

FIRST NATIONAL EQUITIES LIMITED

第一国家股权有限

2023

QUARTERLY REPORT

報度告



(Un-audited) For the Period Ended

September 30, 2023.

于 2023 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 |

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. 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:

Chaudhry Law Company

Shares Registrar:

CorpTec Associates (Pvt.) Limited 503-E,
Johar Town, Lahore
Tel: 92-042-35170336-7
Fax: 92-042-3517033

Bankers:

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

Registered Office:

FNE House, 179-B, Abu Bakar Block, New
Garden Town,
Lahore
Tel: 042-35843721-27
Fax: 042-3584373



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, 2023.

A. GENERAL MARKET REVIEW AND FUTURE PROSPECTS:

The global economy is showing signs of an upturn. Nonetheless, these improvements remain fragile with a slower economic rebound in China, persistent core inflation, elevated interest rates, and lingering geopolitical uncertainties continuing to exert pressure on economic activities. In August FY2024, month-on-month exports increased by 14.2 percent while imports grew by 2.1 percent for the same period. FDI increased during Jul-Aug FY2024 on account of rise in Chinese investments and exchange rate stability. CPI inflation recorded at 27.4 percent on a year-on-year basis in August 2023 as compared to 27.3 percent in August 2022. On a month-on-month basis, it increased to 1.7 percent in August 2023 compared to an increase of 3.5 percent in the previous month. The government's stern administrative measures to curtail the hoarding of commodities and foreign currency measures resulted in moderating the inflation pressure. However, given the international oil price pressure and adjustment in energy prices, uncertainty in inflation will remain.

The performance of Pakistan Stock Exchange (PSX) remained volatile during the month of August 2023, ranges between 45,081 – 48,765 points. However, the index remained significantly higher than its 6- month average i.e., 43,245. The market capitalization of PSX settled at Rs 6,716 billion as of 31st August 2023. During Jul-Aug 2023, the KSE-100 index increased by 2.7 percent.

B. OPERATING FINANCIAL RESULTS:

Three months ended		
	September 30, 2023	September 30, 2022
	Rs.	
Revenue	4,524,530	6,150,303
Operating profit	6,603,000	(7,333)
Loss after taxation	(8,629,706)	(8,701,563)
Basic loss per share	(0.032)	(0.033)



During the first quarter of the FY24, FNEL posted loss after tax of Rs. 8.6 million as compared to loss after tax of Rs. 8.7 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

A handwritten signature in black ink, appearing to be 'A. J.', written over a horizontal line.

Chief Executive Officer

A handwritten signature in black ink, appearing to be 'A. J.', written over a horizontal line.

Director

October 27, 2023
Lahore

ڈائریکٹرز کی رپورٹ

فرسٹ نیشنل ایکویٹیز لمیٹڈ ("کمپنی") کے ڈائریکٹرز 30 ستمبر 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:

عالمی معیشت میں بہتری کے آثار دکھائی دے رہے ہیں، جو کہ 2023 کی پہلی ششماہی میں اس سے کہیں زیادہ تیزی سے ترقی کرنے کے لیے تیار ہے۔ اس کے باوجود، چین میں سست اقتصادی بحالی، مسلسل بنیادی افراط زر، بلند شرح سود، اور دیرپا جغرافیائی سیاسی صورتحال کے ساتھ یہ بہتری کمزور ہے۔ غیر یقینی صورتحال معاشی سرگرمیوں پر مسلسل دباؤ ڈال رہی ہے۔ مالی سال 2024 کے آغاز سے، پاکستان کی معیشت بحالی کی راہ پر گامزن ہو گئی۔ اگست FY2024 میں، ماہ بہ ماہ برآمدات میں 14.2 فیصد اضافہ ہوا جبکہ اسی مدت کے لیے درآمدات میں 2.1 فیصد اضافہ ہوا۔ درآمدی پابندیوں میں نرمی کے ساتھ عالمی معیشت میں بہتری خام مال کی فراہمی میں رکاوٹوں کو کم کر رہی ہے اور برآمدات پر مبنی صنعتوں کو سپورٹ کر رہی ہے۔ چینی سرمایہ کاری میں اضافے اور شرح مبادلہ میں استحکام کی وجہ سے جولائی تا اگست مالی سال 2024 کے دوران FDI میں بھی 16.1 فیصد اضافہ ہوا۔ سی پی آئی افراط زر اگست 2023 میں سال بہ سال کی بنیاد پر 27.4 فیصد ریکارڈ کی گئی جبکہ اگست 2022 میں یہ 27.3 فیصد تھی۔ ماہ بہ ماہ کی بنیاد پر یہ اگست 2023 میں 3.5 فیصد کے اضافے کے مقابلے میں 1.7 فیصد تک بڑھ گئی۔ پچھلے مہینے میں، اجناس کی ذخیرہ اندوزی کو روکنے کے لیے حکومت کے سخت انتظامی اقدامات اور غیر ملکی کرنسی کے اقدامات کے نتیجے میں افراط زر کے دباؤ میں کمی آئی۔ تاہم، تیل کی قیمتوں کے بین الاقوامی دباؤ اور توانائی کی قیمتوں میں ایڈجسٹمنٹ کے پیش نظر، افراط زر میں غیر یقینی صورتحال برقرار رہے گی۔

