

FIRST NATIONAL EQUITIES LIMITED

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第一全国证券有限公司

**2023**

QUARTERLY REPORT

季度报告



(Un-audited) For the Period Ended  
March 31, 2023.

(未经审计) 期末 2023 年 3 月 31 日

[www.fnetrade.com](http://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

### 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

### HR & Remuneration Committee:

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

### Company Secretary

Mr. Arslan Tahir

### Chief Financial Officer:

Ms. Ammara Zakriya

### Auditors:

Tariq Abdul Ghani Maqbool & Co.  
Chartered Accountants Lahore.

### Legal Advisor:

Chaudry Law Company

### Shares Registrar:

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

### Bankers:

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

### Registered Office:

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



## DIRECTORS' REPORT

Directors of First National Equities Limited (“the Company”) are pleased to present the report of the company for the period ended March 31, 2023.

### A. GENERAL ECONOMIC REVIEW AND FUTURE PROSPECTS:

Pakistan’s economy is currently under severe stress with low foreign reserves, a depreciating currency, and high inflation. With high public consumption, economic growth increased substantively above potential in FY22 that led to strong pressures on domestic prices, external and fiscal sectors, the exchange rate, and foreign reserves. These imbalances were exacerbated by the catastrophic flooding in 2022, surging world commodity prices, tightening global financing conditions, and domestic political uncertainty. Furthermore, distortive policy measures, including periods of informal exchange rate restrictions and import controls, delayed the IMF program, and contributed to creditworthiness downgrades, lower confidence, high yields and interest payments, and the loss of access to international capital market. Economic growth is expected to slow and remain below potential in the medium-term. Real GDP growth is expected to slow sharply to 0.4 percent, reflecting corrective tighter fiscal policy, flood impacts, high inflation, high energy prices and import controls. Agricultural output is expected to contract for the first time in more than 20 years due to the floods. Industry output is also expected to shrink with supply chain disruptions, weakened confidence, higher borrowing costs and fuel prices, and heightened uncertainty.

The drop in Pakistan Stock Exchange index so far has not been spectacular but steady. After the customary January increase – the index has come down 2 percent from the start of 2023 and is down 9 percent from a year ago. Business and consumer confidence indices have repeatedly shown negative trends, inflation has breached a 50-year high, reserves are razor thin, and the interest rates may not have peaked yet. The KSE-100 index too has had a long-standing firm relationship with 10-year market yields, which have softened of late, as short-term yield, go up. There could still be a bull run in that context – but that is most likely to fade sooner than later, as all fundamentals point towards more struggle – both on economic and political fronts.

**B. SEGMENT ANALYSIS:**

Standard & Poor's credit rating for Pakistan stands at CCC+ with stable outlook. Moody's credit rating for Pakistan was last set at Caa3 with stable outlook. Fitch's credit rating for Pakistan was last reported at CCC- with n/a outlook.

**C. OPERATING FINANCIAL RESULTS:**

Following is the financial summary of comparative results:

	Nine months ended		Three months ended	
	31 March, 2023	31 March, 2022	31 March, 2023	31 March, 2022
Operating revenue	16,789,853	52,279,818	3,776,580	8,284,859.0
Operating loss	(3,179,638)	(7,286,588)	(2,231,714)	(31,687,595)
(Loss) / profit after taxation	(56,585,678)	9,458,603	(22,735,781)	(51,601,436)
Basic (loss)/earning per share	(0.179)	0.073	(0.031)	(0.190)

During the nine months period ended on March 31, 2023, FNEL posted loss after tax of Rs. 56.585 million as compared to profit after tax of Rs. 9.458 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.

**D. APPRECIATION AND ACKNOWLEDGEMENT:**

The board of First National Equities Limited feels honored on the continued support and appreciation of SECP, PSX, NCCPL, CDC and other regulatory bodies. And of all shareholders and customers of the company for their trust, and our employees for their continuous dedication and commitment.

