assets Auction	Hamid Khan-3120279222629 LOT-6
Exhaust Fan 10"	2,325	1,647	678	1,435	757	Assets Auction	Hamid Khan-3120279222629 LOT-6
Exhaust Fan 10"	2,325	1,647	678	1,435	757	Assets Auction	Hamid Khan-3120279222629 LOT-6
Bracket Fan (Pak)	3,860	2,541	1,319	1,435	116	Assets Auction	Hamid Khan-3120279222629 LOT-6
Bracket Fan (Pak)	3,860	2,541	1,319	1,435	116	Assets Auction	Hamid Khan-3120279222629 LOT-6
Bracket Fan (Pak)	3,860	2,541	1,319	1,435	116	Assets Auction	Hamid Khan-3120279222629 LOT-6
Bracket Fan (Pak)	3,860	2,541	1,319	1,435	116	Assets Auction	Hamid Khan-3120279222629 LOT-6
Bracket Fan (Pak)	3,850	2,534	1,316	1,435	119	Assets Auction	Hamid Khan-3120279222629 LOT-6
Bracket Fan (Pak)	3,850	2,534	1,316	1,435	119	Assets Auction	Hamid Khan-3120279222629 LOT-6
Bracket Fan (Pak)	3,850	2,534	1,316	1,435	119	Assets Auction	Hamid Khan-3120279222629 LOT-6
Bracket Fan (Pak)	3,850	2,534	1,316	1,435	119	Assets Auction	Hamid Khan-3120279222629 LOT-6
Bracket Fan (Pak)	3,850	2,534	1,316	1,435	119	Assets Auction	Hamid Khan-3120279222629 LOT-6
Bracket Fan (Pak)	3,850	2,534	1,316	1,435	119	Assets Auction	Hamid Khan-3120279222629 LOT-6
Bracket Fan (Pak)	3,850	2,534	1,316	1,435	119	Assets Auction	Hamid Khan-3120279222629 LOT-6
Bracket Fan (S.K)	3,075	1,656	1,409	1,435	26	Assets Auction	Hamid Khan-3120279222629 LOT-6
Exhaust Fan 10" (Pak)	2,000	1,267	733	1,435	702	Assets Auction	Hamid Khan-3120279222629 LOT-6

Particulars of Assets	Cost	Depreciation	Book Value	Sale Proceed	Gain/Loss	Mode of disposal	Party
Exhaust Fan	3,100	1,834	1,266	1,435	169	Assets Auction	Hamid Khan-3120279222629 - LOT-6
Bracket Fan	2,600	1,560	1,040	1,435	395	Assets Auction	Hamid Khan-3120279222629 - LOT-6
Exhaust Fan (Parwar)	2,500	1,396	1,104	1,435	331	Assets Auction	Hamid Khan-3120279222629 - LOT-6
Sign Board (Back Lit Board)	50,600	48,492	2,108	25,000	22,892	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board)	57,300	53,480	3,820	25,000	21,180	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board)	92,400	80,795	11,605	25,000	13,395	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Tower Bill Board ATM (Bahawalpur Branch)	18,881	15,734	3,147	10,000	6,853	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board)	240,230	170,163	70,067	32,465	(37,602)	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board)	168,625	112,417	56,208	25,000	(31,208)	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board)	38,000	24,067	13,933	10,000	(3,933)	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board)	91,500	51,850	39,650	25,000	(14,650)	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board)	124,500	70,550	53,950	25,000	(28,950)	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board)	41,700	22,240	19,460	10,000	(9,460)	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board)	28,500	14,963	13,538	10,000	(3,538)	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board)	109,176	53,678	55,498	25,000	(30,498)	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Set of Cane table & Chairs	29,177	29,177	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Cabinet Budget Full Height	6,240	6,240	-	5,000	5,000	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
DINNING TABLE WITH 4 Chair	3,492	3,492	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Pedestal Fan Pak	4,200	3,605	595	1,435	840	Assets Auction	Hamid Khan-3120279222629 - LOT-6
Aura Low Back (V C)	6,119	6,119	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Ceiling Fan 56" G.F.C	2,433	2,433	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 LOT-6
Ceiling Fan 56" G.F.C	2,433	2,433	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 LOT-6
Ceiling Fan 56" G.F.C	2,433	2,433	-	1,425	1,425	Assets Auction	Hamid Khan-3120279222629 LOT-6
Ceiling Fan 56" G.F.C	2,433	2,433	-	1,425	1,425	Assets Auction	Hamid Khan-3120279222629 LOT-6
Ceiling Fan (Pak Fan 18")	2,850	2,850	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 LOT-6
Ceiling Fan (Pak Fan 18")	2,850	2,850	-	718	718	Assets Auction	Hamid Khan-3120279222629 LOT-6
Bracket Fan 18"	2,540	2,540	-	1,435	1,435	Assets Auction	Hamid Khan-3120279222629 - LOT-6
Bracket Fan Pak	2,800	2,426	374	1,435	1,061	Assets Auction	Hamid Khan-3120279222629 LOT-6
Exhaust Fan Pak 12"	2,000	1,317	683	1,435	752	Assets Auction	Hamid Khan-3120279222629 LOT-6
Reception Table	2,152	2,152	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Promotion Table 32" x 34"	8,000	7,800	200	50	(150)	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Promotion Table 32" x 34"	8,000	7,800	200	50	(150)	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Drawer	3,965	3,965	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Drawer	3,965	3,965	-	55	55	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Drawer	3,965	3,965	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Drawer	4,980	4,980	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Drawer	5,587	5,587	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Drawer	4,848	4,848	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Drawer	5,499	5,499	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Drawer	5,499	5,499	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Electronic Cash Safe	20,543	20,543	-	13,000	13,000	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Computer Chair	2,902	2,902	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Computer Chair	2,903	2,903	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Computer Chair	5,326	5,326	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Master Visitor Chair	8,684	8,684	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Manager Medium Back Office Chair Room 11 IT Audit	6,387	6,387	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Manager Medium Back Office Chair Room 11 IT Audit	6,387	6,387	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Manager Medium Back Office Chair Room 11 IT Audit	6,387	6,387	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Master Aura VC	7,463	7,463	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Master Aura VC	7,463	7,463	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Master Aura VC	7,463	7,463	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Master Aura VC	4,581	4,581	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Office Chair (Revolving)	3,795	3,795	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Office Chair Steel with Foam	3,793	3,793	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Office Chair Steel with Foam	3,793	3,793	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Office Chair Steel with Foam	3,793	3,793	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Office Chair Steel with Foam	3,793	3,793	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Office Chair Steel with Foam	3,793	3,793	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Office Chair Steel with Foam	3,793	3,793	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Office Chair Steel with Foam	3,793	3,793	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Office Chair Steel with Foam	2,282	2,282	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Revolving Chair	2,188	2,188	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Revolving Chair	3,340	3,340	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Revolving Chair	2,622	2,622	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Master Aura LBC	3,502	3,502	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Master Aura LBC	3,502	3,502	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Master Aura LBC	3,502	3,502	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Computer Chair (Hydraulic Base)	3,502	3,502	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Aura Low Back	6,866	6,866	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Aura Low Back	6,866	6,866	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Aura Low Back	5,957	5,957	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Aura Low Back	5,957	5,957	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Aura Low Back	5,957	5,957	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Aura Low Back	5,957	5,957	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Aura Low Back	5,957	5,957	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Aura Low Back	4,302	4,302	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Aura Low Back	4,302	4,302	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Aura Low Back	4,302	4,302	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30

