



FIRST NATIONAL EQUITIES LIMITED

Half Yearly Accounts

(Unaudited) For the Period Ended
December 31, 2008.





V i s i o n . . .

"Connecting people,

ideas and capital, we will be our clients'

First Choice

for achieving their financial aspirations"

M i s s i o n . . .

"We will put interest of
our stakeholders
above our own; and
measure our success
by how much we
help them in
achieving theirs".

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COMPANY INFORMATION

Board of Directors:

Sheikh Khalid Tawab	Chairman
Mr. Ali A. Malik	Director/ Chief Executive
Mr. Muhammad Iqbal Khan	Director
Malik Atiq ur Rehman	Director
Mr. Shahzad Akbar	Director
Maj Gen (Retd.) Khurshid Ali Khan	Director
Mr. Tajamal Rashid	Director
Mr. Yoshihiro Saito	Director

Audit Committee:

Mr. Muhammad Iqbal Khan	Chairman
Shaikh Khalid Tawab	Member
Mr. Shahzed Akbar	Member

CFO & Company Secretary

Sheikh Tajamal Rashid

Auditors:

A. F. Ferguson & Co
Chartered Accountants
Karachi

Legal Advisor:

Minto & Mirza, Advocates

Registrar:

Technology Trade (Pvt) Limited
Dagia House, 241-C, Block - 02,
P.E.C.H.S. Off: Main Shahrah-e-Quaideen, Karachi
Tel: (92-21) 4391316-7 & 19, 4387960-61
Fax : (92-21) 4391318

Bankers

Allied Bank Limited
Arif Habib Bank Limited
Bank Al Falah Limited
Bank Islami Pakistan Limited
Habib Metropolitan Bank Limited
JS Bank Limited
KASB Bank Limited
MCB Bank Limited
My Bank Limited
NIB Bank Limited
The Bank of Khyber
The Bank of Punjab
United Bank Limited

Registered Office:

FNE House: 19-C,
Sunset Lane-06, South Park
Avenue Phase – II, Extension,
D.H.A. Karachi.
UAN: (92-21) 111-000-363
PABX: (92-21) 5395903-08
Fax: (92-21) 5395945
Website: www.fnetrade.com

Principal Office

FNE House,
179-B, Abu Bakar Block,
New Garden Town, Lahore
UAN: (92-42) 111-000-016
Fax: (92-42) 5843730

KSE Office:

135-136, 3rd Floor,
Stock Exchange Building
Stock Exchange Road, Karachi
Tel: (92-21) 2421396,
2472758, 2472119
Fax: (92-21) 2472332



DIRECTORS' REVIEW

On behalf of the Board of Directors of First National Equities Limited, it is my pleasure to present the half yearly accounts of the Company for the period ended December 31, 2008.

Market Review

The KSE-100 Index which was frozen on August 27, 2008 to stabilize the market was reopened on December 15, 2008 at 9145 points but this action did not bear fruit as market further slipped by 3280 point and KSE-100 Index hit a four (4) years low closing at 5865 points on December 31, 2008. Another contributing factor to this down turn was the world's financial crisis as well.

Financial Results

	For 6 months Ended December 31, 2008	For 6 months Ended December 31, 2007
	(Rupees '000)	
Gross Revenue	(54,883)	307,159
Operating Profit / (loss)	(107,991)	220,810
Profit / (loss) before Taxation	(348,348)	40,334
Taxation	(14,477)	(23,758)
Profit/(Loss) after Taxation	(362,825)	16,576
Earning per share	(6.31)	0.29

Due to the handicap of non-existent business activities during the period revenue generation remained almost negligible causing the company's profitability to take a drastic hit. Further due to consistently dropping prices of the shares the company faced heavy Capital Losses. Highest mark up rates also took its toll and increased the financial cost of the company.

Despite Pakistan's economic worries and low market volume, we remain optimistic about the future of Pakistan and its capital markets. In our opinion the equity market will normalize in short to medium term.

