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Quarterly Accounts

(Unaudited) For the
Period Ended
March 31, 2013



FIRST NATIONAL EQUITIES LIMITED



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".

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COMPANY INFORMATION

Board of Directors:

1.	Mr. Ali A. Malik	Chairman/ Director/ CEO
2.	Mr. Muhammad Iqbal Khan	Director
3.	Malik Attiq-ur-Rehman	Director
4.	Mr. Shahzad Akbar	Director
5.	Mr. Rais Ahmad Dar	Executive Director
6.	Mr. Amir Shehzad	Executive Director

Chief Financial Officer

Mr. Rais Ahmed Dar

Company Secretary

Mr. Usman Amjad Khan

Auditors:

H.A.M.D & Co.
Chartered Accountants
Lahore.

Legal Advisor:

Minto & Mirza, Advocates

Registrar:

Technology Trade (Pvt.) Limited.
Dagja House, 241-C, Block – 02,
P.E.C.H.S. Off: Main Shahrah-e-Quaideen, Karachi.
Tel: (92-21) 34391316-7 & 34387960-61
Fax: (92-21) 34391318

Bankers:

Allied Bank Limited.
Summit Bank Limited.
Bank Alfalah Limited.
Bank Islami Pakistan Limited.
Habib Metropolitan Bank Limited.
KASB Bank Limited.
JS Bank Limited.
MCB Limited.
NIB Bank Limited.
The Bank of Punjab
United Bank Limited

Principal Office:

FNE House, 179-B, Abu Bakar Block,
New Garden Town, Lahore
Tel: (92-42) 35843721-27,
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) 35395901-05
Fax: (92-21) 35395920

KSE Office:

Room No. 135-136, 3rd Floor, New Stock Exchange
Building, Stock Exchange Road,
Karachi.
Tel: (92-21) 32472119, 32472014, 32472758
Fax: (92-21) 32472332

Website: www.fnetrade.com



DIRECTORS' REVIEW

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the accounts of the First National Equities Limited for the period ended on March 31, 2013.

Market Review

During 9 months' 13, KSE-100 Index has gained 4,245 points or 30.8% to reach 18,046 points amid relatively higher volumes. Average daily volumes increased by 58.6% YoY to 169.12 mn shares. The bullish sentiment, in our view, was guided largely by favorable regulatory policy in the form of monetary easing (250 bps cut in DR) amid moderate CPI, sector specific developments and improved US-Pak relationships.

Financial Results

	For 9 months Ended March, 31, 2013	For 9 months Ended March, 31, 2012
	------(Rupees)-----	
Gross revenue	50,428,517	105,549,032
Operating Profit/ (Loss)	10,853,239	57,390,695
Profit/ (Loss) before Tax	(32,572,775)	(78,064,526)
Taxation	(1,343,187)	(2,545,200)
Profit/ (Loss) after tax	(33,915,962)	(80,609,726)
Earning per share	(0.25)	(0.71)

We pleased to report that the outcomes of improved market sentiments has started to flourish and your company had earned an operating revenue of Rs. 28.962 million as compared to Rs. 26.700 million in same period of last year.

On expenses side the management had successfully implemented the policy of expenses curtailment and thus have succeeded to cut down administrative and financial expenses. Resultantly the company has managed to loss after tax of Rs. 33.916 million as compared to the loss after tax of Rs. 80.710 million in the same period of last year thus resulting the decrease in loss after tax by 57.93. %. The loss per share has also been decreased to Rs. 0.25. These results vindicate the management determination and commitment towards progress of the company.

The low business turnover in the Pakistan's stock markets in last many years has badly affected the revenues of the Stock Brokerage industry. So it is highly desired to inject the fresh equity in the company to strengthen its day to day activities, enhance its working capital and make the operations more revenue generating. After evaluating various options the Board your of company had recommended you for the issuance 242% rights shares at Rs. 3.00 per share (at a discount of Rs. 7.00 per share) subject to your approval at EOGM that is going to be held on May 15, 2013 and after that sanction from the SECP. These measures will definitely increase the profitability and improve the financial health of the company.

