



FIRST CAPITAL EQUITIES LIMITED

CONDENSED INTERIM FINANCIAL INFORMATION FOR THE HALF YEAR ENDED

DECEMBER 31, 2014

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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COMPANY INFORMATION

Board of Directors	Mian Ehsan ul Haq <i>Chairman & Chief Executive Officer</i> Farooq Bin Habib Muhammad Junaid Ahsan Zia Mazhar Abbas Waseem ul Hassan Malik Fawad Tasawar	Executive Executive Executive Executive Executive Executive Independent
Chief Financial Officer	Mazhar Abbas	
Audit Committee	Malik Fawad Tasawar (Chairman) Farooq Bin Habib Ahsan Zia	
Human Resource and Remuneration (HR&R) Committee	Waseem ul Hasan (Chairman) Mian Ehsan Ul Haq Malik Fawad Tasawar	
Company Secretary	Arshad Ali	
Auditors	Nasir Javaid Maqsood Imran Chartered Accountants	
Legal Advisers	Muhammad Amir Advocates, Karachi	
Bankers	Askari Bank Limited Bank Alfalah Limited Bank Al Habib Limited Faysal 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) Ltd United Bank Limited	
Registered Office	2nd Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt. Lahore, Pakistan. Tel: (042) 36623005/6/8 Fax: (042) 36623121-36623122	
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	

DIRECTORS' REVIEW

The Directors of First Capital Equities Limited are pleased to present the un-audited condensed interim financial statements of the Company for the half year ended December 31, 2014.

CAPITAL MARKET REVIEW

After posting a flattish trend in 1QFY15, Pakistan equities posted a positive return of 8.1% in 2QFY15 with benchmark KSE-100 index closing the quarter at 32,131 points as against 29,726 on end-Sep 2014. On cumulative basis, the market gained around 2,479 points during 1HFY15 translating into a gain of 8.4%. The period concluded with PKR 7.4 trillion or US\$ 73.5 billion of Market capitalization. In our opinion, monetary easing, improving external account outlook amid falling oil prices, robust corporate earnings, end of PTI protest staged in the capital territory and announcement of the national plan to fight terrorism restored investors' confidence at local market and were the main reasons behind improved sentiments during 2QFY15. In its Monetary Policy review of November 2014, the SBP cut the discount rate by 50bps to 9.5% - a decision mainly influenced by unprecedented inflation readings with Nov-2014 CPI touching 11-year low of 3.96%YoY. As per the figures released by the National Clearing Company of Pakistan Limited (NCCPL), the foreign investors were net buyers of US\$ 113 million worth of equities during 1HFY15. KSE's turnover remained slightly lower and on average 182 million shares were traded in the ready market as against 193 million shares during 1HFY14. However, in value terms, trading volume remained higher at PKR 9.3 billion or US\$ 92 million. During the same period of last year, the average daily traded value in the ready counter was recorded at PKR 7.9 billion or US\$ 75 million.

FINANCIAL HIGHLIGHTS

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

Particulars	July to Dec 2014	July to Dec 2013
	Rupees	
Brokerage income	30,396,052	63,860,729
Capital gain / (loss) - net	193,390	(42,561,687)
Other operating income	42,486,612	88,334,851
Unrealized loss on re-measurement of investments at fair value through profit or loss	(24,407)	(155,737)
Operating expenses	50,904,779	72,912,912
Finance costs	137,397,258	168,025,979
Loss before taxation	(115,250,390)	(131,460,735)
Loss after taxation	(115,554,351)	(132,099,342)
Loss per share (2013 Restated)	(0.82)	(0.93)

Your Company reported a loss of PKR 116 million in 1HFY15. The brokerage income of your Company dropped by 52% YoY at PKR 30 million during the first half of FY15 versus that of PKR 64 million in the corresponding period last year. Additionally, other income also remained lower at PKR 42 million depicting a decline of 52% during the period under review. That said, on overall basis, the income segment depicted bleak performance and recorded 33% decline at PKR 73 million. Operating expenses remained 30% lower at PKR 50 million while financial charges registered 18% decline at PKR 137 million. The company ended the period with net loss of PKR 116 million as against net loss of PKR 132 million in the same period of last year.

FUTURE OUTLOOK

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

There is no change in the composition of the Board of Directors since last reported in annual financial statements of the Company for the year ended June 30, 2014.

