



Vision...

Connecting people,

ideas and capital, we will be our clients'

First Choice

for achieving their financial aspirations"

Mission...

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

CONTENTS

04- Company Information	
05- Directors' Review	
06- Auditors' Review Report to The Members	
07- Condensed Interim Balance Sheet	
08- Condensed Interim Profit & Loss Account	
09- Condensed Interim Cash Flow Statement	
10- Condensed Interim Statement of Changes in Equity	
11- Notes to Condensed Interim Financial Statements	

COMPANY INFORMATION

Board of Directors:

Mr. Ali A. Malik	Chairman / Director / Chief Executive
Mr. Muhammad Iqbal Khan	Director
Malik Atiq ur Rehman	Director
Mr. Shahzad Akbar	Director
Mr. Saad Khalid Tawab	Director
Mr. Tajamal Rashid	Director
Mr. Muhammad Ali Khan	Director
Mr. Yoshihiro Saito	Director

Audit Committee:

Mr. Muhammad Iqbal Khan	Chairman
Malik Atiq ur Rehman	Member
Mr. Shahzad Akbar	Member

CFO & Company Secretary

Mr. Tajamal Rashid

Auditors:

Anjum Asim Shahid Rehman & Co.
Chartered Accountants
Lahore

Legal Advisor:

Minto & Mirza, Advocates

Income Tax Advisor

Sharif & Company, 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) 34391316-7 & 19, 34387960-61
Fax: (92-21) 34391318

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 Punjab
United Bank Limited

Principal Office:

FNE House, 179-B, Abu Bakar Block,
New Garden Town, Lahore
PABX (92-42) 35843721-7
Fax: (92-42) 35843730

Registered Office:

FNE House: 19-C, Sunset Lane-06, South Park Avenue
Phase – II, Extension, D.H.A. Karachi.
PABX: (92-21) 32462906-9
Fax: (92-21) 32462921
Website: www.fnetrade.com

KSE Office:

135-136, 3rd Floor, Stock Exchange
Building Stock Exchange Road,
Karachi.
Tel: (92-21) 32472119, 32472665, 32472076
Fax: (92-21) 32472332



DIRECTORS' REVIEW

On behalf of the board of Directors, it is my pleasure to present to you the half yearly accounts of First National Equities for the period ended December 31, 2009.

Market Review

The market during the period has shown a steady trend. The KSE 100 index which was 7270 points on July 01, 2009 remained at 9386 points on December 31, 2009. Average volume of the market remained almost 100 million shares per day which is almost one third of the normal market volumes. The biggest reason for the low volumes is political uncertainty and law and order situation, domestically and across our borders. Though the situation is far from being resolved the market is taking the endeavours to resolve the matter in a positive way and has shown tremendous resilience.

Financial Results

	6 months to Dec 31, 2009	6 months to Dec 31, 2008
Gross Revenue	75,075,239	(54,882,975)
Operating Profit/(loss)	34,410,840	(107,991,084)
Profit/(loss) before Taxation	(124,911,814)	(348,347,947)
Taxation	(1,801,809)	(14,478,290)
Profit/(Loss) after Taxation	(126,713,623)	(362,826,237)
Earning/Loss) Per Share	(2.20)	(6.31)

As evident from the above results you can see that operating revenue has picked up and there has been operating profit of 34.4 million as compared to loss of Rs. 107.9 million in the corresponding last period. The main reason for the loss is impairment recognition of Rs. 90.8 million on the investments held as 'available for sale'. This adjustment is made as per SECP directive and is merely a book adjustment.

The management of your company is trying very hard to increase the revenue and control the expenditures and is very hopeful that in the near future as soon as the sponsors finalize the issue of further equity injection through right shares the company would be repositioned to capitalize the benefits of healthy balance sheet and improved liquidity.

Acknowledgement

We would like to thank our valued clients and bankers to the company for their support and confidence they put to the company in the period of hyper depression.

We are also thankful to Securities & Exchange Commission of Pakistan, Karachi Stock Exchange, Central Depository Company of Pakistan and National Clearing Company of Pakistan for their continuing guidance, and shareholders for their trust and confidence in us.

Finally, we also appreciate the efforts and dedication of all employees of the Company for their commitment and hard work.