Acknowledgement

We are grateful to the Company's stakeholders for their continued confidence and support. We record our appreciation and thanks to Securities and Exchange Commission of Pakistan, Managements of Karachi Stock Exchange, Central Depository Company of Pakistan, National Clearing Company of Pakistan and our Bankers & Financial Institution for their continued support and guidance. We also appreciate the management and other staff members of the company for their commitment and dedicated efforts for achieving these result under such testing times.

Place: Lahore
Dated: April 18, 2013

Ali A. Malik
(Chairman & CEO)



FIRST NATIONAL EQUITIES LIMITED
CONDENSED INTERIM BALANCE SHEET (UNAUDITED)
AS AT MARCH 31, 2013

	Note	(Un-audited) March 31, 2013	(Audited) June 30, 2012
------(Rupees)-----			
NON-CURRENT ASSETS			
Property and equipment	6	64,660,583	69,286,711
Capital work in progress	7	69,496,614	69,496,614
Intangible assets	8	68,135,225	68,135,225
Long term investments		46,457,919	39,072,926
Long term deposits		3,187,679	3,185,179
Receivable from associates	10	175,411,452	175,411,452
Deferred taxation		27,999,444	29,063,813
		455,348,916	453,651,920
CURRENT ASSETS			
Short term investments	11	252,458,075	151,033,005
Trade debts	12	322,372,641	287,764,467
Loans and advances		2,692,298	2,606,185
Trade deposits and short term prepayments	13	401,160	355,008
Other receivables		107,529,818	85,933,777
Advance tax		32,759,096	31,641,379
Cash and bank balances	14	2,014,763	771,566
		720,227,851	560,105,387
Total Assets		1,175,576,767	1,013,757,307
CURRENT LIABILITIES			
Trade and other payables		291,734,453	204,282,254
Accrued mark-up		80,604	65,564
Short term borrowings	15	134,501,538	167,375,981
		426,316,595	371,723,799
NON-CURRENT LIABILITIES			
Long term financing	16	1,060,636,430	1,010,538,937
Loan from sponsors	17	68,497,501	68,497,501
Deferred liabilities		6,229,029	6,419,272
		1,135,362,960	1,085,455,710
Total Liabilities		1,561,679,555	1,457,179,509
CONTINGENCIES AND COMMITMENTS			
	18	-	-
Net Assets		(386,102,788)	(443,422,202)
REPRESENTED BY:			
Authorized share capital		1,500,000,000	1,500,000,000
Issued, subscribed and paid-up capital		1,380,000,000	1,380,000,000
Discount on issue of Right Shares		(603,750,000)	(603,750,000)
Accumulated loss		(1,233,586,444)	(1,199,670,481)
		(457,336,444)	(423,420,481)
Unrealized gain/(loss) on re-measurement of investments classified as available for sale		71,233,656	(20,001,721)
		(386,102,788)	(443,422,202)

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

Chief Executive



Director

FIRST NATIONAL EQUITIES LIMITED
CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2013

Note	Nine Months Period Ended		Three Months Period Ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
------(Rupees)-----				
Operating revenue	28,962,221	26,700,656	9,914,520	18,398,436
Gain / (Loss) on sale of investments	(507,966)	388,810	(466,974)	1,104,459
Other operating income	21,974,262	78,459,566	7,034,112	6,739,579
	50,428,517	105,549,032	16,481,658	26,242,474
Administrative expenses	39,575,278	48,158,337	11,489,827	13,548,329
Operating profit / (loss)	10,853,239	57,390,695	4,991,831	12,694,145
Finance cost	56,716,315	88,086,396	17,136,095	30,482,191
Other operating expenses	5,518,228	4,905,524	1,482,002	3,089,331
	(51,381,304)	(35,601,225)	(13,626,266)	(20,877,377)
Unrealized profit / (loss) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - held for trading - net	11 8,505,096	17,148,969	762,777	16,974,006
Share of profit of associate - net	9 10,303,433	762,730	8,243,484	(391,942)
	(32,572,775)	(17,689,526)	(4,620,005)	(4,295,313)
Less: Amortization cost of right shares	-	60,375,000	-	30,187,500
(Loss) / profit before taxation	(32,572,775)	(78,064,526)	(4,620,005)	(34,482,813)
Taxation				
- current	278,818	327,838	106,099	186,560
- deferred	1,064,369	2,217,362	-	-
	1,343,187	2,545,200	106,099	186,560
(Loss) / profit after tax	(33,915,962)	(80,609,726)	(4,726,104)	(34,669,373)
Loss per share - basic	(0.25)		(0.03)	
Loss per share - diluted		(0.71)		(0.25)