Particulars of Assets	Cost	Depreciation	Book Value	Sale Proceed	Gain/Loss	Mode of disposal	Party
Aura Low Back	4,302	4,302	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Aura Low Back	4,302	4,302	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Aura Low Back	6,242	6,242	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Aura Low Back	6,242	6,242	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Aura Low Back	6,242	6,242	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Aura Low Back (V C)	6,119	6,119	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Aura Low Back (V C)	4,872	4,872	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Aura Low Back (Revolving Chair)	4,872	4,872	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Aura Low Back (Revolving Chair)	4,872	4,872	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Computer Chair	3,341	3,341	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Computer Chair	4,220	4,220	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Computer Chair	4,220	4,220	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Computer Chair	4,220	4,220	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Bar Chair	4,603	4,603	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Chair Wooden	6,989	6,989	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Office Chair (Wooden)	2,930	2,930	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Office Chairs (Wooden) Room 12 Engineer Room	2,959	2,959	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Office Chairs (Wooden)	2,959	2,959	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Office Chairs (Wooden)	2,959	2,959	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Office Chairs (Wooden)	2,959	2,959	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Office Chairs (Wooden)	2,959	2,959	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Office Chair	4,440	4,440	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Cloth Rack	5,898	5,898	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Cloth Rack	5,898	5,898	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Complaint Box - Wooden	1,300	996	304	100	(204)	Assets Auction	Zardad Khan-3120203023637 LOT-03
Complaint Box - Wooden	1,300	996	304	100	(204)	Assets Auction	Zardad Khan-3120203023637 LOT-03
Complaint Box - Wooden	1,300	996	304	100	(204)	Assets Auction	Zardad Khan-3120203023637 LOT-03
Complaint Box - Wooden	1,300	996	304	100	(204)	Assets Auction	Zardad Khan-3120203023637 LOT-03
Complaint Box Wooden	1,300	942	358	100	(258)	Assets Auction	Zardad Khan-3120203023637 LOT-03
Almirah (wooden)	2,008	2,008	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Almirah (wooden)	2,008	2,008	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Cabinet Budget Full Height	15,131	15,131	-	5,000	5,000	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Cloth Cabinet Iron	16,958	16,958	-	5,000	5,000	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Bed with Foam	2,405	2,405	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Bed with Foam	2,405	2,405	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Single Bed	2,302	2,302	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Single Bed	2,300	2,300	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Single Bed	4,978	4,978	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Single Bed	4,191	4,191	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Single Bed	4,767	4,767	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Single Bed	7,578	7,578	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Single Bed	6,623	6,623	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Single Bed	6,623	6,623	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Security Guard Post	20,500	20,158	342	7,500	7,158	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Aluminium Door	50,325	50,325	-	5,000	5,000	Assets Auction	Muhammad Sajid-3660283121187 LOT-05
Shuttering for Building	1,026,084	1,026,084	-	815,539	815,539	Assets Auction	Muhammad Jmaeel-3120203349231 - LOT-01
Bench	2,593	2,593	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Bench	3,044	3,044	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Bench	2,197	2,197	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Bench	2,197	2,197	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Bench Wooden	2,715	2,715	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Bench Wooden	2,212	2,212	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Wooden Bench	31,370	31,370	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
LED Stand	12,000	10,300	1,700	100	(1,600)	Assets Auction	Muhammad Sajid-3660283121187 LOT-05
Stand Fan 24" G.F.C	3,000	2,975	25	1,435	1,410	Assets Auction	Hamid Khan-3120279222629 LOT-6
Exhaust Fan Pak	2,064	1,875	189	1,435	1,246	Assets Auction	Hamid Khan-3120279222629 LOT-6
Exhaust Fan (Pak)	2,064	1,944	120	1,435	1,315	Assets Auction	Hamid Khan-3120279222629 LOT-6
Exhaust Fan (Pak)	2,064	1,944	120	1,435	1,315	Assets Auction	Hamid Khan-3120279222629 LOT-6
Exhaust Fan (Pak)	2,064	1,944	120	1,435	1,315	Assets Auction	Hamid Khan-3120279222629 LOT-6
Exhaust Fan 12" Pak	2,490	2,096	394	1,435	1,041	Assets Auction	Hamid Khan-3120279222629 LOT-6
Exhaust Fan Pak 12"	2,000	1,467	533	1,435	902	Assets Auction	Hamid Khan-3120279222629 LOT-6
Exhaust Fan Pak 12"	2,000	1,317	683	1,435	752	Assets Auction	Hamid Khan-3120279222629 LOT-6
Exhaust Fan copper 10"	3,000	1,825	1,175	1,435	260	Assets Auction	Hamid Khan-3120279222629 LOT-6
Exhaust Fan copper 10"	3,000	1,825	1,175	1,435	260	Assets Auction	Hamid Khan-3120279222629 LOT-6
Exhaust Fan 10" (Pak)	2,000	1,257	733	1,435	702	Assets Auction	Hamid Khan-3120279222629 LOT-6
Exhaust Fan 12" (Pak)	2,222	1,370	852	1,435	583	Assets Auction	Hamid Khan-3120279222629 LOT-6
Exhaust Fan 12" (G.F.C)	2,222	1,370	852	1,435	583	Assets Auction	Hamid Khan-3120279222629 LOT-6
Exhaust Fan (G.F.C)	2,350	1,410	940	1,435	495	Assets Auction	Hamid Khan-3120279222629 LOT-6
Exhaust Fan 10" Royal	2,100	1,243	858	1,435	578	Assets Auction	Hamid Khan-3120279222629 LOT-6
Exhaust Fan 8" G.F.C	2,015	1,125	890	1,435	545	Assets Auction	Hamid Khan-3120279222629 LOT-6
Exhaust Fan 8" G.F.C	2,015	1,125	890	1,435	545	Assets Auction	Hamid Khan-3120279222629 LOT-6
Exhaust Fan 8" G.F.C	2,015	1,125	890	1,435	545	Assets Auction	Hamid Khan-3120279222629 LOT-6
Carpet (5 x 8)	24,000	24,000	-	500	500	Assets Auction	Muhammad Sajid-3660283121187 LOT-05
Carpet (3 x 5)	9,000	9,000	-	500	500	Assets Auction	Muhammad Sajid-3660283121187 LOT-05