Acknowledgement

The Board of Directors of the First National Equities Limited wishes to place on record its appreciation to all the stock holders, including the company's clients for their support, faith and custom. The hard work, commitment and the very valuable contribution by the company's employees is gratefully acknowledged and appreciated. The board is also grateful to the SECP, CDC, NCCPL & KSE for their continuous support & guidance.

May Allah Almighty help us all in passing through this difficult time.

February 25, 2008

Muhammad Iqbal Khan
Director



A.F. FERGUSON & CO.

A member firm of
PRICEWATERHOUSECOOPERS 

A.F. Ferguson & Co.
Chartered Accountants
State Life Building No. 1-C
I.I. Chundrigar Road, P.O. Box 4716
Karachi-74000, Pakistan
Telephone: (021) 2426682-6 / 2426711-5
Facsimile: (021) 2415007 / 2427938

AUDITORS' REPORT TO THE MEMBERS ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of First National Equities Limited as at December 31, 2008 and the related condensed interim profit and loss account, condensed interim cash flow statement and condensed interim statement of changes in equity together with the notes forming part thereof for the half year then ended (here-in-after referred to as the "condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this condensed interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended December 31, 2008 and 2007 have not been reviewed as we were required to review only the cumulative figures for the half year ended December 31, 2008.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as of and for the half year ended December 31, 2008 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Chartered Accountants

Karachi

Date February 25, 2008

Lahore Office: 505-509, 5th Floor, Alfalah Building, P.O. Box. 39, Shahrah-e-Quaid-e-Azam, Lahore, Pakistan
Tel: (0092-42) 6301796-7 / 6307127-30 Fax: (0092-42) 6361954
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CONDENSED INTERIM BALANCE SHEET (UNAUDITED)
AS AT DECEMBER 31, 2008

	Note	Unaudited Dec 31, 2008 (Rupees '000)	Audited June 30, 2008
Non-current assets			
Fixed assets			
- Tangible assets	4	167,930	171,476
- Intangible assets		68,135	68,135
Long-term investments	5	68,151	68,170
Long-term deposits		3,019	3,557
Deferred tax assets - net		-	12,198
		<u>307,235</u>	<u>323,536</u>
Current assets			
Short-term investments	6	620,284	1,088,442
Trade debts - net	7	624,402	844,228
Loans and advances		1,935	4,500
Trade deposits and short-term prepayments	8	1,250	29,464
Other receivables		4,970	3,255
Taxation recoverable - net		22,033	20,722
Cash and bank balances		10,035	20,232
		<u>1,284,909</u>	<u>2,010,843</u>
Total assets		<u>1,592,144</u>	<u>2,334,379</u>
Current liabilities			
Trade and other payables		87,433	490,889
Accrued mark-up		68,524	17,139
Payable in respect of continuous funding system transactions		-	410,667
Short-term borrowings	9	1,323,655	840,487
		<u>1,479,612</u>	<u>1,759,182</u>
Non-current liabilities			
Deferred liabilities		4,602	4,141
Total liabilities		<u>1,484,214</u>	<u>1,763,323</u>
Contingencies and Commitments	10		
Net assets		<u>107,930</u>	<u>571,056</u>
FINANCED BY:			
Authorised capital		<u>1,000,000</u>	<u>1,000,000</u>
Issued, subscribed and paid-up capital		575,000	575,000
Accumulated (loss) / profit		(261,533)	101,292
Unrealised deficit on re-measurement of investments classified as 'available for sale'		(205,537)	(105,236)
		<u>107,930</u>	<u>571,056</u>

As more fully explained in note 6.1, the investments in equity securities classified as available for sale have been valued at prices quoted on the Karachi Stock Exchange as of December 31, 2008 and the resulting deficit arising therefrom has been disclosed under the head "Unrealised deficit on re-measurement of investments classified as available for sale" in equity. Had the company followed the requirements of IAS 39, an amount of Rs. 207.09 million would have been recognized as impairment loss in the profit and loss account. This would have resulted in a decrease in the deficit by Rs 207.09 million with a corresponding increase in the loss for the period and the loss per share would have been higher by Rs 3.60 per share.

