

FIRST NATIONAL EQUITIES LIMITED

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第一全国证券有限公司

**2023**

HALF YEARLY REPORT

半年报



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

(未经审计) 期末 2023 年 12 月 31 日

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

## Contents

Vision	02
Mission	03
Company Information	04
Directors' Review Report	05

## Financial Statements

Condensed Interim Statement of Financial Position (Un-Audited)	15
Condensed Interim Statement of Profit or Loss (Un-Audited)	16
Condensed Interim Statement of Comprehensive Income (Un-Audited)	17
Condensed Interim Statement of Changes in Equity (Un-Audited)	18
Condensed Interim Cash Flow Statement (Un-Audited)	19
Notes to The Condensed Interim Financial Statements (Un-Audited)	20
Branch Network	28



# 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

### Acting Chief Financial Officer:

Mr. Arslan Tahir

### 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: 92-042-35170338

### 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: 042-35843730



## DIRECTORS' REPORT

On behalf of Board of Directors of First National Equities Limited (“the Company”), we are pleased to share the results of Company for the half year ended December 31, 2023.

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

The economic recovery process continues at a steady pace, bolstering business confidence and market sentiment. In November and December 2023, the Pakistan Stock Exchange (PSX) showcased outstanding performance. The sustained rise in the PSX index over the past five months indicates an improvement in the overall health of the economy and signals a positive economic outlook for the ongoing fiscal year. The external sector indicators show a strong recovery during Jul-Dec FY2024.

A mixed trend was observed at the sub-sector level: 12 out of 22 sectors witnessed positive growth which include, Food, Beverages, Coke & Petroleum Products, Wearing apparel, Leather, Chemicals, Pharmaceuticals, Non-Metallic Mineral Products, Rubber Products, Fabricated Metals, Machinery and Equipment, and others (Football) while Tobacco, Textile, Wood Products, Paper & Board, Iron & Steel products, Computer, electronics & optical products, Automobiles, Electrical Equipment, Furniture, and Other Transport Equipment witnessed negative growth. The major contributors to this rise include food and non-alcoholic beverages, housing, water, electricity, gas and fuel, transport, and the maintenance of furnishings and household equipment. Fiscal side highlights the successful implementation of consolidation measures in the first half of FY2024, leading to a significant rise in total revenue receipts that outpaced the growth in expenditures. Consequently, the fiscal deficit has been curtailed to 0.8 percent of GDP, and the primary surplus has improved to Rs.1429.7 billion during Jul-Oct FY2024.

The performance of Pakistan Stock Exchange (PSX) remained remarkably well in November and December 2023. The PSX had also ended 2023 on a positive note, as the KSE-100 Index closed at 62,451.04 points on Friday, December 29, 2023. The index had recorded a remarkable growth of nearly 55% in 2023, giving a return of nearly 24% to investors in US dollars. However, the growth of PSX highly depends upon the political and financial stability in the country and both these factors will largely define the KSE-100 Index in the FY2024.



Similarly, market capitalization of PSX increased by Rs 1,178 billion. One of the key drivers of the market rally was the announcement of the date for the general elections in the country – February 8, 2024. The timely elections and the arrival of a freshly elected government would usher in an era of political stability and economic reforms, which would boost investor confidence and sentiment.

The projection is aiming for a positive macroeconomic scenario for the country, with GDP growth rebounding to 3.3% in FY24, inflation easing to 24% by June 2024, current account deficit narrowing to 1.1% of GDP in FY24, and rupee stabilising against the US dollar.

#### **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 Ratings has affirmed Pakistan's Long-Term Foreign-Currency Issuer Default Rating (IDR) at 'CCC'.

#### **C. OPERATING FINANCIAL RESULTS:**

Following is the financial summary of comparative results:

	For Half Year Ended	
	December 31, 2023	December 31, 2022
Revenue	19,772,077	13,013,273
Operating Profit	15,130,685	(947,924)
(Loss)/profit after taxation	(24,643,570)	(39,657,756)
Basic (loss)/earning per share	(0.09)	(0.15)

#### **D. GOING FORWARD:**

The management remains committed to maintain focus on improving the financial performance of the Company. We assure you that we are driving toward credible and competitive business plans that deliver top quartile business performance.

The management previously planned and accordingly, announced the diversification of the investment under the requisite approvals by opting for investment in real estate sector under the relevant authority and supervision of wholly owned subsidiary titled as, “FNE Developments (Pvt.) Ltd.” which had been incorporated after the requisite shareholder’s approval. In pursuance of that approval by the company’s shareholders earlier, the company has invested in real estate sector by proceeding for the acquisition of land for the further development of prestigious schemes. Furthermore, the management is also looking for the opportunities to explore the investment scenario in tech industry by divestment of some previous equity investments in order to bolster the company profits with the ultimate objective of shareholders growth in preposition to the respective investments.