Particulars of Assets	Cost	Depreciation	Book Value	Sale Proceed	Gain/Loss	Mode of disposal	Party
Sign Board (Back Lit Board)	31,900	31,900	-	10,000	10,000	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Safety Grill	40,800	40,120	680	13,500	12,820	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board	14,300	14,300	-	10,000	10,000	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board)	48,125	48,125	-	10,000	10,000	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board)	12,000	12,000	-	10,000	10,000	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board)	37,950	37,950	-	10,000	10,000	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Bill Board (Fly Over, Multan Road Bahawalpur)	130,000	127,833	2,167	25,000	22,833	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Bill Board (One Unit Chowk Bahawalpur)	90,000	88,500	1,500	25,000	23,500	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Bill Board (Baghdad Railway Station Bahawalpur)	90,000	88,500	1,500	25,000	23,500	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board)	43,400	41,592	1,808	10,000	8,192	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board)	37,800	35,595	2,205	10,000	7,795	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board)	74,950	67,455	7,495	25,000	17,505	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board)	54,000	45,000	9,000	25,000	16,000	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board)	72,600	65,710	6,890	25,000	18,110	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board)	61,250	46,959	14,291	25,000	10,709	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board)	25,750	19,527	6,223	10,000	3,777	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board) Gealay Wal	37,775	28,646	9,129	10,000	871	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board)	81,391	59,009	22,382	25,000	2,618	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Rabta Office)	31,660	22,953	8,707	10,000	1,293	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Front Lit)	15,120	10,962	4,158	10,000	5,842	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Front Lit)	17,520	12,702	4,818	10,000	5,182	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Front Lit)	8,880	6,438	2,442	10,000	7,558	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Front Lit)	12,240	8,670	3,570	10,000	6,430	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board)	87,660	62,093	25,568	25,000	(568)	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board)	21,600	14,580	7,020	10,000	2,980	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board)	18,000	12,150	5,850	10,000	4,150	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board) (Old Lahore Garden Town Branch)	60,057	40,038	20,019	25,000	4,981	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board)	44,800	29,120	15,680	10,000	(5,680)	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board)	53,719	34,917	18,802	25,000	6,198	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board)	16,560	10,902	5,658	10,000	4,342	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board)	14,400	9,480	4,920	10,000	5,080	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board)	11,520	7,584	3,936	10,000	6,064	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board)	20,160	13,272	6,888	10,000	3,112	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board)	78,677	48,517	30,160	25,000	(5,160)	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Dual Side)	9,240	5,467	3,773	10,000	6,227	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Islamic)	3,300	1,760	1,540	10,000	8,460	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Sign Board (Back Lit Board)	48,550	25,489	23,061	10,000	(13,061)	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Renovation Expenses	3,246,867	1,190,518	2,056,349	580,580	(1,475,769)	Location Close	Khan Honda
Renovation Expenses	1,977,627	906,413	1,071,214	153,000	(918,214)	Location Close	Branch location closed
Low Base Office Chair (Hydraulic Base)	5,585	5,585	-	400	400	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Grounding - CHT Branch	28,450	28,450	-	-	-	Location Close	Branch location closed
Renovation Expenses of Chishtian Branch	1,769,955	1,234,255	535,700	141,250	(394,450)	Location Close	Branch location closed
IT Infrastructure Cost (Rented Property)	55,000	55,000	-	-	-	Location Close	Branch location closed
Sign Board (Back Lit Board)	101,445	67,630	33,815	7,000	(26,815)	Broken & Sold	Afal Ahmad 3110253272275
Renovation Expenses	1,678,585	935,132	743,453	202,000	(541,453)	Location Close	Branch location closed
Water Drum with Wooden stool IBN branch	2,810	937	1,873	2,750	877	Assets Auction	Hamid Khan-3120279222629 Lot-08
Renovation Expenses	1,873,418	905,486	967,932	155,000	(812,932)	Location Close	Branch location closed
Renovation Expenses of Kehror Pacca Branch	739,577	739,577	-	164,265	164,265	Location Close	Sheikh Shaid Iqbal KPA
Renovation Expenses	2,071,612	1,097,829	973,783	93,500	(880,283)	Location Close	Kashif Glass & Hardware Store DPR
Grounding	32,825	32,825	-	-	-	Location Close	Branch location closed
Celling Fan 56" (Younas)	3,200	2,054	1,146	718	(429)	Assets Auction	Hamid Khan-3120279222629 Lot-6
Renovation Expenses of Jalaipur Pirwala Branch	433,834	433,834	-	60,000	60,000	Location Close	Location closed
IT Infrastructure Cost (Rented Property)	55,000	55,000	-	-	-	Location Close	Location closed
Sign Board (Back Lit Board)	59,997	37,499	22,499	5,000	(17,499)	Assets Auction	Muhammad Qasim-3120202277765 LOT-02
Grounding	31,740	31,740	-	-	-	Location Close	Branch location closed
Renovation Expenses of Shujabad Branch	336,280	336,280	-	-	-	Location Close	Location closed
IT Infrastructure Cost (Rented Property)	55,000	55,000	-	30,000	30,000	Location Close	Location closed
2 No. of Chair & one Table	15,613	15,613	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Drawer	36	36	-	50	50	Assets Auction	Muhammad Rizwan-3120281509787 LOT-30
Sub-total :	19,339,379	12,264,615	7,074,764	8,406,309	(3,668,455)		

