



## FIRST CAPITAL EQUITIES LIMITED

### CONDENSED INTERIM FINANCIAL INFORMATION FOR THE NINE MONTHS ENDED

MARCH 31, 2010

## 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 Silk 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 First Capital Equities Limited (the "Company") are pleased to present the condensed interim financial report of the Company for the nine months ended March 31, 2010.

## CAPITAL MARKET REVIEW

The performance of Pakistan equity market, as represented by KSE - 100 index, remained upbeat during the initial nine months of Financial Year 2010. That said, the benchmark KSE - 100 posted a healthy gain of 42 % to end the period at 10,178 points level. Market capitalization increased by 36 % to Rs 2.89 trillion from that of Rs 2.12 trillion as on June 30, 2009. During the period, the trading activity improved significantly by 114 % with average daily volumes of 172 mn shares (Rs 7.92 billion or US\$ 95 million) in the ready market. This remarkable improvement in the trading activity was mainly due to the low base effect as 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.

Growing signs of economic recovery, achievement of targets set by the IMF - resulting in much needed dollar inflows - and democratic resolution of key political issues were the primary factors behind investors' restorative confidence in Pakistan market. The intensity of the political issues has been notably reduced with the resolution of major and core issues like cancellation of the NRO that had the potential to destabilize the entire democratic system. The above-mentioned factors alongwith cheap valuations of KSE-100 relative to the regional markets also resulted in renewed interest of foreign investors which further supported the buying spree at KSE.

While it has already generated healthy return, Pakistan market still provides some interesting buying opportunities, we believe. In absolute terms Pakistan valuation indicators such as PE and PBV are overwhelmingly attractive in Frontier Markets, and the same is true for valuation metrics when measured against emerging markets. We believe that the Pakistan equity market is one amongst very few markets around the world looking poised to advance on a long-term bull phase over the next several years. Pakistan's outlook is supported by a plethora of fundamental drivers. We are of the view that economic recovery, political stability, successful operations against militants, falling interest rates, external inflows (IMF, Kerry-Lugar, Friends of Pakistan) and improved domestic liquidity should help support Pakistan stock valuations.

## FINANCIAL HIGHLIGHTS

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

Particulars	July to Mar 2010	July to Mar 2009
	Rupees	
Brokerage and operating income	118,211,870	428,672,289
Capital gain net	9,667,760	10,883,952
Income from placements	190,823,154	316,632,722
Income on continuous funding system placements	-	437,979
Other operating income	7,433,779	74,122,013
Unrealized gain / (loss) on re-measurement of investments at fair value through profit or loss	32,555,255	(129,189,830)
Loss after taxation	(189,002,242)	(212,819,110)
Earnings Per Share	(1.75)	(1.97)

At Rs 118 million, the brokerage revenue of your Company depicted a decline of 72% over that of Rs 429 million in the corresponding period of last year. Nevertheless, the impact of lower operating revenues was somehow mitigated by a gain of Rs 42 million (realized and unrealized)

on stock market investments booked by your Company. Income from placements remained 40 % lower at Rs 191 million during the nine months under review. The aggregate revenues of your Company remained 61 % lower at Rs 326 million compared to Rs 830 million in the corresponding period of last year. Alone in 3QFY10, the total revenues of Rs 110 million showed a decline of 43 % YoY. Your Company's continuous focus on cost controlling measures has allowed it to cut the operating expenditure by 52 % to Rs 167 million in 9MFY10 as against Rs 347 million, previously. Moreover, financial charges of your Company remained 31 % lower at Rs 377 million. The lower operating cost and reduced financial charges has allowed your Company to reduce the net loss from Rs 213 million to Rs 189 million in the initial nine months of FY10.

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.

During the period the Company has lodged a complaint to Securities and Exchange Commission of Pakistan for taking appropriate action against the Universal Equities (Pvt) Limited for dishonored cheque of Rs. 1,000,000/- tendered as part payment towards its outstanding liability by Universal Equities (Pvt) Limited by the Company and for recovery of Rs. 25.20 million till February 2010. The Universal Equities (Pvt) Limited has filed a suit for permanent injunction alleging therein that the Company be directed not to initiate criminal proceedings against the dishonored cheque. The Learned Trial Court has declined to issue injunctive order in this regard against the Company. The Learned Appellate Court has also turned down the request of the Universal Equities (Pvt) Limited to interfere in the order of the Learned Trial Court passed in favour of the Company.

