

**FIRST DAWOOD INVESTMENT
BANK LIMITED**

**First Quarter Report
30 September 2015**



FIRST DAWOOD INVESTMENT BANK LIMITED

CONTENTS

Corporate Information	2
Directors' Report	3
Condensed Interim Balance Sheet (Unaudited)	4
Condensed Interim Profit & Loss Account (Unaudited)	5
Condensed Interim Statement of Comprehensive Income (Unaudited)	6
Condensed Interim Statement of Changes in Equity (Unaudited)	7
Condensed Interim Cash Flow Statement (Unaudited)	8
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 Director & CEO (Not assumed charge as CEO) Director 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	Mr. Syed Musharaf Ali	
Company Secretary	Mr. Naveed Ahmed	
Auditors	Haroon Zakaria & Company Chartered Accountants	
Legal counsels	A.Q. Abbasi & Associates Ansari AG Legal 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) 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	

* 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 first quarter interim financial statements of the Company for the period ended September 30, 2015.

Your company during the period under review recorded an after-tax profit of Rs. 50.11M as compared to a loss of Rs. 1.36M during corresponding period last year. The above is primarily due to a liability which is no more payable. Administrative expenses for the period under review shows declining trend and have reduced to Rs. 9.82M from Rs. 11.76M. The Company continues to successfully manage its cash flows during the severe financial constraints, which were initiated due to unprecedented closure of stock market.

The NBFC sector expects; the Securities & Exchange Commission of Pakistan (SECP) to approve the draft rules at the earliest, so that this sector could also become a support arm of our economy.

The Board of Directors acknowledges and appreciates all stakeholders of your company, who have been supporting us during these challenging times.

October 27, 2015
Karachi.

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

Rafique Dawood
Chairman

CONDENSED INTERIM BALANCE SHEET (UNAUDITED)
AS AT SEPTEMBER 30, 2015

	<i>Unaudited</i> SEPTEMBER 30, 2015	<i>Audited</i> JUNE 30, 2015
<i>Note</i>	<i>Rupees</i>	<i>Rupees</i>
NON CURRENT ASSETS		
Property and equipment	6 1,977,510	2,289,456
Intangible Asset	1,158,481	1,183,678
Investment properties	89,848,960	89,848,960
Net investment in lease finance	7 171,039	185,434
Long-term investments	8 187,477,585	187,477,585
Long-term finances	9 -	-
Long-term loans	-	-
Long-term deposits	4,343,822	4,343,822
Deferred tax asset	10 198,893,526	198,893,526
	483,870,923	484,222,461
CURRENT ASSETS		
Current portion of non-current assets	11 251,447,816	255,792,044
Short-term investments	12 82,819,132	57,180,774
Placements and finances	13 56,988,804	60,443,348
Advance against lease commitments	-	-
Loans , advances and prepayments	25,104,253	30,399,931
Mark-up accrued	136,916	55,811
Assets classified as held for sale	14 28,603,000	28,603,000
Other receivables	-	-
Cash and bank balances	12,424,710	49,162,028
	457,524,631	481,636,937
	941,395,554	965,859,398
EQUITY AND LIABILITIES		
Ordinary shares	1,483,900,230	1,483,900,230
Preference shares	-	-
	1,483,900,230	1,483,900,230
Reserves	340,057,749	335,046,528
Accumulated loss	(1,588,520,662)	(1,633,621,650)
	235,437,317	185,325,108
Deficit on revaluation of investments	(6,274,094)	(3,297,659)
	229,163,223	182,027,449
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	16 515,006,962	515,006,962
Mark-up accrued	83,791,568	153,297,443
Short term borrowings	81,418,223	81,418,223
Deferred Income	-	-
Accrued and other liabilities	20,612,026	33,017,267
Taxation	11,384,647	1,073,152
	712,213,426	783,813,044
CONTINGENCIES AND COMMITMENTS		
	17 941,395,554	965,859,398

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 PERIOD ENDED SEPTEMBER 30, 2015

