



## FIRST CAPITAL EQUITIES LIMITED

### CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED

DECEMBER 31, 2009

## MISSION

Our mission is to strive to become the **Leading Brokerage and its Related Business Company and Best Employer** in each market that we operate. We will adhere to the following principles and provide execution to direct our future. We shall experience growth through building quality relationships, knowledge, service and innovation.

### *Dedicated to Make it Happen*

- CLIENTS:** We will offer every Client: Fast & Friendly Service, Commitment, Cleanliness, Dedication, Excellence, & Trust.
- ASSOCIATES:** We will offer every associate: Development, Loyalty, Opportunities, Open-Door, Teamwork, Training, & Benefits.
- IMAGE:** We will operate every facility: Professionally, Helpful, Positive, Bright, Clean, & Consistent.
- COMMUNITY:** We will offer every community: Involvement, Support, Stability, Respect, Assistance & Environmental Awareness.
- STANDARDS:** We will operate our business: Ethically, Competitively, Safely, Innovative, with High Expectations, & Quality Products.

## VISION

Our Vision is linked with our Mission to be the **Leading Brokerage and its Related Business Company and Best Employer** in each market we operate. Our Vision will guide and direct us towards our mission, and communicates what we believe in as an operations group.

### *We Believe In*

- Obligation to serve the *Shareholders' Interest*
- Providing Clients with *Consistent Outstanding Services*
- Showing and encouraging *Teamwork*
- Maintaining and developing high standards of *Image*
- Treating people with *Respect*
- Creating and developing a *Positive Environment*
- Building a *Reputation For Success*
- Providing services with the *Highest Quality*
- Operating with the highest *Integrity & Honesty*
- Exploring and encouraging *New & Innovative Ideas*
- Providing positive *Recognition & Reinforcement*
- Becoming a dependant fiber in every *Community*
- Continue to focus our associates with *Development & Training*
- Building and consistently growing overall *Revenues*
- Provide every Client with a *Pleasant Experience*
- Stay focused on our business by *Listening Intently*

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## FIRST CAPITAL EQUITIES LIMITED

### COMPANY INFORMATION

<b>Board of Directors</b>	Mian Ehsan ul Haq <i>Chairman &amp; Chief Executive Officer</i>
	Farooq Bin Habib Ashraf Liaquat Ali Khan Samira Ahmad Zia Ahsan Zia Mazhar Abbas Muhammad Zubair Khalid
<b>Chief Financial Officer</b>	Mazhar Abbas
<b>Audit Committee</b>	Samira Ahmad Zia (Chairperson) Muhammad Zubair Khalid Ahsan Zia
<b>Company Secretary</b>	Syed Akbar Naqi Zaidi
<b>Auditors</b>	Nasir Javaid Maqsood Imran Chartered Accountants
<b>Legal Adviser</b>	Tassawur Ali Hashmi Advocates, Karachi
<b>Bankers</b>	Arif Habib Bank Limited Askari Bank Limited Bank Alfalah Limited Bank Al Habib Limited Faysal Bank Limited Habib Bank Limited Habib Metropolitan Bank Limited JS Bank Limited KASB Bank Limited MCB Bank Limited Mybank Limited NIB Bank Limited Saudi Pak Commercial Bank Limited Soneri Bank Limited Standard Chartered Bank (Pakistan) Limited United Bank Limited
<b>Registered Office</b>	103-C/II, Gulberg-III Lahore, Pakistan Tele: +92-42-35757591-4 Fax: +92-42-35757590, 35877920
<b>Main Corporate Office</b>	4 <sup>th</sup> Floor, Block B, C & D Lakson Square Building No.1 Sarwar Shaheed Road, Karachi Tele: +92-21-111 226 226 Fax: +92-21-35656710
<b>Registrar and Shares Transfer Office</b>	Corplink (Pvt.) Limited Wings Arcade,1-K, Commercial Model Town, Lahore Tele: +92-42-35839182

## DIRECTORS' REVIEW

The Directors of the Company are pleased to present the condensed interim financial report of the First Capital Equities Limited (the "Company") for the half year ended December 31, 2009.

