



FIRST CAPITAL EQUITIES LIMITED

**QUARTERLY ACCOUNTS
(UN-AUDITED)**

SEPTEMBER 30, 2005

FIRST CAPITAL EQUITIES LIMITED

COMPANY INFORMATION

Board of Directors	Mian Ehsan ul Haq Chairman & Chief Executive Officer Farooq Bin Habib Ashraf Liaquat Ali Khan Shahbaz Ali Taseer Ahsan Zia Mazhar Abbas Muhammad Zubair Khalid
Chief Financial Officer	Mazhar Abbas
Audit Committee	Muhammad Zubair Khalid (Chairman) Shahbaz Ali Taseer Ahsan Zia
Company Secretary	Syed Akbar Naqi
Auditors	Ford Rhodes Sidat Hyder & Co. Chartered Accountants
Legal Adviser	Tassawur Ali Hashmi Advocates, Karachi
Bankers	Askari Commercial Bank Limited Bank Alfalah Limited Crescent Commercial Bank Limited Faysal Bank Limited KASB Bank Limited Metropolitan Bank Limited Muslim Commercial Bank Limited PICIC Commercial Bank Limited Prime Commercial Bank Limited Standard Chartered Bank The Bank of Punjab Union Bank Limited
Registered Office	103-C/II, Gulberg-III Lahore, Pakistan ☎ (042) 5757591-4 Fax: (042) 5757590, 5877920
Corporate Office	4 th Floor, Block B, C & D Lakson Square Building No.1 Sarwar Shaheed Road, Karachi ☎ (021) 111 226 226 Fax: (021) 5656710, 5656725
Registrar and Shares Transfer Office	Corplink (Pvt.) Limited Wings Arcade, 1-K, Commercial Model Town, Lahore ☎ (042) 5839182

DIRECTORS' REVIEW

The Director of the company are pleased to present the accounts of the company for the first quarter ended September 30, 2005, alongwith the un-audited accounts.

FINANCIAL PERFORMANCE

Following is a brief summary of financial performance of the company for the quarter;

2005	2004	Increase	Increase
(Rupees in million)			% age

Brokerage Income	46.84	39.25	7.59	19.34
Profit after Taxation	3.04	1.15	1.89	165.08

Growth in core business revenues could be attributed to the aggressive and extensive marketing activity of your company to attract retail and institutional interest towards the equity market and capture more business. Effective fund management of your company and pro-active investment strategies of the company based on fundamental grounds resulted in improved profitability of your company and enabled your company to get out of the recent market crises unharmed, which resulted in many defaults. Your company managed to earn substantial amount of mark-up on placement of funds, which in turn has strengthened the bottom-line of the company. The gross margin of the company has improved albeit its corresponding effect is not reflected in the profits after tax. This is because of change of taxation rules and resulting increase in tax provision for the period and due to the non-cash and unrealized loss on marketable securities. On the other hand rising interest rates and working capital requirements have resulted in higher financing cost for the period under review.

MARKET REVIEW

During the period under review, the KSE 100 index appreciated by 10 % as compared to a fall of 1.3 % during the same period of last year. GDP growth of 8.4 %, continuation of reforms, announcement of an investment friendly budget have all contributed in putting an end to prolonged crises in beginning of current year. The benchmark index moved in a wide range 1255 points during the period under review. During the second part of the quarter the index took flight with handsome volumes to 8226 level with trading volumes averaged at around 241 million.

Successful privatizations of National Refinery and PTCL have restored public confidence in the privatization process creating positive sentiments for the upcoming privatizations of PSO, PPL and other government entities.

FUTURE OUTLOOK

In October, the country has witnessed the worst ever earthquake in its history. The country has suffered loss of thousands of precious lives. As a result of this, the Government would have to increase development and restoration spending, which would be financed by aids, donations and borrowings. We believe that all economic indicators' targets would have to be revised.

With the growth in economy continuing, aggressive implementation of the government's privatization policy and new companies coming into the market enhancing the capital-base of the market, the long-term direction of the market appears positive.

Your company will continue to try its utmost for optimum performance and maximizing returns to its shareholders mitigating the effects of any negative event.