Ali A. Malik
Chief executive/Director

Lahore
February 23, 2010





Anjum Asim Shahid Rahman

1-Inter Floor, Eden Centre,
43 Jail Road, Lahore, 54000,
Pakistan.
T + 92 42 7590 214-16, 7565 430-31
F + 92 42 7599 023
www.gtpak.com

INDEPENDENT AUDITORS' REPORT TO MEMBERS ON REVIEW OF INTERIM FINANCIAL INFORMATION

Introduction

We have reviewed the accompanying condensed interim balance sheet of First National Equities Limited ("the Company") as at December 31, 2009 and the related condensed interim profit and loss account, condensed interim cash flows statement and condensed interim statement of changes in equity together with the notes forming part thereof (herein after referred to as "interim financial information"), for the period then ended. Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account for the quarters ended 31 December 2009 have not been reviewed and we do not express a conclusion on them as we are required to review only the cumulative figures for the half year ended 31 December 2009.

Scope of Review

We conducted our review in accordance with 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 interim financial information is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan.

Without qualifying our conclusion, we draw attention to note 2.1 to the condensed interim financial information which indicates that during the period the Company incurred loss amounting to Rs. 126.713 million and has accumulated losses amounting to Rs. 1,054.132 million and a negative equity of Rs. 508.256 million at the period end. In addition, the Company has negative working capital at the period end. These conditions indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern. This interim financial information however has been prepared on a going concern basis in the expectation of future profitability, continuing support from financial institutions and undertaking of the financial support by the sponsoring directors, if required.

The financial statements for the year ended June 30, 2009 were audited by another firm of Chartered Accountants who vide their audit report dated October 14, 2009 expressed an unqualified opinion in all respects. However, an emphasis of matter paragraph was added indicating that the Company had incurred significant operational losses and has substantial accumulated losses and negative equity at the year end. The auditors had stated that the conditions indicate the existence of a material uncertainty which may cast significant doubt on the Company's ability to continue as a going concern.

The condensed interim financial information for the half year ended December 31, 2008 was also reviewed by the same firm of Chartered Accountants who audited the financial statements for the year ended June 30, 2009. The auditors in their review report dated February 25, 2008 expressed an unqualified review conclusion on the financial information.

Chartered Accountants
Engagement Partner: Asim Iftikhar
Date: 23-02-2010
Lahore.

Chartered Accountants
Member of Grant Thornton International Ltd.

Offices in Karachi and Islamabad



CONDENSED INTERIM BALANCE SHEET
AS AT DECEMBER 31, 2009

	Note	(Un-audited) Dec 31, 2009	(Audited) June 30, 2009
----- (Rupees) -----			
Non-current assets			
Fixed assets			
- Tangible assets	6	87,979,608	93,262,268
- Capital work in progress		69,496,614	69,496,614
- Intangible assets		68,135,225	68,135,225
Long-term investments	7	32,532,113	28,441,812
Long-term deposits		2,628,429	2,628,720
Receivable from associates	8	175,411,453	-
Deferred tax assets - net		126,805,864	126,805,864
		<u>562,989,306</u>	<u>388,770,503</u>
Current assets			
Short-term investments	9	382,890,349	443,781,840
Trade debts - net	10	108,829,672	284,716,967
Loans and advances		4,849,353	1,875,025
Trade deposits and short-term prepayments	11	1,357,575	149,510
Other receivables		15,799,717	2,724,068
Taxation recoverable - net		23,777,582	23,363,634
Cash and bank balances	12	8,162,049	5,554,749
		<u>545,666,297</u>	<u>762,165,793</u>
Total assets		<u>1,108,655,603</u>	<u>1,150,936,296</u>
Current liabilities			
Trade and other payables		141,410,764	115,265,364
Accrued mark-up		130,026,274	40,416,688
Short-term borrowings	13	716,131,167	808,159,035
Current maturity of long term financing		40,322,000	40,322,000
		<u>1,027,890,205</u>	<u>1,004,163,087</u>
Non-current liabilities			
Deferred liabilities		3,626,713	3,209,180
Long-term financing		583,345,369	583,270,369
Loan from director	14	2,050,000	-
Total liabilities		<u>1,616,912,287</u>	<u>1,590,642,636</u>
Contingencies and Commitments	16	-	-
Net liabilities		<u>(508,256,684)</u>	<u>(439,706,340)</u>
FINANCED BY:			
Authorised capital		<u>1,000,000,000</u>	<u>1,000,000,000</u>
Issued, subscribed and paid-up capital		575,000,000	575,000,000
Accumulated loss		(1,054,132,008)	(927,418,385)
Unrealised deficit on re-measurement of investments classified as 'available for sale'		(29,124,676)	(87,287,955)
		<u>(508,256,684)</u>	<u>(439,706,340)</u>

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

As more fully explained in note 9.1, remaining impairment loss amounting to Rs. 90.830 million on available for sale equity securities has been fully charged in this condensed interim financial information.

