

FIRST NATIONAL EQUITIES LIMITED

第一国家股权有限

2022

QUARTERLY REPORT

報度告



(Un-audited) For the Period Ended

September 30, 2022.

于 2022 年 9 月 30 日的年度计

www.fnetrade.com

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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”.

Company Information

Board of Directors:

1. Mr. Adnan Amjad Khan	Director/Chairman
2. Mr. Ali A. Malik	Director
3. Mr. Amir Shehzad	Director
4. Mr. Abid Yousaf	Director
5. Mr. Muhammad Bilal	Director
6. Ms. Ayesha Anam	Director
7. Mr. Zeeshan Tahir	Director

Legal Advisor:

Lashari & Co. Advocates

Shares Registrar:

CorpTec Associates (Pvt.) Limited
503-E, Johar Town, Lahore
Tel: 92-042-35170336-7
Fax: 92-042-35170338

Chief Executive Officer:

Mr. Ali A. Malik

Audit Committee:

1. Mr. Muhammad Bilal	Chairman
2. Mr. Abid Yousaf	Member
3. Mr. Adnan Amjad Khan	Member
4. Mr. Arslan Tahir	Secretary

Bankers:

Summit Bank Limited
Bank Alfalah Limited
Habib Metropolitan Bank Limited
The Bank of Punjab Limited
Allied Bank Limited
Bank Al Habib Limited

HR & Remuneration Committee:

1. Mr. Zeeshan Tahir	Chairman
2. Mr. Ali A. Malik	Member
3. Mr. Ayesha Anam	Member
4. Mr. Arslan Tahir	Secretary

Registered Office:

FNE House, 179-B, Abu Bakar Block,
New Garden Town,
Lahore
Tel: 042-35843721-27
Fax: 042-35843730

Chief Financial Officer:

Ms. Ammara Zakriya

Company Secretary

Mr. Arslan Tahir

Auditors:

Tariq Abdul Ghani Maqbool & Co.
Chartered Accountants Lahore.

DIRECTORS' REPORT

Directors of First National Equities Limited (“the Company”) are pleased to present the report of the company for the period ended September 30, 2022.

A. GENERAL MARKET REVIEW AND FUTURE PROSPECTS:

Pakistan’s economy was undergoing an overdue adjustment, as it recovered from the impacts of COVID-19 at the beginning of FY2023. Recent floods have had enormous human and economic impacts. The economic impacts of flooding are likely to delay much-needed economic adjustment. The Government faces a difficult policy challenge in supporting relief and recovery while maintaining progress towards macroeconomic stabilization. Pakistan’s economy is forecasted to slow to 3.5 percent in fiscal year 2023 amid devastating floods, policy tightening, and critical efforts to tackle sizable fiscal and external imbalances. The economic outlook will be shaped largely by the restoration of political stability and the continued implementation of reforms.

Returns of the KSE-100 index turned negative during first Quarter of FY2023. Investors continue to take account of the destruction from floods, while the sentiment at the index also remained frail initially due to continued weakness in the Pak Rupee which almost touched its ultimate low level. The market is expected to attain the sustainability of positive status in the coming weeks as the participants will celebrate the removal of Pakistan from FATF’s grey list. Furthermore, the materialization of inflow of USD 1.5bn from ADB, will have a strong positive impact on the performance of the stock market.

We see the current market levels a good entry point for long-term investors. Therefore, we advise investors to look beyond the short-term market turmoil and build positions in the market, while keeping their long term investment objectives in mind.

B. OPERATING FINANCIAL RESULTS:

	Three months ended	
	September 30, 2022	September 30, 2021
	Rs. in million	
Revenue	6.150	29.621
Operating profit	(0.0073)	14.998
Loss after taxation	(8.701)	(8.310)
Basic loss per share	(0.033)	(0.031)

During the first quarter of the FY23, FNEL posted loss after tax of Rs. 8.7 million as compared to loss after tax of Rs. 8.3 million in the same period last year. The loss incurred during the period is mainly contributed by low trading volumes and capital loss in trading due to political uncertainty and high inflation in the country.

C. OUTLOOK:

The management is monitoring its resources and making earnest efforts to reap the maximum benefits from them for its shareholders. This involves optimizing revenue generation from core operations and further, expects significant capital gain from disinvestment of strategic investment in Kingbhai Digisol (Pvt.) Ltd. In order to maximize shareholder's return in future, company is in process to diversify and invest in wholly owned subsidiary, FNE Developments (Pvt.) Ltd.