## FUTURE OUTLOOK

The Company is reviewing the option to acquire a running business of Commodity Brokerage rather than to continue, the process of obtaining membership of Commodity Brokerage. 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 (SECP) 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  
April 23, 2010

  
Mian Ehsan Ul Haq  
Chairman and Chief Executive Officer

**FIRST CAPITAL EQUITIES LIMITED  
CONDENSED INTERIM BALANCE SHEET  
AS AT MARCH 31, 2010**

	Note	Un-Audited March 31, 2010 Rupees	Audited June 30, 2009 Rupees
<b>ASSETS</b>			
<b>NON CURRENT ASSETS</b>			
Property and equipment	5	99,027,475	111,306,191
Stock exchange membership card and room		40,700,000	40,700,000
Investments - available for sale	6	1,317,077,578	621,022,032
Long term deposits and advances		2,991,831	2,791,831
		<b>1,459,796,884</b>	<b>775,820,054</b>
<b>CURRENT ASSETS</b>			
Investment property	7	892,961,919	-
Trade debts - unsecured	8	2,932,827,890	3,097,150,519
Investments	9	409,202,841	509,178,747
Advances, deposits, prepayments and other receivables	10	36,939,950	41,547,026
Advance income tax		46,302,023	44,799,096
Placements		950,746,927	1,640,821,717
Interest accrued		11,183,776	17,071,085
Cash and bank balances		12,500,620	7,374,395
		<b>5,292,665,946</b>	<b>5,357,942,585</b>
<b>TOTAL ASSETS</b>		<b>6,752,462,830</b>	<b>6,133,762,639</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorised share capital		1,100,000,000	1,100,000,000
Issued, subscribed and paid up share capital		1,080,315,000	1,080,315,000
Reserves		1,096,508,428	499,254,882
Unappropriated (loss) / profit		(57,593,578)	131,408,664
<b>TOTAL EQUITY</b>		<b>2,119,229,850</b>	<b>1,710,978,546</b>
<b>NON CURRENT LIABILITIES</b>			
Long term financing	11	1,338,449,970	7,000,000
Staff retirement benefits		33,626,463	26,770,463
		<b>1,372,076,433</b>	<b>33,770,463</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables- unsecured		506,105,614	339,308,293
Liabilities against repurchase agreements - secured		304,347,055	681,400,430
Short term borrowings - secured	12	1,408,653,673	3,140,936,523
Current portion of long term financing		812,944,128	40,000,000
Interest accrued		208,156,684	166,864,292
Provision for taxation		20,949,393	20,504,092
		<b>3,261,156,547</b>	<b>4,389,013,630</b>
<b>CONTINGENCIES AND COMMITMENTS</b>	13	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>6,752,462,830</b>	<b>6,133,762,639</b>

The annexed notes from 1 to 17 form an integral part of these condensed financial information.

Lahore

Chief Executive

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Director

**FIRST CAPITAL EQUITIES LIMITED  
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - (Un-audited)  
FOR THE NINE MONTHS ENDED MARCH 31, 2010**

