

Half Yearly
Report
December 31,
2014



fcibank

FIRST CREDIT AND INVESTMENT BANK LTD.

Major Joint Venture Partners:





Vision

*Be a preferred investment bank enhancing value
for the stakeholders and contributing to the
National goals.*

Mission Statement

*Contributing through innovative financing and
investment in quality portfolio, advisory services
delivered in an environment of trust and
customer confidence supported by a team of
professionals.*



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BOARD OF DIRECTORS



Mr. Wajahat A. Baqai
Chairman



Mr. Ahsanullah Khan
President & CEO



Mr. Najib Tariq
Director



Mr. Asad Ullah Saleem
Director



Mr. Jehangir Akber
Director
(subject to approval from SECP)



Mr. Anwar-ul-Haq
Director



Mr. Muhammad Naeemuddin
Director



Mr. Saghir Ahmed
Director
(subject to approval from SECP)



FIRST CREDIT AND INVESTMENT BANK LIMITED

COMPANY INFORMATION

AUDIT COMMITTEE:

Mr. Najib Tariq Chairman
Mr. Anwar-ul-Haq
Mr. Muhammad Naeemuddin

HR AND REMUNERATION COMMITTEE:

Mr. Asad Ullah Saleem Chairman
Mr. Najib Tariq
Mr. Muhammad Naeemuddin
Mr. Ahsanullah Khan

COMPANY SECRETARY:

Mr. Muhammad Mohsin Ali

AUDITORS:

M/s. Anjum Asim Shahid Rahman
Chartered Accountants

LEGAL ADVISOR:

Ahmed & Qazi

BANKERS:

MCB Bank Limited
National Bank of Pakistan

SHARE REGISTRAR:

THK Associates (Pvt.) Limited
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FIRST CREDIT AND INVESTMENT BANK LIMITED

DIRECTORS' REVIEW

On behalf of the Board of Directors, I have the privilege of presenting un-audited financial statements of **First Credit & Investment Bank Limited** for the half-year ended December 31, 2014.

Operating Results

Financial results of the Bank are as under:

	For the quarter ended	
	Dec. 31, 2014 (Unaudited)	Dec. 31, 2013 (Unaudited)
	(Rupees in thousand)	
Profit & Loss Account		
Total revenue	51,561	29,615
Operating profit	21,527	2,163
Profit before tax	26,285	2,628
Profit after tax	24,134	2,120
Earning per share (Rs.)	0.37	0.03
Balance Sheet		
	As at	
	Dec. 31, 2014 (Unaudited)	June 30, 2014 (Audited)
Shareholders' equity	673,551	649,417
Total assets	849,027	737,554

Despite slowdown in investment activities and restriction imposed by SECP on raising deposits, total income for the half year ended December 31, 2014 increased to Rs.51.56 million as compared to Rs.29.62 million for the half year ended December 31, 2013. Similarly, the Company reports operating profit of Rs.21.53 during the first six months of the current financial year ended December 31, 2014 as compared to operating profit of Rs. 2.16 million for the corresponding period last year showing a significant increase of Rs.18.90 million. Further, after taking effect of provisions/ reversals against nonperforming investments, the Company was able to report profit before tax of Rs.26.29 million as against Rs.2.63 million for the corresponding period of previous year. Similarly, the Company closed this half year with a net profit after tax of Rs.24.13 million as compared to profit after tax of Rs.2.12 million for the corresponding quarter last year. As a result, shareholders equity increased by Rs.24.13 million to Rs.673.55 million as at December 31, 2014 from Rs.649.42 million as at June 30, 2014. Total balance sheet footing as at December 31, 2014 was Rs.849.03 million as against Rs.737.55 million as at June 30, 2014. The increase was mainly due to increase in short term repo borrowings.



FIRST CREDIT AND INVESTMENT BANK LIMITED

Credit Rating

JCR-VIS Credit Rating Company Limited vide its report dated December 24, 2014 maintained the medium to long-term entity rating of the Company at 'A-' (Single A Minus) and Short-term rating at 'A-2' (A-Two). The outlook of the rating improved from 'Negative' to 'Stable'.