The Board of Directors also wishes to express its gratefulness to the shareholders for their continued support and to all their employees for their ongoing dedication and commitment to the company.

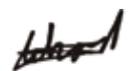
D. ACKNOWLEDGEMENT:

Directors of the company place on record their sincere appreciation for the assistance and co-operation provided by financial institutions, government authorities and other stake holders. The directors also appreciate the committed services of the employees of the Company.

For and on behalf of Board of Directors



Chief Executive Officer
October 27, 2022
Lahore



Director

ڈائریکٹرز کی رپورٹ

فرسٹ نیشنل ایکویٹیز لمیٹڈ ("کمپنی") کے ڈائریکٹرز 30 ستمبر 2022 کو ختم ہونے والی مدت کے لیے کمپنی کی رپورٹ پیش کرتے ہوئے خوش ہیں۔

A. عام مارکیٹ کا جائزہ اور مستقبل کے امکانات :

COVID-19 پاکستان کی معیشت ایک وقتاً فوقتاً ایڈجسٹمنٹ سے گزر رہی تھی، کیونکہ اس نے مالی سال 2023 کے آغاز میں اثرات سے بازیافت کی۔ حالیہ سیلاب نے بہت زیادہ انسانی اور معاشی اثرات مرتب کیے ہیں۔ سیلاب کے معاشی اثرات بہت ضروری اقتصادی ایڈجسٹمنٹ میں تاخیر کا امکان رکھتے ہیں۔ حکومت کو معاشی استحکام کی جانب پیشرفت کو برقرار رکھتے ہوئے ریلیف اور بحالی کی حمایت میں ایک مشکل پالیسی چیلنج کا سامنا ہے۔ تباہ کن سیلابوں، پالیسیوں میں سختی اور بڑے مالی اور بیرونی عدم توازن سے نمٹنے کے لیے اہم کوششوں کے درمیان پاکستان کی معیشت مالی سال 2023 میں 3.5 فیصد تک سست رہنے کی پیش گوئی کی گئی ہے۔ معاشی نقطہ نظر بڑی حد تک سیاسی استحکام کی بحالی اور اصلاحات کے مسلسل نفاذ سے تشکیل پائے گا۔

انڈیکس کے منافع منفی ہو گئے۔ سرمایہ کار سیلاب سے ہونے والی تباہی کا حساب KSE-100 کی پہلی سہ ماہی کے دوران FY2023 لگا رہے ہیں، جبکہ پاک روپے میں مسلسل کمزوری کی وجہ سے انڈیکس میں جذبات بھی ابتدائی طور پر کمزور رہے جو تقریباً اپنی آخری نچلی سطح کو چھونے لگا۔ توقع ہے کہ آنے والے ہفتوں میں مارکیٹ مثبت حیثیت کی پائیداری حاصل کر لے گی کیونکہ شرکاء پاکستان کی آمد کا شاک مارکیٹ کی USD 1.5bn سے ADB، کی گریس لٹ سے نکالے جانے پر جشن منائیں گے۔ مزید برآں FATF کو کارکردگی پر مضبوط مثبت اثر پڑے گا۔

ہم موجودہ مارکیٹ کی سطح کو طویل مدتی سرمایہ کاروں کے لیے ایک اچھا انٹری پوائنٹ دیکھتے ہیں۔ اس لیے، ہم سرمایہ کاروں کو مشورہ دیتے ہیں کہ وہ اپنے طویل مدتی سرمایہ کاری کے مقاصد کو ذہن میں رکھتے ہوئے، قلیل مدتی مارکیٹ کے ہنگاموں سے آگے دیکھیں اور مارکیٹ میں پوزیشنیں بنائیں۔

B. آپریٹنگ مالیاتی نتائج :

تین ماہ ختم ہو گئے۔		
30 ستمبر 2022	30 ستمبر 2021	
روپے ملین میں		
6.150	29.621	آمدنی
(0.0073)	14.998	آپریٹنگ منافع
(8.701)	(8.310)	ٹیکس کے بعد نقصان
(0.033)	(0.031)	فی شیئر بنیادی نقصان

کا ٹیکس کے بعد نقصان پہنچایا۔ 8.7 ملین روپے کے ٹیکس کے بعد نقصان کے Rs. نے FNEL، کی پہلی سہ ماہی کے دوران FY23 مقابلے میں پچھلے سال کی اسی مدت میں 8.3 ملین۔ اس مدت کے دوران ہونے والا نقصان بنیادی طور پر کم تجارتی حجم اور ملک میں سیاسی غیر یقینی صورتحال اور بلند افراط زر کی وجہ سے تجارت میں سرمائے کے نقصان کی وجہ سے ہے۔

