



FIRST CAPITAL EQUITIES LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED

SEPTEMBER 30, 2010
(UN-AUDITED)

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 Samira Ahmed Zia Ahsan Zia Mazhar Abbas Muhammad Zubair Khalid |
| Chief Financial Officer | Mazhar Abbas |
| Audit Committee | Samira Ahmed Zia (Chairperson) Muhammad Zubair Khalid Ahsan Zia |
| Company Secretary | Syed Akbar Naqi Zaidi |
| Auditors | Nasir Javaid Maqsood Imran Chartered Accountants |
| Legal Advisers | Tassawur Ali Hashmi Advocates, Karachi |
| Registered Office | 103-C/II, Gulberg-III Lahore, Pakistan Tel: (042) 35757591-4 Fax: (042) 35757590, 35877920 |
| Corporate Office | 4 th Floor, Block B, C & D Lakson Square Building No.1 Sarwar Shaheed Road, Karachi Tel: (021) 111 226 226 Fax: (021) 35656710, 35656725 |
| Registrar and Shares Transfer Office | Corplink (Pvt.) Limited Wings Arcade,1-K, Commercial Model Town, Lahore Tel: (042) 35839182 |
| Bankers | 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 My Bank Limited NIB Bank Limited Saudi Pak Commercial Bank Limited Soneri Bank Limited Standard Chartered Bank (Pakistan) Ltd United Bank Limited |

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 quarter ended September 30, 2010.

CAPITAL MARKET REVIEW

In the opening quarter of Fy11, Pakistan stock markets yielded a moderate gain of 3%. The benchmark KSE-100 index closed at 10,013 level versus that of 9,722 points on end-June 2010. Market capitalization ended the period at PRs 2.78 tn - up 1.5% from that of PRs 2.73 tn on June 30, 2010. Initially, the market witnessed an upbeat performance with the index reaching the quarter's peak level at 10,519 points (up 8% from opening). This improved performance mainly ensued from the decision regarding the introduction of the leverage product at local bourses. This helped in regaining investors' confidence in a way that it drove out the fear of inquisition of taxation authorities regarding source of capital post CGT imposition. Meanwhile, a number of unfavorable happenings interrupted the up-trend of the market and index lost approximately 500 points from the said peak level. That said, SBP's hawkish move of raising the benchmark rate by 100bps (in two episodes) due to rising inflation and aggravating fiscal standing, the country's unprecedented natural disaster in the form of huge floods that caused massive losses and KSE chairman's concerns on newly approved leverage product ravaged the investor sentiments at local bourses.

A recent key positive political development regarding the SC's verdict over 18th amendment case is likely to ease the much tensed-up political situation of the country. The verdict is believed to be welcomed by all the concerns including legal and rights experts, as it apparently eradicates fears of a looming clash between the executive and judiciary. With respect to MTS, the implementation of the leverage product would be the probable market trigger and any solid progress in this regard would further support buying spree at KSE.

On the other hand, trading activity depicted a much dreary picture where it registered a decline of 67% YoY. That said, KSE which once considered as a highly liquid market has now become one of the illiquid markets with only 62 mn shares changing hands on average. Quite understandably, the imposition of CGT resulted in such a compressed activity level. Though the new levy has helped in removing speculative activity from the market but at the same time it affected the brokerage business negatively. The average daily turnover of the market fell by 67% to 62 mn shares (PRs 2.4 bn or US\$ 28 mn) in the ready market. During the same quarter of last year, the average daily volume on the ready counter was recorded at 189 mn shares (PRs 9.6 bn or US\$ 116 mn).