#### **E. 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

**February 28, 2024**

**Lahore.**



## ڈائریکٹرز کی رپورٹ

فرسٹ نیشنل ایجوٹیٹیز لمیٹڈ ("کمپنی") کے بورڈ آف ڈائریکٹرز کی جانب سے، ہمیں 31 دسمبر 2023 کو ختم ہونے والے ششماہی کے لیے کمپنی کے نتائج کا اشتراک کرتے ہوئے خوشی ہو رہی ہے۔

معاشی بحالی کا عمل ایک مستحکم رفتار سے جاری ہے، جس سے کاروباری اعتماد اور مارکیٹ کے جذبات کو تقویت ملتی ہے۔ نومبر اور دسمبر 2023 میں، پاکستان اسٹاک ایکسچینج نے شاندار کارکردگی کا مظاہرہ کیا۔ گزشتہ پانچ ماہ کے دوران انڈیکس میں مسلسل اضافہ معیشت کی مجموعی صحت میں بہتری کی نشاندہی کرتا ہے اور جاری مالی سال کے لیے ایک مثبت اقتصادی نقطہ نظر کی نشاندہی کرتا ہے۔ بیرونی شعبے کے اشاریے جولائی تا دسمبر مالی سال 2024 کے دوران مضبوط بحالی کو ظاہر کرتے ہیں۔

ذیلی شعبے کی سطح پر ملاحظہ رجحان دیکھا گیا: 22 میں سے 12 شعبوں میں مثبت نمو دیکھنے میں آئی جس میں خوراک، مشروبات، کوک اور پیٹریولیم مصنوعات، ملبوسات پہننے، چمڑا، کیمیکل، دواسازی، غیر دھاتی معدنی مصنوعات، ربڑ کی مصنوعات، من گھڑت دھاتیں، مشینری اور آلات، اور دیگر (فٹ بال) جبکہ تمباکو، ٹیکسٹائل، لکڑی کی مصنوعات، کاغذ اور بورڈ، آئرن اینڈ اسٹیل کی مصنوعات، کمپیوٹر، الیکٹرانکس اور آپٹیکل مصنوعات، آٹو موبائل، برقی آلات، فرنیچر، اور دیگر نقل و حمل کے آلات میں منفی نمو دیکھی گئی۔ اس اضافے میں اہم شراکت داروں میں خوراک اور غیر الکوحل مشروبات، رہائش، پانی، بجلی، گیس اور ایندھن، ٹرانسپورٹ، اور فرنٹینگ اور گھریلو سامان کی دیکھ بھال شامل ہیں۔ مالیاتی پہلو مالی سال 2024 کی پہلی ششماہی میں استحکام کے اقدامات کے کامیاب نفاذ کو نمایاں کرتا ہے، جس کے نتیجے میں کل محصولات کی وصولیوں میں نمایاں اضافہ ہوا جو اخراجات میں نمو کو پیچھے چھوڑتا ہے۔ نتیجتاً، مالیاتی خسارہ جی ڈی پی کے 0.8 فیصد تک کم ہو گیا ہے، اور جولائی تا اکتوبر مالی سال 2024 کے دوران بنیادی سرپلس 1429.7 بلین روپے تک بہتر ہو گیا ہے۔

پاکستان اسٹاک ایکسچینج (PSX) کی کارکردگی نومبر اور دسمبر 2023 میں نمایاں طور پر اچھی رہی۔ PSX نے بھی 2023 کا اختتام ایک مثبت نوٹ پر کیا تھا، کیونکہ KSE 100 انڈیکس جمعہ 29 دسمبر 2023 کو 62,451.04 پوائنٹس پر بند ہوا۔ 2023 میں تقریباً 55 فیصد کی غیر معمولی نمو ریکارڈ کی گئی، جس سے امریکی ڈالر میں سرمایہ کاروں کو تقریباً 24 فیصد کی واپسی ہوئی۔ تاہم، PSX کی ترقی کا زیادہ تر انحصار ملک میں سیاسی اور مالی استحکام پر ہے اور یہ دونوں عوامل مالی سال 2024 میں KSE 100 انڈیکس کی بڑی حد تک وضاحت کریں گے