C. آؤٹ لک :

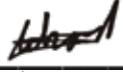
انتظامیہ اپنے وسائل کی نگرانی کر رہی ہے اور اپنے شیئر ہولڈرز کے لیے ان سے زیادہ سے زیادہ فوائد حاصل کرنے کی بھرپور کوشش کر رہی ہے۔ اس میں بنیادی کاموں سے آمدنی کی پیداوار کو بہتر بنانا شامل ہے اور مزید، کنگ بھائی ڈیجیٹل سول (پرائیویٹ) لمیٹڈ میں اسٹریٹجک سرمایہ کاری کی ڈس انویسٹمنٹ سے اہم سرمایہ حاصل ہونے کی توقع ہے۔ مستقبل میں حصص یافتگان کی واپسی ڈویلپمنٹس (پرائیویٹ) لمیٹڈ میں تنوع FNE، کو زیادہ سے زیادہ کرنے کے لیے، کمپنی مکمل ملکیتی ذیلی کمپنی، جس کا عنوان ہے پیدا کرنے اور سرمایہ کاری کرنے کا عمل جاری ہے۔

بورڈ آف ڈائریکٹرز حصص یافتگان کے مسلسل تعاون کے لیے اور اپنے تمام ملازمین کی کمپنی کے لیے مسلسل لگن اور وابستگی کے لیے اظہار تشکر کرنا چاہتا ہے۔

D. اعتراف :

کمپنی کے ڈائریکٹرز مالیاتی اداروں، حکومتی حکام اور دیگر اسٹیک ہولڈرز کی طرف سے فراہم کردہ مدد اور تعاون کے لیے اپنی مخلصانہ تعریف کرتے ہیں۔ ڈائریکٹرز کمپنی کے ملازمین کی پر عزم خدمات کو بھی سراہتے ہیں۔

بورڈ آف ڈائریکٹرز کے لیے اور اس کی جانب سے


ڈائریکٹر


چیف ایگزیکٹو آفیسر
27 اکتوبر 2022
لاہور

董事报告

First National Equities Limited (“本公司”) 董事谨此呈报本公司截至 2022 年 9 月 30 日止期间的报告。

A. 一般市场回顾和未来前景：

2023 财年初，巴基斯坦经济从 COVID-19 的影响中恢复过来，正在经历一次逾期的调整。最近的洪水对人类和经济造成了巨大的影响。洪水的经济影响可能会推迟急需的经济调整。政府在支持救济和复苏的同时保持宏观经济稳定的进展，面临着艰巨的政策挑战。由于毁灭性的洪水、政策收紧以及为解决严重的财政和外部失衡而做出的重大努力，预计巴基斯坦的经济将在 2023 财年放缓至 3.5%。经济前景将主要取决于政治稳定的恢复和改革的继续实施。

KSE-100 指数的回报在 2023 财年第一季度转为负数。投资者继续考虑洪水造成的破坏，而由于巴基斯坦卢比持续疲软，几乎触及其最低水平，该指数的情绪最初也仍然疲软。随着参与者将庆祝巴基斯坦从 FATF 的灰名单中移除，预计市场将在未来几周内获得可持续的积极状态。此外，亚行 15 亿美元资金流入的实现，将对股市表现产生强烈的积极影响。

我们认为当前的市场水平是长期投资者的良好切入点。因此，我们建议投资者超越短期市场动荡并在市场上建立头寸，同时牢记他们的长期投资目标。

B. 经营财务业绩

	三个月结束	
	<u>2022 年 9 月 30 日</u>	<u>2021 年 9 月 30 日</u>
	<u>卢比·百万</u>	
收入	6.150	29.621
营业利润	(0.0073)	14.998
损失后 税收	(8.701)	(8.310)
每股基本亏损	(0.033)	(0.031)

在 23 财年第一季度，FNEL 公布了税后亏损卢比。870 万卢比的税后损失。去年同期为 830 万。期内产生的亏损主要是由于该国的政治不确定性和高通胀导致交易量低和交易中的资本损失。

C. 展望：

管理层正在监控其资源，并认真努力为其股东获取最大利益。这涉及优化核心业务的创收，并进一步预计从对 Kingbhai Digisol (Private) Limited 的战略投资撤资中获得可观的资本收益。为了在未来最大化股东回报，公司正在多元化投资全资子公司，名为 FNE Developments (Private) Limited。

