

**FIRST DAWOOD INVESTMENT
BANK LIMITED**

**Third Quarter Report
31 March 2015**



FIRST DAWOOD INVESTMENT BANK LIMITED

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CORPORATE INFORMATION

Board of Directors	Mr. Rafique Dawood Mr. Abu Khurshed M. Ariff Mr. Ayaz Dawood Mr. Asad Hussain Bokhari Mr. Khurshid A. Khair	Chairman Director & CEO (Not assumed charge as CEO) Director Director Director
Audit Committee	Mr. Asad Hussain Bokhari Mr. Khurshid A. Khair	Chairman Member
HR&R Committee	Mr. Khurshid A. Khair Mr. Asad Hussain Bokhari Mr. Abu Khurshed M. Ariff	Chairman Member Member
Chief Financial Officer	Mr. Syed Musharaf Ali	
Company Secretary	Mr. Naveed Ahmed	
Auditors	Haroon Zakaria & Company Chartered Accountants	
Legal counsels	A.Q. Abbasi & Associates Kabiraji & Talibuddin Kamal Azfar & Associates Khalil Asif Ejaz & Co. Mohsin Tayebaly & Co. Minto & Mirza Nishtar & Zafar S & B Durrani Law Associates	
Bankers	Al-Baraka Islamic Bank Ltd. Bank Al-Habib Ltd. Habib Metropolitan Bank Ltd. MCB Bank Ltd. National Bank of Pakistan Ltd. Standard Chartered Bank Ltd. United Bank Ltd.	
Registered Office Head Office	18 th Floor, B.R.R Tower, Hasan Ali Street Off: I. I. Chundrigar Road, Karachi-74000 PABX: +92 (21) 3227-1875-78 Fax : +92 (21)3227-1912 Email: fdib@firstdawood.com URL : www.firstdawood.com	
Share Registrar	F.D. Registrar Services (SMC-Pvt) Ltd. 1705, 17th Floor, Saima Trade Tower-A, I.I. Chundrigar Road, Karachi-74000 Tel: +92 (21) 3547 8192-93 / 021-32771906 Fax : +92 (21) 3262 1233 / 021-32271905 Email: fdregistrar@hotmail.com, fdregistrar@yahoo.com	

* Application for the prior approval of Directors is pending with SECP. Status-quo has been granted by the Honorable Islamabad High Court vide order dated 03-02-2014. Where the legality of the approval process has been challenged. As per advice of legal Counsel till approval is granted the newly elected directors cannot assume charge hence, the previous directors will continue to hold office.

DIRECTORS' REPORT

IN THE NAME OF ALLAH THE MOST COMPASSIONATE, THE MOST MERCIFUL

Dear Shareholders,

The Board of Directors of First Dawood Investment Bank Limited ("FDIB" or the "Company") is pleased to present the unaudited third quarter interim financial statements of the Company for the period ended March 31, 2015.

Your company during the 9 months of the current financial year has recorded after-tax profit of Rs.3.55 million as compared to after-tax loss of Rs.43.45 million during the corresponding period last year. The latter was predominately due to "reversal of Provision", Surplus on revaluation of investment property" and recoveries from bad loans. Gross revenue for the nine months is Rs.13.18 million as compared to Rs.18.72 million during nine months in last year.

Administrative expenses for the period under review continue to show a declining trend and have reduced to Rs.29.73 million from Rs.52.09 million. Financial charges have increased to Rs.26.03 million from Rs.8.10 million as compared to corresponding period last year.

The Board of Directors acknowledges and appreciates the collective effort and contribution of all staff members and management. We also take this opportunity to express our gratitude to SECP, our valued customers, business partners, other stakeholders, shareholders and particularly our creditors for their continued patience, confidence and patronage.

April 29, 2015
Karachi.