## CAPITAL MARKET REVIEW

Pakistan stock market, as represented by KSE-100 index, generated healthy gain of 31 % in the first six months of FY10. That said, the benchmark index gained 2,225 points in 6MFY10 to close the period at 9,386.90 points level. The market capitalization ended the period at PRs 2.7 tn (US\$ 32 bn), up by 28 % or PRs 585 bn. While there has been steady improvement in the key macro economic indicators (recovery in some sectors, falling inflation rate and improved external position), various risks are still tagged with the economic outlook of the country that kept investors' confidence at low, specifically in the later half of the period under review. The security risks post Waziristan operation and political hiccups amid NRO controversy repelled bulls at KSE. Rising oil prices is one of the key concerns posing serious threat to the inflation numbers and external position of the country. That said, the performance of KSE-100 index in 2QFY10 remained subdued by posting only 40bps improvement.

The level of trading activity during the period under review improved notably by 4x with the average daily turnover recorded at 173 mn shares (PRs 8.7 bn or US\$ 104 mn) in the ready market. This unusual improvement was mainly due to the low base effect where the trading activity during the comparable period of last year remained almost halted in the wake of price floor placed by the Board of Karachi Stock Exchange.

## FINANCIAL HIGHLIGHTS

Following is the key financial highlights of your Company for the period;

Particulars	July to Dec 2009	July to Dec 2008
	Rupees	
Brokerage and operating income	74,891,221	323,023,782
Capital gain / (loss) net	195,967	(7,308,828)
Income from placements	137,128,886	254,045,661
Income on continuous funding system placements	-	339,418
Other operating income	4,060,617	68,897,377
Unrealized gain / (loss) on re-measurement of investments at fair value through profit or loss	20,666,516	(104,607,339)
(Loss) / profit after taxation	(123,495,440)	8,198,907
(Loss) / Earnings Per Share	(1.14)	0.08

Brokerage revenue of your Company registered a decline of 77 % at Rs 75 million during the period under review. However, the impact of lower operating revenues was somehow reduced by the gain of Rs 20 million (realized and unrealized) on stock market investments, booked by your company. Moreover, the income from placement dropped by 46 % to Rs 137 million. Operating expenses increased by a meager 6 % to PRs 106 mn. Furthermore, financial charges of your company remained 36 % lower at PRs 253 mn, which provided due support to the

underlying earnings of your Company. On net basis, due to the cumulative effect of the factors discussed above, the bottom line of Your Company remained negative with a net loss of PRs 124 mn.

Going forward, your Company's focused strategy would be based on providing quality service, broadening client base and controlling cost. With the improved macro-economic condition and revival in the stock market, the management of your Company is committed to improve the revenue base and recover the losses.

## FUTURE OUTLOOK

Your Company continued the process of obtaining membership of Commodity Brokerage and necessary regulatory and corporate formalities are being completed in this regard. Due to current capital market conditions your Company has also put on hold the options of raising funds through issue of securities by way of listing on KSE and/or Dubai Stock Exchange and plans of expansion in areas of Real Estate Investment Trust and Investment Finance Services. Once the market conditions improve, the said option will be re-evaluated.

With the improved conditions in the economy and capital markets the management of your Company is committed to substantiate revenues and bring down the losses.

## ACKNOWLEDGEMENT

The Board of Directors wish to place on record their thanks and appreciation to all the shareholders and the banks for their continued valuable support. The Board also wishes to place on record its appreciation for the guidance and support extended by the Securities and Exchange Commission of Pakistan as well the Lahore Stock Exchange (Guarantee) Limited and Karachi Stock Exchange (Guarantee) Limited. Finally, the Board would like to record its appreciation to all the staff members for their continued hard work.