For and on behalf of Board of Directors

**Ali A. Malik**  
Chief Executive Officer

**Amir Shehzad**  
Director

April 27, 2023.

Lahore.

## ڈائریکٹرز کی رپورٹ

فرسٹ نیشنل ایجوٹیز لمیٹڈ ("کمپنی") کے ڈائریکٹرز 31 مارچ 2023 کو ختم ہونے والی مدت کے لیے کمپنی کی رپورٹ پیش کرتے ہوئے خوش ہیں۔

### A. عام مارکیٹ کا جائزہ اور مستقبل کے امکانات:

پاکستان کی معیشت اس وقت کم زرمبادلہ کے ذخائر، کرنسی کی قدر میں کمی اور مہنگائی کی بلند شرح کے باعث شدید دباؤ کا شکار ہے۔ زیادہ عوامی کھپت کے ساتھ، مالی سال 22 میں معاشی نمو ممکنہ حد سے زیادہ بڑھ گئی جس کی وجہ سے ملکی قیمتوں، بیرونی اور مالیاتی شعبوں، شرح مبادلہ اور غیر ملکی ذخائر پر سخت دباؤ پڑا۔ یہ عدم توازن 2022 میں آنے والے تباہ کن سیلاب، عالمی اجناس کی قیمتوں میں اضافے، عالمی مالیاتی حالات میں سختی، اور ملکی سیاسی غیر یقینی صورتحال کی وجہ سے بڑھ گئے تھے۔ مزید برآں، مسخ کرنے والے پالیسی اقدامات، پروگرام میں تاخیر کی، اور IMF بشمول غیر رسمی شرح مبادلہ کی پابندیوں اور درآمدی کنٹرول کے ادوار، نے قرض کی اہلیت میں کمی، کم اعتماد، زیادہ پیداوار اور سود کی ادائیگیوں، اور بین الاقوامی کیپٹل مارکیٹ تک رسائی کے نقصان میں اہم کردار ادا کیا۔ درمیانی مدت میں اقتصادی ترقی کی رفتار سست اور ممکنہ سے کم رہنے کی توقع ہے۔ حقیقی جی ڈی پی کی شرح نمو تیزی سے 0.4 فیصد تک سست ہونے کی توقع ہے، جو کہ اصلاحی سخت مالیاتی پالیسی، سیلاب کے اثرات، بلند افراط زر، توانائی کی بلند قیمتوں اور درآمدی کنٹرول کی عکاسی کرتی ہے۔ سیلاب کی وجہ سے 20 سال سے زائد عرصے میں پہلی بار زرعی پیداوار میں کمی متوقع ہے۔ سپلائی چین میں رکاوٹوں، کمزور اعتماد، زیادہ قرض لینے کی لاگت اور ایندھن کی قیمتوں، اور بڑھتی ہوئی غیر یقینی صورتحال کے ساتھ صنعتی پیداوار کے سکرٹنے کی بھی توقع ہے۔

پاکستان اسٹاک ایکسچینج انڈیکس میں اب تک کی کمی شاندار نہیں بلکہ مستحکم رہی ہے۔ روایتی جنوری میں اضافے کے بعد - انڈیکس 2023 کے آغاز سے 2 فیصد نیچے آیا ہے اور ایک سال پہلے کے مقابلے میں 9 فیصد کم ہے۔ کاروباری اور صارفین کے اعتماد کے اشاریہ جات نے بار بار منفی رجحانات دکھائے ہیں، افراط زر نے 50 سال کی KSE-100 بلند ترین سطح کو توڑ دیا ہے، ذخائر بہت کم ہیں، اور سود کی شرحیں شاید ابھی عروج پر نہیں ہیں۔ انڈیکس کا بھی 10 سالہ مارکیٹ کی پیداوار کے ساتھ ایک دیرینہ مضبوط تعلق رہا ہے، جو کہ دیر سے نرم ہوا ہے، قلیل مدتی پیداوار کے طور پر، اوپر جاتا ہے۔ اس سیاق و سباق میں اب بھی بیل کی دوڑ ہو سکتی ہے۔ لیکن یہ جلد ہی ختم ہونے کا امکان ہے، کیونکہ تمام بنیادی باتیں معاشی اور سیاسی دونوں محاذوں پر مزید جدوجہد کی طرف اشارہ کرتی ہیں۔



