

ANNUAL ACCOUNTS

2015



**First National
Equities Limited.**

www.fnetrade.com



Vision...



Connecting people,

ideas and capital, we will be our clients'

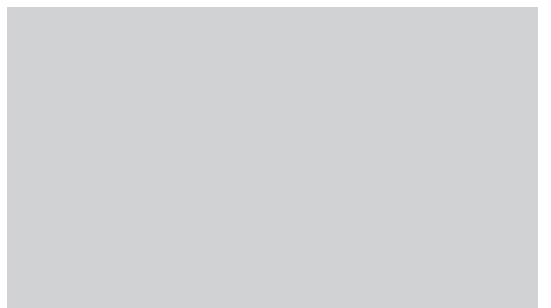
First Choice

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".



C
O
N
T
E
N
T
S

04- Company Information

06- Notice of Annual General Meeting

08- Director Report

11- Financial Statistical Summary

12- Statement of Compliance

14- Review Report to Member

15- Auditors Report

16- Balance Sheet

17- Profit & Loss Account

18- Statement of Comprehensive Income

19- Statement of Changes of Equity

20- Cash Flow Statement

21- Notice to Financial Statement

50- Pattern of Shareholding

53- Branch Network

- Form of Proxy



COMPANY INFORMATION

Board of Directors:

1.	Mr. Shahzad Akbar,	Director/Chairman
2.	Mr. Ali Aslam Malik	Director/CEO
3.	Mr. Muhammad Iqbal Khan	Director
4.	Mr. Rais Ahmed Dar	Director
5.	Mr. Saeed Ahmad Bajwa	Director
6.	Mr. Amir Shehzad	Director
7.	Mr. Azeem Ul Hassan	Director

Audit Committee:

1.	Mr. Muhammad Iqbal khan	Chairman
2.	Mr. Rais Ahmed Dar	Member
3.	Mr. Malik Attiq-ur-Rehman	Member

HR& Remuneration Committee:

1.	Mr. Shahzad Akbar	Chairman
2.	Mr. Rais Ahmed Dar	Member
3.	Mr. Ali A Malik	Member

Chief Financial Officer

Mr. Azeem-ul-Hassan

Company Secretary

Mr. Azeem-ul-Hassan

Auditors:

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

Legal Advisor:

Minto & Mirza, Advocates



Shares Registrar:

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

Bankers:

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

Principal Office:

FNE House, 179-B, Abu Bakar Block,
New Garden Town, Lahore
Tel: (92-42) 35843721-27
Fax: (92-42) 35843730

Registered Office:

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



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the members of First National Equities Limited ("the company") will be held at 19-C, Sunset Lane-6, South Park Avenue, Phase II, Ext: D.H.A, Karachi, on Thursday, October 29, 2015 at 03:00 p.m. to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the audited annual financial statements of the company for the year ended June 30, 2015 together with the directors' and auditors' reports thereon.
2. To appoint external auditors of the company for the year ending on June 30, 2016 and fix their remuneration. Present auditors namely H.A.M.D & Co have retired and have not offered themselves for re-appointment for the year ending June 30, 2016 and Tariq Abdul Ghani Maqbool & Co., being eligible, have offered themselves for the appointment as auditors for the company.
3. To transact any other business of the company that may be placed before the meeting with the permission of the chair.

SPECIAL BUSINESS

4. Approve the remuneration of whole-time working director:
To consider and if thought fit, pass with or without modification, the following resolution as special resolution.
"Resolved that the remunerations of the whole time working director Mr. Azeem ul Hassan as recommended by the Board of Directors be and are hereby post facto approved"
Attached to this notice is a statement of material facts covering the above mentioned special business, as required under section 160(1) (b) of the Companies Ordinance, 1984.

Karachi.
Dated: October 08, 2015

By Order of the Board
Azeem-ul-Hassan
(CFO & Company Secretary)

Notes:

1. The Shares Transfer Books will remain closed from October 23, 2015 to October 29, 2015 (both days inclusive) to enable the Company to determine the right of members to attend the above meeting.
2. Transfer received in order at office of the Company's Shares Registrar, Technology Trade (Pvt.) Ltd. Dagia House, 241-C, P.E.C.H.S. Block-2, Karachi by the close of business hours on October 22, 2015 will be treated in time for the entitlement of vote and attending AGM. Members are also requested to immediately notify of any change in their registered addresses by writing to the office of Company's Share Registrar.
3. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy who shall have same rights as available to a member. In order to be a valid, the duly stamped, signed and witnessed instrument of proxy and the power of attorney or a notarially certified copy of such power of attorney or other authority under which it is signed must be deposited at the registered office of the company, not later than 48 hours before the time of holding the meeting.
4. Central Depository Company account holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A For Attending the Meeting

- i. In case of individual beneficial owners of CDC entitled to attend and vote at the meeting must bring his/her participant ID and account/sub account number along with valid original CNIC or valid original passport to authenticate his /her identity at the time of meeting
- ii. In case of corporate entity, the Board of Director's resolution/ power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

B For Appointing Proxies

- a. In case of individuals beneficial owners of CDC shall submit the proxy form as per above requirements along with participant IDS and account sub account number together with attested copy of the valid CNIC or passport.
- b. The proxy shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- c. In case of corporate entity, the Board of Director's resolution/ power of attorney with specimen signature of the proxy member shall be submitted (unless it has been submitted earlier) along with proxy form.
- d. The proxy shall produce his/her valid original CNIC or valid original passport at the time of the meeting.
- C- Reference of the SECP Circular No. 19/2014, The Government of Pakistan through Finance Act, 2014, has made certain amendments in section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. There tax rates are as under:
 - i. For filers of Income tax return: 12.5%
 - ii. For non-filer of income tax return: 17.5%

To enable the company to make tax deduction on the amount of cash dividend @ 12.5% instead of 17.5%, all the shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date the payment of the cash dividend i.e [the date of payment of dividend must be quoted] otherwise tax on their cash dividend will be deducted @ 17.5% instead of 12.5%.



