



FIRST CAPITAL EQUITIES LIMITED

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED

SEPTEMBER 30, 2013
(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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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 Waseem ul Hassan	Executive Executive Independent Executive Executive Executive Executive
Chief Financial Officer	Mazhar Abbas	
Audit Committee	Ashraf Liaquat Ali Khan (Chairman) Farooq Bin Habib Ahsan Zia	
Human Resource and Remuneration (HR&R) Committee	Ashraf Liaquat Ali Khan (Chairman) Mian Ehsan Ul Haq Waseem ul Hasan	
Company Secretary	Arshad Ali	
Auditors	Aslam Malik & Co. Chartered Accountants	
Legal Advisers	Muhammad Aamir Advocates, Karachi	
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	
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	

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 three months ended September 30, 2013.

CAPITAL MARKET REVIEW

In its opening quarter of FY14, Pakistan market witnessed a mix trend with equity values registering 4% or 827 points gain on net basis. Pakistan's key index closed at the period at 21,833 points as against 21,006 on end-Jun 2013. Market capitalization ended the period at PRs5.18tn. Pakistan equities underwent a significant bear spell in the last week of August 2013 with benchmark KSE-100 shedding nearly 1,200 points (~5%) in five consecutive sessions (Aug 27th to Sep 2nd). Besides regional equity sell-off in the wake of Syrian crisis, security unrest and political deadlock over law and order policy contributed to this steep decline. Meanwhile, there were growing fears over central bank's monetary stance as the announcement was delayed in what appears to be a step to wait for IMF's prescription.

Nonetheless, the negative sentiments were arrested following IMF's approval of US\$6.64bn loan (~25% higher than initially agreed amount of US\$5.3bn) as a re-entry into program was essential to avoid a full-fledged balance-of-payment crisis and collapse of the local currency. Importantly, for equity investors, the comforting aspect of the MoU was the fund's dovish tone on interest rate in the program's first year while the tightening set for years two and three of the program. Consequently, investors' sentiments turned bullish and the market regains ~1,300 points (6%) in the preceding six sessions of the IMF loan approval. However, in its Monetary Policy review of September 2013, the SBP unexpectedly raised the reference discount rate by 50bps to 9.5%, citing probable inflationary pressures in the near term. This coupled with sudden collapse of Pak Rupee against the greenback and a 50bps hike in the Minimum Rate of Return on Saving Deposits from 6.0% to 6.5% reversed the positive investors' sentiments.

The turnover remained significantly higher and on average 225mn shares (PRs9bn or US\$88mn) were traded in the ready market. During the same period of last year, the average daily volume in the ready counter was recorded at 129mn shares (PRs3.9bn or US\$41mn). Foreign investors also remained active with cumulative figure of SCRA arrived at US\$85mn on end-Sep 2013.

FINANCIAL HIGHLIGHTS

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

Particulars	July to Sept. 2013	July to Sept. 2012
	Rupees	
Brokerage income	34,061,401	11,651,194
Capital (loss) net	(42,557,411)	(4,865)
Other operating income	1,735,850	894,703
Unrealized (loss) gain on re-measurement of investments at fair value through profit or loss	(719,268)	29,627,058
Operating expenses	32,924,772	23,168,938
Finance costs	84,187,771	118,539,528
(Loss) before taxation	(124,591,971)	(99,540,376)
Profit / (loss) after taxation	(124,932,585)	(99,417,497)
Earnings / (loss) per share	(1.16)	(0.92)

The brokerage income of your Company grew at an encouraging 192% to Rs 34.06 million

during the quarter. The other income increased by 94% to Rs 1.73 million during the quarter. Company suffered high capital losses amounting to Rs. 42.55 million. On overall basis the income segment remained 154% lower at Rs (6.76) millions. The company booked unrealized losses of Rs 0.71 million on re measurement of investments. Operating expenses grew by 42 % to Rs 32.92 million while financial expenses registered 29% fall at Rs 84.18 million. That said, the company ended the quarter with a net loss of Rs 124.93 million, as against loss of Rs 99.41 million in the corresponding quarter 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, 2013.

