

**FIRST DAWOOD INVESTMENT
BANK LIMITED**

**Third Quarter Report
31 March 2017**



FIRST DAWOOD INVESTMENT BANK LIMITED

CONTENTS

Corporate Information	2
Directors' Report	3
ڈائریکٹرز کی رپورٹ:	4
Condensed Interim Balance Sheet (Unaudited)	5
Condensed Interim Profit & Loss Account (Unaudited)	6
Condensed Interim Cash Flow Statement (Unaudited)	7
Condensed Interim Statement of Comprehensive Income (Unaudited)	8
Condensed Interim Statement of Changes in Equity (Unaudited)	9
Notes to the Financial Statement (Unaudited)	10

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 (Nominee B.R.R. Investments (Pvt) Ltd.) Director & CEO (Not assumed charge as CEO) Director (Nominee B.R.R. Investments (Pvt) Ltd.) Director Director
Audit Committee	Mr. Asad Hussain Bokhari Mr. Khurshid A. Khair Mr. Abu Khurshed M. Ariff	Chairman Member Member
HR&R Committee	Mr. Khurshid A. Khair Mr. Asad Hussain Bokhari Mr. Abu Khurshed M. Ariff	Chairman Member Member
Chief Financial Officer & Company Secretary	Mr. Syed Musharaf Ali	
Auditors	Haroon Zakaria & Company Chartered Accountants	
Legal Advisor	Nishtar & Zafar	
Legal counsels	A.Q. Abbasi & Associates Ansari AG Legal Kabiraji & Talibuddin Kamal Azfar & Associates Khalil Asif Ejaz & Co. Mohsin Tayebaly & Co. Minto & Mirza 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) 32602401-06 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	

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 ("FDIBL" or the "Company") are pleased to present the interim financial statements of the Company for the period ended March 31, 2017.

Your company during the third quarter of the financial year 2016-17, has reported after-tax profit of Rs.10.76 million as compared to profit of Rs.7.76 million during corresponding period last year. Despite high inflationary trend, the management has kept a tight cost control, the administrative expenses significantly decreased from Rs.31.16 million to Rs.26.50 million and finance cost also decreased from Rs. 21.32 million from Rs. 8.16 million for the period under review in comparison to the corresponding period last year. The profit per share as of March 31, 2017 is 0.07 compared to 0.05 as of March 31, 2016.

The Company has applied for renewal of Investment Finance Services which is pending with NBFC department of SECP and a favourable response is expected.

The Board of Directors are also pleased to record their appreciation of the valuable and untiring efforts and services rendered by the staff of the company.

April 24, 2017
Karachi.

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

Rafique Dawood
Chairman

ڈائریکٹرز کی رپورٹ:

تمام ڈائریکٹرز 31 مارچ 2017ء کی نو ماہی غیر آڈٹ شدہ مالیاتی گوشوارے کے ساتھ رپورٹ پیش کرتے ہوئے مسرت محسوس کرتے ہیں۔ ادارے نے تیسرے سہ ماہی 31 مارچ 2017ء کے مالیاتی گوشوارے منافع بعد ٹیکس 10.76 ملین روپے اور پچھلے مالیاتی سال کے تیسرے سہ ماہی کا منافع 7.76 ملین روپے تھا۔ حالانکہ ہنگامی کے رجحان کے باوجود ادارے نے اخراجات کو کنٹرول کیا ہے۔ اسی مد میں انتظامی اخراجات میں کمی ہوئی ہے جو 31.16 ملین روپے سے 26.50 ملین روپے ہے اور سود کی رقم میں کمی کی ہوئی ہے جو 21.32 ملین روپے سے 8.16 ملین روپے ہے۔ بینک مسلسل اسی جدوجہد میں ہے کہ اخراجات کو قابو میں رکھے۔ کمپنی اپنے اخراجات نان پرفارمنگ قرضہ جات کی واپسی کے ذریعے کر رہی ہے۔ اور اسی پر توجہ مرکوز ہے۔ ہمارا خاصی اثاثہ جات اور قانونی محکمے مسلسل اسی کوشش میں ہیں کہ وصولیاتی کے ذریعے نان پرفارمنگ قرضہ جات کے مد میں خاطر خواہ کمی کی جاسکے کہ ایک ریزرو کی بڑی کمی کی حیثیت رکھتی ہے اور اس ادارے کے لئے:

ہم اچھی طرح مستقبل کے چیلنجز سے آگاہ ہیں اور ہم پراقتضا ہیں کہ یہ ادارہ کاروباری سرگرمیوں میں آگے کی طرف بڑھے گا اور قرضہ جات کی وصولی کے ذریعے اپنی مالیاتی حیثیت کو بہتر کرے گا۔

نئے NBFs روٹز کے تحت جو کہ ریگولیٹڈ سے منظور شدہ ہیں اور ان نئے روٹز کے تحت یہ ادارہ MCR شرائط کو پورا کرتا ہے اور انویسٹمنٹ فائینس سروسز کے لائسنس کی تجدید کیلئے درخواست ایس ای بی کو جمع کرائی ہے جو کاپی ہندو شدہ عمل متوقع ہے۔

بورڈ آف ڈائریکٹرز مشکل حالات میں بھی پوری محنت لگائیں اور عزم کے ساتھ کام کرنے پر انتظامیہ سمیت تمام ملازمین کی خدمت کو قدر کی نگاہ سے دیکھتا ہے۔

April 24, 2017
Karachi.

بورڈ آف ڈائریکٹرز کی طرف سے

محمد حسین

CONDENSED INTERIM BALANCE SHEET (UNAUDITED)
AS AT MARCH 31, 2017

	<i>Note</i>	<i>Unaudited MARCH 31, 2017 Rupees</i>	<i>Audited JUNE 30, 2016 Rupees</i>
ASSETS			
NON CURRENT ASSETS			
Property and equipment	6	903,477	1,445,909
Intangible Asset		1,008,955	1,083,628
Investment properties		94,848,960	89,848,960
Net investment in lease finance	7	-	-
Long-term investments	8	188,502,126	174,360,744
Long-term finances	9	-	-
Long-term deposits		4,139,822	4,139,822
Deferred tax asset	10	679,698,000	679,698,000
		969,101,340	950,577,063
CURRENT ASSETS			
Current portion of non-current assets	11	207,281,603	227,207,474
Short-term investments	12	86,483,166	85,518,562
Placements and finances	13	10,915,413	13,915,413
Loans , advances and prepayments		48,794,119	33,236,351
Mark-up accrued		24,328	-
Assets classified as held for sale	14	25,103,000	27,103,000
Other receivables		11,760,000	-
Cash and bank balances		5,227,511	6,101,941
		395,589,140	393,082,741
		<u>1,364,690,480</u>	<u>1,343,659,804</u>
EQUITY AND LIABILITIES			
Ordinary shares		1,483,900,230	1,483,900,230
Reserves		435,100,336	435,100,336
Accumulated loss		(1,222,649,398)	(1,233,406,419)
		696,351,168	685,594,147
Surplus / (Deficit) on revaluation of investments		5,719,622	(9,531,115)
		702,070,790	676,063,032
NON CURRENT LIABILITIES			
Long-term loans	15	-	-
Long term deposits	16	-	-
		-	-
CURRENT LIABILITIES			
Current portion of long-term liabilities	16	493,510,443	493,510,443
Mark-up accrued		103,679,537	95,520,993
Short term borrowings	16.2	56,266,346	61,625,243
Accrued and other liabilities		5,973,147	13,933,594
Taxation		3,190,217	3,006,499
		662,619,690	667,596,772
CONTINGENCIES AND COMMITMENTS			
	17	-	-
		<u>1,364,690,480</u>	<u>1,343,659,804</u>

The annexed notes from 1 to 20 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, 2017