Chief Executive

Director



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2009

		Six Months Period Ended		Three Months Period Ended	
	Note	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
		------(Rupees)-----			
Operating revenue		32,963,783	61,472,260	15,744,344	24,869,667
Capital loss		(9,603,358)	(118,647,770)	(12,990,916)	(37,281,334)
Other operating income		51,714,814	2,292,535	51,564,664	1,794,826
		<u>75,075,239</u>	<u>(54,882,975)</u>	<u>54,318,092</u>	<u>(10,616,841)</u>
Administrative expenses		40,664,399	53,108,109	20,152,000	20,105,334
Operating gain / (loss)		34,410,840	(107,991,084)	34,166,092	(30,722,175)
Finance cost		99,041,395	106,426,027	57,949,539	56,690,824
Other operating expenses		6,099,515	61,597,090	2,913,549	59,377,040
Impairment loss on available for sale securities		90,830,000	-	45,415,000	-
		<u>(161,560,070)</u>	<u>(276,014,201)</u>	<u>(72,111,996)</u>	<u>(146,790,039)</u>
Unrealised profit /(loss) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - held for trading - net '	9	34,313,597	(70,374,660)	(7,716,719)	(69,030,703)
Share of profit / (loss) of associate - net of tax	7	2,334,659	(1,959,086)	1,969,119	(1,108,054)
Loss before taxation		(124,911,814)	(348,347,947)	(77,859,596)	(216,928,796)
Taxation					
- current		1,801,809	1,812,325	827,219	61,139
- deferred		-	12,665,965	-	12,665,965
		<u>1,801,809</u>	<u>14,478,290</u>	<u>827,219</u>	<u>12,727,104</u>
Loss after taxation		(126,713,623)	(362,826,237)	(78,686,815)	(229,655,900)
		------(Rupees)-----			
Loss per share - basic and diluted		<u>(2.20)</u>	<u>(6.31)</u>	<u>(1.37)</u>	<u>(3.99)</u>

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

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

As more fully explained in note 9.1, remaining impairment loss amounting to Rs. 90.830 million on available for sale equity securities has been fully charged in this condensed interim financial information.

Chief Executive

Director



CONDENSED INTERIM CASH FLOW STATEMENT (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2009

	Note	(Un-audited) December 31, 2009	(Un-audited) December 31, 2008
------(Rupees)-----			
Net cash generated from/ (used in) operating activities	15	39,329,450	(676,546,873)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of marketable securities		(1,737,460)	(20,077,399)
Sale of investments classified as 'available-for-sale' - net		48,326,969	196,972,419
Sale of investments -related parties		4,589,859	-
Fixed capital expenditure incurred		(1,650)	(3,555,582)
Proceeds from disposal of fixed assets		482,000	1,508,477
Mark-up received		14,310	1,545,862
Dividend received		1,506,691	7,120,725
Net cash generated from investing activities		53,180,719	183,514,502
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing		75,000	-
Loan from director		2,050,000	-
Dividend paid		-	(333,375)
Net cash generated from / (used in) financing activities		2,124,999	(333,375)
Net increase / (decrease) in cash and cash equivalents during the period		94,635,168	(493,365,746)
Cash and cash equivalents at the beginning of the period		(802,604,286)	(820,255,000)
Cash and cash equivalents at the end of the period	12	(707,969,118)	(1,313,620,746)

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.



