



FIRST CAPITAL EQUITIES LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED

DECEMBER 31, 2011

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

Board of Directors	Mian Ehsan ul Haq <i>Chairman & Chief Executive Officer</i>
	Farooq Bin Habib Ashraf Liaquat Ali Khan Muhammad Junaid Godil Ahsan Zia Mazhar Abbas Kosala Udayanga Dodampe Gamage
Chief Financial Officer	Mazhar Abbas
Audit Committee	Farooq Bin Habib (Chairman) Ahsan Zia Kosala Udayanga Dodampe Gamage
Company Secretary	Arshad Ali
Auditors	Nasir Javaid Maqsood Imran Ashfaq Chartered Accountants
Legal Adviser	Tassawur Ali Hashmi Advocates, Karachi
Bankers	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 NIB Bank Limited Silk Bank Limited Soneri Bank Limited Standard Chartered Bank (Pakistan) Limited United Bank Limited
Registered Office	103-C/II, Gulberg-III Lahore, Pakistan Tele: +92-42-35757591-4 Fax: +92-42-35757590, 35877920
Main Corporate Office	4 th Floor, Block B, C & D Lakson Square Building No.1 Sarwar Shaheed Road, Karachi Tele: +92-21-111 226 226 Fax: +92-21-35656710
Registrar and Shares Transfer Office	Corplink (Pvt.) Limited Wings Arcade, 1-K, Commercial Model Town, Lahore Tele: +92-42-35839182

DIRECTORS' REVIEW

The Directors of First Capital Equities Limited are pleased to present the un-audited condensed interim financial statement of the Company for the half year ended December 31, 2011.

CAPITAL MARKET REVIEW

The dismal performance of the benchmark KSE-100 index continued during the first six months of ongoing financial year where the equity values registered a decline of 9.2%. That said, the index lost 1,148 points in 6MFY12 to close the period at 11,347.7 points level as against the opening of 12,496. The market capitalization ended the period at PRs2.95tn - a 10% decline from end-June 2011 level of PRs3.3tn. The heightened tensions on domestic and international political fronts along with the absence of favorable economic news flow are the probable factors behind the lackluster market performance. Moreover, the newly introduced leveraged product (MTS) failed to gather expected momentum due to its unfriendly nature. Capital Gain tax concerns further kept the investors away from taking fresh positions. Meanwhile, the interest of foreign investors also remained bleak during the period under review.

The trading activity during the first half of FY12 remained dull and registered a decline of 3% YoY. The average daily turnover of the market fell by 35% to 60mn shares (PRs2.80bn or US\$32mn) in the ready market. During the same half of last year, the average daily volume on the ready counter was recorded at 91mn shares (PRs3.40bn or US\$40mn).

FINANCIAL HIGHLIGHTS

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

Particulars	July to Dec 2011	July to Dec 2010
	Rupees	
Brokerage income	24,517,294	64,575,904
Capital (loss)/gain net	(2,348,956)	841,605
Income from placements	22,988,414	56,523,940
Other operating income	1,389,702	6,284,126
Unrealized (loss) on re-measurement of investments at fair value through profit or loss	(19,444,298)	(24,556,958)
Operating expenses	231,975,756	134,522,945
Finance costs	231,271,668	229,335,628
Loss after taxation	(436,667,627)	(261,540,553)
Loss per share	(4.04)	(2.42)

Amid lukewarm market activity and dip in portfolio investment by offshore clients, brokerage revenue of your Company registered a decline of 62% at Rs 24.5 million during the period under review. Moreover, the income from placement dropped by 59% to Rs 23.0 million. While operating expenses depicted an increase of 72 % to PRs 232 million, your Company managed to contain financial charges at PRs 231 million. 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 436.6 Million.

Your Company remains committed to its ongoing two prong strategy of stabilizing revenue stream and controlling cost. Going forward, your Company's focused strategy would be based on providing quality service, broadening clientele and controlling cost. In a major positive

development, Finance Minister has recently accepted all the proposals of Securities and Exchange Commission of Pakistan (SECP) with respect to relaxing rules for capital gains tax (CGT) on shares transactions. These much need measures would generate healthy volumes in the market which may result in increase brokerage and operating income for your Company.