	Nine Months Ended MARCH 31,		Quarter Ended MARCH 31,	
	2017	2016	2017	2016
<i>Note</i>	-----Rupees----->			
INCOME				
Lease income	1,274,471	523,200	294	14,395
Return on deposits and investments	15,942,020	12,548,162	4,553,000	2,044,858
Gain on sale of securities	4,183,273	5,742,650	1,082,278	2,382,745
Income from long-term finances	4,658,497	204,941	3,051,527	27,272
Other income	154,126	2,996,157	(1,720,721)	(2,532,109)
	26,212,387	22,015,110	6,966,378	1,937,161
PROVISION / CHANGES IN FAIR VALUE				
(Provision) / reversal for lease losses and doubtful recoveries	4,987,770	(17,161,919)	25,010	1,050,000
Share of profit / (loss) from associates	2,753,261	(12,527,033)	-	(603,223)
Liability no Longer Payable	-	77,724,930	-	-
Deficit / Surplus on remeasurement of held for trading securities	6,188,097	(3,030,657)	-	-
Impairment	5,460,000	-	5,460,000	-
	19,389,128	45,005,321	5,485,010	446,777
	45,601,515	67,020,431	12,451,388	2,383,938
EXPENDITURES				
Administrative expenses	(26,500,226)	(31,167,162)	(8,213,056)	(8,600,676)
Finance cost	(8,160,548)	(21,317,864)	(2,677,178)	(8,136,327)
	(34,660,774)	(52,485,026)	(10,890,234)	(16,737,003)
(LOSS) / PROFIT BEFORE TAXATION	10,940,741	14,535,405	1,561,154	(14,353,065)
TAXATION				
Current	(183,720)	(6,775,639)	289,755	-
PROFIT/ (LOSS) AFTER TAXATION	10,757,021	7,759,766	1,850,909	(14,353,065)
Earning per share - basic	0.07	0.05	0.01	(0.10)
Earning per share - diluted	0.07	0.05	0.01	(0.10)

The annexed notes from 1 to 20 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, 2017

	<i>Nine Months Ended</i>	
	<i>March 31,</i>	
	2017	2016
	<i>Rupees</i>	<i>Rupees</i>
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	10,940,741	14,535,405
Adjustments:		
Depreciation	538,282	651,108
Gain on sale of investments	(4,183,273)	(5,742,650)
Amortization	74,673	74,947
Finance cost	8,160,548	21,317,864
Gain / Loss on sale of property and equipment	-	(569,850)
Provision / (reversal of provision potential lease	(4,987,770)	17,161,919
Deficit / Surplus on remeasurement of held for trading securities	(6,188,097)	3,030,657
Gain / Loss on restructuring / settlement of Liabilities	(5,460,000)	(77,724,930)
Other income	(154,126)	(2,996,157)
	<u>(12,199,763)</u>	<u>(44,797,092)</u>
	(1,259,022)	(30,261,687)
Changes in operating assets and liabilities		
<i>(Increase) / decrease in operating assets</i>		
Net investment in lease finance	17,933,590	29,107,011
Long-term finances	20,993,174	10,010,164
Placements and finances	3,000,000	8,636,360
Advances and prepayments	(15,557,768)	(9,205,911)
Mark up accrued	(24,328)	10,681
	<u>26,344,668</u>	<u>38,558,305</u>
	25,085,646	8,296,618
<i>Increase / (decrease) in operating liabilities</i>		
Short term borrowings	(5,358,897)	(2,674,260)
Accrued and other liabilities	(7,960,447)	(21,008,865)
	<u>(13,319,344)</u>	<u>(23,683,125)</u>
Tax paid	(1,770,634)	(564,483)
Net cash (used)/generated from operating activities	<u>9,995,668</u>	<u>(15,950,990)</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	(2,709,679)
Proceed from sale of property and equipment	1,641,500	842,000
Long-term investments		8,053,356
Long-term deposits		5,000
Short-term investments	(7,152,701)	(1,356,975)
Net cash (used)/generated from investing activities	<u>(5,511,201)</u>	<u>4,833,702</u>
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Short Term Borrowings	(5,358,897)	-
Net cash (used in) from financing activities	<u>(5,358,897)</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents	(874,430)	(11,117,288)
Cash and cash equivalents at beginning of the period	6,101,941	49,162,028
Cash and cash equivalents at end of the period	<u>5,227,511</u>	<u>38,044,740</u>

The annexed notes from 1 to 20 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 STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017

	<i>Nine Months Ended</i>		<i>Quarter</i>	
	<i>March 31,</i>	<i>March 31,</i>	<i>March 31</i>	<i>2016</i>
	<i>2017</i>	<i>2016</i>	<i>2017</i>	<i>2016</i>
	<----- Rupees ----->			
(Loss) / profit after taxation	10,757,021	7,759,766	1,850,909	14,353,065
Other comprehensive income				
Unrealised gain / (Deficit) on remeasurement of investments classified as available-for-sale	6,188,097	(8,189,488)	6,188,097	(8,133,036)
Share of associates' on reversal of unrealised loss on remeasurement of investments				6,621,433
	<u>6,188,097</u>	<u>(8,189,488)</u>	<u>6,188,097</u>	<u>(1,511,603)</u>
Total comprehensive (loss) / income for the period	<u>16,945,118</u>	<u>(429,722)</u>	<u>8,039,006</u>	<u>12,841,462</u>