FINANCIAL HIGHLIGHTS

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

| Particulars | July to Sept. 2010 | July to Sept. 2009 |
|--|--------------------|--------------------|
| | Rupees | |
| Brokerage and operating income | 24,448,228 | 41,509,468 |
| Capital (loss) / gain - net | (163,000) | 142,763 |
| Income from placements | 32,836,079 | 71,676,267 |
| Other operating income | 1,450,449 | 1,022,476 |
| Unrealized (loss) / gain on re-measurement of investments at fair value through profit or loss | (17,529,880) | 84,485,289 |
| (Loss) / profit after taxation | (119,588,002) | 24,396,024 |
| (Loss) / Earning Per Share | (1.11) | 0.23 |

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The brokerage and operating income of your Company remained 41% lower at Rs 24 million during the quarter. Moreover, the income from placement also dropped by 54% to Rs 33 million. Meanwhile, other operating income registered a growth of 42% at Rs 1.45 million during the quarter. The Company also booked a loss (realized and unrealized) of Rs 18 million on stock market investments. Operating and financial expenses remained 12% and 6% lower at Rs 44 million and Rs 116 million, respectively. That said, the company ended the quarter with a net loss of Rs 120 million, as against an underlying profit of Rs 24 million in the corresponding quarter of last year.

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. However, due to the recent floods the macro indicators of the country have once again come under pressure and have notably tighten the business environment of the country. Your Company is striving hard to cope with these challenges head-on. Importantly, the long awaited leverage product duly approved by the apex regulator is also likely to be implemented soon which would improve the trading activity at Pakistan stock market and hence bode well for your company's future performance.

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.

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.

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
October 27, 2010


Mian Ehsan Ul Haq
Chairman & Chief Executive Officer

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**FIRST CAPITAL EQUITIES LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT SEPTEMBER 30, 2010**

| | Note | Un-Audited September 2010 Rupees | Audited June 2010 Rupees |
|---|------|---|-----------------------------------|
| ASSETS | | | |
| NON - CURRENT ASSETS | | | |
| Property and equipment | | 86,454,040 | 89,342,531 |
| Stock exchange membership card and room | | 40,700,000 | 40,700,000 |
| Investments - available for sale | 5 | 1,323,949,288 | 1,398,850,917 |
| Long term deposits and advances | | 2,986,800 | 2,986,800 |
| | | <u>1,454,090,128</u> | <u>1,531,880,248</u> |
| CURRENT ASSETS | | | |
| Trade debts - Unsecured | 6 | 2,784,942,030 | 2,530,561,419 |
| Investments | 7 | 266,655,719 | 294,494,187 |
| Advances, deposits, prepayments and other receivables | 8 | 20,803,503 | 33,131,149 |
| Advance income tax | | 47,322,976 | 46,596,037 |
| Placements | | 544,352,220 | 782,093,163 |
| Interest accrued | | 1,542,343 | 4,621,217 |
| Cash and bank balances | | 7,729,523 | 6,436,391 |
| | | <u>3,673,348,314</u> | <u>3,697,933,563</u> |
| NON - CURRENT ASSETS - HELD FOR SALE | | | |
| Investments property | | 893,094,509 | 893,094,509 |
| TOTAL ASSETS | | <u>6,020,532,951</u> | <u>6,122,908,320</u> |
| 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 | | 1,103,380,138 | 1,178,281,767 |
| Unappropriated loss | | (293,843,710) | (174,255,708) |
| TOTAL EQUITY | | <u>1,889,851,428</u> | <u>2,084,341,059</u> |
| NON CURRENT LIABILITIES | | | |
| Long term financing | 9 | 1,033,371,520 | 1,311,317,094 |
| Staff retirement benefits | | 38,068,075 | 35,744,285 |
| | | <u>1,071,439,595</u> | <u>1,347,061,379</u> |
| CURRENT LIABILITIES | | | |
| Trade and other payables- Unsecured | | 194,693,636 | 285,259,856 |
| Liabilities against repurchase agreements - Secured | | 283,400,000 | 189,400,000 |
| Short term borrowings - Secured | 10 | 1,326,336,110 | 1,321,948,788 |
| Current portion of long term financing | | 912,345,829 | 642,400,255 |
| Interest accrued | | 320,869,627 | 231,506,413 |
| Provision for taxation | | 21,596,726 | 20,990,570 |
| | | <u>3,059,241,928</u> | <u>2,691,505,882</u> |
| CONTINGENCIES AND COMMITMENTS | | | |
| | 11 | - | - |
| TOTAL EQUITY AND LIABILITIES | | <u>6,020,532,951</u> | <u>6,122,908,320</u> |

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statement.