	<i>Quarter</i> SEPTEMBER 30 2015	<i>Quarter</i> SEPTEMBER 30 2014
Note	<----- Rupees ----->	
INCOME		
Lease income	14,395	-
Return on deposits and investments	1,263,774	2,592,959
Gain on sale of securities	505,965	181,009
Income from long-term finances	52,272	39,339
Other income	519,650	2,187,819
	2,356,056	5,001,126
PROVISION / CHANGES IN FAIR VALUE		
(Provision) / reversal for lease losses and doubtful recoveries	100,000	3,468,862
Deficit / Surplus on remeasurement of held for trading securities	(1,709,958)	(292,998)
Liability no Longer Payable	77,214,747	-
Surplus/(Deficit) on revaluation of investment property	-	5,194,000
	75,604,789	8,369,864
	77,960,845	13,370,990
EXPENDITURES		
Administrative expenses	(9,829,875)	(11,762,496)
Finance cost	(7,708,873)	(2,969,589)
	(17,538,748)	(14,732,085)
Share of (loss) / profit of associates	-	-
(LOSS) / PROFIT BEFORE TAXATION	60,422,097	(1,361,095)
TAXATION		
Current	(10,309,888)	-
Prior year	-	-
Deferred	-	-
	(10,309,888)	-
PROFIT/ (LOSS) AFTER TAXATION	50,112,209	(1,361,095)
Earning per share - basic	0.34	(0.02)
Earning per share - diluted	0.34	(0.01)

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 PERIOD ENDED SEPTEMBER 30, 2015

	<i>Quarter September 2015</i>	<i>Quarter September 2014</i>
	----- Rupees -----	
(Loss) / profit after taxation	50,112,209	(1,361,095)
Other comprehensive income		
Unrealised gain / (Deficit) on remeasurement of investments classified as available-for-sale	6,274,094	-
Share of associates' surplus on remeasurement of investments	-	-
Share of associates' on reversal of unrealised loss on remeasurement of investments	-	-
	<u>(6,274,094)</u>	<u>-</u>
Total comprehensive (loss) / income for the period	<u>43,838,115</u>	<u>(1,361,095)</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 PERIOD ENDED SEPTEMBER 30, 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	Accumulated Losses	
Balance as at July 01, 2014	626,492,900	715,833,540	277,721,395	53,426,910	2,596,484	(6,982,479)	(1,613,488,445)	55,600,305
Conversion of Preference Shares into Ordinary Shares	57,947,102	(49,677,500)						8,269,602
Total Comprehensive income for the quarter							(1,361,095)	(1,361,095)
Dividend on preference shares @ 4% for the quarter							(6,917,745)	(6,917,745)
Balance as at September 30, 2014	684,440,002	666,156,040	277,721,395	53,426,910	2,596,484	(6,982,479)	(1,621,767,285)	55,591,067
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								
- Profit for the period							50,112,209	50,112,209
- Other comprehensive income							(2,976,435)	(2,976,435)
Transfer to Statutory Reserve			5,011,221				(5,011,221)	
Balance as at September 30, 2015	1,483,900,230	-	284,034,355	53,426,910	2,596,484	(6,274,094)	(1,588,520,662)	229,163,223

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 PERIOD ENDED SEPTEMBER 30, 2015

	<i>Quarter</i>	
	<i>September 30</i>	
	2015	2014
	<i><----- Rupees -----></i>	
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (Loss) before taxation	60,422,097	(1,361,095)
Adjustments:		
Depreciation	255,813	783,241
Gain on sale of investments	(505,965)	(181,009)
Amortization	25,197	-
Finance cost	7,708,873	2,969,589
Gain / Loss on sale of property and equipment	(573,117)	(696,233)
Provision / (reversal of provision potential lease	(100,000)	(3,468,862)
Surplus on revaluation of investment property	-	(5,194,000)
Deficit / Surplus on remeasurement of held for trading securities	1,709,958	292,998
Gain / Loss on restructuring / settlement of Liabilities	(77,214,747)	-
Other income	(519,650)	(2,087,339)
	<u>(69,213,638)</u>	<u>(7,581,615)</u>
	(8,791,541)	(8,942,710)
Changes in operating assets and liabilities		
<i>(Increase) / decrease in operating assets</i>		
Net investment in lease finance	2,482,936	9,315,374
Long-term finances	1,143,856	181,254
Long-term loans	-	-
Placements and finances	3,454,544	4,760,000
Assets classified as held for sale	-	(694,000)
Advances and prepayments	5,295,678	4,528,218
Mark up accrued	(81,105)	(18,717)
Other receivables	-	-
	<u>12,295,909</u>	<u>18,072,129</u>
	3,504,368	9,129,419
<i>Increase / (decrease) in operating liabilities</i>		
Certificates of investment	-	(4,500,000)
Long term deposits	-	-
Short term borrowings	-	-
Accrued and other liabilities	(13,622,810)	(1,323,563)
	<u>(13,622,810)</u>	<u>(5,823,563)</u>
Financial cost paid	-	-
Tax paid	(396,485)	-
Net cash (used)/generated from operating activities	<u>(10,514,927)</u>	<u>3,305,856</u>
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(3,135,991)	(33,000)
Proceed from sale of property and equipment	842,000	1,160,000
Long-term investments	-	-
Long-term deposits	-	-
Short-term investments	(23,928,400)	(3,982,646)
Net cash (used)/generated from investing activities	<u>(26,222,391)</u>	<u>(2,855,646)</u>