On behalf of the Board of Directors
First Dawood Investment Bank Ltd

Rafique Dawood
Chairman

CONDENSED INTERIM BALANCE SHEET (UNAUDITED)
AS AT MARCH 31, 2015

	Note	Unaudited March 31, 2015 Rupees	Audited June 30, 2014 Rupees
NON CURRENT ASSETS			
Property and equipment	6	3,875,321	5,524,976
Investment properties		120,145,960	71,525,000
Net investment in lease finance	7	202,460	440,602
Long-term investments	8	190,816,454	188,083,010
Long-term finances	9	331,867	331,867
Long-term loans		-	-
Long-term deposits		3,704,000	3,704,000
Deferred tax asset	10	198,893,526	198,893,526
		517,969,588	468,502,981
CURRENT ASSETS			
Current portion of non-current assets	11	250,496,609	261,604,026
Short-term investments	12	54,233,472	57,799,032
Placements and finances	13	53,766,848	68,255,109
Advance against lease commitments		-	-
Loans, advances and prepayments		4,311,823	25,430,782
Mark-up accrued		93,745	212,033
Assets classified as held for sale		3,500,000	95,108,166
Other receivables		-	-
Cash and bank balances		39,552,620	25,979,252
		405,955,117	534,388,400
		923,924,705	1,002,891,381
EQUITY AND LIABILITIES			
Ordinary shares		684,440,002	626,492,900
Preference shares		666,156,040	715,833,540
		1,350,596,042	1,342,326,440
Reserves		333,744,789	333,744,789
Accumulated loss		(1,629,936,771)	(1,613,488,445)
		54,404,060	62,582,784
Deficit on revaluation of investments		(12,016,070)	(6,982,479)
		42,387,990	55,600,305
NON CURRENT LIABILITIES			
Long-term loans	15	-	-
Long term deposits		18,905	18,905
		18,905	18,905
CURRENT LIABILITIES			
Current portion of long-term liabilities	16	523,966,657	538,510,565
Mark-up accrued		135,877,162	108,233,414
Short term borrowings		81,418,223	81,418,223
Certificates of investment	17	-	88,500,000
Deferred Income		-	-
Accrued and other liabilities		138,720,094	129,807,951
Taxation		1,535,674	802,018
		881,517,810	947,272,171
CONTINGENCIES AND COMMITMENTS			
	18	-	-
		923,924,705	1,002,891,381

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements

This condensed interim financial information has been signed by two Directors due to reasons stated in note 1.3 to this condensed interim financial information.

DIRECTOR

DIRECTOR

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2015

	<i>Nine months ended</i>		<i>Quarter ended</i>	
	<i>March 31</i>	<i>March 31</i>	<i>March 31</i>	<i>March 31</i>
	2015	2014	2015	2014
Note	<-----Rupees----->			
INCOME				
Lease income	-	1,355,518	-	26,023
Return on deposits and investments	5,744,886	10,952,625	3,124,664	4,750,479
Gain on sale of securities	3,106,848	3,372,676	1,491,785	2,336,894
Income from long-term finances	1,364,102	494,799	291,442	126,228
Other income	2,964,740	2,548,383	(3,159,185)	644,040
	13,180,576	18,724,001	1,748,706	7,883,664
PROVISION / CHANGES IN FAIR VALUE				
(Provision) / reversal for lease losses and doubtful recoveries	17 15,161,119	1,153,177	145,000	-
Deficit / Surplus on remeasurement of held for trading securities	961,389	503,226	-	1,405,632
Loss on settlement of Liabilities	-	(64,926)	-	-
Surplus/(Deficit) on revaluation of investment property	18,323,960	-	-	-
Surplus on revaluation of non-current asset held for sale	5,194,000	-	-	-
	39,640,468	1,591,477	145,000	1,405,632
	52,821,043	20,315,478	1,893,706	9,289,296
EXPENDITURES				
Administrative expenses	(29,725,340)	(52,092,333)	(7,517,222)	(14,849,282)
Finance cost	(26,028,392)	(8,100,477)	(6,475,342)	(1,035,017)
	(55,753,732)	(60,192,810)	(13,992,564)	(15,884,299)
Share of (loss) / profit of associates	7,219,341	(3,367,517)	-	-
(LOSS) / PROFIT BEFORE TAXATION	4,286,652	(43,244,849)	(12,098,858)	(6,595,003)
TAXATION				
Current	(732,047)	(972,830)	-	-
Prior year	-	765,693	-	-
Deferred	-	-	-	-
	(732,047)	(207,137)	-	-
PROFIT/ (LOSS) AFTER TAXATION	3,554,605	(43,451,986)	(12,098,858)	(6,595,003)
Earning per share - basic	0.34	(0.35)	(0.03)	0.01
Earning per share - diluted	0.03	(0.32)	(0.09)	(0.05)