**B. طبقہ تجزیہ :**

پاکستان کے لیے اسٹینڈرڈ اینڈ پورز کی کریڈٹ ریٹنگ مستحکم آؤٹ لک کے ساتھ CCC+ پر ہے۔ پاکستان کے لیے موڈیز کی کریڈٹ ریٹنگ آخری مرتبہ مستحکم آؤٹ لک کے ساتھ Caa3 پر رکھی گئی تھی۔ پاکستان کے لیے فچ کی کریڈٹ ریٹنگ آخری بار CCC میں رپورٹ کی گئی تھی۔

**C. آپریٹنگ مالیاتی نتائج :**

تین ماہ ختم ہو گئے۔		نومہ ختم ہو گئے۔		
31 مارچ، 2022	31 مارچ، 2023	31 مارچ، 2022	31 مارچ، 2023	
8,284,859.0	3,776,580	52,279,818	16,789,853	آپریٹنگ آمدنی
(31,687,595)	(2,231,714)	(7,286,588)	(3,179,638)	آپریٹنگ نقصان
(51,601,436)	(22,735,781)	9,458,603	(56,585,678)	کمائی ٹیکس کے بعد منافع / (نقصان)
(0.190)	(0.031)	0.073	(0.179)	بنیادی (نقصان) / کمائی فی شیئر

31 مارچ 2023 کو ختم ہونے والی نومہ کی مدت کے دوران، FNE نے Rs. 56.585 ملین روپے بعد از ٹیکس نقصان کے مقابلے پچھلے سال کی اسی مدت میں 9.458 ملین منافع کیا۔ 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۔

**D. تعریف اور اعتراف**

اور دیگر ریگولیٹری اداروں کی مسلسل حمایت اور تعریف پر فخر SECP، PSX، NCCPL، CDC فرسٹ نیشنل ایجوٹیز لمیٹڈ کا بورڈ محسوس کرتا ہے۔ اور کمپنی کے تمام شیئرز ہولڈرز اور صارفین کو ان کے اعتماد کے لیے، اور ہمارے ملازمین کو ان کی مسلسل لگن اور عزم کے لیے۔

بورڈ آف ڈائریکٹرز کے لیے اور اس کی جانب سے



ڈائریکٹر



چیف ایگزیکٹو آفیسر



## 董事报告

First National Equities Limited (“公司”) 董事欣然呈上公司截至 2023 年 3 月 31 日止期间的报告。

### A. 总体市场回顾和未来前景：

巴基斯坦经济目前承受着外汇储备低、货币贬值和高通胀的严重压力。由于公共消费高企，22 财年经济增长大幅高于潜力，导致国内价格、外部和财政部门、汇率和外汇储备承受巨大压力。2022 年的灾难性洪水、世界大宗商品价格飙升、全球融资条件收紧以及国内政治不确定性加剧了这些失衡。此外，包括非正式汇率限制和进口管制时期在内的扭曲性政策措施推迟了国际货币基金组织的计划，并导致信用评级下调、信心下降、高收益和高利息支付以及无法进入国际资本市场。经济增长预计将放缓，并在中期仍低于潜力水平。实际 GDP 增长预计将大幅放缓至 0.4%，反映出纠正性收紧财政政策、洪水影响、高通胀、高能源价格和进口管制。由于洪水，预计农业产量将出现 20 多年来的首次收缩。由于供应链中断、信心减弱、借贷成本和燃料价格上涨以及不确定性增加，预计行业产出也将萎缩。