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

Lahore
October 30, 2013


Mian Ehsan Ul Haq
Chairman & Chief Executive Officer

**FIRST CAPITAL EQUITIES LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2013**

	Note	Un-Audited September 2013 Rupees	Audited June 2013 Rupees
ASSETS			
NON - CURRENT ASSETS			
Property and equipment		63,611,731	64,897,196
Intangible assets	5	16,543,680	22,500,000
Investments - available for sale	6	42,722,448	101,255,543
Long term deposits and advances		2,879,000	2,875,000
		<u>125,756,859</u>	<u>191,527,739</u>
CURRENT ASSETS			
Trade debts - Unsecured	7	2,142,987,277	2,254,036,978
Investments	8	3,607,327	29,838,098
Investments property		1,463,751,500	1,463,751,500
Advances, deposits, prepayments and other receivables		22,123,246	26,809,844
Advance income tax		61,580,677	59,926,889
Interest accrued		-	337,079
Cash and bank balances		17,720,021	18,029,051
		<u>3,711,770,048</u>	<u>3,852,729,439</u>
TOTAL ASSETS		<u><u>3,837,526,907</u></u>	<u><u>4,044,257,178</u></u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised share capital		<u>1,100,000,000</u>	<u>1,100,000,000</u>
Issued, subscribed and paid up share capital		1,080,315,000	1,080,315,000
Reserves		(39,858,805)	(69,449,316)
Unappropriated loss		(932,572,534)	(785,766,119)
TOTAL EQUITY		<u>107,883,661</u>	<u>225,099,566</u>
NON CURRENT LIABILITIES			
Long term financing	9	2,262,698,693	2,396,682,710
Interest accrued on long term financing		738,844,327	708,081,810
Staff retirement benefits		50,123,059	49,088,409
		<u>3,051,666,079</u>	<u>3,153,852,929</u>
CURRENT LIABILITIES			
Trade and other payables- Unsecured		165,999,981	163,555,188
Liabilities against repurchase agreements - Secured		48,111,520	48,111,520
Short term borrowing - Secured		171,561,040	171,561,040
Current portion of long term financing		150,580,000	150,580,000
Interest accrued		116,081,980	106,194,903
Provision for taxation		25,642,646	25,302,032
		<u>677,977,167</u>	<u>665,304,683</u>
CONTINGENCIES AND COMMITMENTS	10	-	-
TOTAL EQUITY AND LIABILITIES		<u><u>3,837,526,907</u></u>	<u><u>4,044,257,178</u></u>

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

Lahore:


Chief Executive

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Director

**FIRST CAPITAL EQUITIES LIMITED
CONDENSED INTERIM INCOME STATEMENT - (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

	Note	Jul - Sep 2013 Rupees	Jul - Sep 2012 Rupees
INCOME			
Brokerage income		34,061,401	11,651,194
Capital loss - net		(42,557,411)	(4,865)
Other operating income		1,735,850	894,703
		<u>(6,760,160)</u>	<u>12,541,032</u>
Unrealized gain on re-measurement of investments at fair value through profit or loss		(719,268)	29,627,058
		<u>(7,479,428)</u>	<u>42,168,090</u>
EXPENDITURE			
Operating expenses		32,924,772	23,168,938
Finance costs		84,187,771	118,539,528
		<u>117,112,543</u>	<u>141,708,466</u>
LOSS BEFORE TAXATION		<u>(124,591,971)</u>	<u>(99,540,376)</u>
Taxation		(340,614)	(122,879)
LOSS AFTER TAXATION		<u>(124,932,585)</u>	<u>(99,417,497)</u>
LOSS PER SHARE - BASIC AND DILUTED	12	<u>(1.16)</u>	<u>(0.92)</u>

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

Lahore:


Chief Executive

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Director

**FIRST CAPITAL EQUITIES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE
INCOME - (Un-Audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

	Jul - Sep 2013 Rupees	Jul - Sep 2012 Rupees
Loss after taxation	(124,932,585)	(99,417,497)
Other comprehensive income		
(Deficit) / surplus on remeasurement of available for sale of financial assets - net of tax	(8,797,675)	53,599,331
Reversal of gain on exchange of intangible assets	(21,873,830)	-
Total comprehensive loss for the period	<u>(155,604,090)</u>	<u>(45,818,166)</u>