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

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

Chief Executive



Director

**FIRST NATIONAL EQUITIES LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2013**

Note	Nine Months Period Ended		Three Months Period Ended	
	March 31, 2013	March 31, 2012	March 31, 2013	March 31, 2012
	------(Rupees)-----			
Loss after tax	(33,915,962)	(80,609,726)	(4,726,104)	(34,669,373)
Other comprehensive income for the period				
Unrealized gain/(loss) during the period in the market value of investments classified as 'available for sale'	88,865,089	47,266,293	26,563,398	83,421,524
Reclassification adjustment of realized loss on sale of investments- available for sale	511,103	512,576	466,974	(203,073)
Share of unrealized surplus - investment in associate	1,859,185	4,679,442	(3,105,506)	(4,992,543)
Other comprehensive income for the period	91,235,377	52,458,311	23,924,866	78,225,908
Total comprehensive profit/(loss) for the period	57,319,415	(28,151,415)	19,198,762	43,556,535

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

Chief Executive



Director

**FIRST NATIONAL EQUITIES LIMITED
CONDENSED INTERIM CASH FLOWS STATEMENT (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2013**

Note	(Un-audited) March 31, 2013	(Un-audited) March 31, 2012	
------(Rupees)-----			
Net cash (used in) / generated from operating activities	18	32,839,211	(52,359,326)
CASH FLOWS FROM INVESTING ACTIVITIES			
(Purchase) / Sale of investments classified as 'held for trading' - net	96,534	(7,728,484)	
(Purchase) / Sale of investments classified as 'available-for-sale' - net	629,343	(8,284,528)	
Sale of investments -related parties	-	-	
Fixed capital expenditure incurred	(89,000)	(101,580)	
Proceeds from disposal of property and equipment	-	-	
Mark-up received	803	52,150	
Dividend received	640,749	307,584	
Net cash used in investing activities	1,278,429	(15,754,858)	
CASH FLOWS FROM FINANCING ACTIVITIES			
Long-term financing	-	(99,993,664)	
Loan from director	-	(18,841,523)	
Loan from sponsors	-	68,497,501	
Issue of right shares	-	201,250,000	
Net cash generated from financing activities	-	150,912,314	
Net increase in cash and cash equivalents	34,117,639	82,798,130	
Cash and cash equivalents at the beginning of period	(166,604,415)	(270,153,017)	
Cash and cash equivalents at the end of period	14	(132,486,776)	(187,354,887)

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

Chief Executive



Director

FIRST NATIONAL EQUITIES LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2013

	Issued, subscribed and paid-up capital	Discount on issue of right shares	Accumulated (loss) / profit	Unrealised surplus / (deficit) on re-measurement of investments classified as available for sale	Total
	----- (Rupees) -----				
Balance as at July 01, 2011	575,000,000	-	(1,231,305,943)	(67,897,937)	(724,203,880)
Right issue during the period	805,000,000	-	-	-	805,000,000
Discount on issue of right shares	1,380,000,000	-	(1,231,305,943)	(67,897,937)	80,796,120
	-	(543,375,000)	-	-	(543,375,000)
Loss after taxation for the period ended March 31, 2012	-	-	(80,609,726)	-	(80,609,726)
Other comprehensive income for the period	-	-	-	52,458,311	52,458,311
Balance as at March 31, 2012	1,380,000,000	(543,375,000)	(1,311,915,669)	(15,439,626)	(490,730,295)
Balance as at July 01, 2012	1,380,000,000	(603,750,000)	(1,199,670,481)	(20,001,721)	(443,422,202)
Loss after taxation for the period ended March 31, 2013	-	-	(33,915,963)	-	(33,915,963)
Other Comprehensive Income for the period	-	-	-	91,235,377	91,235,377
Balance as at March 31, 2013	1,380,000,000	(603,750,000)	(1,233,586,444)	71,233,656	(386,102,788)

The annexed notes 1 to 22 form an integral part of these condensed interim financial statements.