Future Outlook

In the backdrop of the low inflation figures and substantial reduction in international oil prices, State Bank of Pakistan has reduced the policy rate by 150 bps since July 2014.

We are vigilant for diversifying our business and increasing revenue streams, which hopefully will be forthcoming with improvement in economic and business conditions of the country. Your Company would endeavour to restore reasonable quality of its assets, improve its infrastructure, recover non-performing assets, build capacity through training of existing personnel and hiring key professionals, diversify products and services, and updating policies and procedures to meet the requirements of the new challenges and opportunities.

Acknowledgement

The directors wish to express their appreciation to our stakeholders, valued customers and financial institutions for their continued trust and patronage. We are grateful to the regulatory authorities especially the Securities & Exchange Commission of Pakistan, the State Bank of Pakistan and the Karachi Stock Exchange for their continued guidance and support. We also acknowledge hard work and dedication of the employees.

By order of the Board

Ahsanullah Khan
President & Chief Executive

Karachi
February 24, 2015



FIRST CREDIT AND INVESTMENT BANK LIMITED

INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS

INTRODUCTION

We have reviewed the accompanying condensed interim balance sheet of **First Credit and Investment Bank Limited** (the Company) as at December 31, 2014 and the related condensed interim income statement, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and relevant notes for the six-month period then ended (herein after referred to as the 'condensed interim financial information'). Management is responsible for the preparation and presentation of the condensed interim financial information in accordance with the 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 International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of condensed interim financial information consist 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 six-month period ended December 31, 2014 is not prepared, in all material respects, in accordance with the approved accounting standards as applicable in Pakistan for interim financial reporting.

EMPHASIS OF MATTER

We draw attention to note 1.2 to the condensed interim financial information which inter alia states that the equity of the Company is falling short by an amount of Rs. 420.3 million in order to meet prescribed minimum equity of Rs. 1,000 million, under the Non-Banking Finance Companies and Notified Entities Regulation, 2008 for the companies undertaking business of investment finance services.

We also draw attention to note 1.2 to the condensed interim financial information which inter alia states that the Company's license to undertake the business of investment finance services as a Non-Banking Finance Company under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 has also not been renewed by SECP and its application is pending since December 2013.

Our opinion is not qualified in respect of these matters.

OTHER MATTERS

The figures of the condensed interim income statement and the condensed interim statement of comprehensive income for the three-month period ended December 31, 2014 and 2013 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended June 30, 2014.

The financial statements of the Company for the year ended June 30, 2014, were audited by another firm of Chartered Accountants who expressed an unqualified opinion on those financial statements on September 27, 2014.

Karachi
Date: February 24, 2015

Anjum Asim Shahid Rahman
Chartered Accountants
Muhammad Shaukat Naseeb



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM BALANCE SHEET

AS AT DECEMBER 31, 2014

	Note	December 31, 2014 Rupees (Un-audited)	June 30, 2014 (Audited)
ASSETS			
Non-current Assets			
Fixed assets			
- Property and equipment	6	4,751,563	6,101,657
- Intangible assets		297,320	496,727
Long-term investments	7	218,017,418	413,543,663
Long-term loans and finances		38,158,412	41,983,792
Long-term security deposits		50,000	50,000
Deferred tax asset - net		93,840,583	92,526,192
		355,115,296	554,702,031
Current Assets			
Short-term investments	8	56,546,997	71,319,699
Short-term placements	9	361,000,000	-
Current portion of			
- Long-term investments	7	36,314,861	63,127,188
- Long-term loans and finances		7,935,333	9,380,833
Accrued mark-up		15,130,432	23,742,603
Advances prepayments and other receivables		2,805,841	1,111,621
Advance taxation - net		11,852,687	13,788,017
Cash and bank balances		2,325,960	381,619
		493,912,111	182,851,580
		849,027,407	737,553,611
EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
Authorized share capital			
75,000,000 (June 30, 2014: 75,000,000) shares of Rs. 10 each		750,000,000	750,000,000
Issued, subscribed and paid-up share capital			
65,000,000 (June 30, 2014: 65,000,000) shares of Rs. 10 each		650,000,000	650,000,000
Reserves		23,551,393	(582,510)
		673,551,393	649,417,490
Deficit on revaluation of investments - net	10	(10,969,254)	(10,385,063)
LIABILITIES			
Non-current liabilities			
Long-term certificate of deposit		5,000,000	5,000,000
Deferred liability - staff gratuity		3,311,057	3,168,454
		8,311,057	8,168,454
Current liabilities			
Short-term borrowings	11	125,000,000	-
Short-term running finance		-	3,238,403
Current portion of long-term loan		46,875,000	78,125,000
Accrued mark-up	12	2,683,164	2,784,511
Accrued expenses and other liabilities		3,576,047	6,204,816
		178,134,211	90,352,730
CONTINGENCIES AND COMMITMENTS	13	849,027,407	737,553,611