FUTURE OUTLOOK

In order to explore further business opportunities, Board of Directors have recommended its shareholders to approve a special resolution to amend the object clause of the Memorandum of Association of the Company (for inclusion of commodity exchange business and deletion of investment advisory business from the said clause) subject to the completion of all necessary legal formalities as published in the Annual Report 2010. The Company is in the process of obtaining membership of Commodity Brokerage.

In addition, the recent announcement of amnesty scheme for stock market investors, freezing CGT rates and abolishing withholding tax on sale of shares by Adviser to Prime Minister on Finance, Dr Abdul Hafeez Shaikh is a big positive for the market. That said, the announcement sparked an immediate rally at local bourses while the trading activity has also improved to 183mn on average during Feb 2012.

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

CHANGE OF DIRECTOR

During the period Mr. Kosala Udayanga Dodampe Gamage has been appointed as Director in place of Ms. Samira Ahmad Zia.

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

Mian Ehsan Ul Haq
Chairman and Chief Executive Officer

Lahore
February 17, 2012

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of First Capital Equities Limited, as at December 31, 2011, and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement and condensed interim statement of changes in equity for the half year then ended (here-in-after referred to as "Interim financial information"). Management is responsible for the preparation and fair presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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.

Conclusion

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 December 31, 2011 is not prepared, in all material respects, in accordance with approved Accounting Standards as applicable in Pakistan relating to interim financial reporting.

The figures for the Quarter ended December 31, 2010 and December 31, 2011 in the condensed interim profit and loss account have not been reviewed and we do not express a conclusion on them.

Place : Lahore
Date : February 17, 2012

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

**FIRST CAPITAL EQUITIES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2011**

	Note	Un-Audited December 31, 2011 Rupees	Audited June 30, 2011 Rupees
ASSETS			
NON - CURRENT ASSETS			
Property and equipment		73,933,051	77,975,591
Stock exchange membership card and room		40,700,000	40,700,000
Investments - available for sale	5	306,936,340	396,268,558
Investments property		1,137,338,260	1,137,338,260
Long term deposits and advances		2,984,800	3,154,800
		1,561,892,451	1,655,437,209
CURRENT ASSETS			
Trade debts - Unsecured	6	2,833,951,647	2,889,207,561
Investments	7	162,369,706	136,235,047
Advances, deposits, prepayments and other receivables		16,478,728	20,459,185
Advance income tax		53,680,343	51,687,579
Fund placements		213,540,689	289,900,675
Interest accrued		1,209,914	1,193,696
Cash and bank balances		5,521,698	9,053,382
		3,286,752,725	3,397,737,125
TOTAL ASSETS		4,848,645,176	5,053,174,334
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
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		86,367,190	175,699,408
Unappropriated loss		(977,158,306)	(540,490,678)
TOTAL EQUITY		189,523,886	715,523,730
NON CURRENT LIABILITIES			
Long term financing	8	3,348,196,945	3,336,126,462
Interest accrued on long term financing		745,579,556	537,912,026
Staff retirement benefits		43,514,426	42,064,538
		4,137,290,927	3,916,103,026
CURRENT LIABILITIES			
Trade and other payables- Unsecured		309,394,995	227,114,772
Liabilities against repurchase agreements - Secured		143,754,625	143,754,625
Interest accrued		45,023,899	27,543,696
Provision for taxation		23,656,844	23,134,485
		521,830,363	421,547,578
CONTINGENCIES AND COMMITMENTS	9	-	-
TOTAL EQUITY AND LIABILITIES		4,848,645,176	5,053,174,334

The annexed notes from 1 to 13 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, 2011**