The annexed notes from 1 to 20 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 STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017

	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	Accumulated Losses	
Balance at July 1, 2015	1,483,900,230	-	279,023,134	53,426,910	2,596,484	(3,297,659)	(1,633,621,650)	182,027,449
Total comprehensive income for the period	-	-	-	-	-	-	7,759,766	-
- Profit for the period	-	-	-	-	-	-	7,759,766	7,759,766
- Other comprehensive income	-	-	-	-	-	-	-	-
Share of Unrealised gain on remeasurement of associates investment	-	-	-	-	-	6,564,981	-	6,564,981
Transfer to Statutory Reserve	-	-	-	-	-	-	-	-
Balance as at March 31, 2016	1,483,900,230	-	279,023,134	53,426,910	2,596,484	3,267,322	(1,625,861,884)	196,352,196
Balance at July 1, 2016	1,483,900,230	-	379,076,942	53,426,910	2,596,484	(9,531,115)	(1,233,406,419)	676,063,032
Total comprehensive income for the period	-	-	-	-	-	-	-	-
- Profit for the period	-	-	-	-	-	-	10,757,021	10,757,021
- Other comprehensive income	-	-	-	-	-	15,250,737	-	15,250,737
Transfer to Statutory Reserve	-	-	-	-	-	-	-	-
Balance as at March 31, 2017	1,483,900,230	-	379,076,942	53,426,910	2,596,484	5,719,622	(1,222,649,398)	702,070,790

The annexed notes from 1 to 20 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, 2017

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 Saudi Pak Leasing Company Limited, New Allied Electronics Industries (Private) Limited, Security Leasing Company Limited, Dewan Cement Limited, House Building Finance Company Limited (sukuk issue), Bunny's Limited, Pak Hy-Oils Limited, and Flying Board and Paper Products Limited. The value of assets under trustee as at March 31, 2017 amounted to Rs. 9.40 billion (June 30, 2016: Rs. 9.40 billion).
- 1.3** The Board has appointed Mr. Abu Khursheed M. Arif as Chief Executive Officer. However, application for approval of Chief Executive Officer is pending with SECP, therefore, Mr. Abu Khursheed M. Arif not assumed charge as CEO, 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, 2016.
- 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, 2016.
- 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, 2016.

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, 2016.

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017

	<i>Note</i>	<i>March 31, 2017 Rupees</i>	<i>June 30, 2016 Rupees</i>
6. PROPERTY, EQUIPMENT AND INTANGIBLE			
Furniture & fixtures		64,305	77,147
Equipment and appliances		70,712	126,838
Vehicles		768,460	1,241,924
Intangible asset		1,008,955	1,083,628
6.1 Acquisition of assets - at cost		<u>1,912,432</u>	<u>2,529,537</u>
<i>Equipment and appliances</i>		-	92,000
<i>Vehicles</i>		-	34,000
		<u>-</u>	<u>126,000</u>
6.2 Disposal of assets - at cost			
Equipment and appliances		41,500	1,763,000
Vehicles		41,500	1,889,000
		<u>41,500</u>	<u>1,889,000</u>
7. NET INVESTMENT IN LEASE FINANCE			
Net investment in lease finance	7.1	512,486,902	518,020,492
Provision for potential lease losses		(402,377,533)	(397,330,918)
Current portion		(110,109,369)	(120,689,574)
		<u>-</u>	<u>-</u>
7.1 Particulars of net investment in lease finance			
Minimum lease payments receivable		567,277,291	574,085,350
Residual value of leased assets		61,186,780	61,186,782
		<u>628,464,071</u>	<u>635,272,132</u>
Unearned finance income		-	(8,051)
Markup held in Suspense		(115,977,169)	(117,243,589)
Net investment in lease finance		<u>512,486,902</u>	<u>518,020,492</u>
7.1.1 The lease finances carry mark up ranging from 6M KIBOR plus spread of 2% to 5% (June 30, 2016: 6M KIBOR plus spread of 2% to 5%) per annum having maturity up to 5 years and are secured against leased assets.			
7.2 Provision for potential lease losses			
Opening balance		397,330,918	410,238,033
(Reversal) / charge for the period - net		5,046,615	(75,292)
Written off during the period		-	(12,831,823)
Closing balance		<u>402,377,533</u>	<u>397,330,918</u>
7.3 Current portion of lease finance			
Maturing within one year		512,486,902	518,020,492
Provision for potential lease losses		(402,377,533)	(397,330,918)
		<u>110,109,369</u>	<u>120,689,574</u>