For and on behalf of the Board

Lahore  
February 23, 2010

  
Mian Ehsan Ul Haq  
Chairman and Chief Executive Officer

**FIRST CAPITAL EQUITIES LIMITED  
INDEPENDENT REPORT ON REVIEW OF  
CONDENSED INTERIM FINANCIAL INFORMATION  
TO THE MEMBERS OF FIRST CAPITAL EQUITIES LIMITED**

We have reviewed the accompanying condensed interim balance sheet of **First Capital Equities Limited**, as at **31 December 2009**, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income and condensed interim cash flow statement, condensed interim statement of changes in equity for the half-year then ended (here-in-after referred to as "Interim Financial Information"), and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for the quarters ended 31 December 2008 and 2009 have not been reviewed, as we are required to review only the cumulative figures for the half year ended 31 December 2009.

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as at and for the half year ended 31 December 2009 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan relating to interim financial reporting.

Place : Lahore  
Date : February 23, 2010

**NASIR JAVAID MAQSOOD IMRAN  
CHARTERED ACCOUNTANTS  
MUHAMMAD MAQSOOD**

**FIRST CAPITAL EQUITIES LIMITED  
CONDENSED INTERIM BALANCE SHEET  
AS AT DECEMBER 31, 2009**

Note	Un-Audited	Audited
	December 31, 2009	June 30, 2009
	Rupees	Rupees
<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>		
	Property and equipment	111,306,191
	Stock exchange membership card and room	40,700,000
5	Investments - available for sale	621,022,032
	Long term deposits and advances	2,791,831
	<b>1,333,963,733</b>	<b>775,820,054</b>
<b>CURRENT ASSETS</b>		
6	Investment Properties	-
7	Trade debts - Unsecured	3,097,150,519
8	Investments	509,178,747
9	Advances, deposits, prepayments and other receivables	41,547,026
	Advance income tax	44,799,096
	Placements	1,640,821,717
	Interest accrued	17,071,085
	Cash and bank balances	7,374,395
	<b>5,436,844,502</b>	<b>5,357,942,585</b>
	<b>6,770,808,235</b>	<b>6,133,762,639</b>
<b>TOTAL ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>SHARE CAPITAL AND RESERVES</b>		
	Authorised share capital	1,100,000,000
	Issued, subscribed and paid up share capital	1,080,315,000
	Reserves	499,254,882
	Unappropriated profit	131,408,664
	<b>2,055,777,578</b>	<b>1,710,978,546</b>
<b>TOTAL EQUITY</b>		
<b>NON CURRENT LIABILITIES</b>		
10	Long term financing	7,000,000
	Staff retirement benefits	26,770,463
	<b>1,265,164,784</b>	<b>33,770,463</b>
<b>CURRENT LIABILITIES</b>		
	Trade and other payables- Unsecured	339,308,293
	Liabilities against repurchase agreements - Secured	681,400,430
11	Short term borrowings - Secured	3,140,936,523
	Current portion of long term financing	40,000,000
	Interest accrued	166,864,292
	Provision for taxation	20,504,092
	<b>3,449,865,874</b>	<b>4,389,013,630</b>
<b>CONTINGENCIES AND COMMITMENTS</b>		
12		-
	<b>6,770,808,235</b>	<b>6,133,762,639</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

Lahore

Chief Executive

Director

**FIRST CAPITAL EQUITIES LIMITED**  
**CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - (Un-audited)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2009**