董事会还希望对股东的持续支持以及所有员工对公司的持续奉献和承诺表示感谢。

D. 致谢：

公司董事对金融机构、政府部门和其他利益相关者提供的帮助与合作表示衷心感谢。董事亦赞赏本公司雇员的尽心服务。

代表董事会



首席执行官

2022 年 10 月 27 日



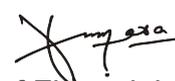
董事

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2022

	Note	(Un Audited) September 30, 2022	(Audited) Jun 30, 2022
------(Rupees)-----			
NON CURRENT ASSETS			
Property and equipment	7	37,033,229	37,264,260
Intangible assets	8	71,677,000	71,677,000
Other receivables		101,200,013	73,742,541
Investment in associate	9	76,639,124	76,639,124
Long term investment	10	48,797,511	48,797,511
Strategic investment	11	1,069,221,476	1,069,221,476
Long-term deposits		1,602,400	1,602,400
		1,406,170,753	1,378,944,312
CURRENT ASSETS			
Short-term investments	12	40,427,317	38,699,108
Trade debts	13	139,188,422	169,899,241
Loans and advances		41,826,934	1,953,105
Trade deposits and short-term prepayments	14	10,777,922	42,770,879
Other receivables		31,268,282	55,179,274
Advance tax		25,326,716	24,810,577
Cash and bank balances	15	236,145,280	223,177,151
		524,960,873	556,489,335
Total Assets		1,931,131,626	1,935,433,647
NON-CURRENT LIABILITIES			
Long-term financing	16	201,199,030	197,102,407
Loan from sponsors	17	155,175,000	155,175,000
Deferred liabilities		28,398,933	31,602,727
		384,772,963	383,880,134
CURRENT LIABILITIES			
Trade and other payables	18	252,929,107	249,318,197
Unclaimed dividend		1,399,397	1,399,397
Current portion of long-term financing		24,704,000	24,704,000
Provident fund payable		695,706	529,860
		279,728,210	275,951,454
Total Liabilities		664,501,173	659,831,588
Contingencies and commitments		-	-
Net Assets		1,266,630,453	1,275,602,059
REPRESENTED BY:			
Authorized share capital		5,000,000,000	5,000,000,000
Issued, subscribed and paid-up share capital	20	2,672,863,310	2,672,863,310
Discount on right shares		(1,508,754,317)	(1,508,754,317)
Accumulated loss		105,840,363	114,541,926
		1,269,949,356	1,278,650,919
Unrealized gain on re-measurement of investments classified as fair value through OCI		(3,318,903)	(3,048,860)
		1,266,630,453	1,275,602,059

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.


 Chief Executive Officer


 Chief Financial Officer


 Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022

	Note	Three Months Period Ended	
		September 30, 30, 2022	September 30, 31, 2021
----- (Rupees) -----			
Operating revenue	21	6,150,303	29,621,565
(Loss) on sale of investments		(3,622,429)	(14,240,338)
Unrealized (loss) on re-measurement of investments classified at fair value through profit or loss - net		(2,535,207)	(382,789)
Operating (loss)/profit		(7,333)	14,998,438
Administrative expenses		(17,145,829)	(19,742,141)
Finance cost		(4,546,678)	(6,508,752)
Other operating expenses		(1,123,052)	(1,319,337)
Other operating income		11,009,790	4,125,544
(Loss) before taxation		(11,813,102)	(8,446,248)
Taxation	23	3,111,539	136,176
(Loss) after taxation		(8,701,563)	(8,310,072)
Basic loss per share		(0.033)	(0.031)

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.


 Chief Executive Officer


 Chief Financial Officer


 Director

**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED SEPTEMBER 30, 2022**

	Three Months Period Ended	
	September 30, 30, 2022	September 30, 31, 2021
(Loss) after taxation	(8,701,563)	(8,310,072)
Items that will not be reclassified subsequently to profit or loss		
Unrealized gain / (loss) during the period in the market value of investments classified as fair value through OCI	(270,043)	(6,389,549)
Other comprehensive (loss) for the period	(270,043)	(6,389,549)
Total comprehensive (loss) for the period	(8,971,606)	(14,699,621)