到目前为止，巴基斯坦证券交易所指数的跌幅并不惊人，但稳定。在经历了 1 月份的惯常上涨后，该指数自 2023 年初以来下跌了 2%，比一年前下跌了 9%。商业和消费者信心指数一再显示出负面趋势，通货膨胀率已突破 50 年来的高位，储备金非常少，利率可能尚未见顶。KSE-100 指数也与 10 年期市场收益率有着长期稳固的关系，随着短期收益率上升，10 年期市场收益率最近有所走软。在这种情况下仍可能出现牛市——但这种情况迟早会消退，因为所有基本面都指向更多的斗争——无论是在经济还是政治方面。

## B. 细分市场分析：

标准普尔对巴基斯坦的信用评级为 CCC+，展望稳定。穆迪对巴基斯坦的信用评级最后定为 Caa3，展望稳定。惠誉最近公布的巴基斯坦信用评级为 CCC-，展望为 n/a。

## C. 经营财务结果：

	九个月结束		三个月结束	
	2023 年 3 月 31 日	2022 年 3 月 31 日	2023 年 3 月 31 日	2022 年 3 月 31 日
营业收入	16,789,853	52,279,818	3,776,580	8,284,859.0
经营亏损	(3,179,638)	(7,286,588)	(2,231,714)	(31,687,595)
(亏损) / 盈利 税后 基本的	(56,585,678)	9,458,603	(22,735,781)	(51,601,436)
(亏损) / 每股收益	(0.179)	0.073	(0.031)	(0.190)

在截至 2023 年 3 月 31 日的九个月期间, FNEL 的税后亏损为卢比。5658.5 万卢比的税后利润。去年同期为945.8万元。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资本损失。

#### D. 赞赏和承认:

First National Equities Limited 董事会对 SECP、PSX、NCCPL、CDC 和其他监管机构的持续支持和赞赏感到荣幸。以及公司所有股东和客户的信任, 以及我们员工不断的奉献和承诺。

#### 代表董事会



首席执行官



导演

2023 年 4 月 27 日

拉合尔



## CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN-AUDITED) AS AT MARCH 31, 2023

	Note	(Un Audited) March 31, 2023	(Audited) Jun 30, 2022
------(Rupees)-----			
<b>NON CURRENT ASSETS</b>			
Property and equipment	7	36,802,196	37,264,260
Intangible assets	8	66,221,000	71,677,000
Long term-other receivables		103,627,689	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
		<b>1,402,911,396</b>	<b>1,378,944,312</b>
<b>CURRENT ASSETS</b>			
Short-term investments	12	24,402,520	38,699,108
Trade debts	13	117,047,340	169,899,241
Loans and advances		967,439	1,953,105
Trade deposits and short-term prepayments	14	15,235,809	42,770,879
Other receivables		31,282,261	55,179,274
Advance tax		24,970,431	24,810,577
Cash and bank balances	15	284,532,346	223,177,151
		<b>498,438,146</b>	<b>556,489,335</b>
<b>Total Assets</b>		<b>1,901,349,542</b>	<b>1,935,433,647</b>
<b>NON-CURRENT LIABILITIES</b>			
Long-term financing	16	205,390,319	197,102,407
Loan from sponsors	17	155,175,000	155,175,000
Deferred liabilities		22,681,039	31,602,727
		<b>383,246,358</b>	<b>383,880,134</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	18	259,657,169	249,318,197
Unclaimed dividend		1,399,397	1,399,397
Current portion of long-term financing		30,356,000	24,704,000
Provident fund payable		1,829,934	529,860
		<b>293,242,500</b>	<b>275,951,454</b>
<b>Total Liabilities</b>		<b>676,488,858</b>	<b>659,831,588</b>
<b>Contingencies and commitments</b>	19	-	-
<b>Net Assets</b>		<b>1,224,860,684</b>	<b>1,275,602,059</b>
<b>REPRESENTED BY:</b>			
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 profit		66,676,047	114,541,926
		<b>1,230,785,040</b>	<b>1,278,650,919</b>
Unrealized gain on re-measurement of investments classified as fair value through OCI		(5,924,356)	(3,048,860)
		<b>1,224,860,684</b>	<b>1,275,602,059</b>