Note	NINE MONTHS ENDED		THREE MONTHS ENDED	
	July-Mar 2010 Rupees	July-Mar 2009 Rupees	Jan-Mar 2010 Rupees	Jan-Mar 2009 Rupees
<b>INCOME</b>				
Brokerage and operating income	118,211,870	428,672,289	43,320,649	105,648,507
Capital gain - net	9,667,760	10,883,952	9,471,793	18,192,780
Income from placements	190,823,154	316,632,722	53,694,268	62,587,061
Income on continuous funding system placements	-	437,979	-	98,561
Other operating income	7,433,779	74,122,013	3,373,162	5,224,636
	<b>326,136,563</b>	<b>830,748,955</b>	<b>109,859,872</b>	<b>191,751,545</b>
Unrealized gain / (loss) on re-measurement of investments at fair value through profit or loss	32,555,255	(129,189,830)	11,888,739	(24,582,491)
	<b>358,691,818</b>	<b>701,559,125</b>	<b>121,748,612</b>	<b>167,169,054</b>
<b>EXPENDITURE</b>				
Operating expenses	166,673,272	347,488,298	61,181,594	246,974,051
Finance costs	378,262,053	548,836,235	124,949,345	151,649,689
	<b>544,935,325</b>	<b>896,324,533</b>	<b>186,130,939</b>	<b>398,623,740</b>
<b>LOSS BEFORE TAXATION</b>	<b>(186,243,507)</b>	<b>(194,765,408)</b>	<b>(64,382,327)</b>	<b>(231,454,686)</b>
Taxation	2,758,735	18,053,702	1,124,474	(10,436,668)
<b>LOSS AFTER TAXATION</b>	<b>(189,002,242)</b>	<b>(212,819,110)</b>	<b>(65,506,801)</b>	<b>(221,018,018)</b>
<b>EARNINGS PER SHARE</b>				
- BASIC	15	(1.75)	(1.97)	(0.61)
		(2.05)		

The annexed notes from 1 to 17 form an integral part of these condensed financial information.

Lahore

Chief Executive

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Director

**FIRST CAPITAL EQUITIES LIMITED**  
**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME-**  
**(Un-audited)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2010**

	NINE MONTHS ENDED		THREE MONTHS ENDED	
	July-Mar 2010	July-Mar 2009	Jan-Mar 2010	Jan-Mar 2009
	Rupees	Rupees	Rupees	Rupees
Loss after taxation	(189,002,242)	(212,819,110)	(65,506,801)	(221,018,018)
<b>Other comprehensive income</b>				
Surplus on remeasurement of available for sale of financial assets - net of tax	597,253,546	507,708,585	128,959,074	507,708,585
<b>Total comprehensive income for the period</b>	<b>408,251,303</b>	<b>294,889,475</b>	<b>63,452,272</b>	<b>286,690,567</b>

The annexed notes from 1 to 17 form an integral part of these condensed financial information.

Lahore

Chief Executive

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Director

**FIRST CAPITAL EQUITIES LIMITED**  
**CONDENSED INTERIM CASH FLOW STATEMENT - (Un-audited)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2010**

	Jul-Mar 2010 Rupees	Jul-Mar 2009 Rupees
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Loss before taxation	(186,243,507)	(194,765,407)
<b>Add: Items not involved in movement of funds</b>		
Depreciation	9,667,392	13,201,983
(Gain) / loss on re-measurement of investments at fair value through profit or loss - net	(32,555,255)	129,189,830
Provision for bonus written back	-	(40,519,983)
Provision for bad debts	37,500,000	188,308,539
Bad debts written off	-	6,529
Dividend income	(2,122,864)	(224,169)
Interest accrued	(191,744,119)	(323,928,272)
Interest expense	378,262,053	548,836,235
Gain on sale of property and equipment	(1,000,000)	(17,147,769)
Gain on foreign currency translation	(344,099)	(1,239,920)
Provision for gratuity	7,647,000	5,201,659
	<b>205,310,106</b>	<b>501,684,663</b>
	<b>19,066,599</b>	<b>306,919,256</b>
<b>(Increase) / decrease in current assets</b>		
Investments at fair value through profit or loss	132,531,161	(284,533,824)
Trade debts - Unsecured	126,822,629	(2,112,162,757)
Advances, deposits, prepayments and other receivables	4,607,076	913,936,374
	<b>263,960,866</b>	<b>(1,482,760,207)</b>
<b>Increase / (decrease) in current liabilities in trade and other payables</b>	<b>166,797,321</b>	<b>(143,925,867)</b>
<b>Cash generated / (use in) operations</b>	<b>449,824,786</b>	<b>(1,319,766,818)</b>
Dividend received	2,122,864	224,169
Interest received	197,631,429	307,980,019
Finance cost paid	(336,969,662)	(499,481,667)
Gratuity paid	(791,000)	(3,870,785)
Taxes paid	(3,816,362)	(8,411,144)
<b>Net cash generated / (used in) operating activities</b>	<b>308,002,056</b>	<b>(1,523,326,226)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(188,675)	(81,646,663)
Proceeds from sale of property and equipment	3,800,000	460,836,118
Investments property	(892,961,919)	-
Investment available for sale	(98,802,000)	-
Placements	690,074,790	831,127,661
Long term deposits and advances	(200,000)	364,165
<b>Net cash (used) / generated in investing activities</b>	<b>(298,277,804)</b>	<b>1,210,681,281</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Long term finance obtained	2,104,394,098	-
Liabilities against repurchase agreements	(377,053,375)	633,376,827
Short term borrowings	(1,732,282,850)	(621,388,355)
<b>Net cash (used) in / generated from financing activities</b>	<b>(4,942,126)</b>	<b>11,988,472</b>
Effects of exchange rate changes in cash and cash equivalents	344,099	1,239,920
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>5,126,225</b>	<b>(299,416,553)</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>12,500,620</b>	<b>35,540,216</b>