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022**

	Issued, subscribed and paid-up capital	Discount on issue of right shares	Accumulated loss	Actuarial gain from remeasurement of staff retirement benefits - net of tax	Unrealized surplus / (deficit) on re-measurement of investments measured at FVOCI	Total
	-----Rupees-----					
Balance as at July 1, 2021	2,672,863,310	(1,508,754,317.00)	(184,898,786)	105,178	(1,017,918)	978,297,467
Loss after taxation for the three months ended September 30, 2021			20,091,728			20,091,728
Other comprehensive loss for the period					9,411,691	9,411,691
Balance as at September 30, 2021 (Unaudited)	<u>2,672,863,310</u>	<u>(1,508,754,317)</u>	<u>(164,807,058)</u>	<u>105,178</u>	<u>8,393,773</u>	<u>1,007,800,886</u>
Balance as at July 01, 2022	2,672,863,310	(1,508,754,317)	114,541,926	-	(3,048,860)	1,275,602,060
Loss after taxation for the three months ended September 30, 2022	-		(8,701,563)	-	-	(8,701,563)
Other comprehensive loss for the period					(270,043)	(270,043)
Balance as at September 30, 2022 (Unaudited)	<u>2,672,863,310</u>	<u>(1,508,754,317)</u>	<u>105,840,363</u>	<u>-</u>	<u>(3,318,902)</u>	<u>1,266,630,453</u>

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

**CONDENSED INTERIM STATEMENT OF CASH FLOWS UN -AUDITED
FOR THE PERIOD ENDED SEPTEMBER 30, 2022**

	Three Months ended	
	September 30, 30, 2022	September 30, 31, 2021
	------(Rupees)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	(11,813,102)	(8,446,248)
Adjustments for non cash items:		
Depreciation	231,033	199,187
Gain / (loss) on disposal of investments	3,622,429	14,240,338
Unrealized gain / (loss) on re-measurement of investments classified at fair value through profit or loss - net	2,535,207	(382,789)
Finance cost	4,546,678	6,508,752
Other operating income	(11,009,790)	(4,125,544)
	(74,443)	16,439,944
Changes in working capital	(11,887,545)	7,993,696
Decrease / (Increase) in current assets		
Trade debts	36,577,025	(143,373,712)
Loans and advances	(39,873,829)	(447,112)
Trade deposits and short-term prepayments	32,631,130	65,673,058
Other receivables	958,929	24,983,706
	30,293,255	(53,164,060)
(Decrease) / Increase in current liabilities		
Provident fund payable	165,846	-
Trade and other payables	3,610,910	(38,576,956)
	22,182,466	(83,747,320)
Finance cost paid	(450,055)	(1,817,695)
Income tax paid	(608,394)	(6,954,299)
Net cash (utilized in) / generated from operating activities	21,124,017	(92,519,314)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale / (purchase) of marketable securities	(8,155,888)	89,684,198
(Additions) / disposals of fixed assets	-	-
Long term deposits received / (paid)	-	-
Net cash generated from / (utilized in) investing activities	(8,155,888)	89,684,198
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term loans	-	-
Dividend paid	-	-
Gratuity paid	-	-
Net cash utilized in financing activities	-	-
Net increase in cash and cash equivalents	12,968,129	(2,835,116)
Cash and cash equivalents at the beginning of the period	223,177,151	230,777,747
Cash and cash equivalents at the end of the period	236,145,280	227,942,631

The annexed notes from 1 to 27 form an integral part of these condensed interim financial statements.



Chief Executive Officer



Chief Financial Officer



Director

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2022**

1. THE COMPANY AND ITS OPERATIONS

First National Equities Limited ("the Company") is a limited liability company incorporated in Pakistan under the Companies Ordinance, 1984 (now the Companies Act, 2017). Shares of the the Company are quoted on the Pakistan Stock Exchange Limited ("PSX"). The registered office of the company is situated at Room No. 1007, 10th Floor, New Stock Exchange Building, Stock Exchange Road, Karachi.

The Company is a holder of Trading Rights Entitlement Certificate ("TREC") of Pakistan Stock Exchange Limited. The principal activities of the Company include shares brokerage, consultancy services and portfolio investment.

2. STATEMENT OF COMPLIANCE

These condensed interim financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan for condensed interim financial reporting . Accounting and reporting standards applicable in Pakistan comprise of such International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") as are notified under the Companies Act, 2017 (the "Act"), and provisions of and directives issued under the Act. If and where provisions of and directives issued under the Act differ from IFRSs, the provisions of and directives issued under the Act will prevail.

3. SIGNIFICANT 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 annual published financial statements of the company for the year ended June 30, 2022.

4. ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the condensed interim financial information in conformity with approved accounting standards requires management to make estimates and assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgments and estimates made by 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, 2022.