Lahore: October 27, 2010

Sumner
Chief Executive

Munbar
Director

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**FIRST CAPITAL EQUITIES LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2010**

| | Note | Jul - Sep 2010 Rupees | Jul - Sep 2009 Rupees |
|--|------|-----------------------------|-----------------------------|
| INCOME | | | |
| Brokerage and operating income | | 24,448,228 | 41,509,468 |
| Capital gain - net | | (631,000) | 142,763 |
| Income from Placement | | 32,836,079 | 71,676,267 |
| Other operating income | | 1,450,449 | 1,022,476 |
| | | <u>58,103,756</u> | <u>114,350,974</u> |
| Unrealized (loss)/ gain on re-measurement of investments at fair value through profit or loss | | (17,529,880) | 84,485,289 |
| | | <u>40,573,876</u> | <u>198,836,263</u> |
| EXPENDITURE | | | |
| Operating expenses | | 43,891,045 | 50,093,104 |
| Finance costs | | 115,664,677 | 123,456,916 |
| | | <u>159,555,722</u> | <u>173,550,020</u> |
| (LOSS) / PROFIT BEFORE TAXATION | | <u>(118,981,846)</u> | <u>25,286,243</u> |
| Taxation | | 606,156 | 890,219 |
| (LOSS) / PROFIT AFTER TAXATION | | <u>(119,588,002)</u> | <u>24,396,024</u> |
| EARNINGS PER SHARE - BASIC AND DILUTED | 13 | <u>(1.11)</u> | <u>0.23</u> |

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statement.

Lahore: October 27, 2010

Sumner
Chief Executive

Munbar
Director

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FIRST CAPITAL EQUITIES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE
INCOME (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2010

| | Jul - Sep 2010 Rupees | Jul - Sep 2009 Rupees |
|--|-----------------------------|-----------------------------|
| (Loss)/ profit after taxation | (119,588,002) | 24,396,024 |
| Other comprehensive income | | |
| (Deficit) / surplus on remeasurement of investment available for sale - net of tax | (74,901,629) | 538,844,018 |
| Total comprehensive (loss) / income for the period | <u>(194,489,631)</u> | <u>563,240,042</u> |

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statement.

Lahore: October 27, 2009

Sumner
Chief Executive

Munbani
Director

FIRST CAPITAL EQUITIES LIMITED
CONDENSED INTERIM CASH FLOW STATEMENT - (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2010