Chief Executive

Director

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2009

	Issued, subscribed and paid up capital	Reserves			Unrealised surplus / (deficit) on re- measurement of investments classified as available for sale	Total
		Reserve for issue of bonus shares	Accumulated (loss) / profit	Sub-total		
(Rupees)						
Balance as at July 01, 2008	575,000,000	-	101,292,054	101,292,054	(105,236,000)	571,056,054
Loss after taxation for the half year ended December 31, 2008	-	-	(362,826,237)	(362,826,237)	-	(362,826,237)
Realised loss on disposal of investments during the period	-	-	-	-	101,485,000	101,485,000
Unrealised diminution on re-measurement of investments classified as 'available for sale'	-	-	-	-	(203,268,540)	(203,268,540)
Share of unrealised surplus-investment in associate	-	-	-	-	1,483,000	1,483,000
Balance as at December 31, 2008	575,000,000	-	(261,534,183)	(261,534,183)	(205,536,540)	107,929,277
Balance as at July 01, 2009	575,000,000	-	(927,418,385)	(927,418,385)	(87,287,955)	(439,706,340)
Loss after taxation for the half year ended December 31, 2009	-	-	(126,713,623)	(126,713,623)	-	(126,713,623)
Realised loss on disposal of investments during the period	-	-	-	-	14,018,697	14,018,697
Unrealised diminution on re-measurement of investments classified as 'available for sale'	-	-	-	-	39,083,941	39,083,941
Share of unrealised surplus-investment in associate	-	-	-	-	5,060,641	5,060,641
Balance as at December 31, 2009	575,000,000	-	(1,054,132,008)	(1,054,132,008)	(29,124,676)	(508,256,684)

The annexed notes 1 to 19 form an integral part of these condensed interim financial statements.

Chief Executive

Director



NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION (UN-AUDITED)
FOR THE HALF YEAR ENDED DECEMBER 31, 2009

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

This condensed interim financial information has 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 this condensed interim financial information have, however, been limited based on the requirements of the International Accounting Standard 34, "Interim Financial Reporting" as applicable in Pakistan. This condensed interim financial information does 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, 2009.

This condensed financial information is un-audited and is being submitted to the shareholders in accordance with the requirements of section 245 of the Companies Ordinance, 1984.

2.1 GOING CONCERN

The company has incurred significant operational losses during the half year ended December 31, 2009 and its accumulated losses as at December 31, 2009 amounted to Rs 1,054.132 million which has resulted in negative equity of Rs 508.256 million. However, the financial information of the company for the half year ended December 31, 2009 has been prepared on a going concern basis as the management believes that due to potential availability of finances / funding from the company's sponsors in the form of new capital injections, restructuring of facilities from banks and consequent to the new viable business plans for future operations, the company will be able to generate sufficient profits in the future enabling it to set-off the accumulated losses.

3 ACCOUNTING POLICIES

The accounting policies adopted in the preparation of this condensed interim financial information is the same as those applied in the preparation of the annual published financial statements of the company for the year ended June 30, 2009.

4 ACCOUNTING ESTIMATES

The basis for accounting estimates adopted in the preparation of this condensed interim financial information is the same as those applied in the preparation of the annual financial statements of the company for the year ended June 30, 2009.

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the company are consistent with that disclosed in the financial statements of the company for the year ended June 30, 2009.



	Note	(Un-audited) Dec 31, 2009	(Un-audited) Dec 31, 2008
		(Rupees)	
6	FIXED ASSETS		
Following is the cost of property and equipment that have been added / disposed off during the six months period ended 31 December 2009:			
Additions:			
Building on lease hold land		-	21,309,778
Furniture and fixtures		-	2,620,192
Office equipment		1,650	206,532
Computer accessories		-	163,270
		<u>1,650</u>	<u>24,299,772</u>
Disposals:			
Office equipment		-	(216,580)
Furniture and fixtures		-	(29,910)
Vehicles - owned		(901,000)	(1,827,000)
		<u>(901,000)</u>	<u>(2,073,490)</u>
	Note	(Un-audited) Dec 31, 2009	(Audited) June 30,2009
		(Rupees)	
7	LONG-TERM INVESTMENTS - RELATED PARTY		
National Asset Management Company Limited	7.2	<u>32,532,113</u>	28,441,812
NAMCO Income Fund - Available for Sale			
Opening		<u>15,410,141</u>	20,000,000
Add: unrealised gain		<u>458,686</u>	382,540
		<u>15,868,827</u>	20,382,540
Closing		<u>48,400,940</u>	48,824,352
Less: investment shown under short- term investment		<u>15,868,827</u>	20,382,540
		<u>32,532,113</u>	<u>28,441,812</u>
7.1	INVESTMENT IN ASSOCIATE		
Opening balance		25,136,813	48,169,812
Share in reserve of associate		5,060,641	3,305,000
Share of post acquisition profit /(loss) for the period	7.1.1	<u>2,334,659</u>	(23,033,000)
		<u>32,532,113</u>	<u>28,441,812</u>
7.1.1	"The share of the company in National Asset Management Company Limited has been accounted for under the equity method of accounting based on its un-audited financial statements for the half year ended December 31, 2009 in accordance with the treatment specified in International Accounting Standard 28, 'Accounting for Investment in Associates'.		
	Company holds 40% [4,000,000 ordinary shares (June 30, 2009: 4,000,000 ordinary shares) of Rs 10 each fully paid-up. Cost of investment Rs 40 million (June 30, 2009: 40 million)]"		
7.2	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	(Un-audited) Dec 31, 2009	(Audited) June 30, 2009
	(Rupees)	