Note	SIX MONTHS ENDED		THREE MONTHS ENDED	
	July-Dec 2011 Rupees	July-Dec 2010 Rupees	Oct-Dec 2011 Rupees	Oct-Dec 2010 Rupees
INCOME				
Brokerage income	24,517,294	64,575,904	15,105,844	40,127,676
Capital (loss) /gain - net	(2,348,956)	841,605	(219,877)	1,472,605
Income from Placement	22,988,414	56,523,940	10,527,382	23,687,861
Other operating income	1,389,702	6,284,126	374,658	4,833,677
	<u>46,546,454</u>	<u>128,225,575</u>	<u>25,788,007</u>	<u>70,121,819</u>
Unrealized (loss) / gain on re-measurement of investments at fair value through profit or loss	(19,444,298)	(24,556,958)	3,806,596	(7,027,078)
	<u>27,102,156</u>	<u>103,668,617</u>	<u>29,594,603</u>	<u>63,094,741</u>
EXPENDITURE				
Operating expenses	231,975,756	134,522,945	195,047,014	90,631,900
Finance costs	231,271,668	229,335,628	128,204,427	113,670,951
	<u>463,247,424</u>	<u>363,858,573</u>	<u>323,251,441</u>	<u>204,302,851</u>
LOSS BEFORE TAXATION	<u>(436,145,268)</u>	<u>(260,189,956)</u>	<u>(293,656,838)</u>	<u>(141,208,110)</u>
Taxation	522,359	1,350,597	303,634	744,441
LOSS AFTER TAXATION	<u>(436,667,627)</u>	<u>(261,540,553)</u>	<u>(293,960,472)</u>	<u>(141,952,551)</u>
LOSS PER SHARE - BASIC AND DILUTED	11 (4.04)	(2.42)	(2.72)	(1.31)

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

Lahore

Chief Executive

Director

**FIRST CAPITAL EQUITIES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME-
(Un-audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2011**

	SIX MONTHS ENDED		THREE MONTHS ENDED	
	July-Dec 2011 Rupees	July-Dec 2010 Rupees	Oct-Dec 2011 Rupees	Oct-Dec 2010 Rupees
Loss after taxation	(436,667,627)	(261,540,553)	(293,960,472)	(141,952,551)
Other comprehensive income				
(Deficit) / Surplus on remeasurement of available for sale of financial assets - net of tax	(89,332,218)	(180,267,835)	77,879,370	(105,366,206)
Total comprehensive loss for the period	<u>(525,999,845)</u>	<u>(441,808,388)</u>	<u>(216,081,102)</u>	<u>(247,318,757)</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

Lahore

Chief Executive

Director

**FIRST CAPITAL EQUITIES LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT - (Un-audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2011**

	Note	Jul-Dec 2011 Rupees	Jul-Dec 2010 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(436,145,268)	(260,189,956)
Add: Items not involved in movement of funds			
Depreciation		3,871,525	5,666,380
Loss on re-measurement of investments at fair value through profit or loss - net		19,444,298	24,556,958
Provision for doubtful debts	6.1	179,000,000	47,497,874
Bad debts written off		-	215,142
Interest accrued		(23,203,435)	(56,863,488)
Interest expense		231,271,668	229,335,628
(Gain) on sale of property and equipment		(148,000)	(1,713,515)
(Gain)/loss on foreign currency translation		-	2,951
Provision for gratuity		4,403,000	4,947,580
		<u>414,639,056</u>	<u>253,645,510</u>
		(21,506,212)	(6,544,446)
(Increase) / decrease in current assets			
Investments at fair value through profit or loss		(45,578,957)	15,493,978
Trade debts - unsecured		(123,744,071)	(270,306,876)
Advances, deposits, prepayments and other receivables		3,980,457	15,193,573
		<u>(165,342,571)</u>	<u>(239,619,325)</u>
Increase in current liabilities in trade and other payables		<u>82,280,223</u>	<u>16,468,279</u>
Cash used in operations		<u>(104,568,560)</u>	<u>(229,695,492)</u>
Interest received		23,187,219	59,986,194
Finance cost paid		(6,123,934)	(52,412,353)
Gratuity paid		(2,953,112)	(2,002,193)
Taxes paid		(1,992,765)	(1,978,329)
Net cash used in operating activities		<u>(92,451,152)</u>	<u>(226,102,173)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(21,000)	(2,550)
Proceeds from sale of property and equipment		340,000	2,020,000
Placements		76,359,986	241,119,163
Long term deposits and advances		170,000	(180,000)
Net cash generated from investing activities		<u>76,848,986</u>	<u>242,956,613</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finance obtained		12,070,482	(16,468,377)
Liabilities against repurchase agreements		-	10,000,000
Short term borrowings		-	4,346,878
Net cash generated/(used in) financing activities		<u>12,070,482</u>	<u>(2,121,499)</u>
Effects of exchange rate changes in cash and cash equivalents		-	(2,951)
NET (DECREASE) / INCREASE IN CASH AND CASH EQUIVALENTS		<u>(3,531,684)</u>	<u>14,729,996</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		<u>9,053,382</u>	<u>6,436,391</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		<u>5,521,698</u>	<u>21,166,387</u>