For and on behalf of the Board

Lahore
October 30,2005

Mian Ehsan ul Haq
Chairman & Chief Executive

FIRST CAPITAL EQUITIES LIMITED
BALANCE SHEET (Un-Audited)
AS AT SEPTEMBER 30, 2005

	Note	September 30, 2005 (Rupees)	June 30, 2005 (Rupees)
ASSETS			
NON - CURRENT ASSETS			
Property and equipment		46,498,157	41,656,880
Membership cards and licences		57,560,870	57,560,870
Long term investments		6,865,076	6,865,076
Long term deposits		2,164,300	2,171,200
		<u>113,088,403</u>	<u>108,254,026</u>
CURRENT ASSETS			
Trade debts- Unsecured		288,384,842	294,318,824
Short term investments	4	163,581,152	88,396,669
Advances, deposits, prepayments and other receivables	5	222,314,727	49,230,324
Advance income tax		33,991,523	33,557,972
Placements	6	367,300,000	225,000,000
Interest accrued		10,865,237	3,075,315
Cash and bank balances		47,064,489	91,717,213
		<u>1,133,501,970</u>	<u>785,296,317</u>
		<u>1,246,590,373</u>	<u>893,550,343</u>
EQUITY AND LIABILITIES			
Authorised capital			
30,000,000 (June 2005: 30,000,000) ordinary shares of Rs.10/- each		<u>300,000,000</u>	<u>300,000,000</u>
Issued, subscribed and paid up share capital		240,070,000	240,070,000
Unappropriated Profits		<u>204,863,182</u>	<u>201,827,949</u>
		<u>444,933,182</u>	<u>441,897,949</u>
NON - CURRENT LIABILITIES			
Liabilities against assets subject to finance lease		788,802	788,802
Deferred liabilities		7,107,052	6,524,447
		<u>7,895,854</u>	<u>7,313,249</u>
CURRENT LIABILITIES			
Trade and other payables		565,485,578	237,334,870
Short term borrowings		205,636,967	188,783,416
Interest accrued on short term borrowings		5,178,925	5,539,955
Interest accrued on repurchase agreements		5,534,738	657,534
Current maturity of liabilities against assets subject to finance lease		266,230	364,471
Provision for taxation		11,658,899	11,658,899
		<u>793,761,337</u>	<u>444,339,145</u>
		<u>1,246,590,373</u>	<u>893,550,343</u>
CONTINGENCIES			
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The annexed notes form an integral part of these financial statements.

Lahore

Chief Executive

Director

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FIRST CAPITAL EQUITIES LIMITED
PROFIT AND LOSS ACCOUNT (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2005

	Jul-Sep 2005 (Rupees)	Jul-Sep 2004 (Rupees)
INCOME		
Brokerage income	46,839,452	39,249,488
Capital gain	143,024	3,446,137
Other operating income	9,751,713	1,360,933
	<u>56,734,189</u>	<u>44,056,558</u>
Unrealised loss on remeasurement of investments	(7,073,516)	(12,938,593)
	<u>49,660,673</u>	<u>31,117,965</u>
EXPENDITURES		
Operating expenses	31,208,148	24,645,862
Finance costs	10,200,423	1,792,999
	<u>41,408,571</u>	<u>26,438,861</u>
PROFIT BEFORE TAXATION	<u>8,252,102</u>	<u>4,679,104</u>
Taxation	5,216,869	3,534,092
PROFIT AFTER TAXATION	<u>3,035,233</u>	<u>1,145,012</u>
EARNINGS PER SHARE - BASIC	<u>0.13</u>	<u>0.05</u>

The annexed notes form an integral part of these financial statements.

Lahore

Chief Executive

Director

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FIRST CAPITAL EQUITIES LIMITED
CASH FLOW STATEMENT (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2005