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements

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DIRECTOR

DIRECTOR

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2015

	<i>Nine months ended</i>		<i>Quarter ended</i>	
	<i>March 31</i>	<i>March 31</i>	<i>March 31</i>	<i>March 31</i>
	<i>2015</i>	<i>2014</i>	<i>2015</i>	<i>2014</i>
	<i>< ----- Rupees ----- ></i>			
(Loss) / profit after taxation	3,554,606	(43,451,986)	(12,098,857)	(6,595,003)
Other comprehensive income				
Unrealised gain / (Deficit) on remeasurement of investments classified as available-for-sale	(12,016,070)	581,490	-	-
Share of associates' surplus on remeasurement of investments	-	-	-	-
Share of associates' on reversal of unrealised loss on remeasurement of investments	-	5,838,055	-	5,838,056
	<u>(12,016,070)</u>	<u>6,419,545</u>	<u>-</u>	<u>5,838,056</u>
Total comprehensive (loss) / income for the period	<u>(8,461,464)</u>	<u>(37,032,441)</u>	<u>(12,098,857)</u>	<u>(756,947)</u>

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DIRECTOR

DIRECTOR

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2015

	Share Capital		Capital Reserve		Revenue Reserve		Total
	Ordinary Shares	Preference Shares	Statutory Reserve	Premium on Right Issue	Capital Reserve on Acquisition	Deficit on Revaluation of Investments	
Balance at June 30, 2013	626,492,900	715,833,540	277,721,395	53,426,910	2,596,484	(5,006,303)	(1,443,910,048)
Total comprehensive income for the period	-	-	-	-	-	-	-
- Loss for the period	-	-	-	-	-	-	(43,451,986)
- Other comprehensive income	-	-	-	-	-	6,419,545	6,419,545
Dividend on preference shares @ 4%	-	-	-	-	-	-	(21,494,618)
Balance as at March 31, 2014	626,492,900	715,833,540	277,721,395	53,426,910	2,596,484	1,413,242	(1,508,856,652)
Total comprehensive income for the period	-	-	-	-	-	-	-
- Loss for the period	-	-	-	-	-	-	(97,493,069)
- Other comprehensive income	-	-	-	-	-	(8,395,721)	(8,395,721)
Dividend on preference shares @ 4%	-	-	-	-	-	-	(7,138,724)
Balance at June 30, 2014	626,492,900	715,833,540	277,721,395	53,426,910	2,596,484	(6,982,479)	(1,613,488,445)
Conversion of Preference Shares into Ordinary Shares	57,947,102	(49,677,500)	-	-	-	-	8,269,602
Total comprehensive income for the period	-	-	-	-	-	-	-
- Profit for the period	-	-	-	-	-	-	3,554,606
- Other comprehensive income	-	-	-	-	-	(5,033,591)	(5,033,591)
Dividend on preference shares @ 4%	-	-	-	-	-	-	(20,002,931)
Balance as at March 31, 2015	684,440,002	666,156,040	277,721,395	53,426,910	2,596,484	(12,016,070)	(1,629,936,770)

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements

This condensed interim financial information has been signed by two Directors due to reasons stated in note 1.3 to this condensed interim financial information.