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, 2022.

6. METHOD OF ACCOUNTING

Company adopts 'settlement date accounting' as its method of accounting.

7 PROPERTY AND EQUIPMENT

Additions during the period
Disposals during the period

(Un-audited)
September 30,
2022

(Un-audited)
September 30,
2021

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

- -
- -

8 INTANGIBLE ASSETS

Note

TRE Certificate
License to use rooms at Pakistan Stock Exchange
Building tenancy rights

(Un-audited)
September 30,
2022

(Audited)
June 30,
2022

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

2,500,000	2,500,000
67,862,000	67,862,000
1,315,000	1,315,000
71,677,000	71,677,000

9 INVESTMENT IN ASSOCIATE

Note

Investment in Coastal Company Limited
Share of profits from Associate

(Un-audited)
September 30,
2022

(Audited)
June 30,
2022

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

76,639,124	76,434,575
-	204,549
76,639,124	76,639,124

10 LONG-TERM INVESTMENT

At fair value through OCI
Unquoted:

(Un-audited)
September 30,
2022

(Audited)
June 30,
2022

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

ISE Towers REIT Management Company Limited 10.1

48,797,511

48,797,511

10.1 Company has received 3,034,603 number of shares of M/s ISE Towers REIT Management Company Limited as settlement of outstanding markup from a related party M/s Switch Securities (Pvt.) Limited. The investment was initially recorded at cost determined on the basis of breakup value available in the audited financial statements of the ISE Towers REIT Management Company Limited as at June 30, 2021. Subsequently this investment was measured at fair value and gain/(loss) charged to OCI.

11 STRATEGIC INVESTMENT

Note

	(Un-audited) September 30, 2022	(Audited) June 30, 2022
	------(Rupees)-----	
	1,069,221,476	1,069,221,476

Investment in KingBhai Digisole (Pvt.) Limited

As part of the Company's strategy to effectively deploy capital in order to deliver returns to investors in an otherwise depressed economic environment, the Company capitalized on an opportunity to invest in KingBhai Digisol (Pvt.) Limited ("KingBhai"), a technology-enabled business operating in the real estate and technology services sectors. Given the growth trajectory of these sectors and the Company's assessment of the service gap in the sectors, the Company's expects the investment to yield returns through investment value appreciation as well as dividends.

12 SHORT TERM INVESTMENTS

Note

		(Un-audited) September 30, 2022	(Audited) June 30, 2022
		------(Rupees)-----	
At FVOCI	12.1	14,593,557	14,863,600
At FVTPL	12.2	25,833,760	23,835,508
		40,427,317	38,699,108

12.1 At FVOCI

- Average cost	15,589,055	15,589,004
- Unrealized gain on re-measurement of investments	(995,498)	(725,455)
- Closing carrying value	14,593,557	14,863,549

12.2 Financial assets at fair value through profit or loss

- Average cost	28,368,967	28,249,991
- Unrealized (loss) on re-measurement of investments	(2,535,207)	(4,414,483)
- Closing carrying value	25,833,760	23,835,508

12.3 Securities having market value of Rs. 38.034 million (June 30, 2022: Rs. 36.466 million) and Rs NIL (June 30, 2022: NIL) have been pledged with Pakistan Stock Exchange and various commercial banks respectively.

TRADE DEBTS

	Note	(Un-audited) September 30, 2022	(Audited) June 30, 2022
------(Rupees)-----			
Considered good	13.1	139,188,422	169,899,241
Considered doubtful		219,021,921	219,021,921
		358,210,343	388,921,162
Less: Provision for doubtful debts		(219,021,921)	(219,021,921)
		139,188,422	169,899,241

13.1 "The Company applies a three-stage approach to measure allowance for credit losses, using an expected credit loss approach as required under IFRS 9, for financial assets measured at amortized cost. The Company's expected credit loss impairment model reflects the present value of all cash shortfalls related to default events, either over the following twelve months, or over the expected life of a financial instrument, depending on credit deterioration from inception. The allowance / provision for credit losses reflects an unbiased, probability-weighted outcomes which considers multiple scenarios based on reasonable and supportable forecasts. The Company holds securities having total fair value of Rs 2,464.288 million (June 30 2022: Rs. 2,031.751 million) owned by its clients as collateral against trade debts. "

13.2 Securities pertaining to clients amounting Rs 310.887 million (June 30, 2022: Rs. 337.919 million) have been pledged / utilized by the Company for meeting the exposure deposit requirement of the Pakistan Stock Exchange Limited with the consent from clients.