ACKNOWLEDGEMENT

The Board of Directors wishes 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 Limited and Karachi Stock Exchange 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 27, 2015

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

Introduction

We have reviewed the accompanying condensed interim balance sheet of **First Capital Equities Limited (the Company)** as at **December 31, 2014** and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the accounts for the half year then ended (here-in-after referred to as "condensed 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 condensed 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 condensed interim financial information as of and for the half year ended December 31, 2014 is not prepared, in all material respects, in accordance with approved Accounting Standards as applicable in Pakistan relating to interim financial reporting.

Other matters

The figures of the condensed interim profit and loss account and the condensed interim statement of comprehensive income for the quarters ended December 31, 2014 and 2013 have not been reviewed, as we are required to review only the cumulative figures for the six month ended December 31, 2014.

Place : Lahore
Date : February 27, 2015

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

**FIRST CAPITAL EQUITIES LIMITED
CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2014**

	Note	Un-Audited December 31, 2014 Rupees	Audited June 30, 2014 Rupees
ASSETS			
NON - CURRENT ASSETS			
Property and equipment		56,953,104	59,893,426
Intangible assets		16,543,680	16,543,680
Investments - available for sale	5	38,717,989	39,870,788
Long term deposits and advances		2,879,000	2,879,000
		115,093,773	119,186,894
CURRENT ASSETS			
Trade debts - Unsecured	6	2,283,770,755	2,278,505,881
Investments	7	301,598	275,083
Investments property		1,601,903,100	1,601,903,100
Advances, deposits, prepayments and other receivables		24,865,716	18,231,121
Advance income tax		69,326,880	66,620,616
Interest accrued		678,556	1,142,777
Cash and bank balances		12,960,406	13,109,857
		3,993,807,011	3,979,788,433
TOTAL ASSETS		4,108,900,784	4,098,975,327
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital		1,520,000,000	1,520,000,000
Issued, subscribed and paid up share capital		1,413,355,000	1,413,355,000
Reserves		(43,863,265)	(42,710,465)
Unappropriated loss		(1,205,650,114)	(1,090,095,763)
TOTAL EQUITY		163,841,621	280,548,772
NON CURRENT LIABILITIES			
Long term financing	8	1,817,049,277	1,848,295,721
Interest accrued on long term financing		425,300,658	442,799,616
Staff retirement benefits		48,013,068	46,066,272
		2,290,363,003	2,337,161,609
CURRENT LIABILITIES			
Trade and other payables- Unsecured	9	201,012,233	167,391,582
Short term borrowing - Secured		543,971,646	543,971,647
Current portion of long term financing		363,006,000	261,793,998
Interest accrued		519,349,665	481,055,064
Provision for taxation		27,356,616	27,052,656
		1,654,696,160	1,481,264,947
CONTINGENCIES AND COMMITMENTS	10	-	-
TOTAL EQUITY AND LIABILITIES		4,108,900,784	4,098,975,327

The annexed notes from 1 to 14 form an integral part of these condensed interim financial information.

LAHORE:

CHIEF EXECUTIVE

DIRECTOR

**FIRST CAPITAL EQUITIES LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT - (Un-audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

	Note	SIX MONTHS ENDED		THREE MONTHS ENDED	
		July - Dec 2014	July - Dec 2013	Oct - Dec 2014	Oct - Dec 2013
		Rupees	Rupees	Rupees	Rupees
INCOME					
Brokerage income		30,396,052	63,860,729	22,096,972	29,799,328
Capital gain / (loss) - net		193,390	(42,561,687)	201,229	(4,276)
Other operating income		42,486,612	88,334,851	41,737,967	86,599,001
		<u>73,076,054</u>	<u>109,633,893</u>	<u>64,036,167</u>	<u>116,394,054</u>
Unrealized (loss) / gain on re-measurement of investments at fair value through profit or loss		(24,407)	(155,737)	180,513	563,531
		<u>73,051,647</u>	<u>109,478,156</u>	<u>64,216,680</u>	<u>116,957,585</u>
EXPENDITURE					
Operating expenses		50,904,779	72,912,912	26,527,542	39,988,140
Finance costs		137,397,258	168,025,979	67,291,606	83,838,208
		<u>188,302,037</u>	<u>240,938,892</u>	<u>93,819,148</u>	<u>123,826,349</u>
LOSS BEFORE TAXATION					
		<u>(115,250,390)</u>	<u>(131,460,735)</u>	<u>(29,602,468)</u>	<u>(6,868,764)</u>
Taxation		303,961	638,607	220,970	297,993
LOSS AFTER TAXATION					
		<u>(115,554,351)</u>	<u>(132,099,342)</u>	<u>(29,823,438)</u>	<u>(7,166,757)</u>
LOSS PER SHARE - BASIC AND DILUTED					
(2013 Restated)	12	<u>(0.82)</u>	<u>(0.93)</u>	<u>(0.21)</u>	<u>(0.05)</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial information.