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

Director

Director

Note: The Chief Executive, being out of the country, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors in accordance with section 241(2) of the Companies Ordinance, 1984.



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2008

	Note	For the quarter ended December 31, 2008	For the half year ended December 31, 2008 (Rupees '000)	For the quarter ended December 31, 2007	For the half year ended December 31, 2007
Operating revenue		24,870	61,472	121,114	238,401
Capital (loss) / gain		(37,282)	(118,648)	37,566	61,667
Other operating income		1,795	2,293	5,630	7,091
		(10,617)	(54,883)	164,310	307,159
Administrative expenses		20,105	53,108	42,347	86,349
Operating (loss) / profit		(30,722)	(107,991)	121,963	220,810
Finance costs		56,691	106,426	66,078	129,212
Other operating expenses		59,377	61,597	17,249	22,585
		(146,790)	(276,014)	38,636	69,013
Unrealised loss on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - held for trading - net	6	(69,031)	(70,375)	(28,402)	(33,486)
Share of (loss) / profit of associate - net of tax	5	(1,108)	(1,959)	4,492	4,807
(Loss) / profit before taxation		(216,929)	(348,348)	14,726	40,334
Taxation					
- current		61	1,812	13,875	24,543
- deferred		12,665	12,665	(785)	(785)
		12,726	14,477	13,090	23,758
(Loss) / profit after taxation		(229,655)	(362,825)	1,636	16,576
				Rupees.....	
(Loss) / earnings per share - basic		(3.99)	(6.31)	0.03	0.29

Appropriations have been reflected in the statement of changes in equity.

As more fully explained in note 6.1, the investments in equity securities classified as available for sale have been valued at prices quoted on the Karachi Stock Exchange as of December 31, 2008 and the resulting deficit arising therefrom has been disclosed under the head "Unrealised deficit on re-measurement of investments classified as available for sale" in equity. Had the company followed the requirements of IAS 39, an amount of Rs. 207.09 million would have been recognized as impairment loss in the profit and loss account. This would have resulted in a decrease in the deficit by Rs 207.09 million with a corresponding increase in the loss for the period and the loss per share have been higher by Rs 3.60 per share.

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

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Director

Note: The Chief Executive, being out of the country, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors in accordance with section 241(2) of the Companies Ordinance, 1984.



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CONDENSED INTERIM
CASH FLOW STATEMENT (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2008

CASH FLOWS FROM OPERATING ACTIVITIES

(Loss) / profit before taxation

Note	For the half year ended December 31, 2008	For the half year ended December 31, 2007
	(Rupees '000)	
	(348,348)	40,334

Adjustments for:

Depreciation
Gain on disposal of fixed assets
Loss / (gain) on disposal of investments
Share of loss / (profit) from associate - net of tax
Unrealised loss on re-measurement of investments classified as 'financial
assets at fair value through profit or loss' - held for trading - net
Provision for gratuity
Provision for impairment of trade debts
Provision for leave fare assistance
Issue cost on Pre-IPO subscription
Financial charges
Dividend income
Mark-up income on fixed deposits
Mark-up income on exposure deposits
Mark-up income on investments

5,877	5,544
(284)	(210)
118,648	(61,667)
1,959	(4,807)
70,375	33,486
1,029	2,646
56,869	-
-	936
-	4,872
106,426	129,212
(7,121)	(27,929)
(54)	(688)
(968)	-
(524)	(6)
352,232	81,389
3,884	121,723

Changes in working capital

Decrease / (increase) in current assets

Trade debts
Loans and advances
Trade deposits and short-term prepayments
Other receivables

162,958	(260,996)
2,565	(235)
28,214	173,621
(1,717)	2,690
192,020	(84,920)