Chief Executive



Director

FIRST NATIONAL EQUITIES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED MARCH 31, 2013

1 STATUS AND NATURE OF BUSINESS

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 Limited.

The Company has Trading Right Entitlement Certificate of the Karachi Stock Exchange Limited. The principal activities of the Company include shares brokerage, consultancy services and IPO underwriting.

2 BASIS OF PREPARATION

This condensed interim financial report is un-audited and is being submitted to the shareholders in accordance with the requirements of Section 245 of the Companies Ordinance, 1984. This condensed interim financial report of the Company for the Nine Months ended on March 31, 2013 has been prepared in accordance with the requirements of the International Accounting Standard 34 "Interim Financial Reporting" and provisions of and directives issued under the Companies Ordinance, 1984. In case where requirements differ, the provisions of or directives issued under the Companies Ordinance, 1984 have been followed. This condensed interim financial report does not include all the information required for full annual financial statements and should be read in conjunction with annual financial statements of the Company for the year ended June 30, 2012.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation 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, 2012.

The new standards, amendments to the approved accounting standards and interpretations that are mandatory for accounting periods beginning on or after July 1, 2012, were either considered not to be relevant to the Company's operations or did not have significant effect on the accounting policies of the Company.

4 ACCOUNTING ESTIMATES AND JUDGMENTS

Judgments and estimates made by the management in the preparation of these condensed interim financial statements are the same as those applied to the preceding annual published financial statements of the Company for the year ended June 30, 2012.

5 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, 2012.

Note	(Un-audited) March 31, 2013	(Audited) June 30, 2012
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------(Rupees)-----

6 PROPERTY AND EQUIPMENT

Following is the cost of property and equipment that have been added /disposed off during the nine months period ended March 31, 2013:

Additions:

Vehicles - owned	89,000	-
Office equipment	-	108,772
	<u>89,000</u>	<u>108,772</u>

Disposals:

Office equipment	-	38,860
Furniture and Fittings	-	811,657
Vehicles	-	40,414
	<u>-</u>	<u>890,931</u>



Note	(Un-audited) March 31, 2013	(Audited) June 30, 2012
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------(Rupees)-----

7 CAPITAL WORK IN PROGRESS

Commercial space - Karachi financial towers	33,340,000	33,340,000
Property acquired through auction	36,156,614	36,156,614
	<u>69,496,614</u>	<u>69,496,614</u>

8 INTANGIBLE ASSETS

	Cost			Total
	TRE Certificate & KSE Equity Shares (8.3)	License to use Room at Karachi Stock Exchange (8.1)	Tenancy rights - Building (8.2)	

------(Rupees)-----

Balance as at March 31, 2013	31,220,225	22,000,000	14,915,000	68,135,225
Total	31,220,225	22,000,000	14,915,000	68,135,225
Balance as at June 30, 2012	31,220,225	22,000,000	14,915,000	68,135,225
Total	31,220,225	22,000,000	14,915,000	68,135,225

8.1 Room at Karachi Stock Exchange represents the consideration paid for the right to occupy two rooms situated at Stock Exchange Building, Karachi. The Karachi Stock Exchange Limited is the absolute owner of the said rooms and has granted full rights to occupy the premises under Leave and License agreement for the purposes of the Company's business. The Company has hypothecated license of these rooms in favour of commercial bank securing financing facilities.

8.2 Tenancy rights of building represent the consideration paid by the Company in connection with the transfer of tenancy rights in favour of the Company against properties situated at Bank Square, Peshawar and Mall road, Nowshera. The ownership of these properties continue to vest with the original owner. The Company has hypothecated the tenancy rights of Bank Square Peshawar in favour of commercial bank for securing financing facilities.

8.3 In accordance with the requirements of the stock exchange (Corporatisation, Demutualization and Integration) Act, 2012, the company has received Equity Shares 4,007,383 of Karachi Stock Exchange "KSE" and Trading Right Entitlement in lieu of value of company's membership card of KSE. The said process of demutualization was finalized on August 15, 2012.