| | Note | Jul - Sep 2010 Rupees | Jul - Sep 2009 Rupees |
|--|------|-----------------------------|-----------------------------|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| (Loss) / profit before taxation | | (118,981,846) | 25,286,243 |
| Add: Items not involved in movement of funds | | | |
| Depreciation | | 2,888,490 | 3,312,532 |
| Loss on re-measurement of investments at fair value through profit or loss - net | | 17,529,880 | (84,485,289) |
| Provision for doubtful debts | 10.2 | 12,500,000 | 12,500,000 |
| Dividend income | | - | (54,600) |
| Interest accrued | | (32,985,892) | (71,815,107) |
| Interest expense | | 115,664,677 | 123,456,916 |
| Loss / (gain) on foreign currency translation | | 2,944 | (251,536) |
| Provision for gratuity | | 2,473,790 | 2,550,000 |
| | | 118,073,889 | (14,787,084) |
| | | (907,957) | 10,499,159 |
| (Increase) / decrease in current assets | | | |
| Investments at fair value through profit or loss | | 10,308,588 | (35,218,017) |
| Trade debts - unsecured | | (266,880,611) | 127,480,599 |
| Advances, deposits, prepayments and other receivables | | 12,327,646 | (13,786,782) |
| | | (244,244,377) | 78,475,800 |
| (Decrease) / Increase in current liabilities in trade and other payables | | | |
| | | (90,566,220) | 60,556,740 |
| Cash (used) / generated in operations | | (335,718,554) | 149,531,699 |
| Dividend received | | - | 54,600 |
| Interest received | | 36,064,766 | 74,726,216 |
| Finance cost paid | | (26,301,463) | (89,693,300) |
| Gratuity paid | | (150,000) | (119,000) |
| Taxes paid | | (726,939) | (1,245,134) |
| Net cash (used) / generated in operating activities | | (326,832,190) | 133,255,078 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Acquisition of property and equipment | | - | (69,650) |
| Investments available for sale | | - | (98,802,000) |
| Placements | | 237,740,943 | 43,817,433 |
| Net cash used / (generated) in investing activities | | 237,740,943 | (55,054,217) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | |
| Long term finance obtained | | (8,000,000) | (8,000,000) |
| Liabilities against repurchase agreements | | 94,000,000 | (9,000,430) |
| Short term borrowings | | 4,387,322 | (39,949,533) |
| Net cash generated / (used) from financing activities | | 90,387,322 | (56,949,963) |
| Effects of exchange rate changes in cash and cash equivalents | | (2,944) | 251,536 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | | 1,296,076 | 21,250,901 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | | 6,436,391 | 7,374,395 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | | <u>7,729,523</u> | <u>28,876,832</u> |

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statement.

Lahore: October 27, 2009

Sumner
Chief Executive

Munbani
Director

**FIRST CAPITAL EQUITIES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2010**

| | Issued, sub- scribed and paid up capital | Capital reserves | | | Revenue reserve | Total |
|---|--|------------------|---|--------------------------|--------------------------------|---------------|
| | | Share premium | Reserve for issue of bonus shares | Fair value reserve | Un-appre- priated profit | |
| Rupees | | | | | | |
| Balance as at June 30, 2009 | 1,080,315,000 | - | - | 499,254,882 | 131,406,664 | 1,710,978,546 |
| Transfer to reserve for issue of bonus shares | - | - | - | - | - | - |
| Profit for the period after taxation | - | - | - | - | 24,396,024 | 24,396,024 |
| Other comprehensive income for the period | | | | | | |
| Surplus on remeasurement of investment available for sale to fair value | - | - | - | 538,844,019 | - | 538,844,019 |
| Total other comprehensive income for the period - net of tax | - | - | - | 538,844,019 | - | 538,844,019 |
| Total comprehensive income for the period | - | - | - | 538,844,019 | 24,396,024 | 563,240,043 |
| Distribution to owners | | | | | | |
| Bonus shares issued - 25% during the period | - | - | - | - | - | - |
| Total transaction with owners | - | - | - | - | - | - |
| Balance as at September 30, 2009 | 1,080,315,000 | - | - | 1,038,086,901 | 155,804,688 | 2,274,218,589 |
| Total comprehensive income for the period | | | | | | |
| Loss for the period after taxation | - | - | - | - | (330,060,396) | (330,060,396) |
| Other comprehensive income for the period | | | | | | |
| Surplus on remeasurement of investment available for sale to fair value | - | - | - | 140,182,866 | - | 140,182,866 |
| Total other comprehensive loss for the period - net of tax | - | - | - | 140,182,866 | - | 140,182,866 |
| Total comprehensive loss for the period | - | - | - | 140,182,866 | (330,060,396) | (189,877,530) |
| Balance as at June 30, 2010 | 1,080,315,000 | - | - | 1,178,261,767 | (174,255,708) | 2,084,341,059 |
| Total comprehensive income for the period | | | | | | |
| Loss for the period after taxation | - | - | - | - | (119,588,002) | (119,588,002) |
| Other comprehensive income for the period | | | | | | |
| Deficit on remeasurement of investment available for sale to fair value | - | - | - | (74,901,629) | - | (74,901,629) |
| Total other comprehensive income for the period - net of tax | - | - | - | (74,901,629) | - | (74,901,629) |
| Total comprehensive income for the period | - | - | - | (74,901,629) | (119,588,002) | (194,489,631) |
| Balance as at September 30, 2010 | 1,080,315,000 | - | - | 1,103,360,138 | (293,843,710) | 1,889,851,428 |