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

Lahore:


Chief Executive


Director

**FIRST CAPITAL EQUITIES LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS-(Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

	Jul - Sep 2013 Rupees	Jul - Sep 2012 Rupees
CASH FLOW FROM OPERATING ACTIVITIES		
Loss before taxation	(124,591,971)	(99,540,376)
Add: Items not involved in movement of funds		
Depreciation	1,495,450	1,529,001
(Gain) / loss on re-measurement of investments at fair value through profit or loss - net	719,268	(29,627,058)
Interest accrued	(13,463)	(107,333)
Interest expense	84,187,771	118,539,528
Gain on sale of property and equipment	(937,000)	(660,000)
Loss on foreign currency translation	(423)	(32)
Provision for gratuity	1,250,000	1,100,000
	<u>86,701,603</u>	<u>90,774,106</u>
	(37,890,368)	(8,766,270)
(Increase) / decrease in current assets		
Investments at fair value through profit or loss	25,511,503	-
Trade debts - unsecured	111,049,701	(6,067,109)
Advances, deposits, prepayments and other receivables	4,686,610	6,370,665
	<u>141,247,814</u>	<u>303,556</u>
Increase in current liabilities in trade and other payables	<u>2,444,793</u>	<u>4,302,718</u>
Cash used in operations	<u>105,802,239</u>	<u>(4,159,996)</u>
Interest received	350,542	612,660
Finance cost paid	(683,933)	(3,881,124)
Gratuity paid	(215,350)	(720,000)
Taxes paid	(1,653,788)	(678,446)
Net cash generated / (used in) from operating activities	<u>103,599,710</u>	<u>(8,826,906)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(210,000)	-
Proceeds from sale of property and equipment	937,000	660,000
Investments available for sale	72,206,096	-
Long term deposits and advances	(4,000)	-
Net cash generated from investing activities	<u>72,929,096</u>	<u>660,000</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Long term finance (paid) / obtained	(176,838,260)	2,335,069
Liabilities against repurchase agreements	-	-
Short term borrowings	-	-
Net cash (used in) / generated from financing activities	<u>(176,838,260)</u>	<u>2,335,069</u>
Effects of exchange rate changes in cash and cash equivalents	<u>423</u>	<u>32</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(309,453)</u>	<u>(5,831,805)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>18,029,051</u>	<u>10,399,433</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>17,720,021</u>	<u>4,567,628</u>

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

Lahore:


Chief Executive


Director

**FIRST CAPITAL EQUITIES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY - (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

	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, 2012	1,080,315,000	-	-	(128,946,362)	(608,825,441)	342,543,197
Loss for the period after taxation	-	-	-	-	(99,663,255)	(99,663,255)
Other comprehensive income for the period						
Surplus on remeasurement of investment available for sale to fair value	-	-	-	53,599,331	-	53,599,331
Total other comprehensive income for the period - net of tax	-	-	-	53,599,331	-	53,599,331
Total comprehensive income for the period	-	-	-	53,599,331	(99,663,255)	(46,063,924)
Balance as at September 30, 2012	1,080,315,000	-	-	(75,347,031)	(708,488,695)	296,479,274
Total comprehensive income for the period						
Loss for the period after taxation	-	-	-	-	(77,277,423)	(77,277,423)
Other comprehensive income for the period						
Fair value reserve realised	-	-	-	52,578,493	-	52,578,493
Deficit on remeasurement of investment available for sale to fair value	-	-	-	(46,680,778)	-	(46,680,778)
Total other comprehensive income for the period - net of tax	-	-	-	5,897,715	-	5,897,715
Total comprehensive loss for the period	-	-	-	5,897,715	(77,277,423)	(71,379,708)
Balance as at June 30, 2013	1,080,315,000	-	-	(69,449,316)	(785,766,119)	225,099,566
Total comprehensive income for the period						
Loss for the period after taxation	-	-	-	-	(124,932,585)	(124,932,585)
Other comprehensive income for the period						
Fair value reserve realised	-	-	-	38,388,186	-	38,388,186
Reversal of gain on exchange on intangible assets	-	-	-	-	(21,873,830)	(21,873,830)
Deficit on remeasurement of investment available for sale to fair value	-	-	-	(8,797,675)	-	(8,797,675)
Total other comprehensive income for the period - net of tax	-	-	-	29,590,511	(21,873,830)	7,716,681
Total comprehensive loss for the period	-	-	-	29,590,511	(146,806,415)	(117,215,904)
Balance as at September 30, 2013	1,080,315,000	-	-	(39,858,805)	(932,572,534)	107,883,662