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017

	<i>Note</i>	<i>March 31, 2017 Rupees</i>	<i>June 30, 2016 Rupees</i>
8. LONG TERM INVESTMENTS			
Investment in associates	8.1	188,201,999	179,658,222
Saving Certificates		300,127	7,819,363
		<u>188,502,126</u>	<u>187,477,585</u>
8.1 Investment in associates			
Opening balance		174,076,054	179,658,222
Increase in interest of associates		-	-
Share of (loss) / gain		2,753,261	(699,999)
Share of surplus on revaluation of investments		11,372,684	(4,882,169)
Transfer from available-for-sale investment		-	-
		<u>188,201,999</u>	<u>174,076,054</u>
9. LONG-TERM FINANCES			
Term finance facilities		255,412,517	276,405,691
Provision for doubtful finances		(158,240,283)	(169,482,095)
		97,172,234	106,923,596
Current portion	11	<u>(97,172,234)</u>	<u>(106,923,596)</u>
		-	-
9.1 Particulars of provision for doubtful finances			
Opening balance		158,643,283	169,482,095
(Reversal) / charge for the period - net		(403,000)	4,291,041
Provision during the period		-	(15,129,853)
Closing balance		<u>158,240,283</u>	<u>158,643,283</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 deferred tax will be realised in the future.			
11. CURRENT PORTION OF NON-CURRENT ASSETS			
Net investment in lease finance	7	110,109,369	120,689,574
Long-term finances		97,172,234	106,517,900
Long-term loans		-	-
		<u>207,281,603</u>	<u>227,207,474</u>
12. SHORT TERM INVESTMENTS			
Held-for-trading			
Listed ordinary shares		47,534,811	42,611,572
Available-for-sale			
Term finance certificates / sukuk bonds		16,467,063	30,303,751
Unquoted securities		16,858,960	12,980,907
		33,326,023	43,284,658
Less: provision for impairment in preference shares		(377,668)	(377,668)
		<u>86,483,166</u>	<u>85,518,562</u>

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017

	<i>March 31, 2017</i>	<i>June 30, 2016</i>
	<i>Rupees</i>	<i>Rupees</i>
13. PLACEMENTS AND FINANCES		
Placement and finance- unsecured	3,000,000	6,000,000
Provision for doubtful finances	-	-
	3,000,000	6,000,000
Financing against shares	155,185,305	155,823,260
Provision for doubtful finances	(155,185,305)	(155,823,260)
	-	-
Short-term finance - secured	11,300,000	11,300,000
Provision for doubtful finances	(11,300,000)	(11,300,000)
	-	-
Certificates of deposit	5,000,000	5,000,000
Provision for doubtful finances	(5,000,000)	(5,000,000)
	-	-
Morabaha / musharika finances	87,624,717	87,624,717
Provision for doubtful finances	(79,709,304)	(79,709,304)
	7,915,413	7,915,413
	10,915,413	13,915,413

14. ASSETS ACQUIRED IN SATISFACTION OF CLAIMS

This represents a property (repossessed asset) having values of Rs. 25.10 million million acquired by the Company in settlement of its term finance and lease financing.

The Company intends to utilize the property for settlement of its liabilities.

		<i>March 31, 2017</i>	<i>June 30, 2016</i>
	<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
15. LONG TERM LOANS			
Secured			
Commercial Banks	16	432,573,673	432,573,673
		432,573,673	432,573,673
Current portion		(432,573,673)	(432,573,673)
		-	-
16. CURRENT PORTION OF LONG TERM LIABILITIES			
Long term loans	15	432,573,673	432,573,673
Lease deposits		60,936,770	60,936,770
		493,510,443	493,510,443

16.1 The markup has been reversed based on legal opinion sought and no markup is shown in the external confirmation circulated by the external auditor.