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 PROFIT OR LOSS (UN-AUDITED)  
AS AT MARCH 31, 2023**

	Note	Nine Months Period Ended		Three Months Period Ended	
		March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
(Rupees)					
Operating revenue	21	16,789,853	52,279,818	3,776,580	8,284,859.0
Loss on sale of investments		(17,298,684)	(52,627,338)	(8,982,038)	(40,016,784.0)
Unrealized (loss)/gain on re-measurement of investments classified at fair value through profit or loss - net		(2,670,807)	(6,939,068)	2,973,744	44,330.0
<b>Operating loss</b>		<b>(3,179,638)</b>	<b>(7,286,588)</b>	<b>(2,231,714)</b>	<b>(31,687,595)</b>
Administrative expenses		(49,449,513)	(55,786,774)	(12,184,042)	(16,893,393)
Finance cost		(15,337,380)	(14,806,232)	(5,020,729)	(5,618,178)
Other operating expenses		(2,020,778)	(3,050,444)	(443,647)	(775,492)
Other operating income		13,401,631	89,703,216	(2,855,649)	3,373,222
Share of profit of associate			685,425		
<b>(Loss) / profit before taxation</b>		<b>(56,585,678)</b>	<b>9,458,603</b>	<b>(22,735,781)</b>	<b>(51,601,436)</b>
Taxation	23	8,676,662	9,924,993	14,484,521	830,652
<b>(Loss) / profit after taxation</b>		<b>(47,909,016)</b>	<b>19,383,596</b>	<b>(8,251,260)</b>	<b>(50,770,784)</b>
Basic (loss)/earning per share		(0.179)	0.073	(0.031)	(0.190)

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 MARCH 31, 2023**

	Nine Months Period Ended		Three Month Period Ended	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
(Loss)/gain after taxation	(47,909,016)	19,383,596	(8,251,260)	(50,770,784)
Items that will not be reclassified subsequently to profit or loss				
Unrealized (loss)/gain during the period in the market value of investments classified as fair value through OCI	(2,875,496)	3,154,147	239,283	15,585,102
Other comprehensive (loss)/gain for the period	(2,875,496)	3,154,147	3,354,062	15,585,102
<b>Total comprehensive (loss)/gain for the period</b>	<b>(50,784,512)</b>	<b>22,537,743</b>	<b>(4,897,198)</b>	<b>(35,185,682)</b>

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 MARCH 31, 2023

	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)	(542,380)	263,921	17,009,501	1,180,840,035
Profit after taxation for the nine months ended March 31, 2022			19,383,596		-	19,383,596
Other comprehensive gain for the period					3,154,147	3,154,147
Balance as at March 31, 2022 (Unaudited)	2,672,863,310	(1,508,754,317)	18,841,216	263,921	20,163,648	1,203,377,778
Profit after taxation for the three months ended June 30, 2022			95,436,787			95,436,787
Other comprehensive loss for the period					(23,212,508.0)	(23,212,508)
Transferred from actuarial gain from remeasurement staff retirement benefits- net of tax			263,921	(263,921)		-
<b>Balance as at June 30, 2022 (Audited)</b>	<b>2,672,863,310</b>	<b>(1,508,754,317)</b>	<b>114,541,924</b>	<b>-</b>	<b>(3,048,860)</b>	<b>1,275,602,057</b>
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 nine months ended March 31, 2023	-		(47,865,879)	-	-	(47,865,879)
Other comprehensive loss for the period					(2,875,496)	(2,875,496)
<b>Balance as at March 31, 2023 (Unaudited)</b>	<b>2,672,863,310</b>	<b>(1,508,754,317)</b>	<b>66,676,047</b>	<b>-</b>	<b>(5,924,355)</b>	<b>1,224,860,684</b>