The annexed notes from 1 to 13 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 CHANGES IN EQUITY - (Un-audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2011**

Issued, sub- scribed and paid up capital	Capital reserve			Revenue reserve	Total	
	Share premium	Reserve for issue of bonus shares	Fair value reserve	Un-appro- priated profit/(loss)		
Rupees						
Balance as at June 30, 2010	1,080,315,000	-	-	1,178,281,767	(174,255,708)	2,084,341,059
Loss for the period after taxation	-	-	-	-	(261,540,553)	(261,540,553)
Other comprehensive income for the period						
Deficit on remeasurement of investment available for sale to fair value	-	-	(180,267,835)	-	-	(180,267,835)
Total other comprehensive loss for the period - net of tax	-	-	(180,267,835)	-	-	(180,267,835)
Total comprehensive income for the period	-	-	-	(180,267,835)	(261,540,553)	(441,808,388)
Balance as at December 31, 2010	<u>1,080,315,000</u>	-	-	<u>998,013,932</u>	<u>(435,796,261)</u>	<u>1,642,532,671</u>
Total comprehensive loss for the period						
Loss for the period after taxation	-	-	-	-	(104,694,418)	(104,694,418)
Other comprehensive income for the period						
Deficit on remeasurement of investment available for sale to fair value	-	-	(822,314,524)	-	-	(822,314,524)
Total other comprehensive loss for the period - net of tax	-	-	(822,314,524)	-	-	(822,314,524)
Total comprehensive loss for the period	-	-	-	(822,314,524)	(104,694,418)	(927,008,942)
Balance as at June 30, 2011	<u>1,080,315,000</u>	-	-	<u>175,699,408</u>	<u>(540,490,679)</u>	<u>715,523,730</u>
Total comprehensive income for the period						
Loss for the period after taxation	-	-	-	-	(436,667,627)	(436,667,627)
Other comprehensive income for the period						
Deficit on remeasurement of investment available for sale to fair value	-	-	(89,332,218)	-	-	(89,332,218)
Total other comprehensive loss for the period - net of tax	-	-	(89,332,218)	-	-	(89,332,218)
Total comprehensive loss for the period	-	-	-	(89,332,218)	(436,667,627)	(525,999,845)
Balance as at December 31, 2011	<u>1,080,315,000</u>	-	-	<u>86,367,190</u>	<u>(977,158,306)</u>	<u>189,523,886</u>

The annexed notes from 1 to 13 form an integral part of these condensed interim financial statements.

Lahore:

Chief Executive

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Director

**FIRST CAPITAL EQUITIES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL
STATEMENTS - (Un-audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2011**

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 Company is subsidiary of First Capital Securities Corporation Limited - a listed company which holds 72,690,200 (67.28%) ordinary shares of the Company. The registered office of the Company is located at 103 C/II, Gulberg III, Lahore.

2 BASIS OF PREPARATION

2.1 Statement of compliance

These condensed interim financial information have been prepared in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. The disclosures in the condensed interim financial information do not include the information reported for full annual financial statements and should therefore be read in conjunction with the financial statements for the year ended June 30, 2011.

These condensed interim financial information comprise of condensed interim statement of financial position as at December 31, 2011 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flows statement, condensed interim statement of changes in equity and notes thereto, for the six months period ended December 31, 2011.

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, 2011.

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, 2011.

5 INVESTMENTS - AVAILABLE FOR SALE

	December 31, 2011	June 30, 2011
	Rupees	Rupees
Media Times Limited	396,268,558	1,398,850,917
Deficit on remeasurement of investment available for sale to fair value for the period / year	(89,332,218)	(1,002,582,359)
	306,936,340	396,268,558

This represents 22,905,697 ordinary shares (June 2011 : 22,905,697) 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.