Note	SIX MONTHS ENDED		THREE MONTHS ENDED	
	July-Dec 2009	July-Dec 2008	Oct-Dec 2009	Oct-Dec 2008
	Rupees	Rupees	Rupees	Rupees
<b>INCOME</b>				
Brokerage and operating income	74,891,221	323,023,782	33,381,753	156,233,359
Capital gain / (loss) - net	195,967	(7,308,828)	53,204	318,010
Income from Placements	137,128,886	254,045,661	65,452,619	133,812,919
Income on continuous funding system placements	-	339,418	-	339,418
Other operating income	4,060,617	68,897,377	3,038,141	63,121,211
	<u>216,276,691</u>	<u>638,997,410</u>	<u>101,925,717</u>	<u>353,824,917</u>
Unrealized gain / (loss) on re-measurement of investments at fair value through profit or loss	20,666,516	(104,607,339)	(63,818,773)	(21,848,593)
	<u>236,943,207</u>	<u>534,390,071</u>	<u>38,106,944</u>	<u>331,976,324</u>
<b>EXPENDITURE</b>				
Operating expenses	105,491,678	100,514,247	55,398,574	41,756,216
Finance costs	253,312,708	397,186,546	129,855,792	217,069,092
	<u>358,804,386</u>	<u>497,700,793</u>	<u>185,254,366</u>	<u>258,825,308</u>
<b>(LOSS) / PROFIT BEFORE TAXATION</b>				
	<u>(121,861,179)</u>	<u>36,689,278</u>	<u>(147,147,422)</u>	<u>73,151,016</u>
Taxation	1,634,261	28,490,370	744,042	23,600,655
<b>(LOSS) / PROFIT AFTER TAXATION</b>				
	<u>(123,495,440)</u>	<u>8,198,907</u>	<u>(147,891,464)</u>	<u>49,550,360</u>
<b>(LOSS) / EARNINGS PER SHARE - BASIC</b>				
14	<u>(1.14)</u>	<u>0.08</u>	<u>(1.37)</u>	<u>0.46</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

Lahore

Chief Executive

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Director

**FIRST CAPITAL EQUITIES LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME-**  
**(Un-audited)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2009**

	SIX MONTHS ENDED		THREE MONTHS ENDED	
	July-Dec 2009	July-Dec 2008	Oct-Dec 2009	Oct-Dec 2008
	Rupees	Rupees	Rupees	Rupees
(Loss) / profit after taxation	(123,495,440)	8,198,907	(147,891,464)	49,550,360
<b>Other comprehensive income</b>				
Surplus / (deficit) on remeasurement of available for sale of financial assets - net of tax	468,294,472	-	(70,549,546)	-
<b>Total comprehensive income / (loss) for the period</b>				
	<u>344,799,032</u>	<u>8,198,907</u>	<u>(218,441,010)</u>	<u>49,550,360</u>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial statements.

Lahore

Chief Executive

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Director

**FIRST CAPITAL EQUITIES LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT - (Un-audited)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2009**

	Jul-Dec 2009 Rupees	Jul-Dec 2008 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
(Loss) / profit before taxation	(121,861,179)	36,689,278
<b>Add: Items not involved in movement of funds</b>		
Depreciation	6,422,442	8,963,555
(Gain) / loss on re-measurement of investments at fair value through profit or loss - net	(20,666,516)	104,607,339
Provision for bonus written back	-	(40,519,983)
Provision for bad debts	25,000,000	-
Dividend income	(1,227,234)	(224,169)
Interest accrued	(137,685,392)	(259,051,107)
Interest expense	253,312,708	397,186,546
(Gain) / loss on sale of property and equipment	(1,000,000)	(17,696,923)
Gain on foreign currency translation	(343,126)	(1,176,120)
Provision for gratuity	5,157,000	2,542,544
	<b>128,969,882</b>	<b>194,631,682</b>
	<b>7,108,703</b>	<b>231,320,960</b>
<b>(Increase) / decrease in current assets</b>		
Investments at fair value through profit or loss	109,123,993	(260,177)
Trade debts - Unsecured	422,433,429	(1,381,832,818)
Advances, deposits, prepayments and other receivables	8,364,493	917,659,223
	<b>539,921,915</b>	<b>(464,433,772)</b>
<b>Increase / (decrease) in current liabilities in trade and other payables</b>	<b>383,326,296</b>	<b>111,926,785</b>
<b>Cash generated / (use in) operations</b>	<b>930,356,915</b>	<b>(121,186,027)</b>
Dividend received	1,227,234	224,169
Interest received	150,834,698	255,222,768
Finance cost paid	(295,376,876)	(314,293,403)
Gratuity paid	(669,000)	(447,366)
Taxes paid	(2,358,956)	(6,106,432)
<b>Net cash generated / (used in) operating activities</b>	<b>784,014,016</b>	<b>(186,586,291)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(69,650)	(65,469,863)
Proceeds from sale of property and equipment	3,800,000	458,750,307
Investments properties	(874,228,769)	-
Investment available for sale	(98,802,000)	-
Placements	242,358,348	(558,605,925)
Long term deposits and advances	(200,000)	359,500
<b>Net cash used in investing activities</b>	<b>(727,142,071)</b>	<b>(164,965,981)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term finance obtained	1,683,187,599	-
Liabilities against repurchase agreements	(48,000,430)	328,090,079
Short term borrowings	(1,688,744,977)	(109,038,771)
<b>Net cash (used) in / generated from financing activities</b>	<b>(53,557,809)</b>	<b>219,051,308</b>
Effects of exchange rate changes in cash and cash equivalents	345,417	1,176,120
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>3,659,553</b>	<b>(131,324,844)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>7,374,395</b>	<b>334,956,769</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>11,033,948</b>	<b>203,631,925</b>