DIRECTOR

DIRECTOR

CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE NINE MONTHS ENDED MARCH 31, 2015

	<i>Nine months ended</i>	
	<i>March 31</i>	
	2015	2014
	<i>Rupees</i>	<i>Rupees</i>
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	4,286,653	(43,244,849)
Adjustments:		
Depreciation	1,398,090	2,018,395
Gain on sale of investments	(3,106,848)	(3,372,676)
Share of loss / (profit) of equity accounted investees	(7,219,341)	3,367,517
Finance cost	26,028,392	8,100,477
Gain on sale of Property and equipment	-	-
Gain / Loss on sale of property and equipment	(1,725,799)	(18,157)
Provision / (reversal of provision potential lease	(15,161,119)	(1,153,177)
Surplus on revaluation of investment property	(23,517,960)	-
Deficit / Surplus on remeasurement of held for trading securities	(961,389)	(503,226)
Loss on settlement of Liabilities	-	64,927
Other income	(3,331,248)	(2,548,383)
	<u>(27,597,222)</u>	<u>5,955,697</u>
	(23,310,569)	(37,289,152)
Changes in operating assets and liabilities		
<i>(Increase) / decrease in operating assets</i>		
Net investment in lease finance	9,706,047	42,794,176
Long-term finances	3,446,769	8,837,458
Long-term loans	-	199,455
Placements and finances	18,188,905	14,600,928
Assets classified as held for sale	84,000,000	-
Advances and prepayments	21,118,959	(338,224)
Mark up accrued	118,288	1,950,589
Other receivables	-	(33,060,690)
	<u>136,578,968</u>	<u>34,983,692</u>
	113,268,399	(2,305,460)
<i>Increase / (decrease) in operating liabilities</i>		
Certificates of investment	(88,500,000)	-
Long term deposits	(3,663,801)	(25,485,076)
Short term borrowings	-	(1,376,765)
Accrued and other liabilities	8,912,143	470,435
	<u>(83,251,658)</u>	<u>(26,391,406)</u>
Financial cost paid	(341,360)	(2,035,475)
Tax paid	-	(524,675)
Net cash (used)/generated from operating activities	<u>29,675,381</u>	<u>(31,257,016)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(420,930)	(3,365,070)
Proceed from sale of property and equipment	2,152,580	71,049
Long-term investments	-	-
Long-term deposits	-	-
Short-term investments	(6,953,556)	4,719,647
Net cash (used)/generated from investing activities	<u>(5,221,906)</u>	<u>1,425,626</u>

	<i>Nine months ended</i>	
	<i>March 31</i>	
	<i>2015</i>	<i>2014</i>
	<i>Rupees</i>	<i>Rupees</i>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term loans	(10,880,107)	(17,673,877)
Long-term loans obtained	-	-
Net cash (used in) from financing activities	<u>(10,880,107)</u>	<u>(17,673,877)</u>
Net increase / (decrease) in cash and cash equivalents	13,573,368	(47,505,267)
Cash and cash equivalents at beginning of the period	25,979,252	67,003,068
Cash and cash equivalents at end of the period	<u><u>39,552,620</u></u>	<u><u>19,497,801</u></u>

The annexed notes from 1 to 21 form an integral part of these condensed interim financial statements

This condensed interim financial information has been signed by two Directors due to reasons stated in note 1.3 to this condensed interim financial information.