The annexed notes from 1 to 17 form an integral part of these condensed 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 NINE MONTHS ENDED MARCH 31, 2010**

	Issued, sub- scribed and paid up capital	Capital reserve			Revenue reserve Un-appro- priated profit	Total
		Share premium	Reserve for issue of bonus shares	Fair value reserve		
Rupees						
Balance as at June 30, 2008	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)	-
Loss for the period after taxation	-	-	-	-	(212,819,109)	(212,819,109)
<b>Other comprehensive income for the period</b>						
Surplus on remeasurement of investment available for sale to fair value	-	-	-	507,708,585	-	507,708,585
Total other comprehensive income for the period - net of tax	-	-	-	507,708,585	-	507,708,585
Total comprehensive income for the period	-	-	-	507,708,585	(212,819,109)	294,889,476
<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)	-	-	-
Balance as at March 31, 2009	1,080,315,000	-	-	507,708,585	298,768,573	1,886,792,158
<b>Total comprehensive income for the period</b>						
Loss for the period after taxation	-	-	-	-	(167,359,909)	(167,359,909)
<b>Other comprehensive income for the period</b>						
Deficit on remeasurement of investment available for sale to fair value	-	-	-	(8,453,703)	-	(8,453,703)
Total other comprehensive loss for the period - net of tax	-	-	-	(8,453,703)	-	(8,453,703)
Total comprehensive loss for the period	-	-	-	(8,453,703)	(167,359,909)	(175,813,612)
Balance as at June 30, 2009	1,080,315,000	-	-	499,254,882	131,408,664	1,710,978,546
<b>Total comprehensive income for the period</b>						
Loss for the period after taxation	-	-	-	-	(189,002,242)	(189,002,242)
<b>Other comprehensive income for the period</b>						
Surplus on remeasurement of investment available for sale to fair value	-	-	-	597,253,546	-	597,253,546
Total other comprehensive income for the period - net of tax	-	-	-	597,253,546	-	597,253,546
Total comprehensive income for the period	-	-	-	597,253,546	(189,002,242)	408,251,304
Balance as at March 31, 2010	1,080,315,000	-	-	1,096,508,428	(57,593,578)	2,119,229,850

The annexed notes from 1 to 17 form an integral part of these condensed financial information.