Note	(Un-audited) March 31, 2013	(Audited) June 30, 2012
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------(Rupees)-----

9 LONG-TERM INVESTMENTS - RELATED PARTY

National Asset Management Company Limited	9.1	<u>46,457,919</u>	<u>39,072,926</u>
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9.1 INVESTMENT IN ASSOCIATES

Opening balance		34,295,301	31,467,531
Share in reserve of associate		1,859,185	4,777,625
Share of post acquisition profit/(loss) for the period	9.1.1	<u>10,303,433</u>	<u>2,827,770</u>
		<u>46,457,919</u>	<u>39,072,926</u>

9.1.1 "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 condensed interim financial statements for the period ended March 31, 2013 in accordance with the treatment specified in International Accounting Standard 28, 'Accounting for Investment in Associates'. Company holds 40% i.e. 4,000,000 ordinary shares (June 30, 2012: 4,000,000 ordinary shares) of Rs. 10 each fully paid-up. Cost of investment Rs. 40 million (June 30, 2012: 40 million)"



10 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 ten years.

Note	(Un-audited) March 31, 2013	(Audited) June 30, 2012
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------(Rupees)-----

11 SHORT TERM INVESTMENTS**Available for sale**

- Average cost	149,630,578	150,771,024
- Unrealized gain/(loss) on re-measurement of investments	69,374,472	(24,779,345)
- Carrying value	<u>219,005,050</u>	<u>125,991,679</u>

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

- Average cost	24,947,929	14,286,461
- Unrealized gain on re-measurement of investments	8,505,096	10,754,865
- Closing carrying value	<u>33,453,025</u>	<u>25,041,326</u>
	<u>252,458,075</u>	<u>151,033,005</u>

12 TRADE DEBTS

Considered good	322,372,641	287,764,467
Considered doubtful	308,204,672	308,204,672
	<u>630,577,313</u>	<u>595,969,139</u>
Less: provision for bad and doubtful debts	<u>(308,204,672)</u>	<u>(308,204,672)</u>
	<u>322,372,641</u>	<u>287,764,467</u>

13 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Exposure deposit	13.1	299,610	263,458
Prepayments		101,550	91,550
		<u>401,160</u>	<u>355,008</u>

13.1 This represents amount deposited with the Karachi Stock Exchange Limited against exposure arising out of the transactions entered into by the Company. The amount is deposited in accordance with the regulations of the Karachi Stock Exchange Limited.

Note	(Un-audited) March 31, 2013	(Un-audited) March 31, 2012
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------(Rupees)-----

14 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	2,014,763	8,868,935
Short-term running finances	<u>(134,501,538)</u>	<u>(196,223,822)</u>
	<u>(132,486,775)</u>	<u>(187,354,887)</u>



	Note	(Un-audited) March 31, 2013	(Audited) June 30, 2012
------(Rupees)-----			
15	SHORT-TERM BORROWINGS - SECURED		
	Short-term running finances utilized under mark-up arrangements	15.1 <u>134,501,538</u>	<u>167,375,981</u>
15.1	These carry markup at the rate, ranging from one to six months KIBOR plus 1% to 2.5% per annum.		
16	LONG TERM FINANCING		
	Long Term Financing utilized under mark-up arrangements	16.1 <u>725,444,073</u>	<u>725,444,073</u>
	Add: overdue interest on long term loans	16.2 <u>335,192,357</u>	<u>285,094,864</u>
		<u>1,060,636,430</u>	<u>1,010,538,937</u>