The annexed notes from 1 to 18 form an integral part of these condensed interim financial information.

AHSANULLAH KHAN
President & CEO

MUHAMMAD NAEEMUDDIN
Director

HALF YEARLY REPORT DECEMBER 2014



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM INCOME STATEMENT

FOR THE PERIODS ENDED DECEMBER 31, 2014

Note	For the Six months period ended		For the three month ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
----- (Un-audited) ----- ----- Rupees -----				
INCOME				
Income from term finance and fund placements	7,146,390	6,916,080	5,223,412	3,349,081
Income from investments	42,615,370	22,120,713	27,844,321	11,298,215
Fees and commission	204,510	313,387	62,435	109,198
Other income	1,594,674	265,291	63,539	176,231
	51,560,944	29,615,471	33,193,707	14,932,725
EXPENDITURES				
Finance cost:				
- Mark-up on bank loans	2,924,229	5,700,890	1,254,563	2,714,041
- Mark-up on repo borrowings and other short term borrowings "	2,740,310	-	1,823,205	-
- Mark-up on short term running finance	513,648	141,635	163,137	12,433
- Mark-up on certificates of deposits	289,863	1,567,575	144,932	528,806
- Others	17,824	13,789	14,436	7,588
	6,485,874	7,423,889	3,400,273	3,262,868
Administrative and operating expenses	23,548,185	20,028,515	13,100,863	10,660,081
	30,034,059	27,452,404	16,501,136	13,922,949
Operating income	21,526,885	2,163,067	16,692,571	1,009,776
(Provision) / Reversals				
Provision for non performing investments - net	7.1 (825,000)	(1,201,679)	-	-
Reversal of provision for non-performing finances - net	-	1,666,670	-	916,670
Reversal of provision for accrued mark-up	8,789,832	-	9,110,046	-
Unrealized gain / (loss) on re-measurement of investments classified as held-for-trading	17,027	-	(53,480)	-
Impairment in investments classified as available-for-sale	(2,686,952)	-	(2,686,952)	-
	26,821,792	2,628,058	23,062,185	1,926,446
Workers welfare fund	(536,436)	-	(536,436)	-
INCOME BEFORE TAXATION	26,285,356	2,628,058	22,525,749	1,926,446
Taxation	14 (2,151,453)	(508,000)	(1,074,826)	(311,087)
INCOME FOR THE PERIOD	24,133,903	2,120,058	21,450,923	1,615,359
Earnings per share - basic and diluted	15 0.37	0.03	0.33	0.02

The annexed notes from 1 to 18 form an integral part of these condensed interim financial information.


AHSANULLAH KHAN
President & CEO


MUHAMMAD NAEEMUDDIN
Director

HALF YEARLY REPORT DECEMBER 2014



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIODS ENDED DECEMBER 31, 2014

	For the six months period ended		For the three months ended	
	December 31, 2014	December 31, 2013	December 31, 2014	December 31, 2013
	(Un-audited)			
	----- Rupees -----			
INCOME FOR THE PERIOD	24,133,903	2,120,058	21,450,923	1,615,359
Other comprehensive income				
Items that may be reclassified to profit and loss account subsequently:				
(Loss) / Gain on remeasurement of investment classified as 'available for sale'	(584,191)	1,929,319	359,606	1,643,183
Items that will not be subsequently reclassified to profit and loss account:	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>23,549,712</u>	<u>4,049,377</u>	<u>21,810,529</u>	<u>3,258,542</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial information.