Lahore:

  
Chief Executive

  
Director

**FIRST CAPITAL EQUITIES LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL**  
**INFORMATION - (Un-audited)**  
**FOR THE NINE MONTHS ENDED MARCH 31, 2010**

**1 THE COMPANY AND ITS OPERATION**

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 June 30, 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 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 PROPERTY AND EQUIPMENT**

	Note	March 31, 2010 Rupees	June 30, 2009 Rupees
Operating fixed assets	5.1	91,963,475	67,502,191
Capital work in progress		7,064,000	43,804,000
		<u>99,027,475</u>	<u>111,306,191</u>

	July 01, 2009 to March 31, 2010	July 01, 2008 to June 30, 2009
Note	Rupees	Rupees
<b>5.1</b> Written down value at the beginning of the period / year	<b>67,502,191</b>	239,117,065
Add : Additions during the period / year	<b>5.1.1 36,928,675</b>	34,833,641
Less : Disposals during the period / year	<b>5.1.2 (4,000,000)</b>	(198,069,593)
Less : Depreciation charged / adjusted during the period / year	<b>(8,467,391)</b>	(8,378,922)
Written down value at the end of the period / year	<u><b>91,963,475</b></u>	<u><b>67,502,191</b></u>
<b>5.1.1 Additions during the period / year</b>		
Office premises	-	30,715,800
Leasehold office premises - Transfer from CWIP	<b>36,740,000</b>	-
Computers	<b>188,675</b>	3,434,955
Office equipment	-	531,886
Furniture & fixture	-	151,000
	<u><b>36,928,675</b></u>	<u>34,833,641</u>
<b>5.1.2 Disposals during the period / year</b>		
Land - Leasehold	-	133,999,875
Building on leasehold land	-	2,540,000
Office premises	-	40,879,000
Leasehold improvement	-	14,026,252
Computers	-	685,010
Office equipment	-	3,349,268
Furniture & fixture	-	1,186,408
Motor vehicles	<b>4,000,000</b>	1,403,780
	<u><b>4,000,000</b></u>	<u>198,069,593</u>

## 6 INVESTMENTS - AVAILABLE FOR SALE

	March 31, 2010	June 30, 2009
	Rupees	Rupees
Media Times Limited	<b>719,824,032</b>	121,767,150
Surplus on remeasurement of investment available for sale to fair value	<b>597,253,546</b>	499,254,882
	<u><b>1,317,077,578</b></u>	<u>621,022,032</u>

This represents 22,905,697 ordinary shares of Rs. 10/- each in Media Times Limited (MTL) 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 Exchanges.

## 7 INVESTMENT PROPERTY

	March 31, 2010	June 30, 2009
	Rupees	Rupees
Investment property	<u><b>892,961,919</b></u>	<u>-</u>

This represent the properties purchased at various shopping malls, which is under mortgage by banks against the borrowings by the Company.

## 8 TRADE DEBTS - UNSECURED

	March 31, 2010	June 30, 2009
Note	Rupees	Rupees
Trade debts against purchase of shares:		
considered good:		
Clients	<b>2,932,613,099</b>	3,097,107,830
Members	<b>214,792</b>	42,689
	<u><b>2,932,827,890</b></u>	<u>3,097,150,519</u>
considered doubtful:		
Clients	<b>118,735,840</b>	81,235,840
Members	<b>3,911,979</b>	3,911,979
	<u><b>122,647,819</b></u>	<u>85,147,819</u>
Less: Provision for doubtful debts	<b>8.1 (122,647,819)</b>	(85,147,819)
	<u><b>2,932,827,890</b></u>	<u>3,097,150,519</u>
<b>8.1</b> Provision for doubtful debts		
Opening balance	<b>85,147,819</b>	85,163,149
Provision for doubtful debts written back	-	(15,330)
Charge for the period	<b>37,500,000</b>	-
Closing Balance	<u><b>122,647,819</b></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.

## 9 INVESTMENTS

	March 31, 2010	June 30, 2009
	Rupees	Rupees
<b>At fair value through profit or loss</b>		
Quoted equity securities		
Carrying value / cost of investments	<b>376,647,586</b>	493,318,532
Unrealised gain / (loss) on remeasurement of investments	<b>32,555,255</b>	(130,258,735)
	<u><b>409,202,841</b></u>	<u>363,059,797</u>
Unquoted equity securities		
	-	146,118,950
	<u><b>409,202,841</b></u>	<u>509,178,747</u>

## 10 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

This includes an amount of Rs. 15,314,437/- (June 2009 : Rs. 14,107,309) as exposure deposited with the Karachi Stock Exchange (Guarantee) Limited under the Exposure Rules.