14 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

	(Un-audited) September 30, 2022	(Audited) June 30, 2022
------(Rupees)-----		
Exposure deposits	10,777,922	42,770,879
	10,777,922	42,770,879

15 CASH AND BANK BALANCES

This includes customer assets amounting Rs. 236.145 million (June 30, 2022: Rs. 223.177 million).

16 LONG TERM FINANCING

		(Un-audited) September 30, 2022	(Audited) June 30, 2022
------(Rupees)-----			
From banking companies - secured	Bank Alfalah Limited	80,559,921	78,969,938
	The Bank of Punjab	130,393,008	127,886,368
Other loans		14,950,101	14,950,101
		225,903,030	221,806,407
Less: Current portion of long-term financing		(24,704,000)	(24,704,000)
		201,199,030	197,102,407

16.1 The Company obtained financing from Bank Alfalah Limited ("BAF") for working capital requirements and in order to improve liquidity. The liability was restructured / rescheduled vide an agreement dated June 08, 2020. Under the terms of the restructuring, multiple loan tranches were merged. The restructured loan liability, which is interest-free, has been recognized at the present value of future payments, discounted at the KIBOR, and the related present value gains/(losses) were recognized in the statement of profit or loss. The related notional expense is being amortized over the term of the liability (from December 2020 to June 2027). During the year ended June 30, 2022, the Company made a repayment of Rs. 2 million (2021: Rs. 2 million). This facility is secured against pledged shares of different companies, hypothecation charge over present and future receivables of the company and personal guarantee of directors/mortgagors of the company.

16.2 Financing from the Bank of Punjab has been restructured/rescheduled vide an offer letter dated December 22, 2021, wherein the Bank has agreed to settle the previous running finance facility amounting Rs. 200 million through restructuring/rescheduling on the following terms and conditions:

Outstanding principle amounting to Rs. 97.504 million will be repaid in 48 quarterly installments starting from March 31, 2022 till December 2033 with a down payment of Rs. 0.850 million. Future COF bearing mark-up quarterly at the rate advised by SBP from time to time will be waived/ written off at tail end subject to regular repayment of entire outstanding principle without any default.

Outstanding past mark-up amounting to Rs. 103.198 million bears no future mark-up. This balance of Rs. 103.198 million will be waived/written off at the tail end subject to no default.

The restructured loan liability, which is interest-free, has been recognized at the present value of future payments, discounted at the cost of funds defined by Bank, and the related present value gains/(losses) were recognized in the statement of profit or loss.

(Un-audited) September 30, 2022	(Audited) June 30, 2022
----- (Rupees) -----	

17 LOAN FROM SPONSORS

Loan from sponsors - Subordinated	17.1	155,175,000	155,175,000
		155,175,000	155,175,000
Less: current portion		--	
		155,175,000	155,175,000

17.1 The loan has been obtained for working capital purpose and utilized for the same. This loan is interest free as per the requirements of the Section 71 (1) (a) of the Securities Act, 2015.

18 TRADE AND OTHER PAYABLES

This includes amount Rs. 92.583 Million (June 30, 2022: Rs. 87.681 million) payable to clients of the company.

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

a) Trade and other payable of the company include an amount of Rs. 143.353 million payable to M/S Abandoned Properties Organization (APO) against which APO has additional claims against the company and the matter is under litigation in the Sindh High Court since april 5, 2013. The company's legal counsel is of the view that the company has a favorable case based on merit. Accordingly, the Company has not provided the APO's additional claims against the company.

b) Civil litigation in the Sindh High Court is under process between Sindh Industrial Trading Estate (S.I.T.E.) and the Company, for dispute of over and above markup after repayment as per agreement. the company has settled its liability in the light of court order dated October 21, 2013 by making payments amounting to Rs. t220 million. The company based on reasonable grounds, expects that the ultimate outcome of the case will be in the favor of the company.

c) The Assistant Commissioner, Sindh Revenue Board has started audit proceedings on the basis of audited accounts for the tax period July 2014 to June 2020 and consequently passed order dated 2 February, 2022 creating a demand of Rs. 12.028 million. The company has challenged the order before Commissioner (Appeals) Sindh Revenue Board. The company, based on reasonable grounds, expects that the ultimate outcome of the case will be in the favour of the company.

d) Securities & Exchange Commission of Pakistan has filed a petition in January 2016 against the company under Companies Jurisdiction in High Court with a prayer to seek directions of the Honorable Court to compel the company to repurchase its shares from the minority share holders, because of deteriorating financial condition of the company in 2016. The company, based on reasonable grounds and advise of legal counsel expects that the ultimate outcome of the case will be in the favor of the company and the said petition will be dismissed.

e) The company has filed writ petition in Lahore High Court against SECP for impugned investigation order dated 02-03-2021 and court has granted stay on it.