(Decrease) / increase in current liabilities

Trade and other payables
Payable in respect of continuous funding system transactions

(402,819)	(385,951)
(410,667)	-
(617,582)	(349,148)

Financial charges paid
Leave fare assistance paid
Gratuity paid
Income taxes paid
Long-term deposits

(55,041)	(120,495)
(303)	(1,471)
(1,035)	(1,527)
(3,123)	(29,377)
538	-

Net cash used in operating activities

(676,546)	(502,018)
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CASH FLOWS FROM INVESTING ACTIVITIES

(Purchase) / sale of marketable securities
Sale / (Purchase) of investments classified as 'available-for-sale' - net
Fixed capital expenditure incurred
Proceeds from disposal of fixed assets
Mark-up received
Dividend received

(20,079)	753,580
196,973	(407,245)
(3,556)	(33,097)
1,509	705
1,546	694
7,122	29,314
183,515	343,951

CASH FLOWS FROM FINANCING ACTIVITIES

Repayment of Pre-IPO subscriptions towards proposed
issue of term finance certificates
Dividends paid

-	(240,000)
(334)	(74,572)
(334)	(314,572)

Net cash used in financing activities

Net decrease in cash and cash equivalents during the period

Cash and cash equivalents at the beginning of the period
Cash and cash equivalents at the end of the period

12

(493,365)	(472,639)
(820,255)	(351,603)
(1,313,620)	(824,242)

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

Director

Director

Note: The Chief Executive, being out of the country, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors in accordance with section 241(2) of the Companies Ordinance, 1984.



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2008

	Reserves				Unrealised surplus / (deficit) on re-measurement of investments classified as available for sale	Total
	Issued, subscribed and paid up capital	Reserve for issue of bonus shares	Accumulated (loss) / profit (Rupees '000)	Sub-total		
Balance as at July 01, 2007	500,000	-	245,791	245,791	221,335	967,126
Final cash dividend @ Rs 1.50 per share for the year ended June 30, 2007	-	-	(75,000)	(75,000)	-	(75,000)
Transfer to reserve for issue of bonus shares @ 15% for the year ended June 30, 2007	-	75,000	(75,000)	-	-	-
Bonus shares issued during the period	75,000	(75,000)	-	(75,000)	-	-
Profit after taxation for the half year ended December 31, 2007	-	-	16,576	16,576	-	16,576
Realised gain on disposal of investments during the period	-	-	-	-	(45,025)	(45,025)
Unrealised diminution on re-measurement of investments classified as 'available for sale'	-	-	-	-	(71,801)	(71,801)
Balance as at December 31, 2007	575,000	-	112,367	112,367	104,509	791,876
Balance as at July 01, 2008	575,000	-	101,292	101,292	(105,236)	571,056
Loss after taxation for the half year ended December 31, 2008	-	-	(362,825)	(362,825)	-	(362,825)
Realised loss on disposal of investments during the period	-	-	-	-	101,485	101,485
Unrealised diminution on re-measurement of investments classified as 'available for sale'	-	-	-	-	(203,269)	(203,269)
Share of unrealised surplus - investment in associate	-	-	-	-	1,483	1,483
Balance as at December 31, 2008	575,000	-	(261,533)	(261,533)	(205,537)	106,447

The annexed notes 1 to 14 form an integral part of these condensed interim financial statements.

Director

Director

Note: The Chief Executive, being out of the country, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors in accordance with section 241(2) of the Companies Ordinance, 1984.



NOTES TO AND FORMING PART OF THE CONDENSED
INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2008

1 THE COMPANY AND ITS OPERATIONS

First National Equities Limited is a limited liability company incorporated in Pakistan under the Companies Ordinance, 1984. The registered office of the company is situated at 19-C, Sunset Lane-6, South Park Avenue, Phase-II Extension, DHA, Karachi. The company is listed on the Karachi Stock Exchange (Guarantee) Limited.