DIRECTOR

DIRECTOR

**NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2015****1. STATUS AND NATURE OF BUSINESS**

- 1.1** First Dawood Investment Bank Limited ("the Company") was incorporated on June 22, 1994 as a public limited company in Pakistan under the Companies Ordinance, 1984 and is listed on the Karachi Stock Exchange. The registered office of the Company is situated in Karachi, Pakistan. The Company had obtained the licenses for Leasing Business and Investment and Finance Services under Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 ("the Rules") and Non Banking Finance Companies and Notified Entities Regulations, 2008 ("the Regulation") from the Securities and Exchange Commission of Pakistan (SECP) which have been expired.
- 1.2** The Company had applied for registration as a Debt Securities Trustee under Regulation 6(2) of Debt Securities Trustee Regulations, 2012 which was denied by SECP vide its order dated November 22, 2013 against which an appeal has been filed before appellate bench of SECP on December 17, 2013. The appeal is pending. The Company is acting as trustees to Term Finance Certificates / Sukuk issued by Allied Bank of Pakistan, Escorts Investment Bank Limited, Engro Fertilizers Limited, Saudi Pak Leasing Company Limited, New Allied Electronics Industries (Private) Limited, Security Leasing Company Limited, Dewan Cement Limited, House Building Finance Company Limited, Bunny's Limited, Pak Hy-Oils Limited, and Flying Board and Paper Products Limited. The value of assets under trustee as at December 31, 2014 amounted to Rs. 16.39 billion (as at June 30, 2014: Rs. 16.89 billion).
- 1.3** Applications for approval of directors elected in the Annual General Meeting of the Company held on October 25, 2013 are still pending with the SECP. Further, the legality of the approval process has been challenged by the Company at the Islamabad High Court which issued directives to maintain status-quo vide order of February 3, 2014, therefore, till the approval of SECP is received, directors elected in Annual General Meeting held on October 25, 2013 cannot assume charge of their office under Clause-2 of Schedule IX of the NBFC Regulations, 2008. Hence, the previous directors shall continue to hold office except Rasheed Y. Chinoy who left the charge of the Chief Executive Officer on October 29, 2013 and subsequently on January 16, 2014 resigned from the Board. As such two directors have signed these financial statements.

2. BASIS OF PREPARATION

- 2.1** This condensed interim financial information has been prepared in accordance with requirements of the International Accounting Standard (IAS) - 34 "Interim Financial Reporting" and the requirements of Non Banking Finance Companies and Notified Entities Regulations, 2008 (the Regulation), the Non Banking Finance Companies (Establishment and Regulation) Rules, 2003 (the Rules), the Companies Ordinance, 1984 (the Ordinance) and directives issued by the SECP. In case where requirement differs, the requirements of the Rules, the Regulations, the Ordinance or directives issued by SECP have been followed.
- 2.2** This condensed interim financial information does not include all of the information and disclosures required for annual financial statements and should be read in conjunction with the financial statements of the Company as at and for the year ended June 30, 2014.
- 2.3** This condensed interim financial information is presented in Pakistan Rupees which is also the Company's functional currency.
- 2.4** This condensed interim financial information is un-audited and is being submitted to the shareholders as required by listing regulations of Karachi and Islamabad Stock Exchanges and section 245 of the Companies Ordinance, 1984.

3. SIGNIFICANT ACCOUNTING POLICIES

- 3.1** The accounting policies and method of computation adopted for the preparation of this condensed interim financial information are the same as those applied in the preparation of the Company's annual financial statements for the year ended June 30, 2014.
- 3.2** Amendments to certain existing standards and interpretations on approved accounting standards effective during the period were not relevant to the Company's operations and did not have any impact on the accounting policies of the Company and therefore not stated in this condensed interim financial information.

4. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the financial statements of the Company for the year ended June 30, 2014.