پاکستان اسٹاک ایکسچینج (PSX) کی کارکردگی اگست 2023 کے مہینے کے دوران اتار چڑھاؤ کا شکار رہی، جو کہ 45,081 سے 48,765 پوائنٹس کے درمیان ہے۔ تاہم، انڈیکس اپنی 6 ماہ کی اوسط یعنی 43,245 سے کافی زیادہ رہا۔ PSX کی مارکیٹ کپیٹلائزیشن 31 اگست 2023 تک 6,716 بلین روپے پر طے ہوئی۔ جولائی-اگست 2023 کے دوران KSE-100 انڈیکس میں 2.7 فیصد اضافہ ہوا، جبکہ US 500 & S میں 1.2 فیصد اضافہ ہوا۔ اس کے برعکس، چین کے ایس ایس ای کمپوزٹ میں 3.8 فیصد، فرانس کے سی اے سی 40 میں 0.9 فیصد اور ہندوستان کے سینسیکس 30 میں 0.6 فیصد کمی واقع ہوئی۔

B. آپریٹنگ مالیاتی نتائج:

تین مہینے ختم ہو گئے		
30 ستمبر 2022	30 ستمبر 2023	
روپے میں		
6,150,303	4,524,530	آمدنی
(7,333)	6,603,000	آپریٹنگ منافع
(8,701,563)	(8,629,706)	ٹیکس کے بعد نقصان
(0.033)	(0.032)	فی شیئر بنیادی نقصان

مالی سال 24 کی پہلی سہ ماہی کے دوران، FNE کو 8.6 ملین کے ٹیکس کے بعد نقصان ہوا۔ اس کے مقابلے کے طور پر گزشتہ سال کی اسی مدت میں 8.7 ملین کا ٹیکس کے بعد نقصان ہوا۔

اس مدت کے دوران ہونے والے نقصان بنیادی طور پر کم تجارتی حجم کی وجہ سے ہوتے ہیں اور سرمایہ تجارت میں نقصان ملک میں سیاسی بے یقینی اور بلند افراط زر کی وجہ سے۔

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 سرمائے کے نفع کی توقع ہے۔ FNE Developments (Pvt.) Ltd. بورڈ آف ڈائریکٹرز حصص یافتگان کے مسلسل تعاون اور اپنے تمام ملازمین کا 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 2023

لاہور



董事报告

First National Equities Limited (“公司”) 董事欣然提交公司截至 2023 年 9 月 30 日止期间的报告。

A. 总体市场回顾和未来展望:

全球经不确定性继续给经济活动带来压力。 2024 财年以来，巴基斯坦经济加速走上复苏之路。2024 财年 8 月，出口环比增长 14.2%，同期进口增长 2.1%。全球经济的好转加上进口限制的放松，正在缓解原材料供应的中断并支持出口导向型行业。由于中国投资增加和汇率稳定，2024 财年 7 月至 8 月 FDI 也增长了 16.1%。2023 年 8 月消费者物价指数同比上涨 27.4%，而 2022 年 8 月为 27.3%。环比上涨至 2023 年 8 月的 1.7%，而 2023 年 8 月上涨 3.5%在上个月。政府采取严厉的行政措施限制商品囤积和外汇措施，缓解了通胀压力。但鉴于国际油价压力和能源价格调整，通胀的不确定性仍将存在。

2023 年 8 月，巴基斯坦证券交易所 (PSX) 的表现仍然波动，波动范围为 45,081 点至 48,765 点。然而，该指数仍显着高于 6 个月平均值，即 43,245。截至 2023 年 8 月 31 日，PSX 市值为 67,160 亿卢比。2023 年 7 月至 8 月，KSE-100 指数上涨 2.7%，而美国标准普尔 500 指数上涨 1.2%。相反，中国上证综合指数下跌 3.8%，法国 CAC 40 指数下跌 0.9%，印度 Sensex 30 指数下跌 0.6%。