8 RECEIVABLE FROM ASSOCIATES

These receivables carry markup at the rate not less than the borrowing rate of the company and are recoverable over a maximum period of three years.

**9 SHORT TERM INVESTMENTS
Available for sale**

- Average cost	9.1	332,597,209	704,815,498
- Impairment loss recognised in profit and loss account		(90,830,000)	(309,872,623)
- Unrealised diminution on re-measurement of investments		(34,644,003)	(90,975,495)
- Carrying value		207,123,206	303,967,380

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

- Opening carrying value		125,584,719	160,418,441
- Unrealised gain / (loss) on re-measurement of investments		34,313,597	(40,986,521)
- Closing carrying value		159,898,316	119,431,920

Investment - related parties

7	15,868,827	20,382,540
	382,890,349	443,781,840

9.1 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 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 is recognised in the profit and loss account even though the investment has not been derecognized. Impairment losses recognized in the 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 gave 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 as at December 31, 2008 or to show this impairment loss under equity as per the following allowed alternative treatment:

- 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 opted not to charge the impairment loss of Rs 207.09 million in the profit and loss account at December 31, 2008 but to show it under equity and to charge it on a quarterly basis during the calendar year 2009. At June 30, 2009, an amount of Rs 90.829 million still remained to be charged to the profit and loss account which has been duly charged off during the half year ended December 31, 2009.



	Note	(Un-audited) Dec 31, 2009	(Audited) June 30, 2009
(Rupees)			
10	TRADE DEBTS		
	Secured		
	Considered good	108,829,672	284,716,967
	Unsecured		
	Considered doubtful	509,286,225	546,212,659
		618,115,897	830,929,626
	Less: provision for bad and doubtful debts	(509,286,225)	(546,212,659)
		<u>108,829,672</u>	<u>284,716,967</u>
11	TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS		
	Exposure deposit	11.1 1,110,190	-
	Prepayments	247,385	149,510
		<u>1,357,575</u>	<u>149,510</u>

11.1 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.

	Note	(Un-audited) Dec 31, 2009	(Un-audited) Dec 31, 2008
(Rupees)			
12	CASH AND CASH EQUIVALENTS		
	Cash and cash equivalents included in the cash flow statement comprise of the following balance sheet amounts:		
	Cash and bank balances	8,162,049	10,034,719
	Short-term running finances	(506,131,167)	(1,123,655,465)
	Short-term borrowings	(210,000,000)	(200,000,000)
		<u>(707,969,118)</u>	<u>(1,313,620,746)</u>

	Note	(Un-audited) Dec 31, 2009	(Audited) June 30, 2009
(Rupees)			
13	SHORT-TERM BORROWINGS - SECURED		
	Short-term running finances utilised under mark-up arrangements	13.1 506,131,167	608,159,035
	Short-term borrowings	13.2 210,000,000	200,000,000
		<u>716,131,167</u>	<u>808,159,035</u>

13.1 These carry markup at the rate, ranging from one to six months KIBOR plus 1% to 3.5% per annum.

13.2 These carry mark-up at the rate, ranging from 14% to 16% per annum.

14	LOAN FROM DIRECTOR		
	This represents interest free unsecured loan obtained from director of the company to be adjusted against the issuance of shares in future.		



