



DIRECTORS' REPORT TO THE MEMBERS

BEGIN IN THE NAME OF ALLAH
THE MOST GRACIOUS AND MERCIFUL

Dear Member(s)

Assalam-o-Alykum!

I, on behalf of Board of Directors of your Company, am pleased to present herewith financial statements of the Company for the quarter and nine months ended March 31, 2009 together with the comparative figures for the corresponding periods.

Performance Review

During the quarter ended March 31, 2009, the Company has earned profit before tax of Rs. 49.519 million and profit after tax of Rs. 48.625 million as compared to Rs. 9.722 million and 6.689 million respectively for the corresponding period. The Company has earned an operating profit of Rs. 69.048 million as compared to Rs. 23.230 million for the corresponding period. The increase in profits is mainly contributed due to increase in value of investments as the share prices at stock exchange have improved in the quarter. The brokerage revenue has decreased due to slow down in economy and also in volumes at stock exchanges as a result of lack of interest of investors in the stock market. Earnings per share for the quarter are Rs. 0.94 as compared to Rs. 0.14 for the corresponding period.

For the nine months' period ended March 31, 2009, the Company faced an operating loss of Rs. 47.626 million as compared to operating revenue of Rs. 86.190 million for the corresponding period. The Company has suffered a loss before tax of Rs. 160.513 million and loss after tax of Rs. 169.909 million as compared to profit before tax of Rs. 47.454 million and profit after tax of Rs. 37.630 million for the corresponding period resulting in loss per share of Rs. 2.83 as compared to earnings per share of Rs. 0.77 for the corresponding period. The decline in revenues and profits as compared to corresponding period is due to figures of half year ended December 31, 2008 that was a tough period for economy and especially for stock brokerage industry.

Your Company has acquired Universal Membership of National Commodity Exchange Limited (NCEL) and has been registered with Securities and Exchange Commission of Pakistan as NCEL Broker.

Economic and Stock Market Review

Pakistan's economy continues to face a tough environment, with both global and local conditions showing a marked slowdown during the third quarter of 2008-2009. Pakistan's economic indicators have begun to offer a better picture as external deficits have declined, while inflation is also showing signs of slowing down. GDP growth estimate for the fiscal year has been revised downward to 2.5% by the Government. Entry into the IMF programme has helped in stabilizing the country's foreign exchange reserves and the Pak Rupee as well. However, foreign investor confidence in Pakistan's economy continues to be low, as seen through continuous selling in the country's stock market. Trade deficit is lower than last year, while current account deficit has been converted into a surplus. Inflation has also fallen below 20% for the first time during the fiscal year.



The impact of the economic conditions continues to result in uncertainty for investors, which is affecting overall volume of business in the economy. Interest rates during the third quarter of 2008-2009 have fallen sharply, with benchmark KIBOR rates down nearly 250bp since the beginning of January. The KSE-100 Index has rallied nearly 16% during the third quarter of 2008-2009.

Future Outlook

Your company continues to expect fiscal year 2008-2009 to be a very tough year. However, we believe that as the government is working out ways to improve the country's economic performance and stock market volumes are improving, near term outlook for Company's business appears promising.

Acknowledgements

The Board of Directors of your Company would like take this opportunity to acknowledge the valuable services rendered for the organization by former Chief Executive and Chairman, Mr. Muhammad Sohail Dayala. Mr. Dayala has been associated with this company since 2001 as Chief Executive Officer, and he has taken it grow from a small brokerage house having only LSE membership to one of the premier listed brokerage houses in Pakistan, with membership in the leading bourse of the Country, i.e., the Karachi Stock Exchange as well. Mr. Dayala has a very significant contribution in assembling this organization, and bringing it to its current state. We wish Mr. Dayala the best in his future endeavors.

The Board of Directors of your Company wishes to place on record its gratitude to the Regulators, its bankers, members, clients and business partners for their continued cooperation and support. Further, the Board appreciates the valuable, loyal, and commendable services rendered to the Company by its executives and staff members.

In conclusion, we pray to almighty Allah for his blessings, guidance, health and prosperity to us, our company, country and nation.

For and on behalf of the Board of Directors

AMYN NASIRUDDIN
Chairman & Chief Executive Officer

Karachi, April 20, 2009