AHSANULLAH KHAN
President & CEO

MUHAMMAD NAEEMUDDIN
Director



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY

AS AT DECEMBER 31, 2014

	Issued, subscribed and paid-up capital	Reserves		Total	Total shareholders' equity
		Capital Statutory reserve	Revenue Unappropriated profit		
<u>Un-audited</u>					
<u>Rupees</u>					
Balance as at July 01, 2013	650,000,000	117,663,484	(117,211,950)	451,534	650,451,534
Transactions with other than owners of equity:					
- Income for the period	-	-	2,120,058	2,120,058	2,120,058
- Transfer to statutory reserve	-	424,012	(424,012)	-	-
Balance as at December 31, 2013	650,000,000	118,087,496	(115,515,904)	2,571,592	652,571,592
Balance as at July 01, 2014	650,000,000	118,274,313	(118,856,823)	(582,510)	649,417,490
Transactions with other than owners of equity:					
- Income for the period	-	-	24,133,903	24,133,903	24,133,903
- Transfer to statutory reserve	-	4,826,781	(4,826,781)	-	-
Balance as at December 31, 2014	650,000,000	123,101,094	(99,549,701)	23,551,393	673,551,393

The annexed notes from 1 to 18 form an integral part of these condensed interim financial information.

AHSANULLAH KHAN
President & CEO

MUHAMMAD NAEEMUDDIN
Director



FIRST CREDIT AND INVESTMENT BANK LIMITED

CONDENSED INTERIM CASH FLOW STATEMENT

FOR THE SIX MONTHS PERIOD ENDED DECEMBER 31, 2014

	December 31, 2014	December 31, 2013
	Un-audited	Un-audited
	Rupees	Rupees
Cash flows from operating activities		
Income before taxation	26,285,356	2,628,058
Adjustments for non-cash and other items:		
Depreciation	1,350,093	1,405,518
Amortisation	199,407	409,648
Reversal of provision for accrued mark-up	(8,789,832)	-
Reversal of provision for non-performing finances	-	(1,666,670)
Provision for non performing investment	825,000	1,201,679
Unrealised loss on held-for-trading investments	(17,027)	-
Impairment in investments classified as available-for-sale	2,686,952	-
Dividend income	(480,761)	(716,557)
Gain on disposal of property and equipment	(1,465,000)	(99,993)
Provision for gratuity	142,603	150,000
Workers welfare fund	536,436	-
	<u>(5,012,129)</u>	<u>683,625</u>
	21,273,227	3,311,683
(Increase) / decrease in current assets		
Short-term investments	14,789,729	4,239,643
Short-term placements	(361,000,000)	44,298,295
Accrued mark-up	8,612,171	726,761
Advances, prepayments and other receivables	7,095,612	(2,374,848)
	<u>(330,502,488)</u>	<u>46,889,851</u>
Increase / (decrease) in current liabilities		
Short-term borrowings	125,000,000	-
Short-term running finance	(3,238,403)	-
Accrued mark-up	(101,347)	(1,633,105)
Accrued expenses and other liabilities	(3,165,204)	(2,092,141)
	<u>118,495,046</u>	<u>(3,725,246)</u>
Cash (used in) / generated from operations	<u>(190,734,215)</u>	<u>46,476,288</u>
Income tax paid	(1,530,514)	(315,751)
Net cash (used in) / generated from operating activities	<u>(192,264,729)</u>	<u>46,160,537</u>
Cash flows from investing activities		
Proceeds from disposal of property and equipment	1,465,000	112,000
Proceeds from disposal of investments	219,067,429	22,543,189
Dividend received	480,761	716,557
Long-term loans and finances recovered - net of disbursement	4,445,880	3,461,239
Net cash generated from investing activities	<u>225,459,070</u>	<u>26,832,985</u>
Cash flows from financing activities		
Long-term loan repaid	(31,250,000)	(31,250,000)
Short-term certificate of deposit repaid	-	(27,640,000)
Long term certificate of deposit repaid	-	(12,500,000)
Net cash used in financing activities	<u>(31,250,000)</u>	<u>(71,390,000)</u>
Net increase / (decrease) in cash and cash equivalents	<u>1,944,341</u>	<u>1,603,522</u>
Cash and cash equivalents at the beginning of the period	<u>381,619</u>	<u>5,634,049</u>
Cash and cash equivalents at the end of the period	<u>2,325,960</u>	<u>7,237,571</u>