Computer Equipment

Computer System (Core i3 3.1 GHz, 4 GB RAM, 250 GB HDD) Risk and compliance department Ho	10,253	10,253	-	2,675	2,675	Assets Auction	Muhammad Irfan-3120257607375 LOT-09
Computer System (Core i3 3.1 GHz, 4 GB RAM, 250 GB HDD) Kalnat ADC Hall	13,003	11,475	1,528	2,675	1,147	Assets Auction	Muhammad Irfan-3120257607375 LOT-09
Computer System (Core i3 3.1 GHz, 8 GB RAM, 250 GB HDD)	12,753	12,267	486	2,675	2,189	Assets Auction	Muhammad Irfan-3120257607375 LOT-09
Dell Vostro 3558 i3 (2.0 GHz, 4 GB Ram, 500 GB HDD, 15.6" Screen) Shakeeb Saqib 03864	44,000	44,000	-	-	-	As Per Policy	
HP Pro Book 450 Core i5 (1.6 GHz, 8 GB Ram, 1 TB Hard Disk) Yousaf Buzdar - Area Manager Islamic Div	78,500	78,500	-	-	-	As Per Policy	HP Pro Book 450 Core i5 (1.6 GHz, 8 GB Ram, 1 TB Hard Disk) Muhammad
HP Pro Book 450 Core i5 8250U (1.6 GHz, 8 GB Ram, 1 TB Hard Disk, Nvidia 930 Max 2 GB) Umar 01099	89,800	89,800	-	-	-	As Per Policy	Handed over to Mr. Muhammad Umar Siddique as per policy
Vivo V11 Mobile (Muhammad Saeed sb) 00872	20,000	17,222	2,778	3,889	1,111	As Per Policy	Saeed Shaheen(00872)
Samsung Galaxy M 31 Head Operation 00015	40,000	26,666	13,334	13,334	-	Cleared to Staff Member	
Mi Note 10 Khalid Masood-02854	25,000	20,139	4,861	18,750	13,889	As Per Policy	Muhammad Asif 06425
Samsung A 12 for Tariq Jabbar - 00042	20,000	12,222	7,778	16,000	8,222	Insurance Claim & Broken	
Oppo F17 for Yousuf Zond sb 01889	25,000	15,278	9,722	11,111	1,389	As Per Policy	