	<u>Jul-Sep 2005</u> (Rupees)	<u>Jul-Sep 2004</u> (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Funds generated from operations		
Profit before taxation	8,252,102	4,679,104
Add: Items not involved in movement of funds		
Depreciation	1,530,162	986,537
Loss on remeasurement of investments	7,073,516	12,938,593
Provision for doubtful debts written back	(27,017)	-
Bad debts written off	3,734	-
Dividend Income	(92,663)	(1,025,228)
Interest accrued	(6,261,300)	(113,945)
Interest expense	10,056,129	1,673,584
(Gain) / Loss on sale of property and equipment	(792,501)	(122,715)
Provision for gratuity	600,905	382,768
	<u>12,090,965</u>	<u>14,719,594</u>
	20,343,067	19,398,698
(Increase) / decrease in current assets		
Short terms investments	(82,258,000)	30,503,010
Trade debts	5,957,266	(170,865,278)
Advances, deposits, prepayments and other receivables	(173,084,404)	(8,131,262)
	(249,385,138)	(148,493,530)
Increase / (decrease) in current liabilities in trade and other payables	328,150,708	(5,507,334)
Cash Generated from Operations	99,108,637	(134,602,166)
Dividend received	92,663	1,025,228
Interest received	(1,528,622)	553,298
Finance cost paid	(5,539,955)	(1,307,117)
Gratuity Paid	(18,300)	(796,845)
Taxes Paid	(5,650,420)	(2,504,903)
Net Cash used in operating activities	86,464,003	(137,632,505)
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(6,861,637)	(17,612,776)
Proceeds from sale of property and equipment	1,282,700	185,000
Placements	(142,300,000)	-
Long term deposits	6,900	(245,172)
Net Cash used in investing activities	(147,872,037)	(17,672,948)
CASH FLOW FROM FINANCING ACTIVITIES		
Obligation under finance lease	(98,241)	(97,939)
Short term running finance	16,853,551	192,275,858
Net Cash generated from financing activities	16,755,310	192,177,919
Net (decrease) / increase in cash and cash equivalents	(44,652,724)	36,872,466
Cash and cash equivalents - Opening	91,717,213	111,622,525
Cash and cash equivalents - Closing	<u>47,064,489</u>	<u>148,494,991</u>

The annexed notes form an integral part of these financial statements.

Lahore

Chief Executive

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Director

FIRST CAPITAL EQUITIES LIMITED
STATEMENT OF CHANGES IN EQUITY (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2005

PARTICULARS	Revenue Reserves		
	Share Capital (Rupees)	Unappropriated Profit (Rupees)	Total (Rupees)
Balance as at June 30, 2004 as previously reported	240,070,000	121,573,383	361,643,383
Effect of change in accounting policy as fully explained in Note - 3	-	(233,093)	(233,093)
Balance as at June 30, 2004 - Restated	<u>240,070,000</u>	<u>121,340,290</u>	<u>361,410,290</u>
Profit for the period	-	3,210,590	3,210,590
Balance as at September 30, 2004	<u>240,070,000</u>	<u>124,550,880</u>	<u>364,620,880</u>
Profit for the period from October 2004 to June 2005	-	77,277,069	77,277,069
Balance as at June 30, 2005 - Restated	<u>240,070,000</u>	<u>201,827,949</u>	<u>441,897,949</u>
Balance as at June 30, 2005 as previously reported	240,070,000	202,027,780	442,097,780
Effect of change in accounting policy as fully explained in Note - 3	-	(199,831)	(199,831)
Balance as at June 30, 2005 - Restated	<u>240,070,000</u>	<u>201,827,949</u>	<u>441,897,949</u>
Profit for the period	-	3,035,233	3,035,233
Balance as at September 30, 2005	<u>240,070,000</u>	<u>204,863,182</u>	<u>444,933,182</u>

The annexed notes form an integral part of these financial statements.

Lahore

Chief Executive

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Director

FIRST CAPITAL EQUITIES LIMITED
NOTES TO THE ACCOUNTS (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2005

- 1 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.
- 2 These accounts are un-audited and are being presented to shareholders under section 245 of Companies Ordinance, 1984 and have been prepared in accordance with the requirements of International Accounting Standards (IAS) 34 'Interim Financial Reporting'.
- 3 The accounting policies adopted for the preparation of these accounts are consistent with those applied in preparing the annual audited accounts for the year ended June 30, 2005, except for the following.

The Company has changed its accounting policy with respect to investments in subsidiary company. Previously, the Company recognized investments in subsidiary company at cost, and the carrying amount of these investments were increased or decreased to recognize the Company's share of the profit or loss of the subsidiary and associated companies were recognized in profit and loss account in accordance with superseded IAS 28.