The annexed notes from 1 to 18 form an integral part of these condensed interim financial information.

AHSANULLAH KHAN
President & CEO

MUHAMMAD NAEEMUDDIN
Director

HALF YEARLY REPORT DECEMBER 2014



FIRST CREDIT AND INVESTMENT BANK LIMITED

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

FOR THE SIX-MONTH PERIOD ENDED DECEMBER 31, 2014

1 STATUS AND NATURE OF BUSINESS

First Credit and Investment Bank Limited ("the Company") was incorporated in Pakistan on August 31, 1989 as a private limited company under the name of First Credit and Discount Corporation (Private) Limited. Subsequently, the name of the Company was changed to First Credit and Investment Bank Limited. During the year 2008-09, the Company was listed on the Karachi Stock Exchange by way of issue of shares to general public. The Company is an associated undertaking of Water and Power Development Authority (WAPDA) and National Bank of Pakistan (NBP); who, each at the period-end holds 30.67% and 30.67% of the total outstanding shares as at the period end.

The Company is licensed to undertake business of investment finance services as a Non-Banking Finance Company (NBFC) under the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the NBFC Rules) issued by the Securities and Exchange Commission of Pakistan (SECP).

The medium-to-long term credit rating of the Company as at December 24, 2014 by JCR-VIS Credit Rating Company Limited is 'A-' with a stable outlook. Whereas, short-term credit rating of the Company is 'A-2'.

1.2 Minimum equity requirement as per Non-Banking Finance Companies & Notified Entities Regulations 2008 for the companies undertaking investment finance services as at December 31, 2014 is Rs. 1.0 billion (December 31, 2013: Rs. 1.0 billion). The Non-Banking Financial Sector Reform Committee of the SECP in its report issued for public comments in March 2013 has suggested that the minimum equity for companies undertaking investment finance services be fixed at Rs. 300 million for the time being, and to be enhanced to Rs. 600 million by June 30, 2016 and to further enhance to Rs.1.0 billion by June 30, 2018. In view of the above, the Company awaits finalization of the minimum equity requirement to be complied by, and has therefore, not applied to SECP for seeking relaxation regarding meeting the minimum equity requirement under regulation 4 of Non-Banking Finance Companies & Notified Entities Regulations 2008.

Subsequent to the period end, the SECP has granted permission to raise deposits through issue of certificate of deposits.

2 STATEMENT OF COMPLIANCE

This condensed interim financial information of the Company for the six months period ended December 31, 2014 has been prepared in accordance with the requirements of the International Accounting Standard - 34 "Interim Financial Reporting Standards", provisions of and directives issued under the Companies Ordinance, 1984, the NBFC Rules, the Non-Banking Finance Companies and Notified Entities Regulations, 2008 ("the NBFC Regulations") and the other directives issued by the SECP. Wherever the requirements of the Ordinance, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP differ with the requirements of IFRS, the requirements of the Ordinance, the NBFC Rules, the NBFC Regulations or the directives issued by the SECP shall prevail.

This condensed interim financial information does not include all the information required for full annual financial statements, and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2014.

3 ACCOUNTING POLICIES

The accounting policies and methods of computation adopted in the preparation of this condensed interim financial information are same as those applied in the preparation of the annual financial statements for the year ended June 30, 2014.