Particulars of Assets	Cost	Depreciation	Book Value	Sale Proceed	Gain/Loss	Mode of disposal	Party
Blackberry 2 10 ()	62,000	62,000	-	1,331	1,331	Assets Auction	Adnan Mughal-4550439405761 - Lot-14
Samsung Galaxy Grand Muhammad Sajid-00052	35,000	35,000	-	-	-	As Per Policy	Samsung Galaxy Grand MUHAMMAD SAJID-00052
Samsung Galaxy Note 3 ()	42,000	42,000	-	1,331	1,331	Assets Auction	Adnan Mughal-4550439405761 Lot-14
IPhone 6 Plus Gold ()	93,500	93,500	-	1,331	1,331	Assets Auction	Adnan Mughal-4550439405761 Lot-14
HP Pro Book 450 Core i5 8250U (1.6 GHz, 8 GB Ram, 1 TB Hard Disk, Nvidia 930 Max 2 GB) Sajjad Ali	89,800	89,800	-	-	-	As Per Policy	HP Pro Book 450 Core i5 8250U (1.6 GHz, 8 GB Ram, 1 TB Hard Disk, Nvidia
Huawei P20 Lite (Husnain Ahmed Islamic Division) Islamic Hall 05471	20,000	20,000	-	-	-	As Per Policy	[Husnain Ahmed Islamic Division] Islamic Hall 05471
HP Pro Book 450 Core i5 8250U (1.6 GHz, 8 GB Ram, 1 TB Hard Disk, Nvidia 930 Max 2 GB) Aamir - 00169	89,800	89,800	-	-	-	Cleared to Staff Member	
Redmi Note 10 For 07632-Regional Head Bahawalpur, Business	25,000	6,250	18,750	20,833	2,083	Cleared to Staff Member	
Dell Vostro 3558 i3 (2.0 GHz, 4 GB Ram, 500 GB HDD, 15.6" Screen) Mujahid Ali AOM 00573	44,000	44,000	-	-	-	As Per Policy	
Vivo Y 15S for Zahid Maqbool 06187	20,000	7,222	12,778	12,778	-	Cleared to Staff Member	Zahid Maqbool 06187
Dell Vostro 3558 i3 (2.0 GHz, 4 GB Ram, 500 GB HDD, 15.6" Screen) Qaiser Jameel AOM 00608	44,000	44,000	-	-	-	As Per Policy	
Samsung A 32 Madsh Husain - 06943	20,000	14,444	5,556	8,333	2,777	As Per Policy	
Oppo F19 Pro Mobile phone for Asif Ali 00128	20,000	6,667	13,333	13,889	556	As Per Policy	
Q Mobile Noir J5 01780 NRSP Field Staff	13,330	13,330	-	-	-	As Per Policy	Q Mobile Noir J5 (NRSP Field Staff) Store
Samsung J5 Prime Fida Hussain-04172	20,000	20,000	-	-	-	As Per Policy	Samsung J5 Prime Fida Hussain-04172
Lap Top (Acer S920) (Core 2 Duo, 2.0 GHz, 2 GB Ram) Malik Abdul Latif	56,714	56,714	-	7,732	7,732	Assets Auction	Muhammad Qasim-3120202277765 Lot-12
HP Pro Book 450 Core i5 (1.6 GHz, 8 GB Ram, 1 TB Hard Disk) Fayyaz Ahmed - Area Manger	78,500	78,500	-	43,175	43,175	Insurance Claim	Laptop theft and insurance claim received
Huawei Y6 II Khalid Mehmood Lohani-02950	20,000	20,000	-	-	-	As Per Policy	Huawei Y6 II (Khalid Lohani) KHALID MAHMOOD LOHANI-02950
Huawei Y7 Prime Fayyaz Ahmad-00779	19,999	19,999	-	-	-	As Per Policy	Huawei Y7 Prime Fayyaz Ahmad-00779
Oppo A54 4-128 Mobile Phone Atta Ur Rehman Yousaf 08000	20,000	5,556	14,444	14,444	-	As Per Policy	Atta ur rehman
HP Pro Book 450 Core i5 (1.6 GHz, 8 GB Ram, 1 TB Hard Disk) Teseen nui Haq 07803	89,800	89,800	-	-	-	As Per Policy	HP Pro Book 450 Core i5 (1.6 GHz, 8 GB Ram, 1 TB Hard Disk) Kamran Huss
Q Mobile Noir J5 01780 Field Staff	13,330	13,330	-	-	-	As Per Policy	Q Mobile Noir J5 (NRSP Field Staff) Store
Oppo F9 (Umer Farooq Khattak 05068 Manager Branchless Banking)05068	20,000	20,000	-	-	-	As Per Policy	(Umer Farooq Khattak 05068 Manager Branchless Banking)05068
HP Pro Book 450 Core i5 (1.6 GHz, 8 GB Ram, 1 TB Hard Disk) Mohammad Yousaf Zond 01889	78,500	78,500	-	-	-	As Per Policy	
Samsung A8 Naveed Ahmed-02510	20,000	20,000	-	1,111	1,111	As Per Policy	Samsung A8 Naveed Ahmad-02510
Dell Vostro 3558 i3 (2.0 GHz, 4 GB Ram, 500 GB HDD, 15.6" Screen) Ehtasham Ahmed 01755	44,000	44,000	-	-	-	Cleared to Staff Member	
Samsung galaxy A 7 Shoukat Ali Bahtti 07732	20,000	2,778	17,222	17,778	556	As Per Policy	
HP Pro Book 450 Core i5 8250U (1.6 GHz, 8 GB Ram, 1 TB Hard Disk,) Ahsan Saeed 02180	89,800	89,800	-	-	-	As Per Policy	Ahsan Saeed 02180
Sub-total:	13,017,667	12,053,824	963,843	1,567,983	604,140		
Grand total:	65,087,463	56,291,909	8,795,554	30,930,855	22,135,301		