اسی طرح PSX کی مارکیٹ کیپٹلائزیشن میں 1,178 ارب روپے کا اضافہ ہوا۔ مارکیٹ ریلی کے اہم محرکات میں سے ایک ملک میں عام انتخابات کی تاریخ کا اعلان تھا۔ 8 فروری 2024۔ بروقت انتخابات اور نئی منتخب حکومت کی آمد سیاسی استحکام اور معاشی اصلاحات کے دور کا آغاز کرے گی۔ جس سے سرمایہ کاروں کے اعتماد اور جذبات میں اضافہ ہوگا۔ اس پروموشن کا مقصد ملک کے لیے ایک مثبت میکرو اکنامک منظر نامے کے لیے ہے، جس میں مالی سال 24 میں جی ڈی پی کی شرح نمو 3.3 فیصد ہو جائے گی، جون 2024 تک افراط زر 24 فیصد ہو جائے گا، کرنٹ اکاؤنٹ خسارہ مالی سال 24 میں جی ڈی پی کے 1.1 فیصد تک محدود ہو جائے گا، اور روپیہ امریکہ کے مقابلے میں مستحکم ہوگا۔ ڈالر

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 منفی آؤٹ لک کے ساتھ Caa3 پر رکھی گئی تھی۔ Fitch Rating نے 'CCC' پر پاکستان کی طویل مدتی غیر ملکی کرنسی جاری کرنے والے ڈیفالٹ ریٹنگ (IDR) کی تصدیق کی ہے۔

C. آپریٹنگ مالیاتی نتائج

تقابلی نتائج کا مالی خلاصہ درج ذیل ہے:

ختم ہونے والے نصف سال کے لیے		
December 31, 2022	December 31, 2023	
13,013,273	19,772,077	آمدنی
(947,924)	15,130,685	آپریٹنگ منافع
(39,657,756)	(24,643,570)	ٹیکس کے بعد منافع/(نقصان)
(0.15)	(0.09)	بنیادی (نقصان)/نی شیئر کمائی

D. آگے بڑھنا

انتظامیہ کمپنی کی مالی کارکردگی کو بہتر بنانے پر توجہ مرکوز رکھنے کے لیے پر عزم ہے۔ ہم آپ کو یقین دلاتے ہیں کہ ہم قابل اعتماد اور مسابقتی کاروباری منصوبوں کی طرف گامزن ہیں جو اعلیٰ چوتھائی کاروباری کارکردگی فراہم کرتے ہیں۔ انتظامیہ نے پہلے منصوبہ بندی کی تھی اور اس کے مطابق، متعلقہ اتھارٹی کے تحت ریئل اسٹیٹ سیکٹر میں سرمایہ کاری کا انتخاب کرتے ہوئے اور "ڈویلپمنٹس (پرائیویٹ) لمیٹڈ" کے عنوان سے مکمل ملکیتی ذیلی کمپنی کی نگرانی میں مطلوبہ منظور یوں کے تحت سرمایہ کاری کے تنوع کا اعلان کیا تھا۔ جسے مطلوبہ شیئر ہولڈر کی منظوری کے بعد شامل کیا گیا تھا۔ اس سے قبل کمپنی کے شیئر ہولڈرز کی اس منظوری کی تعمیل میں، کمپنی نے باوقار اسکیموں کی مزید ترقی کے لیے زمین کے حصول کے لیے آگے بڑھ کر ریئل اسٹیٹ سیکٹر میں سرمایہ کاری کی ہے۔ مزید برآں، انتظامیہ ٹیک انڈسٹری میں سرمایہ کاری کے منظر نامے کو دریافت کرنے کے مواقع بھی تلاش کر رہی ہے تاکہ کچھ پچھلی ایکیٹی سرمایہ کاری کے ذریعے کمپنی کے منافع کو تقویت دی جاسکے تاکہ متعلقہ سرمایہ کاری کے پیش نظر حصص یافتگان کی ترقی کا حتمی مقصد ہو۔

E. تعریف اور اعتراف :

فرسٹ نیشنل ایکیٹیویٹیز لمیٹڈ کا بورڈ SECP، PSX، NCCPL، CDC اور دیگر ریگولیٹری اداروں کی مسلسل حمایت اور تعریف پر فخر محسوس کرتا ہے۔ اور کمپنی کے تمام شیئر 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

28 فروری 2024

لاہور



## 董事报告

我们代表 First National Equities Limited (“公司”) 董事会，很高兴分享公司截至 2023 年 12 月 31 日的半年度业绩。