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

Lahore:


Chief Executive

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Director

**FIRST CAPITAL EQUITIES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL
STATEMENTS - (Un-audited)
FOR THE QUARTER ENDED SEPTEMBER 30, 2013**

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 70,190,200 (64.97%) 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

These condensed interim financial statements are un-audited and 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 statements 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, 2013.

These condensed interim financial statements comprise of condensed interim statement of financial position as at September 30, 2013 and the related condensed interim Income statement, condensed interim statement of comprehensive income, condensed interim statement cash flows, condensed interim statement of changes in equity and notes thereto, for the quarter ended September 30, 2013.

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, 2013.

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, 2013.

5 INTANGIBLE ASSETS

	Note	September 30, 2013 Rupees	June 30, 2013 Rupees
Trading Right Entitlement Certificate (TREC)			
Karachi Stock Exchange Limited	5.1	9,043,680	15,000,000
Room			
Karachi Stock Exchange Limited		7,500,000	7,500,000
		16,543,680	22,500,000

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5.1 This represents Trading Right Entitlement Certificate (TREC) received from Karachi Stock Exchange Limited (KSE) in accordance with the requirements of the Stock Exchanges (Corporation, demutualization and Integration) Act, 2012 (The Act). The Company has also received shares of KSE after completion of the demutualization process. The TREC has been recorded at Rs. 9,043,680/- (for detail refer note 6.2).

6 INVESTMENTS - AVAILABLE FOR SALE

	Note	September 30, 2013 Rupees	June 30, 2013 Rupees
Quoted Shares			
Media Times Limited	6.1	18,566,128	61,181,713
Unquoted Shares			
Karachi Stock Exchange Limited	6.2	24,156,320	40,073,830
4,007,383 shares of KSE (June 2013 : 4,007,383 shares)		<u>42,722,448</u>	<u>101,255,543</u>
6.1 6,067,362 (June 2013 : 13,565,790) Fully paid ordinary shares of Rs. 10 each		27,363,803	54,263,160
Equity Held 3.39% (June 2013 : 7.58%)			
(Loss)/gain on remeasurement of investment available for sale for the period / year		(8,797,675)	6,918,553
		<u>18,566,128</u>	<u>61,181,713</u>

6.2 During the year 2012-13, the demutualization of the Karachi Stock Exchange Limited (KSE), the ownership rights in the Stock Exchange were segregated from the right to trade on an exchange. As a result of such demutualization, the Company received shares and TREC from Karachi Stock Exchange against its membership card. The Company has also recorded a gain on exchange of intangible asset Rs. 21,873,830/-

The Karachi Stock Exchange Limited (KSE) vide its notice # KSE/N-5639 dated October 10, 2013 to its TREC holders states that, "Nature and value of the asset given up (membership card) is similar to the nature and value of the asset acquired (shares and TREC). Therefore, exchange of asset will not result in any gain or loss. Further, it can be argued that de-recognition of the membership card has not accrued because the rights of the card holders were not lost any point during the exchange"

In this connection, paragraph 45 of IAS 38, *Inter-alla* states that where the fair value of neither the asset received nor the asset given up can be really measured, the cost of asset received should be measured at the carrying amount of the asset given up, and no gain or loss arise.

KSE is therefore of the view that there will not be any gain or loss recorded in the accounts of TREC holder on conversion of membership card at the time of acquisition of shares and TREC of KSE, after its demutualization.

Keeping in view the above guide lines of KSE, the management of the company has decided to reverse the gain on exchange of intangible asset Rs. 21,873,820/- and it has been routed through statement of changes in equity.