NRSP MICROFINANCE BANK LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

Financial results of the Islamic Microfinance Division, as referred to in note 2.2 of the financial statements.
Balance sheet as at December 31, 2023

	2023	2022
	-----Rupees-----	
ASSETS		
Cash and Balances with SBP and NBP	963,345,179	671,676,900
Balances with Other Banks/NBFIs/MFBs	595,028,994	346,979,162
Investment- net of provisions	299,603,688	299,290,476
Islamic Financing and related assets - net of provisions	11,533,837,851	8,411,579,264
Operating fixed assets	388,818,270	411,614,106
Other assets	846,170,795	448,151,660
Total Assets	14,626,804,777	10,589,291,568
LIABILITIES		
Deposits and other accounts		
- Current accounts	2,091,004,107	1,407,205,910
- Saving accounts	1,861,437,144	2,009,989,182
- Term deposits	3,713,855,972	2,498,254,426
	7,666,297,223	5,915,449,518
Other Liabilities	4,392,956,669	3,003,796,082
Total Liabilities	12,059,253,892	8,919,245,600
NET ASSETS	2,567,550,885	1,670,045,968
REPRESENTED BY:		
Islamic Banking Fund	440,000,000	440,000,000
Unappropriated profit	2,127,550,885	1,230,045,968
	2,567,550,885	1,670,045,968
Remuneration of the Shariah Advisor	1,200,000	1,200,000



President / Chief Executive



Chairman



Director

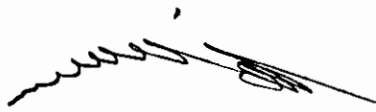


Director

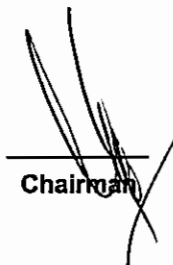
NRSP MICROFINANCE BANK LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

Financial results of the Islamic Microfinance Division, as referred to in note 2.2 of the financial statements.
Profit And Loss Account For The Year Ended December 31, 2023

	2023	2022
	-----Rupees-----	
Profit / return earned	2,314,141,991	1,744,008,177
Profit / return expensed	(719,711,830)	(497,164,047)
Net profit / return / income	1,594,430,161	1,246,844,130
Provisions against non-performing financing	(84,023,219)	(284,114,973)
Bad debts written off directly	(735,711)	(1,438,753)
	(84,758,930)	(285,553,726)
Net return earned after provisions	1,509,671,231	961,290,404
OTHER INCOME		
Fee, Commission and brokerage income	92,061,364	47,376,583
Total other income	1,601,732,595	1,008,666,987
OTHER EXPENSES		
Administrative expenses	(704,227,677)	(622,666,925)
	897,504,918	386,000,062
Extraordinary/unusual items	-	-
PROFIT BEFORE TAXATION	897,504,918	386,000,062



President / Chief Executive



Chairman



Director




Director

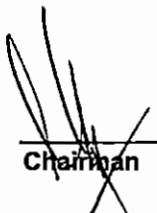
NRSP MICROFINANCE BANK LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

Financial results of the Islamic Microfinance Division, as referred to in note 2.2 of the financial statements.
Statement Of Sources And Uses Of Charity Fund For The Year Ended December 31, 2023