Lahore


Chief Executive


Director

**FIRST CAPITAL EQUITIES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME-
(Un-audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

	SIX MONTHS ENDED		THREE MONTHS ENDED	
	July - Dec 2014	July - Dec 2013	Oct - Dec 2014	Oct - Dec 2013
	Rupees	Rupees	Rupees	Rupees
(Loss) / profit after taxation	(115,554,351)	(132,099,342)	(29,823,438)	135,810,782
Other comprehensive (loss) / income for the period				
<i>Items that are or may be reclassified to profit or loss:</i>				
Unrealised loss on remeasurement of investment available for sale	(1,152,800)	(10,860,578)	182,020	33,900,432
Total comprehensive (loss) / profit for the period (2013 Restated)	<u>(116,707,151)</u>	<u>(142,959,920)</u>	<u>(29,641,417)</u>	<u>169,711,214</u>

The annexed notes from 1 to 14 form an integral part of these condensed interim financial information.

Lahore


Chief Executive


Director

**FIRST CAPITAL EQUITIES LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS- (Un-audited)
FOR THE HALF YEAR ENDED DECEMBER 31, 2014**

	Note	Jul-Dec 2014 Rupees	Jul-Dec 2013 Rupees
CASH FLOW FROM OPERATING ACTIVITIES			
Loss before taxation		(115,250,390)	(131,460,735)
Add: Items not involved in movement of funds			
Depreciation		3,062,706	2,994,200
Loss on re-measurement of investments at fair value through profit or loss - net		24,407	155,737
Deferred notional income		-	(49,647,551)
Provision for interest written back		(38,724,533)	(35,130,021)
Interest income		(1,579,359)	(878,812)
Interest expense		137,397,258	168,025,979
Gain on sale of property and equipment		(733,480)	(937,000)
Loss / (gain) on foreign currency translation		(117)	(423)
Provision for gratuity		3,206,796	2,500,000
		<u>102,653,678</u>	<u>87,082,109</u>
		(12,596,713)	(44,378,626)
(Increase) / decrease in current assets			
Investments at fair value through profit or loss		(50,922)	25,187,598
Trade debts - unsecured		(5,264,873)	185,303,010
Advances, deposits, prepayments and other receivables		(6,634,596)	(19,784,514)
		(11,950,391)	190,706,094
Increase / (decrease) in current liabilities in trade and other payables			
		33,620,651	9,887,612
Cash used in operations			
		9,073,547	156,215,080
Interest received		2,043,580	1,215,891
Finance cost paid		(80,372)	(1,815,203)
Gratuity paid		(1,260,000)	(335,350)
Taxes paid		(2,706,265)	(3,261,749)
		<u>7,070,490</u>	<u>152,018,669</u>
Net cash generated / (used in) from operating activities			
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(122,385)	(254,000)
Proceeds from sale of property and equipment		733,480	937,000
Investments available for sale		-	72,206,096
Long term deposits and advances		-	(4,000)
		<u>611,095</u>	<u>72,885,096</u>
Net cash generated from investing activities			
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finance (paid) / obtained		(7,831,152)	(178,781,260)
Liabilities against repurchase agreements		-	(48,111,520)
Short term borrowings		-	-
		<u>(7,831,152)</u>	<u>(226,892,780)</u>
Net cash (used in) / generated from financing activities			
Effects of exchange rate changes in cash and cash equivalents		117	423
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		(149,568)	(1,989,014)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD		13,109,857	18,029,051
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD		12,960,406	16,040,460

The annexed notes from 1 to 14 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, 2014**