### A. 总体经济回顾和未来前景：

经济复苏进程继续稳步推进，提振了企业信心和市场情绪。2023 年 11 月和 2023 年 12 月，巴基斯坦证券交易所 (PSX) 表现出色。PSX 指数过去五个月的持续上涨表明经济整体健康状况有所改善，并预示着当前财政年度的积极经济前景。对外部门指标显示 2024 财年 7 月至 12 月期间强劲复苏。

分行业层面呈现出喜忧参半的趋势：22 个行业中有 12 个行业出现正增长，包括食品、饮料、焦炭和石油制品、服装、皮革、化工、医药、非金属矿产品、橡胶制品、金属制品、机械和设备及其他（足球），而烟草、纺织品、木制品、纸和纸板、钢铁产品、计算机、电子和光学产品、汽车、电气设备、家具和其他运输设备出现负增长。造成这一增长的主要因素包括食品和非酒精饮料、住房、水、电、天然气和燃料、交通以及家具和家用设备的维护。财政方面强调 2024 财年上半年整合措施的成功实施，导致总收入大幅增长，超过支出增长。因此，2024 财年 7 月至 10 月期间，财政赤字已削减至 GDP 的 0.8%，基本盈余改善至 1,4297 亿卢比。

巴基斯坦证券交易所 (PSX) 在 2023 年 11 月和 12 月的表现仍然非常出色。PSX 也以积极的势头结束了 2023 年，KSE-100 指数于 2023 年 12 月 29 日星期五收于 62,451.04 点。2023 年实现近 55% 的惊人增长，为投资者带来近 24% 的美元回报率。然而，PSX 的增长在很大程度上取决于该国的政治和金融稳定性，这两个因素将在很大程度上定义 2024 财年的 KSE-100 指数。



同样，PSX 的市值增加了 11,780 亿卢比。市场上涨的关键推动力之一是该国大选日期的宣布——2024年2月8日。及时的选举和新当选政府的到来将迎来一个政治稳定和经济改革的时代，这将提振投资者的信心和情绪。

该预测的目标是该国出现积极的宏观经济情景，2024 财年 GDP 增长率反弹至 3.3%，到 2024 年 6 月通胀率降至 24%，2024 财年经常账户赤字收窄至 GDP 的 1.1%，卢比兑美元汇率稳定美元。

**B. 细分分析：**

标准普尔对巴基斯坦的信用评级为CCC+，展望为稳定。穆迪对巴基斯坦的信用评级最新定为Caa3，展望为稳定。惠誉评级确认巴基斯坦长期外币发行人违约评级 (IDR) 为“CCC”

**C. 经营财务结果：**

	半年结束	
	December 31, 2023	December 31, 2022
收入	19,772,077	13,013,273
营业利润	15,130,685	(947,924)
(亏损) /税后利润	(24,643,570)	(39,657,756)
基本 (亏损) /每股收益	(0.09)	(0.15)

**D. 未来发展：**

管理层仍致力于继续致力于改善公司的财务业绩。我们向您保证，我们正在努力制定可靠且具有竞争力的业务计划，以实现最高四分之一的业务绩效。管理层此前计划并相应地在必要的批准下宣布投资多元化，选择在相关机构和全资子公司“FNE Developments (Pvt.) Ltd.”的监管下投资房地产行业。该公司是在必要的股东批准后成立的。



根据公司股东早些时候的批准，公司已投资房地产领域，并着手收购土地以进一步开发著名的项目。此外，管理层还在寻找机会，通过剥离之前的一些股权投资来探索科技行业的投资场景，以提振公司利润，最终目标是股东增长，前提是各项投资。

#### E. 赞赏和致谢：

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。感谢所有股东和客户对公司的信任，以及我们员工的持续奉献和承诺。

A stylized, handwritten signature in black ink, consisting of a vertical line with a horizontal crossbar and a small loop at the top.

首席执行官

A stylized, handwritten signature in black ink, consisting of several overlapping, horizontal strokes.

导演

2023年2月28日  
拉合尔





**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF FIRST NATIONAL  
EQUITIES LIMITED ON REVIEW OF INTERIM FINANCIAL STATEMENTS**

**Introduction**

We have reviewed the accompanying condensed interim statement of financial position of First National Equities Limited as at December 31, 2023 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income, condensed interim statement of changes in equity, and condensed interim statement of cash flows, and notes to the condensed interim financial statements for the six-months period then ended (here-in-after referred to as the "interim financial statements").

Management is responsible for the preparation and presentation of these interim financial statements in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and condensed interim statement of comprehensive income for the quarter ended December 31, 2023 and 2022 have not been reviewed, as we are required to review only the cumulative figures for the six months ended December 31, 2023.

**Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared, in all material respects, in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting.

The engagement partner on the review resulting in this independent auditor's review report is Mr. Muhammad Safder.

Dated: February 28, 2024  
Lahore  
UDIN: RR202310233wzIND9Tgq

Tariq Abdul Ghani & Co.  
Chartered Accountants



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

	Note	(Un-Audited) December 31, 2023	(Audited) June 30, 2023
------(Rupees)-----			
<b>NON CURRENT ASSETS</b>			
Property and equipment	7	35,864,498	36,325,367
Intangible assets	8	51,000,771	51,000,771
Long-term other receivable		41,438,343	49,313,148
Investment in associate	9	74,742,567	74,742,567
Long-term investment	10	-	53,880,345
Strategic investment	11	1,069,221,476	1,069,221,476
Long-term deposits		1,602,400	1,602,400
		<b>1,273,870,055</b>	<b>1,336,086,074</b>
<b>CURRENT ASSETS</b>			
Short-term investments	12	32,648,244	21,911,459
Trade debts	13	141,055,528	97,729,617
Loans and advances		6,913,473	1,892,727
Trade deposits and short-term prepayments	14	40,069,043	2,060,379
Other receivables		116,719,606	82,134,183
Advance tax-net		25,711,706	25,648,902
Cash and bank balances	15	281,537,126	279,093,298
		<b>644,654,726</b>	<b>510,470,565</b>
<b>Total Assets</b>		<b>1,918,524,781</b>	<b>1,846,556,639</b>
<b>NON CURRENT LIABILITIES</b>			
Long-term financing	16	200,061,612	191,235,837
Loan from sponsor	17	155,175,000	155,175,000
Deferred taxation		21,371,754	26,579,790
		<b>376,608,366</b>	<b>372,990,627</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	18	335,178,613	248,498,608
Unclaimed dividend		1,399,397	1,399,397
Current portion of long-term financing	16	35,542,000	33,850,000
Provident fund payable		233,811	-
		<b>372,353,821</b>	<b>283,748,005</b>
<b>Total Liabilities</b>		<b>748,962,187</b>	<b>656,738,632</b>
Contingencies and commitments	19	-	-
<b>Net Assets</b>		<b>1,169,562,594</b>	<b>1,189,818,007</b>
<b>REPRESENTED BY:</b>			
Authorized share capital	20	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		5,553,586	27,047,597
		<b>1,169,662,579</b>	<b>1,191,156,590</b>
Unrealized loss on re-measurement of investments classified at fair value through OCI		(99,985)	(1,338,583)
		<b>1,169,562,594</b>	<b>1,189,818,007</b>

The annexed notes from 1 to 26 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 DECEMBER 31, 2023

	Note	Six Months Period Ended		Three Months Period Ended	
		December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
----- (Rupees) -----					
<b>Operating revenue</b>	21	<b>19,772,077</b>	13,013,273	<b>15,247,547</b>	6,862,970
Loss on sale of investments		<b>(4,152,897)</b>	(8,316,646)	<b>(6,913,149)</b>	(4,694,217)
Unrealized loss on re-measurement of investments classified at fair value through profit or loss - net		<b>(488,495)</b>	(5,644,551)	<b>193,287</b>	(3,109,344)
<b>Operating (loss)/profit</b>		<b>15,130,685</b>	(947,924)	<b>8,527,685</b>	(940,591)
Administrative expenses		<b>(33,303,921)</b>	(37,265,471)	<b>(16,281,271)</b>	(20,119,642)
Finance cost		<b>(12,164,992)</b>	(10,316,651)	<b>(6,133,291)</b>	(5,769,973)
Other operating expenses		<b>(10,044,322)</b>	(1,577,131)	<b>(9,648,307)</b>	(454,079)
Other operating income		<b>11,195,314</b>	16,257,280	<b>6,131,587</b>	5,247,490
Share of profit of associate		-	-	-	-
<b>(Loss)/profit before taxation</b>		<b>(29,187,236)</b>	(33,849,897)	<b>(17,403,597)</b>	(22,036,795)
Taxation	22	<b>4,543,666</b>	(5,807,859)	<b>1,389,733</b>	(8,919,398)
<b>(Loss)/profit after taxation</b>		<b>(24,643,570)</b>	(39,657,756)	<b>(16,013,864)</b>	(30,956,193)
(Loss)/earning per share- basic and diluted		<b>(0.09)</b>	(0.15)	<b>(0.06)</b>	(0.12)

The annexed notes from 1 to 26 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 DECEMBER 31, 2023**