The annexed notes from 1 to 16 form an integral part of these condensed interim financial information.

Lahore

Chief Executive

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Director

**FIRST CAPITAL EQUITIES LIMITED**  
**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (Un-audited)**  
**FOR THE HALF YEAR ENDED DECEMBER 31, 2009**

Issued, sub-scribed and paid up capital	Capital reserve			Revenue reserve	Total
	Share premium	Reserve for issue of bonus shares	Fair value reserve	Un-appropriated profit	
Rupees					
<b>Balance as at June 30, 2008</b>	864,252,000	90,026,250	-	637,624,432	1,591,902,682
Transfer to reserve for issue of bonus shares	-	(90,026,250)	216,063,000	(126,036,750)	-
Profit for the period after taxation	-	-	-	8,198,907	8,198,907
<b>Distribution to owners</b>					
Bonus shares issued - 25% during the period	216,063,000	-	(216,063,000)	-	-
Total transaction with owners	216,063,000	-	(216,063,000)	-	-
<b>Balance as at December 31, 2008</b>	<b>1,080,315,000</b>	<b>-</b>	<b>-</b>	<b>519,786,589</b>	<b>1,600,101,589</b>
<b>Total comprehensive income for the period</b>					
Loss for the period after taxation	-	-	-	(388,377,925)	(388,377,925)
<b>Other comprehensive income for the period</b>					
Surplus on remeasurement of investment available for sale to fair value	-	-	-	499,254,882	499,254,882
Total other comprehensive income for the period - net of tax	-	-	-	499,254,882	499,254,882
Total comprehensive income for the period	-	-	-	499,254,882	(388,377,925) 110,876,957
<b>Balance as at June 30, 2009</b>	<b>1,080,315,000</b>	<b>-</b>	<b>-</b>	<b>499,254,882</b>	<b>131,408,664 1,710,978,546</b>
<b>Total comprehensive income for the period</b>					
Loss for the period after taxation	-	-	-	(123,495,440)	(123,495,440)
<b>Other comprehensive income for the period</b>					
Surplus on remeasurement of investment available for sale to fair value	-	-	-	468,294,472	468,294,472
Total other comprehensive income for the period - net of tax	-	-	-	468,294,472	468,294,472
Total comprehensive income for the period	-	-	-	468,294,472	(123,495,440) 344,799,032
<b>Balance as at December 31, 2009</b>	<b>1,080,315,000</b>	<b>-</b>	<b>-</b>	<b>967,549,354</b>	<b>7,913,224 2,055,777,578</b>

The annexed notes from 1 to 16 form an integral part of these condensed financial statements.

Lahore:

Chief Executive

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Director

**FIRST CAPITAL EQUITIES LIMITED  
NOTES TO THE CONDENSED INTERIM FINANCIAL  
INFORMATION - (Un-audited)  
FOR THE HALF YEAR ENDED DECEMBER 31, 2009**

**1 THE COMPANY AND ITS OPERATIONS**

First Capital Equities Limited, (the "Company") was incorporated on January 26, 1995 as private limited company, under the Companies Ordinance, 1984. The Company was converted into Public Limited Company on June 18, 1997 and is listed on Lahore Stock Exchange. The principal activities of the Company include share brokerage and conducting / publishing business research.