5. ACCOUNTING ESTIMATES AND JUDGEMENT

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

	Note	March 31, 2015 Rupees	June 30, 2014 Rupees
6. PROPERTY AND EQUIPMENT		3,875,321	5,524,976
6.1 Acquisition of assets - at cost			
Leasehold improvement		-	-
Vehicles		-	3,365,070
Equipment and appliances		420,930	-
		<u>420,930</u>	<u>3,365,070</u>
6.2 Disposal of assets - at cost			
Office premises		-	-
Leasehold improvement		-	-
Vehicles		4,491,140	4,281,109
Equipment and appliances		357,930	78,128
		<u>4,849,070</u>	<u>4,359,237</u>
7. NET INVESTMENT IN LEASE FINANCE			
Net investment in lease finance	7.1	574,177,714	583,883,761
Provision for potential lease losses		(451,224,785)	(452,992,042)
Current portion		(122,750,469)	(130,451,117)
		<u>202,460</u>	<u>440,602</u>
7.1 Particulars of net investment in lease finance			
Minimum lease payments receivable		594,531,753	610,082,217
Residual value of leased assets		102,216,301	105,880,102
		<u>696,748,054</u>	<u>715,962,319</u>
Unearned finance income		(122,570,340)	(132,078,558)
Net investment in lease finance		<u>574,177,714</u>	<u>583,883,761</u>
7.1.1			
The lease finances carry mark up ranging from 6M KIBOR plus spread of 2% to 5% (June 30, 2014: 6M KIBOR plus spread of 2% to 5%) per annum having maturity up to 5 years and are secured against leased assets.			
	Note	March 31, 2015 Rupees	June 30, 2014 Rupees
7.2 Provision for potential lease losses			
Opening balance		452,992,042	465,266,835
(Reversal) / Charge for the period - net		(1,767,257)	28,809,953
Written off during the period		-	(41,084,746)
Closing balance		<u>451,224,785</u>	<u>452,992,042</u>
7.3 Current portion of lease finance			
Maturing within one year		573,975,254	583,443,159
Provision for potential lease losses		(451,224,785)	(452,992,042)
		<u>122,750,469</u>	<u>130,451,117</u>
8. LONG TERM INVESTMENTS			
Investment in associates	8.1	183,246,545	180,560,426
US Dollar bonds		7,569,909	7,522,584
		<u>190,816,454</u>	<u>188,083,010</u>
8.1 Investment in associates			
Opening balance		180,560,426	189,238,323
Increase in interest of associates		-	-
Share of (loss) / gain		7,219,341	(16,183,968)
Share of surplus on revaluation of investments		(4,533,223)	7,506,071
Transfer from available-for-sale investment		-	-
		<u>183,246,544</u>	<u>180,560,426</u>
8.2			
This represents investment in a USD bond amounting to USD 75,000. It is perpetual preference security which entitles holders to receive preferential cash distributions on quarterly basis at the rate of 6.85% (June 30, 2014: 6.85%) per annum. These securities are listed at Luxembourg Stock Exchange.			

	Note	March 31, 2015 Rupees	June 30, 2014 Rupees
9. LONG-TERM FINANCES			
Term finance facilities		276,430,816	279,877,585
Provision for doubtful finances		(148,352,809)	(148,392,809)
Current portion	1	<u>(127,746,140)</u>	<u>(131,152,909)</u>
		<u>331,867</u>	<u>331,867</u>
9.1 Particulars of provision for doubtful finances			
Opening balance		148,392,809	163,592,854
(Reversal) / charge for the period - net		(40,000)	(12,350,637)
Written off		-	(2,849,408)
Closing balance		<u>148,352,809</u>	<u>148,392,809</u>

10. DEFERRED TAX ASSET

Deferred tax asset is recognized in respect of carry forward assessed tax losses/deductible temporary differences to the extent it is probable that there will be future taxable profits against which these losses/deductible temporary differences can be utilized. The Company has prepared a five year business plan which has been approved by the Board of Directors. The said plan involves certain key assumptions underlying the estimation of future taxable profits including injection of fresh equity. The determination of future taxable profit is directly related and sensitive to certain key assumptions such as recoveries of outstanding lease and long term finances, resumption of licenses, expected return on investments and bank balances etc. Any change in the key assumptions may have an effect on the realizability of the deferred tax asset. The Board and management believes that it is probable that the Company will be able to achieve the profits projected in the business plan and consequently it is expected that out of the total deferred tax asset of Rs.913.19 million has calculated in earlier years, the deferred tax asset up to Rs. 198.89 million (including deferred tax asset of Rs 190.97 million on unabsorbed depreciation) will be realized in the near future. The Company has not recognized deferred tax assets of Rs. 714.30 million in respect of remaining carry forward losses and deductible temporary differences.