B. 经营财务业绩:

三个月结束		
	2023 年 9 月 30 日	2022 年 9 月 30 日
	卢比。以百万为单位	
收入	4,524,530	6,150,303
营业利润	6,603,000	(7,333)
税后亏损	(8,629,706)	(8,701,563)
每股基本亏损	(0.032)	(0.033)



在 2024 财年第一季度，FNEL 税后亏损为 100 亿卢比。860 万作为
 相比之下，税后亏损为卢比。去年同期为 870 万。亏损
 期内产生的费用主要是由于交易量和资金较低造成的
 由于该国政治不确定性和高通胀导致交易损失

C. 展望:

管理层正在监控其资源并竭尽全力为股东获取最大利益。这涉及优化核心业务的收入产生，此外，
 预计从 Kingbhai Digisol (Pvt.) Ltd 的战略投资撤资中将获得显著的资本收益。为了在未来实
 现股东回报最大化，公司正在多元化发展并投资于全资子公司，FNE 发展（私人）有限公司
 董事会还谨向股东的持续支持以及全体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协助与合作表示衷心感谢。董事亦对本
 公司员工的奉献服务表示赞赏。
 代表董事会

首席执行官

董事

2023 年 10 月 27 日

拉合尔


CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION (UN AUDITED)
AS AT SEPTEMBER 30, 2023

	Note	(Un Audited) Sep 30, 2023	(Audited) Jun 30, 2023
------(Rupees)-----			
NON CURRENT ASSETS			
Property and equipment	7	36,325,370	36,325,367
Intangible assets	8	51,424,521	51,000,771
Other receivables		53,272,737	49,313,148
Investment in associate	9	74,742,567	74,742,567
Long term investment	10	53,880,345	53,880,345
Strategic investment	11	1,069,221,476	1,069,221,476
Long-term deposits		1,602,400	1,602,400
Deferred taxation		-	-
		1,340,469,416	1,336,086,074
CURRENT ASSETS			
Short-term investments	12	23,240,198	21,911,459
Trade debts	13	121,030,286	97,729,617
Loans and advances		1,460,810	1,892,727
Trade deposits and short-term prepayments	14	16,531,695	2,060,379
Other receivables		80,559,833	82,134,183
Advance tax		25,736,848	25,648,902
Cash and bank balances	15	282,136,031	279,093,298
		550,695,701	510,470,565
Total Assets		1,891,165,117	1,846,556,639
NON-CURRENT LIABILITIES			
Long-term financing	16	197,030,113	191,235,837
Loan from sponsors	17	155,175,000	155,175,000
Deferred liabilities		23,357,989	26,579,790
		375,563,103	372,990,627
CURRENT LIABILITIES			
Trade and other payables	18	297,912,461	248,498,608
Unclaimed dividend		1,399,397	1,399,397
Current portion of long-term financing		33,850,000	33,850,000
Provident fund payable		84,604	-
		333,246,461	283,748,005
Total Liabilities		708,809,564	656,738,632
Contingencies and commitments			
	19	-	-
Net Assets		1,182,355,553	1,189,818,007
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		18,417,891	27,047,597
		1,182,526,884	1,191,156,590
Unrealized gain on re-measurement of investments classified as fair value through OCI		(171,331)	(1,338,583)
		1,182,355,553	1,189,818,007

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, 2023**

	Note	Three Months Period Ended	
		Sep 30, 30, 2023	Sep 30, 30, 2022
----- (Rupees) -----			
Operating revenue	21	4,524,530	6,150,303
(Loss)/Gain on sale of investments		2,760,252	(3,622,429)
Unrealized (loss)/gain on re-measurement of investments classified at fair value through profit or loss - net		(681,782)	(2,535,207)
Operating (loss)/profit		6,603,000	(7,333)
Administrative expenses		(17,022,650)	(17,145,829)
Finance cost		(6,031,701)	(4,546,678)
Other operating expenses		(396,015)	(1,123,052)
Other operating income		5,063,727	11,009,790
Profit / (loss) before taxation		(11,783,639)	(11,813,102)
Taxation	23	3,153,933	3,111,539
Profit / (loss) after taxation		(8,629,706)	(8,701,563)
Basic earning per share		(0.032)	(0.033)