- 16.1** In view of litigation filed by the Bank of Punjab (BOP) and now pending in the court, there is no probability of any payment, both of the principal and mark up, being made by the company during the next 12 months. The gross payment / installments shall accrue for payment now only on the superior courts pronouncing final judgment in this case. The learned legal advisor has stated that this process shall be completed in many years and not months. Therefore, the short term liability of BOP of Rs. 135,307,837/- has been reclassified from short term to long term liabilities.
- M/S United Bank Limited (UBL) has filed the recovery suit against the company for the recovery of outstanding balances before the banking court, Karachi. The company has thus stopped accruing any further mark up.
 - In view of litigation pending in the court, there is no probability of any payment, both of the principal and mark up, being made by the company during the next 12 months. The gross payment / installments shall accrue for payment now only on the superior courts pronouncing final judgment in this case. The learned legal advisor has stated that this process shall be completed in many years and not months. Therefore, the UBL mark up liability of Rs. 1,936,934/- has been reclassified from short term to long term liabilities. Also the corresponding principal loan of Rs. 7,170,024/- have been classified to long term borrowings.
 - In view of litigation filed by the S.I.T.E. and now pending in the court, there is no probability of any payment, both of the principal and mark up, being made by the company during the next 12 months. The gross payment / installments shall accrue for payment now only on the superior courts pronouncing final judgment in this case. The learned legal advisor has stated that this process shall be completed in many years and not months. Therefore, the SITE loan liability of Rs. 152,584,934/- has been reclassified from short term to long term liabilities.
 - The company has recorded outstanding current maturity of long term loans amounting to Rs. 216,250,026/- due to Bank Alfalah Limited in long term financing as at March 31, 2013. The company has not made any payment of current maturity and is in negotiations with the financial institution for converting current maturity of loans into long term loans.
- 16.2** This represents overdue interest on long term loan with Bank Alfalah Limited and United Bank Limited amounting to Rs. 333,255,423 and Rs. 1,936,934 respectively.

	Note	(Un-audited) March 31, 2013	(Audited) June 30, 2012
------(Rupees)-----			
17	LOAN FROM SPONSORS		
	Loan obtained from sponsors	<u>68,497,501</u>	<u>68,497,501</u>

This unsecured interest free loan has been received from Mrs. Adeela Ali.
W/o Mr. Ali Aslam Malik.



Note	(Un-audited) March 31, 2013	(Un-audited) March 31, 2012
------(Rupees)-----		
18 CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(32,572,775)	(78,064,526)
Adjustments for:		
Depreciation	4,715,127	5,490,157
Loss/(Profit) on disposal of investments	507,966	(388,810)
Share of profit from associate - net of tax	(10,303,433)	(762,730)
Assets at fair value through profit or loss ¹ - held for trading - net	(8,505,096)	(17,148,969)
Finance cost	56,716,315	88,086,396
Dividend income	(640,749)	(307,584)
Amortization on issue of right shares	-	60,375,000
Mark-up income on fixed deposits	(803)	(17,911)
Mark-up income on exposure deposits	-	(34,239)
	42,489,327	135,291,310
	9,916,552	57,226,784
Changes in working capital		
Decrease / (increase) in current assets		
Trade debts	(34,608,174)	(4,306,591)
Loans and advances	(86,113)	2,195,570
Trade deposits and short-term prepayments	(46,152)	(4,906,170)
Other receivables	(21,596,041)	(21,186,654)
	(56,336,480)	(28,203,845)
(Decrease) / increase in current liabilities		
Trade and other payables	87,452,199	(11,981,017)
	41,032,271	17,041,922
Finance cost paid	(6,603,782)	(67,303,576)
Gratuity paid	(190,243)	(746,809)
Income taxes paid	(1,396,535)	(1,148,113)
Long-term deposits	(2,500)	(202,750)
Net cash (used in) / generated from operating activities	32,839,211	(52,359,326)