	Note	March 31, 2015 Rupees	June 30, 2014 Rupees
11. CURRENT PORTION OF NON-CURRENT ASSETS			
Net investment in lease finance	7	122,750,469	130,451,117
Long-term finances	9	127,746,140	131,152,909
Long-term loans		-	-
		<u>250,496,609</u>	<u>261,604,026</u>
12. SHORT TERM INVESTMENTS			
Held-for-trading			
Listed ordinary shares		35,400,466	38,418,333
Available-for-sale			
Term finance certificates / sukuk bonds		4,127,668	4,127,668
Unquoted securities		15,083,006	15,630,699
		<u>19,210,674</u>	<u>19,758,367</u>
Less: provision for impairment in preference shares		(377,668)	(377,668)
		<u>54,233,472</u>	<u>57,799,032</u>

	Note	March 31, 2015 Rupees	June 30, 2014 Rupees
13. PLACEMENTS AND FINANCES			
Placement and finance- unsecured		9,000,000	12,000,000
Provision for doubtful finances		(9,000,000)	(12,000,000)

	Note	March 31, 2015 Rupees	June 30, 2014 Rupees
13. PLACEMENTS AND FINANCES			
Financing against shares		306,756,172	306,756,172
Provision for doubtful finances		(306,756,172)	(306,756,172)
		-	-
Short-term finance - secured		37,399,751	50,581,567
Provision for doubtful finances		(21,990,943)	(21,990,943)
		15,408,808	28,590,624
Certificates of deposit		5,000,000	5,000,000
Provision for doubtful finances		(5,000,000)	(5,000,000)
		-	-
Morabaha / musharika finances		89,833,870	91,840,959
Provision for doubtful finances		(51,475,830)	(52,176,474)
		38,358,040	39,664,485
		<u>53,766,848</u>	<u>68,255,109</u>

14. ASSETS ACQUIRED IN SATISFACTION OF CLAIMS

These reopresents two properties (repossessed assets) having values of Rs. 25.10 million and Rs. 3.5 million respectively acquired by the Company in settlement of its term finance and lease financing. The Company intends to utilize these properties for settlement of its liabilities.

	Note	March 31, 2015 Rupees	June 30, 2014 Rupees
15. LONG TERM LOANS			
Secured			
Asian Development Bank		-	10,880,107
Commercial Banks	16	432,573,673	432,573,673
		432,573,673	443,453,780
Current portion		(432,573,673)	(443,453,780)
		-	-
16. CURRENT PORTION OF LONG TERM LIABILITIES			
Long term loans	15	432,573,673	443,453,780
Lease deposits		91,392,984	95,056,785
		<u>523,966,657</u>	<u>538,510,565</u>

17. SHORT TERM CERTIFICATES OF INVESTMENT

Non Banking Financial Institutions	17.1	-	88,500,000
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17.1 An out of court settlement with State Life Corporation of Pakistan (SLIC) was initiated on December 29, 2012 with assistance of Karachi Centre for Dispute Resolution (KCDR). Subsequently a Compromise Application was filed and accepted by the Honourable High Court of Sindh on February 6, 2013. According to the agreement terms the agreed assets and 8.4Million shares of Burj Bank Limited have been transferred to SLIC.