	Note	(Un-audited) Dec 31, 2009	(Un-audited) Dec 31, 2008
(Rupees)			
15 CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(124,911,814)	(348,347,947)
Adjustments for:			
Depreciation		4,931,792	5,877,175
Gain on disposal of fixed assets		(129,482)	(283,977)
Loss on disposal of investments		9,603,358	118,647,504
Share of (profit) / loss from associate - net of tax		(2,334,659)	1,959,000
Assets at fair value through profit or loss' - held for trading - net		(34,313,597)	70,375,000
Impairment loss on available for sales securities		90,830,000	-
Provision for gratuity		612,694	1,028,593
Provision for impairment of trade debts		-	56,868,592
Finance cost		99,041,395	106,426,027
Dividend income		(1,506,691)	(7,120,725)
Provision for bad debts		(36,926,434)	-
Mark-up income on fixed deposits		(240)	(53,860)
Mark-up income on exposure deposits		(14,070)	(968,464)
Mark-up income on investments		-	(523,529)
		<u>129,794,066</u>	<u>352,231,336</u>
		<u>4,882,252</u>	<u>3,883,389</u>
Changes in working capital			
Decrease / (increase) in current assets			
Trade debts		37,402,276	162,957,663
Loans and advances		(2,974,328)	2,565,351
Trade deposits and short-term prepayments		(1,208,065)	28,213,398
Other receivables		(13,075,649)	(1,716,526)
		<u>20,144,234</u>	<u>192,019,886</u>
(Decrease) / increase in current liabilities			
Trade and other payables		26,145,400	(402,819,959)
Payable in respect of continuous funding system transactions		-	(410,666,906)
		<u>51,171,886</u>	<u>(617,583,590)</u>
Finance cost paid		(9,431,809)	(55,041,441)
Leave fare assistance paid		-	(302,609)
Gratuity paid		(195,161)	(1,034,515)
Income taxes paid		(2,215,757)	(3,122,998)
Long-term deposits		291	538,280
Net cash generated from/ (used in) operating activities		<u>39,329,450</u>	<u>(676,546,873)</u>
16 CONTINGENCIES AND COMMITMENTS			
16.1 Contingencies			
Income tax assessment of the company for tax years 2005 and 2006 has been amended by the Taxation Officer on account of allocation of expenses and disallowance of certain items resulting in a tax demand of Rs 78.449 million. The company has filed and appeal with the CIT (appeals) in respect of the above mentioned disallowance which is pending to date. No provision has been made against this tax demand in this condensed interim financial information as the company is contesting the order before the appellate forums and the management is hopeful of a favourable decision in appeal.			
	Note	(Un-audited) Dec 31, 2009	(Audited) June 30, 2009
(Rupees)			
16.2 Commitments			
Capital expenditure contracted for but not incurred	16.2.1	<u>100,020,000</u>	<u>100,020,000</u>
16.2.1	This represents amount contracted to be paid to ENSHAANLC Developers (Private) Limited for acquiring commercial space, being paid in instalment, in Karachi Financial Tower.		



17 RELATED PARTY TRANSACTIONS

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

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

For the half year ended December 31, 2009 (Unaudited)

	Key management personnel	Associated undertakings	Other related parties	Total company
	(Rupees)			
Transactions during the period				
Purchase of marketable securities for and on behalf of	-	21,439,651	-	21,439,651
Sale of marketable securities for and on behalf of	-	22,998,586	-	22,998,586
Brokerage income	-	19,650	-	19,650
Rent received	-	300,000	-	300,000
Remuneration to key management personnel	7,002,258	-	-	7,002,258
Loan from director	2,050,000	-	-	2,050,000

For the half year ended December 31, 2008 (Unaudited)

	Key management personnel	Associated undertakings	Other related parties	Total company
	(Rupees)			
Transactions during the period				
Purchase of marketable securities for and on behalf of	-	6,477,832,207	-	6,477,832,207
Sale of marketable securities for and on behalf of	-	6,380,159,792	-	6,380,159,792
Brokerage income	-	834,064	-	834,064
Rent received	-	300,000	-	300,000
Remuneration to key management personnel	5,828,000	-	-	5,828,000
Charge in respect of contribution plan	-	-	474,000	474,000

18 GENERAL

This condensed interim financial information is presented in Pak Rupees, which is the company's functional and presentation currency and rounded off to the nearest rupee.

19 DATE OF AUTHORISATION

This condensed interim financial information was authorised for issue on February 23, 2010 by the Board of Directors of the company.

Chief Executive

Director