6 TRADE DEBTS - UNSECURED

Note	December 31, 2011	June 30, 2011
	Rupees	Rupees
Trade debts against purchase of shares:		
considered good:		
Clients	2,804,028,033	2,888,928,269
Members	29,923,614	279,292
	2,833,951,647	2,889,207,561
considered doubtful:		
Clients	382,383,714	203,383,714
Members	3,911,979	3,911,979
	386,295,693	207,295,693
Less: Provision for doubtful debts	6.1 (386,295,693)	(207,295,693)
	2,833,951,647	2,889,207,561
6.1 Provision for doubtful debts		
Opening balance	207,295,693	135,147,819
Charge for the period / year	179,000,000	72,147,874
Closing Balance	386,295,693	207,295,693

7 INVESTMENTS

At fair value through profit or loss

Quoted equity securities

Carrying value / cost of investments	181,814,004	281,172,523
Unrealised loss on remeasurement of investments for the period / year	(19,444,298)	(144,937,476)
	162,369,706	136,235,047

8 LONG TERM FINANCING - SECURED

	Note	December 31, 2011 Rupees	June 30, 2011 Rupees
Secured	8.1	3,250,998,586	3,253,660,470
Un Secured	8.2	97,198,359	82,465,992
		<u>3,348,196,945</u>	<u>3,336,126,462</u>

8.1 These facilities have been obtained from various commercial banks under mark up arrangements amounting to Rs. 3,611 million (June 2011 : Rs.3,611 million). These facilities carry mark up rate ranging from 8 % and from 3 to 6 months kibar plus 3 % to 5 % per annum payable bi-annually and quarterly (June 2011 : 8 % and 3 to 6 months kibar plus 3 % to 5 % per annum). These are secured against pledge of quoted securities having market value of Rs. 1,519,306,656/- (June 2011 : Rs. 2,086,410,543/-), charge over trade receivables and equitable mortgage of certain properties.

During the period, the Company has applied to commercial banks to further restructure of its long term loans into Term Finance Certificates for 7 years. The management is confident to get the approval for restructuring.

8.2 This represents an unsecured long term loan from parent company carrying mark-up at the rate 18 % per annum, payable on quarterly basis (June 2011 : 18 % per annum).

9 CONTINGENCIES AND COMMITMENTS

9.1 CONTINGENCIES

There is no change in contingencies and commitments disclosed in the annual financial statements for the year ended June 30, 2011 except for the following:

	December 31, 2011 Rupees	June 30, 2011 Rupees
9.2 COMMITMENTS		
Sale of Shares	47,631,353	105,139,819
Purchase of shares	42,380,764	107,989,418

10 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, 2011			
Associated Company	Parent Company	Key management personnel of the entity, its parents and their close family members	Other Related Parties
Rupees			

Brokerage Income	-	11,699	-	-
Long term loan obtained	-	14,732,367	-	-
Mark up on long term loan	-	8,176,002	-	-

Six Months Ended December 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	-	17,500	-	-
Long term loan obtained	-	5,031,623	-	-
Long term loan paid	-	6,500,000	-	-
Mark up on long term loan	-	636,876	-	-

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

11 EARNINGS PER SHARE - BASIC AND DILUTED

	July 01, 2011 to December 31, 2011	July 01, 2010 to December 31, 2010
Loss after taxation attributable to ordinary share holders - Rupees	<u>(436,667,627)</u>	<u>(261,540,553)</u>
Weighted average number of ordinary shares - Number	<u>108,031,500</u>	<u>108,031,500</u>
Loss per share - Basic (Rupees per share)	<u>(4.04)</u>	<u>(2.42)</u>

11.1 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.

12 DATE OF AUTHORIZATION

These condensed interim financial statements were authorized for issue by the Board of Directors on February 17, 2012.

13 GENERAL

13.1 Comparative figures

Comparative figures have been reclassified, wherever necessary for better presentation. However, no significant reclassification have been made during the year except for the following

<u>Account Head</u>	<u>From</u>	<u>To</u>	<u>Amount</u> <u>Rupees</u>
Current liabilities	Short term borrowings - Secured	Long term financing	1,321,443,121
Current liabilities	Interest accrued	Interest accrued on long term financing	537,912,026

13.2 Figures have been rounded off to the nearest rupee.