	<i>Quarter</i>	
	<i>September 30</i>	
	<u>2015</u>	<u>2014</u>
	<----- Rupees ----->	
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term loans	-	-
Long-term loans obtained	-	-
Net cash (used in) from financing activities	-	-
Net increase / (decrease) in cash and cash equivalents	(36,737,318)	450,210
Cash and cash equivalents at beginning of the period	49,162,028	25,979,253
Cash and cash equivalents at end of the period	<u>12,424,710</u>	<u>26,429,463</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

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30, 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 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 September 30, 2015 amounted to Rs. 12.330 billion (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, 2015.
- 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, 2015."
- 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, 2015.

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, 2015.

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30, 2015

	Note	September 30, 2015 Rupees	June 30, 2015 Rupees
6. PROPERTY, EQUIPMENT AND INTANGIBLE			
Furniture & fixtures		89,992	94,272
Equipment and appliances		161,610	225,777
Vehicles		1,725,908	1,969,407
Intangible asset		1,158,481	1,183,678
6.1 Acquisition of assets - at cost		3,135,991	3,473,134
Equipment and appliances			33,000
Vehicles		-	141,000
			174,000
6.2 Disposal of assets - at cost			
Equipment and appliances			
Vehicles		842,000	4,794,140
		842,000	4,968,140
7. NET INVESTMENT IN LEASE FINANCE			
Net investment in lease finance	7.1	556,808,979	559,291,915
Provision for potential lease losses		(410,238,033)	(410,238,033)
Current portion		(146,399,907)	(148,868,448)
		171,039	185,434
7.1 Particulars of net investment in lease finance			
Minimum lease payments receivable		586,030,323	588,527,652
Residual value of leased assets		93,256,604	93,256,606
		679,286,927	681,784,258
Unearned finance income		(37,768)	(52,163)
Markup held in Suspense		(122,440,180)	(122,440,180)
Net investment in lease finance		556,808,979	559,291,915
7.1.1 The lease finances carry mark up ranging from 6M KIBOR plus spread of 2% to 5% (June 30, 2015: 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		452,992,042	465,266,835
(Reversal) / Charge for the period - net		(42,754,009)	28,809,953
Written off during the period		-	(41,084,746)
Closing balance		410,238,033	452,992,042
7.3 Current portion of lease finance			
Maturing within one year		556,637,940	559,106,481
Provision for potential lease losses		(410,238,033)	(410,238,033)
		146,399,907	148,868,448
8. LONG TERM INVESTMENTS			
Investment in associates	8.1	179,658,222	179,658,222
US Dollar bonds		7,819,363	7,819,363
		187,477,585	187,477,585
8.1 Investment in associates			
Opening balance		179,658,222	180,560,426
Increase in interest of associates		-	-
Share of (loss) / gain		-	(902,204)
Share of surplus on revaluation of investments		-	-
Transfer from available-for-sale investment		-	-
		179,658,222	179,658,222

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30, 2015

- 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.

	<i>Note</i>	<i>September 30, 2015 Rupees</i>	<i>June 30, 2015 Rupees</i>
9. LONG-TERM FINANCES			
Term finance facilities		275,261,835	276,405,691
Provision for doubtful finances		(169,482,095)	(169,482,095)
		105,779,740	106,923,596
Current portion	11	(105,779,740)	(106,923,596)
		<u>-</u>	<u>-</u>
9.1 Particulars of provision for doubtful finances			
Opening balance		169,482,095	148,392,809
(Reversal) / charge for the period - net		-	(21,391,636)
Provision during the period		-	42,480,922
Closing balance		<u>169,482,095</u>	<u>169,482,095</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.