Now investment in subsidiary company is classified as "Available for Sale" under International Accounting Standard (IAS) – 39 "Financial Instruments: Recognition and Measurement". Investments classified as available for sale are initially measure at cost, being the fair value of consideration given. At subsequent reporting dates, these investments are remeasured at fair value, unless fair value cannot be reliably measured. The investments for which a quoted market is not available, is measured at cost as it is not possible to apply any other valuation methodology. Gain and losses on remeasurement to fair value are recognized directly in equity, through the statement of changes in equity. Such a change in policy has been accounted for retrospectively and comparative financial statements have been restated in accordance with the requirements of revised IAS-8 "Accounting Policies, Change in Accounting Estimates and Errors"

Had there been no change in the accounting policy, unappropriated profit would have been higher by Rupees 199,831 (2004: Rupees 323,502) and Long term investments would have been higher by same amount.

4 SHORT TERM INVESTMENTS

	September 2005 (Rupees)	June 2005 (Rupees)
Investments measured through profit and loss account		
Cost of investments	170,654,669	110,351,039
Less: Unrealised loss on remeasurment of investments	(7,073,516)	(21,954,370)
	<u>163,581,153</u>	<u>88,396,669</u>

5 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

This includes an amount of Rs. 186,295,840/- (June 2005: Rs. 38,192,486/-) as exposure deposited with the Karachi and Lahore Stock Exchange Guarantee Limited under the exposure rules.

6 PLACEMENTS

	September 2005 (Rupees)	June 2005 (Rupees)
Secured - Considered good		
Securities purchased under the resale agreements of quoted shares - Parent Company	25,000,000	25,000,000
Securities purchased under the resale agreements of quoted shares	342,000,000	200,000,000
	<u>367,000,000</u>	<u>225,000,000</u>

7 TRANSACTIONS WITH RELATED PARTIES

	Jul-Sep 2005 (Rupees)	Jul-Sep 2004 (Rupees)
Brokerage Income	7,536,009	2,660,510
Purchase of Shares	21,176,856,355	5,903,210,415
Sale of Shares	21,281,651,125	5,927,748,282
Group Expenses	637,284	1,998,346

The company continuous to have a policy where by all transaction with related parties are entered into at arm's length determined in accordance with "Comparable Uncontrolled Price Method".

8 CONTINGENCIES AND COMMITMENTS

There was no change in contingencies and commitments disclosed in the annual accounts for the year ended June 30, 2005.

9 DATE OF AUTHORIZATION

These financial statements were authorized for issue by the Board of Directors on October 30, 2005.

- 10 Figures have been rounded off to the nearest rupee.



FIRST CAPITAL EQUITIES LIMITED

**CONSOLIDATED QUARTERLY
ACCOUNTS (UN-AUDITED)**

SEPTEMBER 30, 2005

FIRST CAPITAL EQUITIES LIMITED
CONSOLIDATED BALANCE SHEET (Un-Audited)
AS AT SEPTEMBER 30, 2005

	Note	September 30, 2005 (Rupees)	June 30, 2005 (Rupees)
ASSETS			
NON - CURRENT ASSETS			
Property and equipment		47,420,884	42,453,237
Membership cards and licences		67,578,022	67,884,136
Goodwill		538,084	538,084
Long term deposits		2,164,300	2,171,200
		<u>117,701,290</u>	<u>113,046,657</u>
CURRENT ASSETS			
Trade debts- Unsecured		288,384,841	294,318,824
Short term investments	4	163,581,152	88,396,669
Advances, deposits, prepayments and other receivables	5	223,604,931	50,741,880
Advance income tax		33,991,523	33,557,972
Placements	6	367,300,000	225,000,000
Interest accrued		10,865,237	3,075,315
Cash and bank balances		55,354,470	105,397,432
		<u>1,143,082,154</u>	<u>800,488,092</u>
		<u>1,260,783,444</u>	<u>913,534,749</u>
EQUITY AND LIABILITIES			
Authorised capital			
30,000,000 (June 2005: 30,000,000) ordinary shares of Rs.10/- each		300,000,000	300,000,000
Issued, subscribed and paid up share capital		<u>240,070,000</u>	<u>240,070,000</u>
Unappropriated Profits		<u>204,366,040</u>	<u>201,490,885</u>
		<u>444,436,040</u>	<u>441,560,885</u>
NON - CURRENT LIABILITIES			
Liabilities against assets subject to finance lease		788,802	788,802
Deferred liabilities		7,107,052	6,524,447
		<u>7,895,854</u>	<u>7,313,249</u>
CURRENT LIABILITIES			
Trade and other payables		574,549,886	251,796,595
Short term borrowings		205,713,121	188,915,919
Interest accrued on short term borrowings		5,178,925	5,539,955
Interest accrued on repurchase agreements		5,534,738	657,534
Current maturity of liabilities against assets subject to finance lease		266,230	364,471
Provision for taxation		11,658,899	11,658,899
		<u>802,901,799</u>	<u>458,933,373</u>
MINORITY INTEREST		<u>5,549,751</u>	<u>5,727,242</u>
		<u>1,260,783,444</u>	<u>913,534,749</u>
CONTINGENCIES			
	8		