The registered office of the Company is located at 103 C-II, Gulberg III, Lahore.

**2 BASIS OF PREPARATION**

This condensed interim financial information is un-audited and is being presented to shareholders under section 245 of Companies Ordinance, 1984 and has been prepared in accordance with the requirements of International Accounting Standards (IAS) 34 'Interim Financial Reporting'.

**3 ACCOUNTING POLICIES**

Accounting policies adopted for the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual financial statements of the company for the year ended 30 June 2009. In accordance with revised International Accounting Standard (IAS) 1 "Presentation of Financial Statements" which is applicable for accounting years beginning on or after January 01, 2009, 'non-owner changes in equity' have been presented separately as "Condensed Statement of Comprehensive Income" thereby separated from owner changes in equity classified under "Condensed Statement of Changes in Equity".

Property held to earn rentals or for capital appreciation or for both is classified as investment property. Investment property comprises freehold land and buildings on freehold land. Investment property is carried at cost.

**4. ESTIMATES**

The preparation of the condensed interim financial information requires management to make adjustments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates. The significant judgments made by the management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended June 30, 2009.

**5 INVESTMENTS - AVAILABLE FOR SALE**

	December 31, 2009	June 30, 2009
	Rupees	Rupees
Media Times Limited	719,824,032	121,767,150
Surplus on remeasurement of investment available for sale to fair value	468,294,472	499,254,882
	<u>1,188,118,503</u>	<u>621,022,032</u>

This represents 22,905,697 ordinary shares of Rs. 10/- each in Media Times Limited (MDTL) representing 17.08 % of the issued capital of Media Times Limited. The company is a public limited company incorporated in Pakistan and is also listed on Karachi and Lahore Stock Exchange.

**6 INVESTMENT PROPERTIES**

	December 31, 2009	June 30, 2009
	Rupees	Rupees
Investment properties	<u>874,228,769</u>	-

This represent the properties purchased at various shopping malls, which is under mortgage by banks against the borrowings by the Company. Certain properties have been transferred in the name of Company whereas the transfer of titles of remaining properties is in process.

**7 TRADE DEBTS - UNSECURED**

Note	December 31, 2009	June 30, 2009
	Rupees	Rupees
Trade debts against purchase of shares:		
considered good:		
Clients	2,649,102,298	3,097,107,830
Members	114,792	42,689
	<u>2,649,217,090</u>	3,097,150,519
considered doubtful:		
Clients	106,235,840	81,235,840
Members	3,911,979	3,911,979
	<u>110,147,819</u>	85,147,819
Less: Provision for doubtful debts	7.1 (110,147,819)	(85,147,819)
	<u>2,649,217,090</u>	<u>3,097,150,519</u>

**7.1 Provision for doubtful debts**

Opening balance	85,147,819	85,163,149
Provision for doubtful debts written back	-	(15,330)
Charge for the period / year	25,000,000	-
Closing Balance	<u>110,147,819</u>	<u>85,147,819</u>

This includes an amount of Rs. 167,944,259/- (June 2009 Rs. 167,944,259/-) receivable from related party, Mr. Sulieman Ahmad Said Al-Houqani.

## 8 INVESTMENTS

	December 31, 2009 Rupees	June 30, 2009 Rupees
<b>At fair value through profit or loss</b>		
Quoted equity securities		
Carrying value / cost of investments	400,054,754	493,318,532
Unrealised gain / (loss) on remeasurement of investments	20,666,516	(130,258,735)
	<u>420,721,270</u>	<u>363,059,797</u>
Unquoted equity securities		
	-	146,118,950
	<u>420,721,270</u>	<u>509,178,747</u>

## 9 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

This includes an amount of Rs. 14,227,784/- (June 2009 : Rs. 14,107,309) as exposure deposited with the Karachi Stock Exchange (Guarantee) Limited under the Exposure Rules.