	2023	2022
	-----Rupees-----	
Opening balance	14,783,029	9,595,567
Additions during the period		
- Received from customers on delayed payments	13,571,865	13,583,947
- Non-Shariah compliant income	417,590	805,020
- Profit on charity account	1,263,668	394,062
- Others	-	-
	15,253,123	14,783,029
Payments / utilization during the period		
-Alkhidmat Foundation	2,000,000	9,595,567
-Shaukat Khanum Memorial Trust	2,000,000	-
-Indus Hospital & Health Network	2,500,000	-
-Dost Welfare Foundation	2,000,000	-
-SOS Children's Village of Pakistan	2,000,000	-
-Abdul Sattar Edhi Foundation (ASEF)	2,000,000	-
-Pakistan Foundation Fighting Blindness Organization	1,283,028	-
-Chal Foundation, Blue Area, Islamabad	1,000,000	-
	14,783,028	9,595,567
Closing Balance	<u>15,253,124</u>	<u>14,783,029</u>



President / Chief Executive



Chairman



Director



Director

NRSP MICROFINANCE BANK LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

Financial results of the Islamic Microfinance Division, as referred to in note 2.2 of the financial statements
Notes To The Annexure For The Year Ended December 31, 2023

A-1 As at the year end, the Bank is operating 37 (2022: 40) Islamic branches. Islamic Microfinance Division (IMD) is operating a General pool to manage profit and loss distribution.

FEATURES OF GENERAL POOL

In this pool, savings and terms deposits are accepted on Mudarbah basis. The Bank invests the funds given by account holders in Islamic assets like Murabaha, Ijarah, Diminishing Musharakah, Sukuks and any other Shariah Compliant Investment which are duly approved by the Shariah Advisor. The profit earned is shared on the basis of profit & loss sharing ratio. In case of loss, the same is borne by the depositors in proportionate to their investment and the bank bear the loss of its efforts / services in managing Mudarabah.

The profit of the pool is calculated from the income earned on all the remunerative assets booked by utilizing the funds from pool and is distributed between bank and depositors based on declared sharing ratio. The ratio for Bank (mudarib) and depositors is 50:50 for general pool.

As per policy of the Bank, weightages are declared three days before start of each month. Gift (Hiba) given during the current period Rs.0.00 (2022 Rs.0).

Brief highlights of profit earned and distributed to depositors and retained by IMD are as under:

	2023	2022
	-----Rupees-----	
Gross income / profit	2,383,580,877	1,753,961,669
Administrative expenses of pool	(214,855,328)	(225,442,754)
Net distributable share	<u>2,168,725,549</u>	<u>1,528,518,916</u>
Profit paid to PLS accounts / Certificates	724,099,337	490,137,307
Bank equity share	<u>1,039,706,335</u>	<u>549,224,551</u>
Bank Mudarib Share	<u>404,919,877</u>	<u>489,157,058</u>
Total	<u><u>2,168,725,549</u></u>	<u><u>1,528,518,916</u></u>
Return on average earning assets	26.00%	21.06%
Return on average PLS / Deposits	9.00%	9.99%

All types of direct administrative expenses of General pool are shared with the depositors. However, equity holders have the option to absorb all or part of administrative expenses. All general and specific provisions created against non-performing financing and diminution in the value of investment as under Prudential Regulations and other SBP directives have not been passed on to the PLS depositors. However, income reversals due to classification of assets and losses due to actual write-offs have been considered as expenses of the pool.

	Note	2023	2022
		-----Rupees-----	
A-2 ISLAMIC FINANCING AND RELATED ASSETS-NET			
Murabah financing	A-2.1	8,971,207,951	5,701,162,065
Ijarah under IFAS 2	A-2.2	1,010,137,713	1,288,941,727
Diminishing Musharaka	A-2.3	1,799,559,101	1,601,575,117
Fori Makan GMSS		6,345,940	-
		<u>11,787,250,705</u>	<u>8,591,678,910</u>
Less: Provisions held against non-performing facilities		(253,412,854)	(180,099,646)
		<u><u>11,533,837,851</u></u>	<u><u>8,411,579,264</u></u>

NRSP MICROFINANCE BANK LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2023

Financial results of the Islamic Microfinance Division, as referred to in note 2.2 of the financial statements
 Notes To The Annexure For The Year Ended December 31, 2023

A-2.1 Murabaha

	2023				2022			
	Not later than one year	later than one year but not later than three years	later than three year but not later than five years	Total	Not later than one year	later than one year but not later than three years	later than three year but not later than five years	Total
	Rupees				Rupees			
Murabaha financing - net	4,122,857,127	1,841,800,273	656,611,575	6,621,268,975	3,100,968,746	1,263,488,899	178,253,517	4,542,711,162
Deferred income	883,959,407	837,318,044	628,661,523	2,349,938,974	556,770,083	455,611,599	146,069,218	1,158,450,900
Gross investment in murabaha financing	5,006,816,534	2,679,118,317	1,285,273,098	8,971,207,949	3,657,738,829	1,719,100,498	324,322,735	5,701,162,062