The annexed notes form an integral part of these accounts.

Lahore

Chief Executive

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Director

FIRST CAPITAL EQUITIES LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2005

	Jul-Sep 2005 (Rupees)	Jul-Sep 2004 (Rupees)
INCOME		
Brokerage income	46,895,379	40,554,092
Capital gain	143,024	3,446,137
Other operating income	9,751,713	1,360,933
	<u>56,790,116</u>	<u>45,361,162</u>
Unrealised loss on remeasurement of investments	(7,073,516)	(12,938,593)
	<u>49,716,600</u>	<u>32,422,569</u>
EXPENDITURES		
Operating expenses	31,275,349	25,316,148
Finance costs	10,205,026	1,793,000
	<u>41,480,375</u>	<u>27,109,148</u>
PROFIT BEFORE TAXATION	<u>8,236,225</u>	<u>5,313,421</u>
Taxation	5,216,869	3,534,092
PROFIT AFTER TAXATION	<u>3,019,356</u>	<u>1,779,329</u>
MINORITY INTEREST	(7,779)	310,816
PROFIT ATTRIBUTABLE TO HOLDING COMPANY	<u>3,027,135</u>	<u>1,468,513</u>
EARNINGS PER SHARE - BASIC	<u>0.13</u>	<u>0.06</u>

The annexed notes form an integral part of these financial statements.

Lahore

Chief Executive

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Director

FIRST CAPITAL EQUITIES LIMITED
CONSOLIDATED CASH FLOW STATEMENT (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2005

	Jul - Sep 2005 (Rupees)	Jul - Sep 2004 (Rupees)
CASH FLOW FROM OPERATING ACTIVITIES		
Funds generated from operations		
Profit before taxation	8,236,225	5,313,421
Add: Items not involved in movement of funds		
Depreciation	1,548,214	1,027,294
Loss on remeasurement of investments	7,073,516	12,938,593
Provision for doubtful debts written back	(27,017)	-
Bad debts written off	3,734	-
Dividend Income	(92,663)	(1,025,228)
Interest accrued	(6,261,300)	(113,945)
Interest expense	10,056,129	1,673,584
(Gain) / Loss on sale of property and equipment	(792,501)	(122,715)
Provision for gratuity	600,905	382,768
	<u>12,109,017</u>	<u>14,760,351</u>
	20,345,242	20,073,772
(Increase) / decrease in current assets		
Short term investments	(82,258,000)	30,503,010
Trade debts	5,957,266	(170,423,074)
Advances, deposits, prepayments and other receivables	(173,184,742)	(7,822,200)
	<u>(249,485,476)</u>	<u>(147,742,264)</u>
Increase / (decrease) in current liabilities in trade and other payables	322,753,291	(3,976,956)
Cash Generated from Operations	93,613,057	(131,645,448)
Dividend received	92,663	1,025,228
Interest received	(1,528,622)	553,298
Finance cost paid	(5,539,955)	(1,307,117)
Gratuity Paid	(18,300)	(796,845)
Taxes Paid	(5,650,420)	(2,537,095)
Net Cash used in operating activities	<u>80,968,423</u>	<u>(134,707,979)</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(7,006,060)	(17,612,776)
Proceeds from sale of property and equipment	1,282,700	185,000
Membership cards and licences	306,114	-
Placements	(142,300,000)	-
Long term deposits	6,900	(245,172)
Net Cash used in investing activities	<u>(147,710,346)</u>	<u>(17,672,948)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Obligation under finance lease	(98,241)	(97,939)
Short term running finance	16,797,202	192,142,673
Net Cash generated from financing activities	<u>16,698,961</u>	<u>192,044,734</u>
Net (decrease) / increase in cash and cash equivalents	(50,042,962)	39,663,808
Cash and cash equivalents - Opening	105,397,432	116,335,775
Cash and cash equivalents - Closing	<u>55,354,470</u>	<u>155,999,583</u>

The annexed notes form an integral part of these accounts.