## 10 LONG TERM FINANCING - SECURED

	December 31, 2009 Rupees	June 30, 2009 Rupees
Term finance facility	1,730,187,599	47,000,000
Less: Current portion shown under current liability	496,281,278	40,000,000
	<u>1,233,906,321</u>	<u>7,000,000</u>

During the period the Company has entered into an agreement with United Bank Limited to restructure the NICF amount converted into NIDF facility with a flat mark up rate of 8 % p.a. The facility is secured against the pledge of shares, charge over trade receivable and equitable mortgage of certain properties.

	December 31, 2009 Rupees	June 30, 2009 Rupees
<b>11 SHORT TERM BORROWING - Secured</b>	<u>1,452,191,546</u>	<u>3,140,936,523</u>

These facilities have been obtained from various commercial banks under mark up arrangements amounting to Rs 2,365 million (June 2009 : Rs 4,365 million). These facilities carry mark up at rate ranging from 3 to 6 months KIBOR plus 3 % to 5 % per annum payable quarterly (June 2009 : 2.5 % to 5 % per annum) with floor limits ranging from 14.37 % to 17.76 % per annum (June 2009: 14.49 % to 19.52 % per annum).

## 12 CONTINGENCIES AND COMMITMENTS

There is no change in contingencies and commitments disclosed in the annual financial statements for the year ended June 30, 2009 except for the following:

### COMMITMENTS

	December 31, 2009 Rupees	June 30, 2009 Rupees
Sale of Shares	423,345,668	213,360,116
Purchase of shares	391,739,085	224,806,739

## 13 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise parent company, related group companies, local associated undertakings, directors, key management personnel and their close family members. Transactions with related parties and associated undertakings other than remuneration and benefits to key management personnel under the terms of their employment are as follows:

Six Months Ended December 31, 2009			
Associated Company	Parent Company	Key management personnel of the entity, its parents and their close family members	Other Related Parties
Rupees			
Brokerage Income	-	735,106	2,452
Purchase of property	-	323,115,360	-

Brokerage Income	-	735,106	2,452	-
Purchase of property	-	323,115,360	-	-

Six Months Ended December 31, 2008			
Associated Company	Parent Company	Key management personnel of the entity, its parents and their close family members	Other Related Parties
Rupees			
Brokerage Income	-	592,743	98,696
Repurchase agreement arrangement fee	-	13,417	-
Placements entered and rolled over	-	60,000,000	-
Placements matured	-	60,000,000	-
Income earned on placements	-	1,426,684	-
Repurchase agreement entered and rolled over	-	32,200,000	-
Mark up on repurchase agreement	-	657,137	-

Brokerage Income	-	592,743	98,696	7,611,214
Repurchase agreement arrangement fee	-	13,417	-	2,929,167
Placements entered and rolled over	-	60,000,000	-	1,140,000,000
Placements matured	-	60,000,000	-	455,000,000
Income earned on placements	-	1,426,684	-	158,200,480
Repurchase agreement entered and rolled over	-	32,200,000	-	-
Mark up on repurchase agreement	-	657,137	-	-

13.1 The amount due to / due from related parties are disclosed in respective notes to the financial information.

13.2 Other related parties include Mr. Sulieman Ahmad Said Al-Houqani.

**14 EARNINGS PER SHARE - BASIC AND DILUTED**

	<u>July 01, 2009 to December 31, 2009</u>	<u>July 01, 2008 to December 31, 2008</u>
(Loss) / profit after taxation attributable to ordinary share holders - Rupees	<u>(123,495,440)</u>	<u>8,198,907</u>
Weighted average number of ordinary shares - Number	<u>108,031,500</u>	<u>108,031,500</u>
(Loss) / Earnings per share - Basic (Rupees per share)	<u>(1.14)</u>	<u>0.08</u>

**14.1** No figure for diluted earnings per share has been disclosed as the Company has not issued any instrument which would have an impact on earnings per share, when exercised.

**15 DATE OF AUTHORIZATION**

This condensed interim financial information was authorized for issue by the Board of Directors on February 23, 2010.

**16** Figures have been rounded off to the nearest rupee.

Lahore

  
Chief Executive

  
Director