A-2.2 Net book value of Ijarah assets / investment under IFAS 2

	2023				2022			
	Not later than one year	later than one year but not later than three years	later than three year but not later than five years	Total	Not later than one year	later than one year but not later than three years	later than three year but not later than five years	Total
	Rupees				Rupees			
Asset acquired under Ijarah	579,304,944	638,079,377	124,438,154	1,341,822,475	699,554,946	899,973,747	70,114,943	1,669,643,636
Accumulated depreciation on Ijarah	(225,256,724)	(98,275,049)	(8,152,990)	(331,684,763)	(255,432,960)	(123,834,788)	(1,434,161)	(380,701,909)
Minimum Ijarah payments	354,048,220	539,804,328	116,285,164	1,010,137,712	444,121,986	776,138,959	68,680,782	1,288,941,727

A-2.2.1 Net Investment under Ijarah

	2023				2022			
	Not later than one year	later than one year but not later than three years	later than three year but not later than five years	Total	Not later than one year	later than one year but not later than three years	later than three year but not later than five years	Total
	Rupees				Rupees			
Ijarah rentals receivable	191,568,268	473,034,315	144,452,190	809,054,773	258,651,310	653,678,577	82,239,473	994,569,360
Residual value	194,905,328	200,862,809	33,101,787	428,869,922	228,781,786	294,942,584	17,935,996	541,660,366
Minimum Ijarah payments	386,473,594	673,897,124	177,553,977	1,237,924,695	487,433,096	948,621,161	100,175,469	1,536,229,726
Profit for future periods	(32,425,373)	(134,092,796)	(61,268,813)	(227,786,982)	(43,311,109)	(172,482,202)	(31,494,687)	(247,287,998)
Net Assets / investment in Ijarah	354,048,221	539,804,328	116,285,164	1,010,137,713	444,121,987	776,138,959	68,680,782	1,288,941,728

A-2.3 Diminishing Musharaka

	2023				2022			
	Not later than one year	later than one year but not later than three years	later than three year but not later than five years	Total	Not later than one year	later than one year but not later than three years	later than three year but not later than five years	Total
	Rupees				Rupees			
Diminishing Musharaka investment	151,173,464	1,008,441,948	639,943,689	1,799,559,101	58,837,752	423,305,387	1,119,431,978	1,601,575,117
Net Assets / investment in Ijarah	151,173,464	1,008,441,948	639,943,689	1,799,559,101	58,837,752	423,305,387	1,119,431,978	1,601,575,117

Financial results of the Islamic Microfinance Division, as referred to in note 2.2 of the financial statements
Notes to the Annexure FOR THE YEAR ENDED DECEMBER 31, 2023

A-3 MATURITY PROFILES OF FUNDS

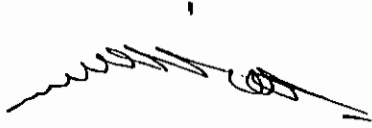
Maturity profile of funds mobilised under various modes:

	2023						Total
	Upto 1 month	Over 1 month upto 3 months	Over 3 month upto 6 months	Over 6 month upto 1 year	Over 1 year upto 2 year	Over 2 year upto 3 year	
Term accounts	54,110,000	117,135,000	1,159,188,794	1,846,739,800	314,919,378	221,763,000	3,713,855,972
Saving accounts	1,861,437,144	-	-	-	-	-	1,861,437,144
	<u>1,915,547,144</u>	<u>117,135,000</u>	<u>1,159,188,794</u>	<u>1,846,739,800</u>	<u>314,919,378</u>	<u>221,763,000</u>	<u>5,575,293,116</u>
	2022						Total
	Upto 1 month	Over 1 month upto 3 months	Over 3 month upto 6 months	Over 6 month upto 1 year	Over 1 year upto 2 year	Over 2 year upto 3 year	
Term accounts	294,858,048	56,067,000	216,260,000	581,482,000	875,018,500	474,568,878	2,498,254,426
Saving accounts	2,009,989,182	-	-	-	-	-	2,009,989,182
	<u>2,304,847,230</u>	<u>56,067,000</u>	<u>216,260,000</u>	<u>581,482,000</u>	<u>875,018,500</u>	<u>474,568,878</u>	<u>4,508,243,608</u>

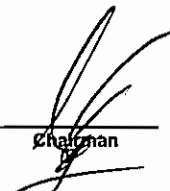
A-4 Sectors of economy/business where Mudarbah based deposits have been deployed:

All earning assets of Islamic banking group are jointly financed by Unrestricted Investments/PLS deposits account holders and the Bank. Detail of jointly financed gross earning assets are:

	2023	2022
	Rupees	
Agri business	3,492,807,478	2,458,097,563
Livestock and Dairy farming	395,101,493	426,871,504
Micro enterprises and Others	7,901,888,032	5,706,909,843
	11,789,797,003	8,591,878,910
GOP Ijarah Sukuk	299,603,688	298,978,743
	<u>12,089,400,691</u>	<u>8,890,657,653</u>



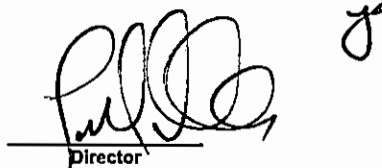
President / Chief Executive



Chairman



Director



Director