18. CONTINGENCIES AND COMMITMENTS

18.1 Contingent liabilities

Letters of comfort / guarantee	1,098,000,000	2,038,000,000
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The guarantees worth Rs. 1,098 million (June 30, 2014: Rs. 1,098 million) are under litigations and are being defended by lawyers of the Company. Based on the opinion of legal advisors of the Company, the management is confident that adequate legal grounds are available to defend these cases. Accordingly, no provision is required to be made for the said cases in this condensed interim financial information. Brief detail of the guarantees under litigations is as under:

- i. A guarantee of Rs. 245 million was given against a Letter of Commitment and not against a guarantee which is currently in litigation. The beneficiary has restructured its facilities to the customer. Hence, the beneficiary can not claim the same amount from two parties, thus the amount is disputed. The beneficiary has filed a recovery case and winding up petition against the Company in the Sindh High Court (SHC). According to the Company's legal advisors, the Company has good merits to defend both recovery case and winding up petition.

- ii. A guarantee of Rs. 250 million against the repayment of sukuk was called as the principal debtor defaulted in payment of installments of the said sukuk. The Trustee of the sukuk has filed a recovery suit against the Company in the SHC, which is pending adjudication. Based on the opinion of the legal advisors of the Company, the Company has good merits to defend the case as the guarantee never became operational on technical grounds.
- iii. A guarantee of Rs 465 million against the repayment of sukuk has been called which is currently under litigation. Based on the opinion of the legal advisors of the Company, the Company has good merits to defend the case as the guarantee never became operational due to default on the part of trustee of the sukuk issue.
- IV. A guarantee of Rs. 128 million against the bridge finance facility was called as the party in favour of which guarantee was issued defaulted in making payment to the beneficiary bank. The beneficiary has filed winding up petition and suit for recovery in the SHC, which is pending adjudication. According to the Company's legal advisor, the Company has good merits to defend both the recovery case and the winding up petition, as "FDIBL" had issued a guarantee against a "bridge finance" and not a "term loan".
- V. The guarantee of Rs.10 million to secure repayment of running finance facility of the customer has been called by the beneficiary bank. The Company, in response, filed a recovery case against the customer in the SHC. In January 2013, a settlement agreement was finalized between the customer and the Company under which the customer has undertaken to settle its liability of Rs 10 million directly with the beneficiary. The Company has filed statement in SHC for striking out its name from title of the plaint.

19. TRANSACTIONS WITH RELATED PARTIES

Related parties comprise of major shareholders, associated companies with or without common directors, other companies with common directors, retirement benefit fund, directors, key management personnels and their close family members.

Details of transactions with related parties and balances with them as at period / year-end are as follows: -

	March 31, 2015		June 30, 2014	
	Key management personnel	Associates/ related parties	Key management personnel	Associates/ related parties
	----- Rupees -----			
Investment in associate				
Balance at beginning of the period / year	-	180,560,426	-	189,238,323
Share of Loss from Associate	-	-	-	(16,183,968)
Share of reversal of deficit on revaluation of investments classified in other comprehensive income	-	-	-	-
Balance at end of the period / year	-	180,560,426	-	180,560,426
Long term finances / loans				
Short term Loan	484,500	3,000,920	726,750	3,000,920
Advance rent	-	362,000	-	905,000
Long term finance	-	-	-	-
Disposal of Fixed Asset Cost	-	-	52,275	-
	484,500	3,362,920	779,025	3,905,920
Charge to profit and loss account				
Common expenses paid	-	759,040	-	2,322,810
Share of (loss) / profit from associate	-	-	-	(16,183,968)
Share of common expenses received	-	-	-	643,005
Service charges on staff loan	-	-	5,743	-
Rental income	-	3,500,596	-	1,086,000
Rental expense	-	631,500	-	2,020,800
Takaful expense	-	-	-	69,000
	-	4,132,096	5,743	(10,042,353)

20. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 29, 2015 by the Board of Directors of the Company.

21. GENERAL

Figures have been rounded off to the nearest Rupee.

This condensed interim financial information has been signed by two Directors due to reasons stated in note 1.3 to this condensed interim financial information.

DIRECTOR

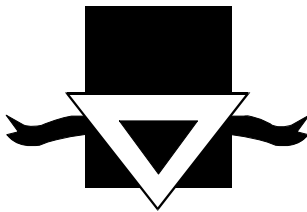
DIRECTOR

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