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, 2023**

	Three Months Period Ended	
	Sep 30, 30, 2023	Sep 30, 30, 2022
Profit / (loss) after taxation	(8,629,706)	(8,701,563)
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 other comprehensive income	1,167,252	(270,043)
Other comprehensive income / (loss) for the period	1,167,252	(270,043)
Total comprehensive income / (loss) for the period	(7,462,454)	(8,971,606)

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, 2023

	Issued, subscribed and paid-up capital	Discount on issue of right shares	Accumulated loss	Unrealized surplus / (deficit) on re-measurement of investments measured at FVOCI	Total
	-----Rupees-----				
Balance as at July 1, 2022	2,672,863,310	(1,508,754,317.00)	114,541,926	(3,048,860)	1,275,602,059
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>(3,318,903)</u>	<u>1,266,630,453</u>
Balance as at July 01, 2023	2,672,863,310	(1,508,754,317)	27,047,597	(1,338,583)	1,189,818,008
Loss after taxation for the three months ended September 30, 2023	-		(8,629,706)	-	(8,629,706)
Other comprehensive loss for the period				1,167,252	1,167,252
Balance as at September 30, 2023 (Unaudited)	<u>2,672,863,310</u>	<u>(1,508,754,317)</u>	<u>18,417,891</u>	<u>(171,330)</u>	<u>1,182,355,553</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 CASH FLOW STATEMENT (UNAUDITED)

FOR THE PERIOD ENDED SEPTEMBER 30, 2023

	Three Months ended	
	Sep 30, 30, 2023	Sep 30, 30, 2022
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	(11,783,639)	(11,813,102)
Adjustments for non cash items:		
Depreciation	-	231,033
Gain / (loss) on disposal of investments	(2,760,252)	3,622,429
Unrealized gain / (loss) on re-measurement of investments classified at fair value through profit or loss - net	681,782	2,535,207
Finance cost	6,031,701	4,546,678
Changes in fair value of investments at fair value through profit or loss	-	-
Provision for expected credit losses	-	-
Share of loss of associate	-	-
Other operating income	(5,063,727)	(11,009,790)
Provision for doubtful debts	-	-
	(1,110,496)	(74,443)
Changes in working capital	(12,894,135)	(11,887,545)
Decrease / (Increase) in current assets		
Trade debts	(22,979,222)	36,577,025
Loans and advances	431,917	(39,873,829)
Trade deposits and short-term prepayments	(14,212,369)	32,631,130
Other receivables	1,674,342	958,929
	(35,085,333)	30,293,255
(Decrease) / Increase in current liabilities		
Provident fund payable	84,604	165,846
Trade and other payables	49,413,853	3,610,910
	1,518,989	22,182,466
Finance cost paid	(237,425)	(450,055)
Income tax paid	(155,814)	(608,394)
Net cash (utilized in) / generated from operating activities	1,125,750	21,124,017
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale / (purchase) of marketable securities	1,916,983	(8,155,888)
(Additions) / disposals of fixed assets	-	-
Long term deposits received / (paid)	-	-
	-	-
Net cash generated from / (utilized in) investing activities	1,916,983	(8,155,888)
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	3,042,733	12,968,129
Cash and cash equivalents at the beginning of the period	279,093,298	223,177,151
Cash and cash equivalents at the end of the period	282,136,031	236,145,280

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 (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

	------(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 expects the investment to yield returns through investment value appreciation as well as dividends.

12 SHORT TERM INVESTMENTS	Note	(Un-audited) September 30, 2023	(Audited) June 30 2023
------(Rupees)-----			
At FVOCI	12.1	12,268,093	11,100,841
At FVTPL	12.2	10,972,105	10,810,618
		<u>23,240,198</u>	<u>21,911,459</u>

12.1 At FVOCI

- Average cost
- Unrealized gain on re-measurement of investments
- Closing carrying value

15,589,055	15,589,055
(3,320,962)	(4,488,214)
<u>12,268,093</u>	<u>11,100,841</u>

12.2 Financial assets at fair value through profit or loss

- Average cost
- Unrealized (loss) on re-measurement of investments
- Closing carrying value

11,653,887	13,921,478
(681,782)	(3,110,860)
<u>10,972,105</u>	<u>10,810,618</u>

12.3 Securities having market value of Rs. 21.005 million (June 30, 2023: Rs. 20.376 million) and Rs NIL (June 30, 2023: NIL) have been pledged with Pakistan Stock Exchange and various commercial banks respectively.