Lahore Chief Executive

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Director

FIRST CAPITAL EQUITIES LIMITED
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2005

PARTICULARS	Revenue Reserve		
	Share Capital (Rupees)	Unappropriated Profit (Rupees)	Total (Rupees)
Balance as at June 30, 2004	240,070,000	121,231,205	361,301,205
Profit for the period	-	1,468,513	1,468,513
Adjustment for exchange difference on consolidation	-	(20,005)	(20,005)
Balance as at September 30, 2004	<u>240,070,000</u>	<u>122,679,713</u>	<u>362,749,713</u>
Profit for the period	-	78,806,529	78,806,529
Adjustment for exchange difference on consolidation	-	4,643	4,643
Balance as at June 30, 2005	<u>240,070,000</u>	<u>201,490,885</u>	<u>441,560,885</u>
Profit for the period	-	3,027,135	3,027,135
Adjustment for exchange difference on consolidation	-	(151,980)	(151,980)
Balance as at September 30, 2005	<u>240,070,000</u>	<u>204,366,040</u>	<u>444,436,040</u>

The annexed notes form an integral part of these accounts.

Lahore

Chief Executive

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Director

FIRST CAPITAL EQUITIES LIMITED
CONSOLIDATED NOTES TO THE ACCOUNTS (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2005

1 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 financial statements of Equity Partners Security Limited have been consolidated in the financial statements of the parent company. The parent company holds 51% (June 2005: 51%) in the share capital of its subsidiary.

2 These accounts are un-audited and are being presented to shareholders under section 245 of Companies Ordinance, 1984 and have been prepared in accordance with the requirements of International Accounting Standards (IAS) 34 "Interim Financial Reporting".

3 The accounting policies adopted for the preparation of these accounts are consistent with those applied in preparing the annual audited accounts for the year ended June 30, 2005.

4 SHORT TERM INVESTMENTS

	<u>September 2005</u> (Rupees)	<u>June 2005</u> (Rupees)
Investments measured through profit and loss account		
Cost of investments	170,654,669	110,351,039
Less: Unrealised loss on remeasurement of investments	(7,073,516)	(21,954,370)
	<u>163,581,153</u>	<u>88,396,669</u>

5 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

This includes an amount of Rs. 186,295,840/- (June 2005: Rs. 38,192,486/-) as exposure deposited with the Karachi and Lahore Stock Exchange Guarantee Limited under the exposure rules.

6 PLACEMENTS

	<u>September 2005</u> (Rupees)	<u>June 2005</u> (Rupees)
Secured - Considered good		
Securities purchased under the resale agreements of quoted shares - Parent Company	25,000,000	25,000,000
Securities purchased under the resale agreements of quoted shares	342,000,000	200,000,000
	<u>367,000,000</u>	<u>225,000,000</u>

7 TRANSACTIONS WITH RELATED PARTIES

	<u>Jul-Sep 2005</u> (Rupees)	<u>Jul-Sep 2004</u> (Rupees)
Brokerage Income	7,536,009	2,660,510
Purchase of Shares	21,176,856,355	5,903,210,415
Sale of Shares	21,281,651,125	5,927,748,282
Group Expenses	637,284	1,998,346

The company continues to have a policy where by all transaction with related parties are entered into at arm's length determined in accordance with "Comparable Uncontrolled Price Method".

8 CONTINGENCIES AND COMMITMENTS

There was no change in contingencies and commitments disclosed in the annual accounts for the year ended June 30, 2005.

9 DATE OF AUTHORIZATION

These financial statements were authorized for issue by the Board of Directors on October 30, 2005

10 Figures have been rounded off to the nearest rupee.

Lahore

Chief Executive

Director