The annexed notes from 1 to 15 form an integral part of these condensed interim financial statement.

Lahore: October 27, 2010

[Signature]
Chief Executive

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[Signature]
Director

**FIRST CAPITAL EQUITIES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL
STATEMENTS - (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 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 Company is a subsidiary of First Capital Securities Corporation Limited - a listed company which hold 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

This condensed interim financial statements are 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, 2010.

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 statements 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, 2010.

5 INVESTMENT - AVAILABLE FOR SALE

| | September 30, 2010 Rupees | June 30, 2010 Rupees |
|--|---------------------------------|----------------------------|
| Media Times Limited 22,905,697 (June 2010: 22,905,697) Fully paid ordinary shares of Rs. 10 each | 1,398,850,917 | 621,022,032 |
| Equity Held 17.08% (June 2010 : 17.09%) Purchase of Shares | - | 98,802,000 |
| (Deficit) / surplus on remeasurement of investment available for sale | (74,901,629) | 679,026,885 |
| | <u>1,323,949,288</u> | <u>1,398,850,917</u> |

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6 TRADE DEBTS - UNSECURED

| Note | September 30, | June 30, |
|---|----------------------|----------------------|
| | 2010 | 2010 |
| | Rupees | Rupees |
| Trade debts against purchase of shares: | | |
| Considered good: | | |
| Clients | 2,784,662,737 | 2,530,282,127 |
| Members | 279,293 | 279,292 |
| | <u>2,784,942,030</u> | <u>2,530,561,419</u> |
| Considered doubtful: | | |
| Clients | 143,735,840 | 131,235,840 |
| Members | 3,911,979 | 3,911,979 |
| | <u>147,647,819</u> | <u>135,147,819</u> |
| Less: Provision for doubtful debts | 6.1 (147,647,819) | (135,147,819) |
| | <u>-</u> | <u>-</u> |
| | <u>2,784,942,030</u> | <u>2,530,561,419</u> |
| 6.1 Provision for doubtful debts | | |
| Opening balance | 135,147,819 | 85,147,819 |
| Charge for the period / year | 12,500,000 | 50,000,000 |
| Closing Balance | <u>147,647,819</u> | <u>135,147,819</u> |

This includes an amount of Rs. 167,944,259/- (June 2010 Rs. 167,944,259/-) receivable from related party, Mr. Sulieman Ahmad Said Al-Houqani.

7 INVESTMENTS

At fair value through profit or loss

Quoted equity securities

| | September 30, 2010 | June 30, 2010 |
|---|-----------------------|--------------------|
| | Rupees | Rupees |
| Carrying value / cost of investments | 284,185,599 | 319,008,993 |
| Unrealized loss on remeasurement of investments for the period / year | (17,529,880) | (24,514,806) |
| | <u>266,655,719</u> | <u>294,494,187</u> |

8 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

This includes an amount of Rs. NIL (June 2010 : Rs. 14,107,309) as exposure deposited with the Karachi Stock Exchange (Guarantee) Limited under the Exposure Rules.

| September 30, 2010 | June 30, 2010 |
|-----------------------|------------------|
| Rupees | Rupees |
| 20,803,503 | 33,131,149 |