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

- The Bank of Punjab has filed a suit under section 16 of the Financial Institution's Ordinance, 2001 (Recovery of Finance) in the Sindh High Court against the Company for the principal and mark-up of short term borrowings amounting to Rs. 99,321,837/- and Rs. 35,986,000/- respectively. The amounts were transferred to long term financing by the Company. The Company availed the short term borrowings facility against the pledge of listed Company shares (Trust Investment Bank shares 259,000 and Pioneer Cement Shares 8,508,500). Due to financial crunch in the country the Company was unable to payback the principal and mark-up on due date. Against the subject case of Bank of Punjab, the Company has also filed the counter claim against the bank on the ground that the bank has failed to recover the amount by selling off the pledged shares even the margin on the pledged shares reduced below the agreed limit of 30%.
- The Honourable Court adjudicated the case against the Company. The Bank of Punjab sold all the pledged shares after judgment of the Court. The Company, however, has filed a special appeal under section 22 of the Financial Institutions (Recovery of Finances) Ordinance, 2001 against the decision of the Single Bench of Sindh High Court which is currently pending. Based on the legal advice, the Company is hopeful of a favourable decision. Meanwhile, the company has been granted stay dated 01/02/2012 by the honorable High Court.
- United Bank Limited has filed a suit against the Company on October 14, 2010 under section 10 of The Financial Institutions (Recovery of Finances) Ordinance 2001 for recovery of outstanding balance in the Banking Court No. III at Karachi. The verdict on the said appeal is still pending. The Company is hopeful of a favourable decision.
- Sindh Industrial Trading Estates (SITE) Limited has filed a recovery suit for Rs. 174,058,936/- during the last year against the Company in the Honourable Sindh High Court which is pending settlement. The Company is vigorously contesting the claim of SITE and is hopeful of settlement of the case in its favour.



Note	(Un-audited) March 31, 2013	(Audited) June 30, 2012
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----- (Rupees) -----

19.2 Commitments

Capital expenditure contracted for but not incurred 19.2.1 100,020,000 100,020,000

19.2.1 This represents amount contracted to be paid to ENSHAA NLC Developers (Private) Limited for acquiring commercial space, being paid in installment, in Karachi Financial Tower.

20 RELATED PARTY TRANSACTIONS

The Company has related party relationship with its associated undertakings, directors and key management personnel.

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

For the period ended March 31, 2013 (Un-audited)

Key management personnel	Associated Undertakings	Other related parties	Total company
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----- (Rupees) -----

Transactions during the period

Purchase of marketable securities for and on behalf of	-	915,720,888	-	915,720,888
Sale of marketable securities for and on behalf of	-	881,300,578	-	881,300,578
Brokerage income	-	2,780,006	-	2,780,006
Rent received	-	552,000	-	552,000
Remuneration to key management personnel	9,693,463	-	-	9,693,463
Loan from sponsor	-	-	-	-

For the period ended March 31, 2012 (Un-audited)

Key management personnel	Associated Undertakings	Other related parties	Total company
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----- (Rupees) -----

Transactions during the period

Purchase of marketable securities for and on behalf of	-	344,712,602	-	344,712,602
Sale of marketable securities for and on behalf of	-	246,515,546	-	246,515,546
Brokerage income	-	1,954,550	-	1,954,550
Rent received	-	500,000	-	500,000
Remuneration to key management personnel	10,812,356	-	-	10,812,356
Loan from sponsor	-	-	68,497,501	68,497,501

21 GENERAL

These condensed interim financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency and rounded off to the nearest rupee.

22 DATE OF AUTHORISATION

These condensed interim financial statements were authorized for issue on **April 18, 2013** by the Board of Directors of the Company.

Chief Executive



Director

Branch Network of First National Equities Limited

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Tel: 042-35843721-27,042-35845011-15
Fax: 042-35843730.

Abbottabad Office

1st Floor, Goher Sons Arcade,
Mansehra Road Supply Bazaar,
Abbottabad,
Tel#:0992-341305, 0992-341104

Karachi Offices

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South Park Avenue, Phase II
Extension, D.H.A. Karachi
Tel: 021-35395901-05
Fax: +92-021-35395920
2. Room No. 135-136, 3rd Floor,
New Stock Exchange Building, Karachi
Tel: 021-32472119, 32472014, 32472758
Fax: 021- 32472332

Mardan Office

1st Floor Shop No 32-33, Cantonment Plaza,
The Mall, Mardan.
Tel: 0937-875827-29
Fax: 0937-875830

Daska Office

Basement Nagina Suiting, Kachehri Road,
Daska, Sialkot.
Tel: 052-6617585, 052-6600021

Peshawar offices

2nd Floor, State Life Building, 34 The Mall,
Peshawar Cantt, Peshawar
Tel: 091-5260935, 5260965
Fax: 091-5260977

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53/7, Haider Road, Rawalpindi Cantt,
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