FIRST CREDIT AND INVESTMENT BANK LIMITED

4 FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are same as disclosed in the annual financial statements for the year ended June 30, 2014.

5 ACCOUNTING ESTIMATES AND JUDGMENTS

In preparing this condensed interim financial information, the significant judgments made by management in applying the Company's accounting policies and key sources of estimation are same as those applied by the Company in the annual financial statements for the year ended June 30, 2014.

6 PROPERTY AND EQUIPMENT

There have been no additions during the period ended December 31, 2014. Further, fully depreciated assets having cost of Rs. 2,188,490 have been disposed off during the period.

Additions and disposals for the year ended June 30, 2014 are as under:

	For the year ended June 30, 2014	
	Additions (cost)	Disposal (book value)
 Rupees	
Furniture and fixtures	-	7,730
Office Equipments	127,305	-
Computers	452,898	-
Air conditioner	81,000	4,279
	<u>661,203</u>	<u>12,009</u>

Note	As at December 31, 2014	As at June 30, 2014
	Un-audited	Audited
 Rupees	

7 LONG-TERM INVESTMENTS

Held-to-maturity

Term finance certificates and Sukuk - unquoted	379,330,040	427,951,399
Term finance certificates - quoted	49,807,595	49,818,173
	<u>429,137,635</u>	<u>477,769,572</u>
Less: Provision against investments	7.1 (193,187,943)	(192,362,942)
	<u>235,949,692</u>	<u>285,406,630</u>
Government securities (Pakistan Investment Bonds)	-	172,266,812
	<u>235,949,692</u>	<u>457,673,442</u>

Available-for-sale

Term finance certificates - quoted	21,313,375	21,313,376
Less: Provision against investments	(4,806,716)	(4,806,716)
	<u>16,506,659</u>	<u>16,506,660</u>
Investment in shares - quoted	1,875,928	2,490,749
Total long-term investments	<u>18,382,587</u>	<u>18,997,409</u>
Less: Current portion of long-term investments	(36,314,861)	(63,127,188)
	<u>218,017,418</u>	<u>413,543,663</u>



FIRST CREDIT AND INVESTMENT BANK LIMITED

	Note	As at December 31, 2014 Un-audited Rupees	As at June 30, 2014 Audited
7.1 Provision against investments			
Opening balance		(192,362,942)	(193,196,272)
(Charged) / Reversed during the period/year		(825,000)	833,330
Closing balance		<u>(193,187,942)</u>	<u>(192,362,942)</u>
8 SHORT-TERM INVESTMENTS			
Held-to-maturity			
- Government securities-T-Bills	8.1	914,424	-
Available for sale			
Pre- IPO term finance certificates	8.2	50,000,000	50,000,000
Less: Provision against investment	8.2	(25,000,000)	(25,000,000)
		25,000,000	25,000,000
Investment in shares - quoted		14,418,699	16,609,022
Investments in mutual funds		-	11,588,802
Investment in preference shares		15,000,000	15,000,000
Held-for-trading			
Investment in shares - quoted		1,213,874	3,121,875
		<u>56,546,997</u>	<u>71,319,699</u>
8.1 These represents investments in government securities to comply with the requirement of regulation 14(4)(i) of the Non-Banking Finance Companies and Notified Entities Regulation, 2008.			
8.2 The investment was made for a period of five years at the rate of six-months Kibor + 2%. This is secured by way of first pari passu charge over assets of the investee company. The Company has made provision in respect thereof in accordance with the NBFC Regulations.			
	Note	As at December 31, 2014 Un-audited Rupees	As at June 30, 2014 Audited
9 SHORT TERM PLACEMENT			
Placements - Unsecured		146,000,000	-
Reverse repo agreement - Secured		215,000,000	-
		<u>361,000,000</u>	-
10 DEFICIT ON REVALUATION OF INVESTMENTS - net			
Available-for-sale investments			
Listed Securities			
Shares		(11,028,241)	(11,188,136)
Term finance certificates		58,987	58,987
Mutual funds		-	744,086
		<u>(10,969,254)</u>	<u>(10,385,063)</u>