9 LONG TERM FINANCING - SECURED

| | September 30, 2010 | June 30, 2010 |
|---|-----------------------|----------------------|
| | Rupees | Rupees |
| Term finance facility | 1,945,717,349 | 1,953,717,349 |
| Less: Current portion shown under current liability | 912,345,829 | 642,400,255 |
| Long term portion | <u>1,033,371,520</u> | <u>1,311,317,094</u> |

These facilities have been obtained from various commercial banks and carries mark up at 8% to 13% and 6 months Kibor plus 2.5% payable bi-annually and quarterly. These facilities are secured against the pledge of shares, charge over trade receivables and equitable mortgage of certain properties. This also includes an amount of Rs. 6,500,000/- as unsecured long term loan from parent company carrying mark up rate of 3 months kibar plus 3 % (June 2010 : 3 months plus 3%) per annum.

| September 30, 2010 | June 30, 2010 |
|-----------------------|------------------|
| Rupees | Rupees |
| 1,326,336,110 | 1,321,948,788 |

10 SHORT TERM BORROWING - Secured

These facilities have been obtained from various commercial banks under mark up arrangements amounting to Rs 1,554 million (June 2010 : Rs 1,554 million). These facilities carry mark up at rate ranging from 3 to 6 months KIBOR plus 3 % to 5 % per annum payable quarterly (June 2010 : 3 % to 5 % per annum). These are secured against pledge of quoted equity securities having market value of Rs. 2,998,106,927 (June 2010 : Rs. 3,347,921,198) and certain investment properties.

11 CONTINGENCIES AND COMMITMENTS

There is no change in contingencies disclosed in the annual financial statements for the year ended June 30, 2010 except the following.

During the period an irrevocable guarantee of Rs. 20 million has been given to Karachi Stock Exchange (Guarantee) limited against exposure by a commercial bank on behalf of the Company. This guarantee is secured against a Lien marked on a bank balance of parent company.

| September 30, 2010 | June 30, 2010 |
|-----------------------|------------------|
| Rupees | Rupees |
| 17,385,330 | 96,730,665 |
| 86,848,521 | 96,344,449 |

COMMITMENTS

| | | |
|--------------------|------------|------------|
| Sale of Shares | 17,385,330 | 96,730,665 |
| Purchase of shares | 86,848,521 | 96,344,449 |

12 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:

| Three Months Ended September 30, 2010 | | | |
|---------------------------------------|----------------|--|---------------------|
| Associated Company | Parent Company | Key management personnel of the entity, its parents and their close family members | Other Related Party |
| Rupees | | | |
| | | | |

| | | | | |
|---------------------------|---|---------|---|---|
| Mark up on long term loan | - | 262,137 | - | - |
|---------------------------|---|---------|---|---|

| Three Months Ended September 30, 2009 | | | |
|---------------------------------------|----------------|--|---------------------|
| Associated Company | Parent Company | Key management personnel of the entity, its parents and their close family members | Other Related Party |
| Rupees | | | |
| | | | |

| | | | | |
|------------------|---|--------|---|---|
| Brokerage Income | - | 78,300 | - | - |
|------------------|---|--------|---|---|

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

13 EARNINGS PER SHARE - BASIC AND DILUTED

| | July 01, 2010 to September 30, 2010 | July 01, 2009 to September 30, 2009 |
|---|--|--|
| Loss after taxation attributable to ordinary share holders - Rupees | <u>(119,588,002)</u> | <u>24,396,024</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>(1.11)</u> | <u>0.23</u> |

13.1 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.

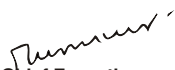
14 DATE OF AUTHORIZATION

This condensed interim financial information was authorized for issue by the Board of Directors on October 27, 2010.

15 GENERAL

Figures have been rounded off to the nearest rupee.

Lahore: October 27, 2010


Chief Executive


Director