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 CASH FLOW STATEMENT (UNAUDITED) FOR THE PERIOD ENDED MARCH 31, 2023

	Nine Months ended	
	March 31, 2023	March 31, 2022
	------(Rupees)-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/Profit before taxation	<b>(56,585,678)</b>	9,458,603
<b>Adjustments for non cash items :</b>		
Depreciation	<b>462,066</b>	652,820
loss on disposal of investments	<b>17,298,684</b>	52,627,338
Unrealized loss on re-measurement of investments classified at fair value through profit or loss - net	<b>2,670,807</b>	6,939,068
Finance cost	<b>15,337,380</b>	14,806,232
Provision for expected credit losses	-	5,440,540
Share of profit of associate	-	(685,425)
Other operating income	<b>(13,401,631)</b>	(89,703,216)
	<b>22,367,306</b>	(9,922,643)
<b>Changes in working capital</b>	<b>(34,218,372)</b>	(464,040)
<b>Decrease / (Increase) in current assets</b>		
Trade debts	<b>54,577,323</b>	(108,144,967)
Loans and advances	<b>985,666</b>	(8,588,199)
Trade deposits and short-term prepayments	<b>28,781,209</b>	76,495,200
Other receivables	<b>7,541,070</b>	41,000,000
	<b>91,885,268</b>	762,034
<b>(Decrease) / Increase in current liabilities</b>		
Provident fund payable	<b>1,300,074</b>	-
Trade and other payables	<b>18,195,984</b>	(65,314,208)
	<b>69,305,942</b>	(65,016,214)
Finance cost paid	<b>(721,468)</b>	3,856,339
Income tax paid	<b>(677,988)</b>	(3,658,963)
<b>Net cash (utilized in) / generated from operating activities</b>	<b>67,906,486</b>	(64,818,838)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale / (purchase) of marketable securities	<b>(8,275,291)</b>	46,919,693
(Additions) / disposals of fixed assets	-	(480,548)
(Additions) / disposals of intangible assets	<b>2,400,000</b>	-
<b>Net cash generated from / (utilized in) investing activities</b>	<b>(5,875,291)</b>	46,439,145
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long-term loans	<b>(676,000)</b>	(1,850,002)
Dividend paid	-	-
Gratuity paid	-	(13,765,922)
<b>Net cash utilized in financing activities</b>	<b>(676,000)</b>	(15,615,924)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>61,355,195</b>	(33,995,617)
<b>Cash and cash equivalents at the beginning of the period</b>	<b>223,177,151</b>	230,777,747
<b>Cash and cash equivalents at the end of the period</b>	<b>284,532,346</b>	196,782,130

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

  
Chief Executive Officer

  
Chief Financial Officer

  
Director



## 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 FNE House, 179-B Abu bakar block, New Garden Town , Lahore.

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

	(Un-audited) March 31, 2023	(Audited) June 30 2022
	----- (Rupees) -----	
Additions during the period	-	805,625
Disposals during the period	-	-

## 8. INTANGIBLE ASSETS

	(Un-audited) March 31, 2023	(Audited) June 30 2022
	----- (Rupees) -----	
TRE Certificate	2,500,000	2,500,000
License to use rooms at PSX.	62,406,000	67,862,000
Building tenancy rights	1,315,000	1,315,000
	<b>66,221,000</b>	71,677,000

## 9. INVESTMENT IN ASSOCIATE

	(Un-audited) March 31, 2023	(Audited) June 30 2022
	----- (Rupees) -----	
Investment in Coastal Company Limited	76,639,124	76,434,575
Share of profits from Associate	-	204,549
	<b>76,639,124</b>	<b>76,639,124</b>



## 10. LONG-TERM INVESTMENT

	Note	(Un-audited) March 31, 2023	(Audited) June 30 2022
<i>At fair value through OCI</i>			
Unquoted:		------(Rupees)-----	
ISE Towers REIT Management Company Limited	10.1	48,797,511	48,797,511