The company is a corporate member of the Karachi Stock Exchange (Guarantee) Limited. The principal activities of the company include shares brokerage, financing from continuous funding system, consultancy services and underwriting.

2 STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with approved accounting standards as applicable in Pakistan. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions or directives of the Companies Ordinance, 1984 prevail.

The disclosures made in these condensed interim financial statements have, however, been limited based on the requirements of the International Accounting Standard 34, "Interim Financial Reporting". They do not include all the information and disclosures made in the annual published financial statements and should be read in conjunction with the financial statements of the company for the year ended June 30, 2008.

These condensed interim financial statements are unaudited and have been reviewed by the external auditors as required by the Code of Corporate Governance.

3 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of the annual published financial statements of the company for the year ended June 30, 2008.

4 FIXED ASSETS

Details of additions / (disposals) during the period are as follows :

Additions:

Operating Fixed Assets

	(Unaudited) Half Year ended December 31, 2008	(Unaudited) Half Year ended December 31, 2007
Building on lease hold land	21,310	-
Furniture & fixtures	2,620	121
Office equipment	207	192
Computer accessories	163	226
Vehicles - owned	-	909



		(Unaudited) Half Year ended December 31, 2008 (Rupees '000)	(Unaudited) Half Year ended December 31, 2007
Capital work in progress		-	31,649
Intangible assets		-	1,315
Disposals:			
Operating Fixed Assets			
Office equipment		(217)	(51)
Furniture & fixtures		(30)	-
Computer accessories		-	(62)
Vehicles - owned		(1,827)	(4,326)
4.1 During the period, capital work in progress amounting to Rs 20.744 million (2007: Nil) was transferred to owned assets.			
	Note	(Unaudited) December 31, 2008 (Rupees '000)	(Audited) June 30, 2008
5 LONG-TERM INVESTMENTS - RELATED PARTY			
National Asset Management Company Limited	5.1	47,694	48,170
NAMCO Income Fund - Available for Sale			
opening		20,000	20,000
add: unrealised gain		457	-
closing	5.2	20,457	20,000
		68,151	68,170
5.1 Investment in associate under equity method - National Asset Management Company Limited - holding 40% [4,000,000 ordinary shares (June 30, 2008: 4,000,000 ordinary shares) of Rs 10 each fully paid-up. Cost of investment Rs 40 million (June 30, 2008: 40 million)]			
Opening balance		48,170	42,223
Share of post acquisition (loss) / profit for the period	5.1.1	(476)	5,947
		47,694	48,170
5.1.1 The share of the company in National Asset Management Company Limited has been accounted for under the equity method of accounting based on its unaudited financial statements for the half year ended December 31, 2008 in accordance with the treatment specified in International Accounting Standard 28, 'Accounting for Investment in Associates'.			
5.2 This represents core investment of the company in the Fund. The company had agreed to hold this investment for a minimum period of two years from the date of close of Initial Offering Period (i.e. May 08, 2008).			
	Note	(Unaudited) December 31, 2008 (Rupees '000)	(Audited) June 30, 2008
6 SHORT TERM INVESTMENTS			
Available for sale			
- Average cost		750,954	1,049,412
- Unrealised diminution on re-measurement of investments		(207,477)	(105,236)
- Carrying value		543,477	944,176



Note **(Unaudited)** **(Audited)**
December 31, **June 30,**
2008 **2008**
(Rupees '000)

Financial assets at fair value through profit or loss - held for trading

-	Opening carrying value	147,182	155,287
-	Unrealised loss on re-measurement of investments	(70,375)	(11,021)
-	Closing carrying value	76,807	144,266
		620,284	1,088,442

6.1 During the period, the Karachi Stock Exchange (Guarantee) Limited ("KSE") placed a "Floor Mechanism" on the market value of securities based on the closing prices of securities prevailing as on August 27, 2008. Under the "Floor Mechanism", the individual security price of equity securities could vary within the normal circuit breaker limit, but not below the floor price level. The mechanism was effective from August 28, 2008. Consequent to the introduction of the above measures by the KSE, the market volume declined significantly. The "Floor Mechanism" was subsequently removed by the KSE on December 15, 2008 in order to rationalise the prices of equity securities. Subsequent to the removal of the "Floor Mechanism" the KSE 100 index declined from 9,187.10 points at December 15, 2008 to 5,865.01 points at December 31, 2008 and the market remained generally inactive during this period due to low trading volumes.