	Six Months Period Ended		Three Months Period Ended	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
(Loss)/profit after taxation	(24,643,570)	(39,657,756)	(16,013,864)	(30,956,193)
<b>Items that will not be reclassified subsequently to profit or loss</b>				
Unrealized loss during the year in the market value of investments classified at fair value through OCI-net of tax	4,388,229	(3,114,779)	3,220,977	(2,844,736)
<b>Other comprehensive loss for the period</b>	4,388,229	(3,114,779)	3,220,977	(2,844,736)
<b>Total comprehensive (loss)/income for the period</b>	<b>(20,255,341)</b>	<b>(42,772,535)</b>	<b>(12,792,887)</b>	<b>(33,800,929)</b>

*The annexed notes from 1 to 26 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 DECEMBER 31, 2023

	Issued, subscribed and paid-up capital	Discount on issue of right shares	Accumulated profit/ (loss)	Unrealized surplus / (deficit) on re-measurement of investments measured at FVOCI	Total
	-----Rupees-----				
Balance as at July 1, 2022 (Audited)	2,672,863,310	(1,508,754,317)	114,541,926	(3,048,860)	1,275,602,059
Loss after taxation for the six months ended December 31, 2022	-	-	(39,657,756)	-	(39,657,756)
Other comprehensive loss for the period	-	-	-	(3,114,779)	(3,114,779)
Balance as at December 31, 2022 (Unaudited)	2,672,863,310	(1,508,754,317)	74,884,170	(6,163,639)	1,232,829,524
Loss after taxation for the six months ended June 30, 2023	-	-	(47,836,573)	-	(47,836,573)
Transferred from actuarial gain from remeasurement of staff retirement benefits-net of tax	-	-	-	-	-
Other comprehensive income for the period	-	-	-	4,825,056	4,825,056
Balance as at June 30, 2023 (Audited)	2,672,863,310	(1,508,754,317)	27,047,597	(1,338,583)	1,189,818,007
Balance as at July 01, 2023 (Audited)	2,672,863,310	(1,508,754,317)	27,047,597	(1,338,583)	1,189,818,007
Loss after taxation for the six months ended December 31, 2023	-	-	(24,643,570)	-	(24,643,570)
Other comprehensive income for the period	-	-	-	4,388,229	4,388,229
Transferred from unrealized surplus / (deficit) on re-measurment of investments measured at FVOCI	-	-	3,149,631	(3,149,631)	-
Balance as at December 31, 2023 (Unaudited)	2,672,863,310	(1,508,754,317)	5,553,586	(99,985)	1,169,562,594

The annexed notes from 1 to 26 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 DECEMBER 31, 2023**

	Note	Six Months Period Ended	
		December 31, 2023	December 31, 2022
------(Rupees)-----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before taxation		(29,187,236)	(33,849,897)
<b>Adjustments for non cash items:</b>			
Depreciation	7	460,869	462,066
Realized loss on sale of investments		4,152,897	8,316,646
Unrealized loss on re-measurement of investments classified at fair value through profit or loss - net	12.2	488,495	5,644,551
Finance cost		12,164,992	10,316,651
Loss on disposal of long term investment		8,361,300	-
Dividend income	21	(2,937,041)	(1,972,492)
Amortization income		(10,125,195)	(16,257,280)
		<u>12,566,317</u>	<u>6,510,142</u>
<b>Changes in working capital</b>		<b>(16,620,919)</b>	<b>(27,339,755)</b>
<b>Decrease / (increase) in current assets</b>			
Trade debts	13	(43,325,911)	44,578,761
Loans and advances		(5,020,746)	(35,448,022)
Trade deposits and short-term prepayments	14	(38,008,664)	36,126,672
Long-term other receivable		5,686,036	-
Other receivables		(22,271,459)	6,380,676
		<u>(102,940,744)</u>	<u>51,638,087</u>
<b>(Decrease) / increase in current liabilities</b>			
Provident fund payable		233,811	1,668,293
Trade and other payables		86,680,005	3,982,520
		<u>86,913,816</u>	<u>5,650,813</u>
<b>Cash (utilized in) / generated from operations</b>		<b>(32,647,847)</b>	<b>29,949,145</b>
Finance cost paid		(647,217)	(657,422)
Income tax paid		(727,246)	(342,544)
<b>Net cash (utilized in) / generated from operating activities</b>		<b>(34,022,310)</b>	<b>28,949,179</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
(Purchase)/sale of marketable securities		(10,989,948)	(13,401,495)
Proceeds from sale of long term investment	10	45,519,045	-
Dividend received		2,937,041	1,972,492
<b>Net cash generated from / (utilized in) investing activities</b>		<b>37,466,138</b>	<b>(11,429,003)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long-term loans		(1,000,000)	(676,000)
<b>Net cash utilized in financing activities</b>		<b>(1,000,000)</b>	<b>(676,000)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>2,443,828</b>	<b>16,844,176</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>279,093,298</b>	<b>223,177,151</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>281,537,126</b>	<b>240,021,327</b>

The annexed notes from 1 to 26 form an integral part of these condensed interim financial statements.