## 11 LONG TERM FINANCING - SECURED

	March 31, 2010 Rupees	June 30, 2009 Rupees
Term finance facility	2,151,394,098	47,000,000
Less: Current portion shown under current liability	812,944,128	40,000,000
Long term portion	<u>1,338,449,970</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 and with Askari Commercial Bank Limited to convert the liability of Rs. 430 million against Repurchase agreement into Term Finance Facility with a mark up rate of 6 months KIBOR plus 2.5 % p.a payable biannually. These facilities are secured against the pledge of shares, charge over trade receivable and equitable mortgage of certain immovable properties.

## 12 SHORT TERM BORROWING - Secured

	March 31, 2010 Rupees	June 30, 2009 Rupees
	<u>1,408,653,673</u>	<u>3,140,936,523</u>

These facilities have been obtained from various commercial banks under mark up arrangements amounting to Rs 1,538 million (June 2009 : Rs 4,365 million). These facilities carry mark up at rate ranging from 3 to 6 months KIBOR plus 2 % to 5 % per annum payable quarterly (June 2009 : 2.5 % to 5 % per annum) with floor limits ranging from 14.50 % to 17.50 % per annum (June 2009: 14.49 % to 19.52 % per annum).

## 13 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:

During the period the Company has lodged a complaint to Securities and Exchange Commission of Pakistan for taking appropriate action against the Universal Equities (Pvt) Limited for dishonored cheque of Rs. 1,000,000/- tendered as part payment towards its outstanding liability by Universal Equities (Pvt) Limited by the Company and for recovery of Rs. 25.20 million till February 2010. The Universal Equities (Pvt) Limited has filed a suit for permanent injunction alleging therein that the Company be directed not to initiate criminal proceedings against the dishonored cheque. The Learned Trial Court has declined to issue injunctive order in this regard against the Company. The Learned Appellate Court has also turned down the request of the Universal Equities (Pvt) Limited to interfere in the order of the Learned Trial Court passed in favour of the Company.

## COMMITMENTS

	March 31, 2010 Rupees	June 30, 2009 Rupees
Sale of Shares	999,118,110	213,360,116
Purchase of shares	1,003,685,528	224,806,739

## 14 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:

Nine Months Ended March 31, 2010			
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	4,250
Purchase of property	-	323,115,360	-

Brokerage Income	-	735,106	4,250
Purchase of property	-	323,115,360	-

Nine Months Ended March 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	-	1,718,643	102,046
Repurchase agreement arrangement fee	-	13,417	2,929,167
Placements entered and rolled over	-	189,000,000	1,140,000,000
Placements matured	-	60,000,000	2,170,000,000
Income earned on placements	-	6,261,534	162,851,439
Repurchase agreement entered and rolled over	-	32,200,000	-
Repurchase agreement matured	-	32,200,000	-
Mark up on repurchase agreement	-	1,336,425	-

Brokerage Income	-	1,718,643	102,046	20,630,729
Repurchase agreement arrangement fee	-	13,417	-	2,929,167
Placements entered and rolled over	-	189,000,000	-	1,140,000,000
Placements matured	-	60,000,000	-	2,170,000,000
Income earned on placements	-	6,261,534	-	162,851,439
Repurchase agreement entered and rolled over	-	32,200,000	-	-
Repurchase agreement matured	-	32,200,000	-	-
Mark up on repurchase agreement	-	1,336,425	-	-

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

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

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

	<u>July 01, 2009 to March 31, 2010 Rupees</u>	<u>July 01, 2008 to June 30, 2009 Rupees</u>
Loss after taxation attributable to ordinary share holders - Rupees	<u>(189,002,242)</u>	<u>(212,819,110)</u>
Weighted average number of ordinary shares - Number	<u>108,031,500</u>	<u>108,031,500</u>
Earnings per share - Basic (Rupees per share)	<u>(1.75)</u>	<u>(1.97)</u>

**15.1** 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.

**16 DATE OF AUTHORIZATION**

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

**17 GENERAL**

Figures have been rounded off to the nearest rupee.