In view of the above circumstances, a clarification was sought from the Securities and Exchange Commission of Pakistan on whether the prices quoted on the stock exchange as at December 31, 2008 could be considered as the fair value of such securities at that date. The Securities and Exchange Commission of Pakistan vide its circular No. Enf/D-III/Misc/1/2008 dated January 29, 2009 has clarified that the market price as quoted on the stock exchange on December 31, 2008 may be used as the fair value of securities as of that date for the purpose of preparation of financial statements for the period ended December 31, 2008. Accordingly, equity securities have been valued at the market prices as quoted on the stock exchange on December 31, 2008.

International Accounting Standard 39, Financial Instruments: Recognition and Measurement (IAS 39) requires an entity to assess at each balance sheet date whether there is any objective evidence that a financial asset or liability is impaired. A significant or prolonged decline in the fair value of an investment in an equity security below its cost is objective evidence of such impairment. When a decline in the fair value of an investment in equity securities classified as available for sale has been recognized directly in equity and there is objective evidence that the investment is impaired, the cumulative loss that had been recognized directly in equity is removed from equity and recognized in the profit and loss account even though the investment has not been derecognized. Impairment losses recognized in profit and loss account for an investment in an equity security classified as available for sale are not reversed through the profit and loss account but are recognized in the available for sale reserve in equity. As at December 31, 2008, deficit arising on revaluation of investments classified as available for sale amounting to Rs 207.09 million should have been charged to the profit and loss account as impairment loss in accordance with the requirements of IAS 39. However, the Securities and Exchange Commission of Pakistan (SECP), vide its SRO 150(I)/2009 dated February 13, 2009 has given an option to companies and mutual funds to either follow the requirements of IAS 39 and charge the impairment loss to the profit and loss account or to show this impairment loss under equity as per the following allowed alternative treatment:

-The impairment loss, if any, recognized as on December 31, 2008 due to valuation of listed equity investments held as "available for sale" to quoted market prices of December 31, 2008 may be shown under "Equity",

-The amount taken to equity as specified above, including any adjustment / effect for price movements during the quarter of calendar year 2009 shall be taken to Profit and loss account on quarterly basis during the calendar year ending on December 31, 2009

- The amount taken to equity as specified above shall be treated as a charge to Profit and loss account for the purposes of distribution as dividend.

The company has opted not to charge the impairment loss in the profit and loss account but to show it under equity. Had the company followed the requirements of IAS 39 for the treatment of impairment on available for sale equity investments, the resultant impairment loss would have had the following impact on the financial statements of the company:



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	Rs. In million
Recognition of impairment loss in the profit and loss account	207.09
Decrease in the deficit on revaluation of available for sale investments	207.09
Increase in loss for the period	207.09

Rs. per share

Increase in loss per share	3.60
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	Note	(Unaudited) December 31, 2008	(Audited) June 30, 2008
		(Rupees '000)	
7 TRADE DEBTS			
Secured			
Considered good		624,402	844,228
Unsecured			
Considered doubtful		<u>249,095</u>	<u>192,227</u>
		873,497	1,036,455
Less: provision for bad and doubtful debts		<u>(249,095)</u>	<u>(192,227)</u>
		<u>624,402</u>	<u>844,228</u>

Amounts due from related parties at the period end amounted to Rs 184.453 million (June 30, 2008: Rs 14.797 million).