## 1. THE COMPANY AND ITS OPERATIONS

First National Equities Limited ("the Company") is a public listed company incorporated in Pakistan under the Companies Ordinance, 1984 (now the Companies Act, 2017). Shares of the Company are quoted on the Pakistan Stock Exchange Limited ("PSX"). The registered office of the Company is situated at 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.

The Company's branch network consists of the following branches:

Lahore Branch	Office No. 3, 179, Abu Bakar Block, New Garden Town, Lahore.
Rawalpindi Branch	Office No. 329-330, third floor, Rania Mall, Saddar, Rawalpindi.
Karachi Branch	Room No. 1007, tenth Floor, New Stock Exchange Building, Stock Exchange Road, Karachi.
Gujrat facilitation center	Office No. 5, Ground floor, Raja plaza near Pakistan Chowk, Gujrat.

## 2. STATEMENT OF COMPLIANCE

**2.1** These condensed interim financial statements ("the interim financial statements") have been prepared in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard 34: 'Interim Financial Reporting' (IAS 34), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Act will prevail.

This condensed interim financial information does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2023.



## 2.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for the following material items:

- Investments in quoted equity securities (whether measured at fair value through profit or loss, or at fair value through other comprehensive income), which are carried at fair value;
- Investments in unquoted equities, measured at fair value through profit or loss;
- Investments in associate, which are recorded in accordance with the equity method of accounting for such investments; and
- Derivative financial instruments, which are marked-to-market as appropriate under relevant accounting and reporting standards.

## 2.3 Functional and presentation currency

Items included in these condensed interim financial statements are measured using the currency of the primary economic environment in which the Company operates. The condensed interim financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency, unless otherwise stated. All the figures have been rounded off to the nearest rupee.

## 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, 2023.

In addition, certain amendments to existing accounting and reporting standards as well as new interpretations became effective for periods beginning on or after July 1, 2023. However, such amendments or interpretations are either not relevant to or do not have a significant impact on these condensed interim financial statements.

## 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, 2023.



## 5. FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the audited financial statements of the Company for the year ended June 30, 2023.

## 6. METHOD OF ACCOUNTING

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

## 7. PROPERTY AND EQUIPMENT

	Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
		------(Rupees)-----	
Opening book value		<b>36,325,367</b>	37,264,260
Additions during the period		-	805,625
Disposals during the period		-	-
Depreciation charged during the period		<b>(460,869)</b>	(938,893)
Closing book value		<b><u>35,864,498</u></b>	<u>36,325,367</u>

## 8. INTANGIBLE ASSETS

TRE Certificate from Pakistan Stock Exchange Limited		<b>2,500,000</b>	2,500,000
License to use Room at Pakistan Stock Exchange Limited		<b>47,185,771</b>	47,185,771
Building tenancy rights		<b>1,315,000</b>	1,315,000
		<b><u>51,000,771</u></b>	<u>51,000,771</u>

## 9. INVESTMENT IN ASSOCIATE

Investment in Coastal Company Limited		<b>74,742,567</b>	76,639,124
Share of profit/from associate		-	(1,896,557)
		<b><u>74,742,567</u></b>	<u>74,742,567</u>

## 10. LONG-TERM INVESTMENT

### At fair value through OCI

Unquoted:

ISE Towers REIT Management Company	10.1	<u>-</u>	<u>53,880,345</u>
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**10.1** Company has received 3,034,603 shares of M/s ISE Towers REIT Management Company 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 gain/(loss) charged to OCI.



Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
------	--------------------------------------	-------------------------------

## 11. STRATEGIC INVESTMENT

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

Investment in KingBhai Digisol (Pvt.) Limited	<b>1,069,221,476</b>	1,069,221,476
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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

At FVOCI	12.1	<b>15,489,070</b>	11,100,841
At FVTPL	12.2	<b>17,159,174</b>	10,810,618
		<b>32,648,244</b>	21,911,459

### 12.1 Equity investments at fair value through other comprehensive income

Average cost	<b>15,589,055</b>	15,589,055
Unrealized loss on re-measurement of investments	<b>(99,985)</b>	(4,488,214)
Closing carrying value	<b>15,489,070</b>	11,100,841

### 12.2 Equity investments at fair value through profit or loss

Average cost	<b>17,647,669</b>	13,921,478
Unrealized loss on re-measurement of investments	<b>(488,495)</b>	(3,110,860)
Closing carrying value	<b>17,159,174</b>	10,810,618

**12.3** Securities having market value of Rs. 30.082 million (June 30, 2023: Rs. 20.376 million) have been pledged with Pakistan Stock Exchange and National Clearing Company of Pakistan Limited to meet trading requirements.





	Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
------(Rupees)-----			
<b>13. TRADE DEBTS</b>			
Considered good	13.1	141,055,528	97,729,617
Considered doubtful		232,719,068	232,719,068
		<b>373,774,596</b>	330,448,685
		<b>(232,719,068)</b>	(232,719,068)
Less: Provision for doubtful debts		<b>141,055,528</b>	97,729,617

**13.1** The Company holds securities having total fair value of Rs 1,625.009 million (June 30 2023: Rs. 2,222.174 million) owned by its clients as collateral against trade debts.

**13.2** This includes Rs. 46.693 million (June 30 2023: Rs. 5.065 million) due from related parties and maximum aggregate amount outstanding at any time during the year from related parties was Rs. 54.099 million (June 30 2023 : Rs. 18.663 million)

#### 14. TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Exposure deposits	<b>40,069,043</b>	2,060,379
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#### 15. CASH AND BANK BALANCES

This includes customer assets amounting Rs. 175.228 million (June 30, 2023: Rs. 85.297 million).

#### 16. LONG-TERM FINANCING

From banking companies-secured			
Bank Alfalah Limited	16.1	79,252,155	73,972,459
The Bank of Punjab	16.2	141,401,356	136,163,277
Other loans		14,950,101	14,950,101
		<b>235,603,612</b>	225,085,837
Less: Current portion of long-term financing		<b>(35,542,000)</b>	(33,850,000)
		<b>200,061,612</b>	191,235,837



**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). 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.

	Note	(Un-audited) December 31, 2023	(Audited) June 30, 2023
------(Rupees)-----			
Loan from sponsors - Subordinated	17.1	<b>155,175,000</b>	155,175,000
Less: current portion		<b>155,175,000</b>	155,175,000
		<b>155,175,000</b>	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. 173.374 million (June 30, 2023: Rs. 82.911 million) payable to clients of the company including payable to the related parties to the tune of Rs. 0.282 million (June 30, 2023: Rs. 1.269 million)

## 19. CONTINGENCIES AND COMMITMENTS

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, 2023.

## 20. SHARE CAPITAL

Authorized capital

500,000,000 (June 30, 2023: 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)  
December 31,  
2023

(Audited)  
June 30,  
2023

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

**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

(Un-audited)  
December 31,  
2023

(Un-audited)  
December 31,  
2022

## 21. OPERATING REVENUE

Brokerage Income

Dividend Income

**16,835,036**

11,040,781

**2,937,041**

1,972,492

**19,772,077**

13,013,273

### 21.1. TURNOVER BY SEGMENT

Retail customers

Institutional Customers

**16,539,702**

10,981,738

**295,334**

59,043

**16,835,036**

11,040,781

## 22. TAXATION

Current tax expense

Deferred tax (income) expense

**664,370**

433,884

**(5,208,036)**

5,373,975

**(4,543,666)**

5,807,859



### 23. 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 December 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	6,265,044,962	22,278,392	7,438,785,441	13,726,108,795
Sale of marketable securities for and on behalf of	6,247,153,055	21,528,923	7,420,753,036	13,689,435,014
Brokerage income	-	54,244	-	54,244
Remuneration to key management personnel	4,570,588	-	-	4,570,588
Advance provided against purchases	-	-	2,150,000	2,150,000
Advance received back	-	-	2,800,000	2,800,000
Provident fund trust-contribution accrued to staff provident fund	-	-	233,811	233,811
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 against purchases	-	-	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

### 24. SHAREHOLDERS HOLDING 5% OR MORE

SHAREHOLDERS NAME	(Un-audited) December 31, 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%	-

### 25. 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.

### 26. DATE OF AUTHORISATION

These condensed interim financial statements were authorized for issue on **February 28, 2024** by the Board of Directors of the Company.

Chief Executive Officer

Chief Financial Officer

Director



## Branch Network

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