The 4,007,383 shares of KSE to its members including the Company has been determined on the basis of the fair valuation of the underlying asset and liabilities of the Stock exchange in accordance with requirements of the demutualization Act. In other words, shares of Rs. 40,073,830/- received by the company represents its share in the fair value of the net assets of the KSE. Under these circumstances where active market is not available for such shares, this net asset value based valuation has been considered as the closest estimate of the fair value of the shares.

Further, the KSE has also introduced a minimum capital regime for the brokers, and for this purpose have valued TREC at Rs. 15 million as per the decision of the BOD of the KSE. This face indicates an acceptable level of value for TREC which is also used by the Stock Exchange for risk

management and safeguard the investor's interest. In the absence of an active market of TREC, this assigned value of Rs. 15 million has been considered as the closest estimate of the fair value of the TREC.

Therefore, based on the above estimates of fair value of KSE shares (Rs. 40,073,830/-) and TREC (Rs. 15,000,000), the Company has allocated its carrying value in the ratio of 0.7276 to shares and 0.2724 to TREC.

7 TRADE DEBTS - UNSECURED

	Note	September 30, 2013 Rupees	June 30, 2013 Rupees
Trade debts against purchase of shares:			
considered good:			
Clients		2,142,015,667	2,253,415,578
Members		971,610	621,400
		<u>2,142,987,277</u>	<u>2,254,036,978</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	7.1	(1,096,813,205)	(1,096,813,205)
		<u>2,142,987,277</u>	<u>2,254,036,978</u>
7.1 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>

8 INVESTMENTS

At fair value through profit or loss

Quoted equity securities			
Carrying value / cost of investments		4,326,595	32,651,468
Unrealised loss on remeasurement of investments for the period / year		(719,268)	(2,813,370)
		<u>3,607,327</u>	<u>29,838,098</u>

9 LONG TERM FINANCING

Secured	9.1	2,828,320,632	3,005,158,891
Deferred notional income	9.2	(415,041,938)	(457,896,181)
		<u>2,413,278,694</u>	<u>2,547,262,710</u>
Less: Current portion shown under current liability		150,580,000	150,580,000
		<u>2,262,698,694</u>	<u>2,396,682,710</u>

9.1 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 2013 : 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 598,064,048 (June 2013 : 1,058,785,992) have been pledged by the Company.

9.2 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 2013 : 9.13% to 12.06%) per annum being the 6 month KIBOR rate. Movement is as follows:

	September 30, 2013 Rupees	June 30, 2013 Rupees
Deferred notional income		
As at beginning of the period / year	457,896,181	498,269,115
Occurred during the period / year	-	174,023,919
Amortized during the period / year	<u>(42,854,243)</u>	<u>(214,396,853)</u>
As at end of the period / year	<u>415,041,938</u>	<u>457,896,181</u>

10 CONTINGENCIES AND COMMITMENTS

There is no change in contingencies and commitments disclosed in the annual financial statements for the year ended June 30, 2013 except for the following:

10.1 COMMITMENTS

	September 30, 2013 Rupees	June 30, 2013 Rupees
Sale of Shares	640,519,506	410,322,357
Purchase of shares	504,554,996	419,558,295

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:

Three Months Ended September 30, 2013			
Associated Company	Parent Company	Key management personnel of the entity, its parents and their close family members	Other Related Party
Rupees			
Brokerage Income	-	313,170	-

Three Months Ended September 30, 2012			
Associated Company	Parent Company	Key management personnel of the entity, its parents and their close family members	Other Related Party
Rupees			
Long term loan obtained	-	3,835,000	-
Mark up on long term loan	-	3,177,143	-

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

12 LOSS PER SHARE - BASIC AND DILUTED

	July 01, 2013 to September 30, 2013	July 01, 2012 to September 30, 2012
Loss after taxation attributable to ordinary share holders - Rupees	<u>(124,932,585)</u>	<u>(99,417,497)</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>(1.16)</u>	<u>(0.92)</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

These condensed interim financial statements were authorized for issue by the Board of Directors on October 30, 2013.

14 GENERAL

Figures have been rounded off to the nearest rupee.

Lahore:


Chief Executive


Director