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) March 31, 2023	(Audited) June 30 2022
------(Rupees)-----			
Investment in KingBhai Digisole (Pvt.) Limited		<u>1,069,221,476</u>	<u>1,069,221,476</u>

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) March 31, 2023	(Audited) June 30 2022
------(Rupees)-----			
At FVOCI	12.1	12,261,212	14,863,600
At FVTPL	12.2	<u>12,141,308</u>	<u>23,835,508</u>
		<u>24,402,520</u>	<u>38,699,108</u>
<b>12.1 At FVOCI</b>			
- Average cost		15,589,055	15,589,004
- Unrealized loss on re-measurement of investments		(3,327,843)	(725,455)
- Closing carrying value		12,261,212	14,863,549
<b>12.2 Financial assets at fair value through profit or loss</b>			
- Average cost		14,812,115	28,249,991
- Unrealized loss on re-measurement of investments		(2,670,807)	(4,414,483)
- Closing carrying value		12,141,308	23,835,508



- 12.3** Securities having market value of Rs. 22.636 million (June 30, 2022: Rs. 36.466 million) and Rs NIL (June 30, 2021: NIL) have been pledged with Pakistan Stock Exchange and various commercial banks respectively.

### 13. TRADE DEBTS

	<b>Note</b>	<b>(Un-audited) March 31, 2023</b>	<b>(Audited) June 30 2022</b>
------(Rupees)-----			
Considered good	<b>13.1</b>	<b>117,047,340</b>	169,899,241
Considered doubtful		<b>219,021,921</b>	219,021,921
		<b>336,069,261</b>	388,921,162
Less: Provision for doubtful debts		<b>(219,021,921)</b>	(219,021,921)
		<b>117,047,340</b>	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 3,107.325 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 50.671 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

	<b>(Un-audited) March 31, 2023</b>	<b>(Audited) June 30 2022</b>
------(Rupees)-----		
Exposure deposits	<b>15,235,809</b>	42,770,879
	<b>15,235,809</b>	42,770,879

### 15. CASH AND BANK BALANCES

This includes customer assets amounting Rs. 102.167 million (June 30, 2022: Rs. 223.177 million).



## 16. LONG TERM FINANCING

		Note	(Un-audited) March 31, 2023	(Audited) June 30 2022
			------(Rupees)-----	
From banking companies - secured	Bank Alfalah Limited	16.1	85,926,917	78,969,938
	The Bank of Punjab	16.2	134,869,301	127,886,368
Other loans			14,950,101	14,950,101
			<u>235,746,319</u>	<u>221,806,407</u>
Less: Current portion of long-term financing			<u>(30,356,000)</u>	<u>(24,704,000)</u>
			<u>205,390,319</u>	<u>197,102,407</u>

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.

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.

## 17. LOAN FROM SPONSORS

	Note	(Un-audited) March 31, 2023	(Audited) June 30 2022
		------(Rupees)-----	
Loan from sponsors - Subordinated	17.1	<u>155,175,000</u>	<u>155,175,000</u>
		<u>155,175,000</u>	<u>155,175,000</u>
Less: current portion		<u>-</u>	<u>-</u>
		<u>155,175,000</u>	<u>155,175,000</u>



- 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. 100.690 Million (June 30, 2022: Rs. 87.681 million) payable to clients of the company.

## 19. CONTINGENCIES AND COMMITMENTS

### 19.1 Contingencies

There are no significant changes in contingencies and commitments from those disclosed in the preceding annual financial statements of the company for the year ended June 30, 2022.