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	Note	As at December 31, 2014 Un-audited Rupees	As at June 30, 2014 Audited
11 SHORT-TERM BORROWINGS			
Under repurchase agreement - Secured		<u>125,000,000</u>	<u>-</u>
11.1 This represent funds borrowed from National Bank of Pakistan, an associated undertaking against government securities, carrying mark-up at 9.9% per annum maturing February 2015. This borrowing is secured against PIBs amounting to Rs. 125,000,000.			
12 ACCRUED MARK-UP			
Secured			
Loans and borrowings including running finances and short-term borrowings	12.1	1,684,397	2,075,607
Unsecured			
Long-term certificate of deposit		<u>998,767</u>	<u>708,904</u>
		<u>2,683,164</u>	<u>2,784,511</u>
12.1 This amount is due to National Bank of Pakistan, an associated undertaking.			
13 CONTINGENCIES AND COMMITMENTS			
13.1 Commitments			
Bank guarantee - secured by way of lien on long-term certificate of deposit		<u>5,000,000</u>	<u>5,000,000</u>
Stand-by letter of credit facility amounting to USD 575,000 to Hub Power Company Limited		<u>57,873,750</u>	<u>57,183,750</u>
13.2 There are no contingencies at the balance sheet date.			
		For the six-month period ended December 31, 2014 Un-audited Rupees	For the six-month period ended December 31, 2013 Un-audited
14 TAXATION			
Current		3,465,844	508,000
Deferred - net		<u>(1,314,391)</u>	<u>-</u>
		<u>2,151,453</u>	<u>508,000</u>
15 EARNINGS/(LOSS) PER SHARE (EPS)			
15.1 Basic EPS			
Earnings for the period		<u>24,133,903</u>	<u>2,120,058</u>
Weighted average number of shares outstanding		<u>65,000,000</u>	<u>65,000,000</u>
Earnings per share - basic		<u>0.37</u>	<u>0.03</u>



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15.2 Diluted EPS

There is no dilution effect on the basic earnings per share as the Company has no convertible dilutive potential ordinary shares outstanding on December 31, 2014.

16 TRANSACTIONS WITH RELATED PARTIES

The related parties comprise associated undertaking, key management personnel and post employment benefit scheme. The Company in the normal course of business carries out transactions with various related parties.

Nature of relationship with related party	Nature of transactions and balances	For the six-month period ended and as at December 31, 2014 Rupees	For the six-month period ended December 31, 2013 and as at June 30, 2014 Rupees
Associate	Transactions for the six-month period:		
	Rent paid	1,319,633	1,055,672
	Brokerage expense	2,850	3,643
	Balances at period-end/year-end:		
	Accrued mark-up on long-term loan	2,924,229	5,700,890
	Accrued mark-up on short-term running finance	513,648	141,635
Key management personnel	Accrued mark-up on Repo Borrowing	2,740,310	-
	Balance of term loan and repo borrowings	171,875,000	81,363,403
	Transactions for the six-month period:		
	Salaries, benefits and allowances	6,882,981	3,896,993
Post employment benefit scheme	Retirement benefits	555,878	411,834
	Return on long-term loans	62,311	118,440
	Transactions for the six-month period:		
Contributions made to staff retirement fund	329,873	416,136	

17 DATE OF AUTHORIZATION FOR ISSUE

This condensed interim financial information are authorized for issue on February 24, 2015 by the Board of Directors of the Company.

18 CORRESPONDING FIGURES

In order to comply with the requirements of IAS 34 'Interim financial reporting', the condensed interim balance sheet has been compared with the balance of annual audited financial statements of preceding financial year. Whereas, the condensed interim income statement, condensed interim statement of other comprehensive income, condensed interim statement of changes in equity and condensed interim cash flow statement has been compared with the balances of comparable period of immediately preceeding financial year.

AHSANULLAH KHAN
President & CEO

MUHAMMAD NAEEMUDDIN
Director

HALF YEARLY REPORT DECEMBER 2014