13 TRADE DEBTS	Note	(Un-audited) September 30, 2023	(Audited) June 30 2023
------(Rupees)-----			
Considered good	13.1	121,030,286	97,729,617
Considered doubtful		232,719,068	232,719,068
		<u>353,749,354</u>	<u>330,448,685</u>
Less: Provision for doubtful debts		(232,719,068)	(232,719,068)
		<u>121,030,286</u>	<u>97,729,617</u>

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.

14 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS	(Un-audited) September 30, 2023	(Audited) June 30 2023
------(Rupees)-----		
Exposure deposits	16,531,695	2,060,379
	<u>16,531,695</u>	<u>2,060,379</u>

15 CASH AND BANK BALANCES

This includes customer assets amounting Rs. 135.175 million (June 30, 2023: Rs. 85.296 million).

16 LONG TERM FINANCING	(Un-audited) September 30, 2023	(Audited) June 30 2023
------(Rupees)-----		
From banking companies - secured	77,112,307	73,972,459
Bank Alfalah Limited	138,817,705	136,163,277
The Bank of Punjab	14,950,101	14,950,101
Other loans	230,880,113	225,085,837
Less: Current portion of long-term financing	(33,850,000)	(33,850,000)
	<u>197,030,113</u>	<u>191,235,837</u>

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, 2023, the Company made a repayment of Rs. 2 million (2021: Rs. 2 million). This facility is secured against pledged shares 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:

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2023**

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, 2023	(Audited) June 30 2023
		----- (Rupees) -----	
17	LOAN FROM SPONSORS		
	Loan from sponsors - Subordinated	17.1	
		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. 131.632 Million (June 30, 2022: Rs. 82.911 million) payable to clients of the company.

19 CONTINGENCIES AND COMMITMENTS

19.1 Contingencies

- a) Trade and other payables 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 for 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. 220 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 shareholders, because of deteriorating financial condition of the company in 2016. The Company, based on reasonable grounds and advice of legal counsel expects that the ultimate outcome of the case will be in the favour of the company and the said petition will be dismissed.
- e) 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

Note

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

		(Un-audited) September 30, 2023	(Audited) June 30 2023
		----- (Rupees) -----	
		-	-
		-	-

		(Un-audited) December 31, 2016	(Audited) June 30, 2016
		----- (Rupees) -----	
		-	-

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

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2023

21 OPERATING REVENUE

Brokerage Income
Dividend Income

(Un-audited) September 30, 2023	(Audited) September 30 2023
----- (Rupees) -----	
4,524,530	6,150,303
-	-
4,524,530	6,150,303

22 TURNOVER BY SEGMENT

Retail customers
Institutional Customers

(Un-audited) September 30, 2023	(Audited) September 30 2023
----- (Rupees) -----	
4,357,865	6,098,908
166,665	51,395
4,524,530	6,150,303

23 TAXATION

- Current tax (expense)
- deferred tax income/

(67,868)	(76,879)
3,221,801	3,203,794
3,153,933	3,126,915

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, 2023 (Un-audited)

Key Management	Associates	Other related parties	Total
----- (Rupees) -----			

Transactions during the period

Purchase of marketable securities for and on behalf of	1,310,391,685	-	1,402,325,703	2,712,717,388
Sale of marketable securities for and on behalf of	1,292,833,698	-	1,396,977,304	2,689,811,002
Brokerage income	-	-	-	-
Remuneration to key management personnel	4,157,424	-	-	4,157,424

For the Year ended June 30, 2023 (Audited)

Key Management	Associates	Other related parties	Total
----- (Rupees) -----			

Transactions during the year

Purchase of marketable securities for and on behalf of	2,734,819,822	529,477,946	11,464,125,739 #	14,728,423,507
Sale of marketable securities for and on behalf of	2,733,808,175	542,963,926	11,468,646,359	14,745,418,460
Brokerage income	-	-	-	-
Remuneration to key management personnel	9,141,177	-	-	9,141,177
Advance provided for purchase of IT equipments	-	-	58,225,000	58,225,000
Advance received back	-	-	58,225,000	58,225,000
Provident fund trust-contribution accrued to staff provident fund	-	-	1,097,736	1,097,736

25 SHAREHOLDERS HOLDING 5% OR MORE

SHAREHOLDERS NAME

SHAREHOLDERS NAME	Un-audited		Audited		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, 2023** by the Board of Directors of the Company.



Chief Executive Officer



Chief Financial Officer



Director



Branches Network

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GUJRAT FACILITATION CENTER








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