<b>19.2</b>	<b>Commitments</b>	<b>Note</b>	<b>(Un-audited) March 31, 2023</b>	<b>(Audited) June 30 2023</b>
			<b>------(Rupees)-----</b>	
<b>19.2.1</b>	Outstanding settlements against sale of investments in regular market		<b>47,352</b>	424,915
	Outstanding settlements against purchase of investments in regular market		-	12,567,739

## 20. SHARE CAPITAL

	<b>(Un-audited) March 31, 2023</b>	<b>(Audited) June 30 2023</b>
<b>------(Rupees)-----</b>		
<b>Authorized capital</b>		
500,000,000 (2017: 500,000,000) Ordinary shares of Rs. 10 each	<b>5,000,000,000</b>	5,000,000,000
<b>Issued, subscribed and paid-up share capital</b>		
50,000,000 Ordinary shares of Rs. 10 each issued for cash	<b>500,000,000</b>	500,000,000
7,500,000 Ordinary shares of Rs. 10 each issued as fully paid bonus shares	<b>75,000,000</b>	75,000,000
80,500,000 Ordinary shares of Rs. 10 each issued fully paid in cash as right shares at discount	<b>805,000,000</b>	805,000,000
3,809,831 Ordinary shares of Rs. 10 each issued fully paid in cash as right shares at discount	<b>38,098,310</b>	38,098,310
125,476,500 Ordinary shares of Rs. 10 each issued fully paid in cash as right shares at discount	<b>1,254,765,000</b>	1,254,765,000
	<b>2,672,863,310</b>	2,672,863,310

## 21. OPERATING REVENUE

	<b>(Un-audited) March 31, 2023</b>	<b>(Audited) September 30 2023</b>
<b>------(Rupees)-----</b>		
Brokerage Income	<b>16,789,853</b>	52,279,818
Dividend Income	<b>1,972,492</b>	-
	<b>18,762,345</b>	52,279,818



## 22. TURNOVER BY SEGMENT

	(Un-audited) March 31, 2023	(Audited) September 30 2023
	------(Rupees)-----	
Retail customers	16,644,409	22,122,020
Institutional	145,444	7,499,545
	<u>16,789,853</u>	<u>29,621,565</u>

## 23. TAXATION

- Current tax (expense)	(518,134)	(553,358)
- deferred tax income/	9,194,796	689,534
	<u>8,676,662</u>	<u>136,176</u>

## 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 March 31, 2023 (Un-audited)			
	Key Management	Associates	Other related parties	Total
	------(Rupees)-----			
Transactions during the period				
Purchase of marketable securities for and on behalf of	2,726,572,229	529,029,457	10,649,861,368	13,905,463,054
Sale of marketable securities for and on behalf of	2,725,430,751	542,287,230	10,708,999,030	13,976,717,011
Brokerage income	-	12,210	-	12,210
Remuneration to key management personnel	12,152,544	-	-	12,152,544
Provident fund trust-contribution accrued to staff provident fund	-	-	1,829,934	1,829,934

	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 March 31, 2023		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 **April 27, 2023** by the Board of Directors of the Company.

Chief Executive Officer

Chief Financial Officer

Director



## Branch Network

### REGISTERED OFFICE

FNE House, 179/B, Abu Bakar Block,  
New Garden Town, Lahore-Pakistan.

Tel: (92-42) 35843721-27

Fax: (92-42) 35843730

### LAHORE STOCK EXCHANGE OFFICE

Room No. 314 LSE Plaza,  
19 Khayaban-e-Aiwan-e-Iqbal, Lahore.

Tel: (92-42) 36280782-86

### RAWALPINDI OFFICE

Office No. 329-330, Third Floor,  
Rania Mall, Bank Road, Saddar,  
Rawalpindi.

Tel: (92-51) 5563194-96

### KARACHI OFFICE

Room no. 1001-1010, 10th Floor, New  
Stock Exchange Building, Stock Exchange  
Road, Karachi.

Tel: (92-21) 32472119,014

(92-21) 32472076

### GUJRAT FACILITATION CENTER

Office no. 2, First Floor, City Plaza attached  
GPO Building near Jail Chowk, Gujrat.

Tel: (92-53) 3727309