	<i>Notes</i>	<i>September 30, 2015 Rupees</i>	<i>June 30, 2015 Rupees</i>
11. CURRENT PORTION OF NON-CURRENT ASSETS			
Net investment in lease finance	7	146,399,907	148,868,448
Long-term finances		105,779,740	106,923,596
Long-term loans		-	-
		<u>251,447,816</u>	<u>255,792,044</u>

12. SHORT TERM INVESTMENTS**Held-for-trading**

Listed ordinary shares	46,195,981	42,848,580
------------------------	------------	------------

Available-for-sale

Term finance certificates / sukuk bonds	22,668,625	-
Unquoted securities	14,332,194	14,709,862
	<u>37,000,819</u>	<u>14,709,862</u>
Less: provision for impairment in preference shares	(377,668)	(377,668)
	<u>82,819,132</u>	<u>57,180,774</u>

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2015

	<i>Notes</i>	<i>September 30, 2015 Rupees</i>	<i>June 30, 2015 Rupees</i>
13. PLACEMENTS AND FINANCES			
Placement and finance- unsecured		9,000,000	9,000,000
Provision for doubtful finances		(9,000,000)	(9,000,000)
Financing against shares		306,756,172	306,756,172
Provision for doubtful finances		(306,756,172)	(306,756,172)
Short-term finance - secured		29,263,391	32,717,935
Provision for doubtful finances		(11,300,000)	(11,300,000)
		17,963,391	21,417,935
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		(48,599,304)	(48,599,304)
		39,025,413	39,025,413
		56,988,804	60,443,348
14. ASSETS ACQUIRED IN SATISFACTION OF CLAIMS			
These represents 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.			
15. LONG TERM LOANS			
<i>Secured</i>	<i>Notes</i>	<i>September 30, 2015 Rupees</i>	<i>June 30, 2015 Rupees</i>
Asian Development Bank		-	-
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		82,433,287	95,056,785
		515,006,960	527,630,458
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.			
17. CONTINGENCIES AND COMMITMENTS			
17.1 Contingent liabilities	<i>Note</i>	<i>September 30, 2015 Rupees</i>	<i>June 30, 2015 Rupees</i>
Letters of comfort / guarantee		1,098,000,000	1,098,000,000

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2015

The guarantees worth Rs. 1,098 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".
- 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.

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: -

	September 30, 2015		June 30, 2015	
	Key management personnel	Associates/ related parties	Key management personnel	Associates/ related parties
	----- Rupees -----			
Investment in associate				
Balance at beginning of the period / year	-	179,658,222	-	180,560,426
Share of Loss from Associate	-	-	-	(5,087,392)
Share of reversal of deficit on revaluation of investments classified in other comprehensive income	-	-	-	-
	-	-	-	4,185,188
Balance at end of the period / year	-	<u>179,658,222</u>	-	<u>179,658,222</u>
Long term finances / loans				
Short term Loan	-	-	3,523,500	-
Unearned rent	-	625,791	-	1,307,416
Long term finance	-	-	-	-
Land Transferred	-	-	-	62,005,166
Disposal of Fixed Asset Cost	-	-	1,479,000	-
	-	<u>625,791</u>	<u>5,002,500</u>	<u>63,312,582</u>

NOTES TO THE FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2015

	<i>September 30, 2015</i>		<i>June 30, 2015</i>	
	<i>Key management personnel</i>	<i>Associates/ related parties</i>	<i>Key management personnel</i>	<i>Associates/ related parties</i>
<i>Charge to profit and loss account</i>				
Common expenses paid	-	113,640	-	2,166,612
Share of (loss) / profit from associate	-	-	-	(5,087,392)
Share of common expenses received	-	-	-	643,005
Service charges on staff loan	-	-	-	-
Rental income	-	1,224,630	-	4,898,508
Rental expense	-	204,600	-	836,100
Takaful expense	-	16,926	-	77,496
	-	<u>1,446,156</u>	-	<u>3,534,329</u>

19. DATE OF AUTHORIZATION FOR ISSUE

These condensed interim financial statements were authorised for issue on **October 27, 2015** 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

 **Jama
Punji**
سرمایہ کاری سمجھداری کے ساتھ





**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

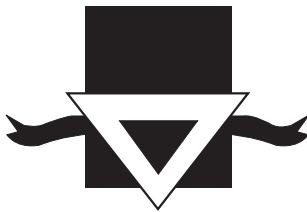
 jamapunji.pk  [@jamapunji_pk](https://twitter.com/jamapunji_pk)

*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