	Issued, subscribed and paid up capital	Capital Reserve			Revenue Reserve	Total
		Share Premium	Reserve for issue of bonus shares	Fair value reserve	Unappropriated Profit	
Rupees						
Balance as at June 30, 2013	1,080,315,000	-	-	(69,449,316)	(776,374,663)	234,491,021
Reversal of gain on exchange of intangible assets	-	-	-	-	(21,873,830)	(21,873,830)
Change in accounting policy for recognition of actuarial gains	-	-	-	-	228,362	228,362
Balance as at June 30, 2013 - (Restated)	1,080,315,000	-	-	(69,449,316)	(796,020,131)	212,845,553
Loss for the period after taxation	-	-	-	-	(132,099,342)	(132,099,342)
Other comprehensive income for the period						
Fair value reserve realised	-	-	-	38,388,186	-	38,388,186
Deficit on remeasurement of investment available for sale to fair value	-	-	-	(10,860,578)	-	(10,860,578)
Total other comprehensive income for the period - net of tax	-	-	-	27,527,608	-	27,527,608
Total comprehensive loss for the period	-	-	-	27,527,608	(132,099,342)	(104,571,734)
Balance as at December 31, 2013 - (Restated)	1,080,315,000	-	-	(41,921,708)	(930,119,473)	108,273,819
Loss for the period after taxation	-	-	-	-	(160,199,002)	(160,199,002)
Issuance of new capital	333,040,000	-	-	-	-	333,040,000
Other comprehensive income for the period						
Remeasurement of defined benefit plan	-	-	-	-	222,712	222,712
Deficit on remeasurement of investment available for sale to fair value	-	-	-	(788,757)	-	(788,757)
Total other comprehensive income for the period - net of tax	-	-	-	(788,757)	222,712	(566,045)
Total comprehensive loss for the period	-	-	-	(788,757)	(159,976,290)	(160,765,047)
Balance as at June 30, 2014	1,413,355,000	-	-	(42,710,465)	(1,090,095,763)	280,548,772
Loss for the period after taxation	-	-	-	-	(115,554,351)	(115,554,351)
Other comprehensive income for the period						
Deficit on remeasurement of investment available for sale to fair value	-	-	-	(1,152,800)	-	(1,152,800)
Total other comprehensive income for the period - net of tax	-	-	-	(1,152,800)	-	(1,152,800)
Total comprehensive loss for the period	-	-	-	(1,152,800)	(115,554,351)	(116,707,151)
Balance as at December 31, 2014	1,413,355,000	-	-	(43,863,265)	(1,205,650,114)	163,841,621

The annexed notes from 1 to 14 form an integral part of these condensed interim financial information.

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, 2014**

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 Company is TREC holder of Karachi Stock Exchange Limited and 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 103,494,200 (73.23%) ordinary shares of the Company. The registered office of the Company is located at 2nd floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt. Lahore.

2 BASIS OF PREPARATION

2.1 Statement of compliance

This condensed interim financial information is un-audited and is prepared in accordance with the requirements of International Accounting Standards (IAS) 34 "Interim Financial Reporting" and are being presented to share holders under section 245 of Companies Ordinance, 1984. 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, 2014.

This condensed interim financial information comprise of condensed interim balance sheet as at December 31, 2014 and the related condensed interim profit & loss account, condensed interim statement of comprehensive income, condensed interim statement of cash flows, condensed interim statement of changes in equity and notes thereto, for the half year ended December 31, 2014.

3 ACCOUNTING POLICIES

Accounting policies adopted for the preparation of these condensed interim financial information is the same as those applied in the preparation of the annual financial statements of the Company for the year ended June 30, 2014.

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 statement for the year ended June 30, 2014.

5 INVESTMENTS - AVAILABLE FOR SALE

	<u>Note</u>	<u>December 31, 2014</u>	<u>June 30, 2014</u>
		<u>Rupees</u>	<u>Rupees</u>
Quoted Shares			
Media Times Limited	5.1	14,561,669	15,714,468
Unquoted Shares			
Karachi Stock Exchange Limited 4,007,383 shares of KSE (June 2014 : 4,007,383 shares)		24,156,320	24,156,320
		<u>38,717,989</u>	<u>39,870,788</u>
5.1 6,067,362 (June 2014 : 6,067,362) Fully paid ordinary shares of Rs. 10 each Equity Held 3.56% (June 2014 : 3.56%)		15,714,468	27,363,803
Loss on remeasurement of investment available for sale for the period / year		(1,152,800)	(11,649,335)
		<u>14,561,668</u>	<u>15,714,468</u>

6 TRADE DEBTS - UNSECURED

Trade debts against purchase of shares:

considered good:

Clients	2,283,149,347	2,277,884,476
Members	621,409	621,405
	<u>2,283,770,755</u>	<u>2,278,505,881</u>

considered doubtful:

Clients	1,092,901,226	1,092,901,226
Members	3,911,979	3,911,979
	<u>1,096,813,205</u>	<u>1,096,813,205</u>

Less: Provision for doubtful debts	6.1	(1,096,813,205)	(1,096,813,205)
		<u>-</u>	<u>-</u>
		<u>2,283,770,755</u>	<u>2,278,505,881</u>

6.1 Provision for doubtful debts

Opening balance	1,096,813,205	1,096,813,205
Provision for doubtful debts written back for the period / year	-	-
Charge for the period / year	-	-
Closing Balance	<u>1,096,813,205</u>	<u>1,096,813,205</u>

	Note	December 31, 2014 Rupees	June 30, 2014 Rupees
7 INVESTMENTS			
At fair value through profit or loss			
Quoted equity securities			
Carrying value / cost of investments		326,005	656,320
Unrealised loss on remeasurement of investments for the period / year		(24,407)	(381,237)
		<u>301,598</u>	<u>275,083</u>

8 LONG TERM FINANCING

Secured	8.1	2,436,488,873	2,444,320,025
Deferred notional income	8.2	(256,433,595)	(334,230,306)
		<u>2,180,055,277</u>	<u>2,110,089,719</u>
Less: Current portion shown under current liability		<u>363,006,000</u>	<u>261,793,998</u>
		<u>1,817,049,277</u>	<u>1,848,295,721</u>

8.1 This includes agreements with different commercial banks with a mark up rate of 8% to 20% and 3 months kibar plus 3% to 4 % p.a (June 2014 : 8% to 20% and 3 months kibar plus 3% to 4%). These facilities are secured against the pledge of shares, charge over trade receivable and equitable mortgage of certain properties. The shares having market value of Rs 497,168,133 (June 2014 : 334,336,358) have been pledged by the Company.

8.2 This represents the difference between amortized cost and carrying value of restructuring of long term loan. Amortized cost has been determined using effective interest rate of 9.13% to 12.06% (June 2014 : 9.13% to 12.06%) per annum being the 6 month KIBOR rate. Movement is as follows:

	December 31, 2014 Rupees	June 30, 2014 Rupees
Deferred notional income		
As at beginning of the period / year	334,230,306	457,896,181
Occurred during the period / year	-	49,647,551
Amortized during the period / year	(77,796,711)	(173,313,426)
As at end of the period / year	<u>256,433,595</u>	<u>334,230,306</u>

9 TRADE AND OTHER PAYABLES - UNSECURED

This includes balance payable to associated company i.e Falcon Commodities (Pvt) Limited Rs. 5,000,000/- (June 2014 : Rs. 4,993,740/-).

10 CONTINGENCIES AND COMMITMENTS

There is no change in contingencies and commitments disclosed in the annual financial statements for the year ended June 30, 2014 except for the following:

10.1 COMMITMENTS

	Note	December 31, 2014 Rupees	June 30, 2014 Rupees
Sale of Shares		620,557,580	707,140,121
Purchase of shares		609,715,080	854,816,664

11 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, 2014			
Associated Company	Parent Company	Key management personnel of the entity, its parent and their close family members	Other Related Parties
Rupees			

Brokerage Income - - - -

Six Months Ended December 31, 2013			
Associated Company	Parent Company	Key management personnel of the entity, its parent and their close family members	Other Related Parties
Rupees			

Brokerage Income - 345,349 - -

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

12 LOSS PER SHARE - BASIC AND DILUTED

	July 01, 2014 to December 31, 2014	July 01, 2013 to December 31, 2013
Loss after taxation attributable to ordinary share holders - Rupees	<u>(115,554,351)</u>	<u>(132,099,342)</u>
Weighted average number of ordinary shares - Number (2013 Restated)	<u>141,335,500</u>	<u>141,335,500</u>
Loss per share - Basic and Diluted (Rupees per share) (2013 Restated)	<u>(0.82)</u>	<u>(0.93)</u>

12.1 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.

13 DATE OF AUTHORIZATION

This condensed interim financial information was authorized for issue by the Board of Directors on February 27, 2015.

14 GENERAL

14.1 Figures have been rounded off to the nearest rupee.

Lahore


Chief Executive


Director