8 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Exposure deposit	8.1	321	27,942
Prepayments		<u>929</u>	<u>1,522</u>
		<u>1,250</u>	<u>29,464</u>

8.1 This represents amount deposited with the Karachi Stock Exchange (Guarantee) Limited against exposure arising out of the transactions entered into by the company in respect of which settlements have not taken place as at the period end. The amount is deposited in accordance with the regulations of the Karachi Stock Exchange (Guarantee) Limited.

	(Unaudited) December 31, 2008	(Audited) June 30, 2008
	(Rupees '000)	
9 SHORT-TERM BORROWINGS - SECURED		
Short-term running finances utilised under mark-up arrangements	1,123,655	840,487
Short-term borrowing	<u>200,000</u>	<u>-</u>
	<u>1,323,655</u>	<u>840,487</u>

10 CONTINGENCIES AND COMMITMENTS

10.1 Capital expenditure contracted for but not incurred	<u>100,020</u>	<u>100,020</u>
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10.2 There were no contingencies outstanding as at December 31, 2008 and June 30, 2008.



11 RELATED PARTY TRANSACTIONS

The company has related party relationship with its associated undertakings, staff retirement funds, directors and key management personnel.

11.1 The following transactions were carried out with related parties during the period:

<u>For the half year ended December 31, 2008 (Unaudited)</u>				
	Key management personnel	Associated undertakings	Other related parties	Total company
	(Rupees '000)			
Transactions during the period				
Purchase of marketable securities for and on behalf of	-	6,477,832	-	6,477,832
Sale of marketable securities for and on behalf of	-	6,380,159	-	6,380,159
Brokerage income	-	834	-	834
Rent received	-	300	-	300
Remuneration to key management personnel	5,828	-	-	5,828
Charge in respect of contribution plan	-	-	474	474

<u>For the half year ended December 31, 2007 (Unaudited)</u>				
	Key management personnel	Associated undertakings	Other related parties	Total company
	(Rupees '000)			
Transactions during the period				
Purchase of marketable securities for and on behalf of	-	70,258,576	-	70,258,576
Sale of marketable securities for and on behalf of	-	70,024,829	-	70,024,829
Brokerage income	-	10,577	-	10,577
Rent received	-	300	-	300
Remuneration to key management personnel	10,350	-	-	10,350
Charge in respect of contribution plan	-	-	803	803

11.2 Amounts outstanding as at the period / year end were:

<u>December 31, 2008 (Unaudited)</u>				
	Key management personnel	Associated undertakings	Other related parties	Total company
	(Rupees '000)			
Balance outstanding				
Loans and advances	128	-	-	128
National Asset Management Company Limited	-	(20)	-	(20)

<u>June 30, 2008 (Audited)</u>				
	Key management personnel	Associated undertakings	Other related parties	Total company
	(Rupees '000)			
Balance outstanding				
Loans and advances	125	-	-	125
First Pakistan Securities Limited	-	-	(3,627)	(3,627)
Switch Securities (Pvt) Limited	-	-	(6,251)	(6,251)
National Asset Management Company Limited	-	(20)	-	(20)



12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise of the following balance sheet amounts:

	(Unaudited) December 31, 2008 (Rupees '000)	(Unaudited) December 31, 2007 (Rupees '000)
Cash and bank balances	10,035	21,228
Short-term running finances	(1,123,655)	(465,642)
Short-term borrowing	(200,000)	(379,828)
	<u>(1,313,620)</u>	<u>(824,242)</u>

13 GENERAL

Figures have been rounded off to the nearest thousand rupees, unless otherwise specified.

14 DATE OF AUTHORISATION

These condensed interim financial statements were authorised for issue on February 25, 2009 by the Board of Directors of the company.

Director

Director

Note: The Chief Executive, being out of the country, these condensed interim financial statements have been signed by two directors authorised in this behalf by the Board of Directors in accordance with section 241(2) of the Companies Ordinance, 1984.