19.2 Commitments

- 19.2.1** Outstanding settlements against sale of investments in regular market
Outstanding settlements against purchase of investments in regular market

Note

	(Un-audited) September 30, 2022	(Audited) June 30, 2022
	547,108	424,915
		12,567,739

20 SHARE CAPITAL

Authorized capital

500,000,000 (2017: 500,000,000) Ordinary shares of Rs. 10 each

Issued, subscribed and paid-up share capital

50,000,000 Ordinary shares of Rs. 10 each issued for cash
7,500,000 Ordinary shares of Rs. 10 each issued as fully paid bonus shares
80,500,000 Ordinary shares of Rs. 10 each issued fully paid in cash as right shares at discount
3,809,831 Ordinary shares of Rs. 10 each issued fully paid in cash as right shares at discount
125,476,500 Ordinary shares of Rs. 10 each issued fully paid in cash as right shares at discount

	(Un-audited) September 30, 2022	(Audited) June 30 2022
	5,000,000,000	5,000,000,000

5,000,000,000 **5,000,000,000**

	500,000,000	500,000,000
	75,000,000	75,000,000
	805,000,000	805,000,000
	38,098,310	38,098,310
	1,254,765,000	1,254,765,000

2,672,863,310 **2,672,863,310**

21 OPERATING REVENUE

Brokerage Income
Dividend Income

	(Un-audited) September 30, 2022	(Un-audited) September 30 2021
	6,150,303	29,621,565
	-	-

6,150,303 **29,621,565**

22 TURNOVER BY SEGMENT

Retail customers
Institutional Customers

	(Un-audited) September 30, 2022	(Un-audited) September 30 2021
	6,098,908	22,122,020
	51,395	7,499,545

6,150,303 **29,621,565**

23 TAXATION

- Current tax (expense)
- deferred tax income/

	(92,255)	(553,358)
	3,203,794	689,534

3,111,539 **136,176**

24 RELATED PARTY TRANSACTIONS

The Company has related party relationships with its associated undertakings, directors and key management personnel. The following transactions were carried out with related parties during the period:

For the Period ended September 30, 2022 (Un-audited)

Key Management	Associates	Other related parties	Total
----------------	------------	-----------------------	-------

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

Transactions during the period

Purchase of marketable securities for and on behalf of	1,627,864,081	497,353,883	5,613,116,793	7,738,334,757
Sale of marketable securities for and on behalf of	1,623,964,474	508,718,239	5,622,851,813	7,755,534,526
Brokerage income	-	-	-	-
Remuneration to key management personnel	5,182,233	-	-	-
Provident fund trust-contribution accrued to staff provident fund	-	-	695,706	695,706

For the Year ended June 30, 2022 (Audited)

Key Management	Associates	Other related parties	Total
----------------	------------	-----------------------	-------

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

Transactions during the year

Purchase of marketable securities for and on behalf of	16,190,349,696	16,873,511,492	44,915,648,182	77,979,509,370
Sale of marketable securities for and on behalf of	16,197,525,322	16,778,696,741	44,954,767,924	77,930,989,987
Brokerage income	1,115,248	2,947,840	9,762,178	13,825,266
Remuneration to key management personnel	-	-	-	-
Advance provided for purchase of IT equipments	-	-	9,400,000	9,400,000
Advance received back	-	-	9,400,000	9,400,000
Provident fund trust-contribution accrued to staff provident fund	-	-	529,860	529,860

25 SHAREHOLDERS HOLDING 5% OR MORE

SHAREHOLDERS NAME	Un-audited September 30, 2022		Audited June 30, 2022		Change
	Shares Held	Percentage	Shares Held	Percentage	
First Florence Developers (Pvt.) Limited	82,972,650	31.04%	82,972,650	31.04%	-
Ali Aslam Malik	29,756,134	11.13%	29,756,134	11.13%	-

26 GENERAL

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

27 DATE OF AUTHORISATION

These condensed interim financial statements were authorized for issue on **October 27, 2022** by the Board of Directors of the Company.


Chief Executive Officer


Chief Financial Officer


Director



Branches Network

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