16.2 SHORT TERM BORROWINGS**Unsecured**

Call borrowing - commercial bank	-	2,139,404
Development Financial Institution	56,266,346	59,485,839
	56,266,346	61,625,243

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017

17 CONTINGENCIES AND COMMITMENTS	<i>Note</i>	<i>March 31, 2017 Rupees</i>	<i>June 30, 2016 Rupees</i>
17.1 Contingent liabilities			
Letters of comfort / guarantee		1,088,000,000	1,098,000,000

The guarantees worth Rs. 1,088 million (June 30, 2015: 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".

18 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: -

	<i>March 31, 2017</i>		<i>June 30, 2016</i>	
	<i>Key management personnel</i>	<i>Associates/ related parties</i>	<i>Key management personnel</i>	<i>Associates/ related parties</i>
	----- Rupees -----			
Investment in associate				
Balance at beginning of the period / year	-	174,076,054	-	179,658,222
Share of Loss from Associate	-	2,753,261	-	(699,999)
Share of reversal of deficit on revaluation of investments classified in other comprehensive income	-	-	-	-
	-	11,372,684	-	(4,882,169)
Balance at end of the period / year	-	188,201,999	-	174,076,054
Long term finances / loans				
Short term Loan	-	2,329,500	-	9,080,000
Unearned rent	-	-	-	-
Long term finance	-	-	-	-
Term Finance Certificates / Sukuk bonds	-	16,089,395	-	29,926,083
Disposal of Fixed Asset Cost	-	-	-	-
	-	18,418,895	-	39,006,083

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE NINE MONTHS AND QUARTER ENDED MARCH 31, 2017

	<i>March 31, 2017</i>		<i>June 30, 2016</i>	
	<i>Key management personnel</i>	<i>Associates/ related parties</i>	<i>Key management personnel</i>	<i>Associates/ related parties</i>
Charge to profit and loss account				
Common expenses paid	-	-	-	580,025
Share of (loss) / profit from associate	-	-	-	(699,999)
Share of common expenses received	-	-	-	-
Service charges on staff loan	-	-	-	-
Rental income	-	2,882,000	-	1,086,000
Rental expense	-	204,600	-	818,400
Takaful expense	-	41,713	-	68,420
	-	3,128,313	-	1,852,846

19. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorised for issue on April 24, 2017 by the Board of Directors of the Company.

20. 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

www.jamapunji.pk



**Be aware, Be alert,
Be safe**
Learn about investing at
www.jamapunji.pk

Key features:

- 📄 Licensed Entities Verification
- 📊 Scam meter*
- 🎮 Jamapunji games*
- 📄 Tax credit calculator*
- 🏢 Company Verification
- 📄 Insurance & Investment Checklist
- 🗨️ FAQs Answered
- 📈 Stock trading simulator (based on live feed from KSE)
- 📖 Knowledge center
- 📊 Risk profiler*
- 📄 Financial calculator
- 📧 Subscription to Alerts (event notifications, corporate and regulatory actions)
- 📱 Jamapunji application for mobile device
- 🖥️ Online Quizzes



Jama Punji is an Investor Education Initiative of Securities and Exchange Commission of Pakistan

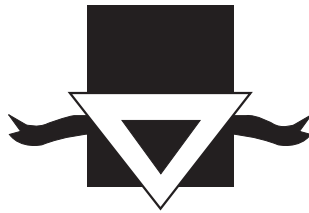
📄 jamapunji.pk 🐦 [@jamapunji_pk](https://twitter.com/jamapunji_pk)

*Mobile apps are also available for download for android and ios devices

BOOK POST

If undelivered, Please return to:

FIRST DAWOOD INVESTMENT BANK LTD
18th Floor, B.R.R Tower, Hasan Ali Street Off:
I. I. Chundrigar Road, Karachi-74000



FIRST DAWOOD INVESTMENT BANK LIMITED

Head Office:

18th Floor, B.R.R Tower, Hasan Ali Street Off: I. I. Chundrigar Road, Karachi-74000
PABX +92 (21) 32602401-06 Fax: +92 (21)3227-1912
Email: fdib@firstdawood.com, URL: www.firstdawood.com