A STATEMENT OF MATERIAL FACTS UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984 PERTAINING TO THE SPECIAL BUSINESS CONTAINED IN THE NOTICE OF AGM.

A statement setting out all material facts with respect to the special business is furnished hereunder and annexed with the notice of AGM:

- 1- The approval of the members of the company is being sought for the directors' remuneration as recommended by the Board of Directors of the Company for performing extra services as whole-time working directors. The material facts including the nature and extent of the director interest are as follows:

No.	Director Name	Extra Services	Monthly Compensation(Rs)	Other Benefits
1.	Mr. Azeem ul Hassan	Chief Financial Officer Company Secretary	50,000/-	A Company maintained 800 CC, Leaves, retirement's benefits and other entitlement are per company employee's services rules, policies and/or applicable Legal Laws, Rules and Regulations.



DIRECTORS' REPORT

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Financial Statements of your Company for the year ended June 30, 2015, together with the auditors' report thereon.

Overall Economy

Services Sector leading growth Pakistan's GDP registered growth of 4.24% in FY15 vs. 4.03% recorded last year but still behind regional players. The onus of the growth still rests with the services sector that expanded by 4.98% vs. 4.5% in FY14 increasing its share to 58% in total GDP. Industrial sector (Weight: 20.3%) grew at a slower pace at 3.6% vs. 4.45% in FY14. LSM sector that has 52% share in industrial growth showed lackluster performance because gas companies could not provide gas to fertilizer plants and sugar crushing also delayed in Sindh and lower sugarcane production in Punjab due to floods and switching of farmers to other crops. Lastly, agriculture sector also did not grow according to its potential during FY15. It grew by 2.9% vs. 2.7% in FY14 owing to floods in Punjab region that damaged infrastructure and crops.

The government was able to contain fiscal deficit at 5% marginally exceeding target of 4.9% as current expenditure was reduced to 15.3% of GDP. To note, that the government has been able to gradually decline current expenditure as a % of GDP over the past two years. The government's tax revenues have also increased by 27% to PkR2.9tr whereas non-tax revenues augmented to PkR1tr on account of surge in SBP Profits as the government included privatization proceeds from banks in SBP financials. Despite the increase in tax revenues in absolute term, FBR tax to GDP ratio varied between 8.5 to 9.7 percent during the past 10 years. Furthermore, Pakistan had received US\$1.4bn under CSF during first and second quarter of FY15 which not only provided comfort to fiscal accounts but also helped in maintaining the country's reserve position. Moreover, a healthy provincial surplus to the tune of PkR141bn also helped in containment of fiscal deficit.

Stock Market

KSE-100 earmarked 16% return in FY15 (11% in US\$ terms) against the last 5-yr average return of 30%. Despite a challenging political environment, this was the 5th consecutive year of double digit return. KSE-100 gained 4,746 points during the year, where average traded value jumped up 27%YoY to average at US\$108.48mn, whereas, average traded volume during the year stood at 218mn shares (up 1%YoY). Apart from key blue chips, few side board scripts gain investors' attention owing to their improving fundamentals during the period under review.

KSE-100 witnessed bullish momentum on the back of i) strengthening FX reserves of over US\$18.5bn in FY15 against US\$14.14bn in FY14, ii) Successful outgoing IMF programme with net receipt of US\$2.1bn versus payment of US\$1.2bn, iii) completion of key transactions related to the privatization UBL, PPL, and ABL (inflow of US\$1.1bn), iv) Issuance of sukuk bonds in the international market (US\$1b) and v) keen focus towards infrastructure development. However, with an inflow of US\$262mn in FY14, Foreign investor locks profit in FY15 with a meager inflow of US\$38.5mn.

Financial Results

	2015	2014
	(Rupees in Million)	
Gross revenue	175.2	164.0
Operating revenue	24.7	43.7
Operating Profit	133.8	86.7
Profit before taxation	192.9	125.7
Less: taxation	(50.0)	11.0
Profit after tax	242.9	114.7
Earning per share (Rs.)	1.71	0.83

During the year, the gross revenues of your company amounted to Rs. 175.21 million (2014: Rs. 163.98 million) and operating revenues included in it was Rs. 24.7 million (2014: Rs. 43.7 million) the administrative expenses were down to Rs. 41.44 million (2014: Rs. 77.23 million), financial expenses were down to Rs. 35.34 million (2014: Rs. 45.17 million) and other operating expenses down to Rs. 3.51 million (2014: Rs. 10.30 million), Resultantly we are pleased to report an earning of Rs. 1.71 per share as compared to profit of Rs. 0.83 per shares in last year



The management is making the vigorous efforts to complete the right issue as approved in the EOGM held on May 15, 2013 and in process of negotiation with difference parties to issue the remaining right shares in shortest possible time in the current year. Management believes that due to availability of additional liquidity and further financing facilities as well as likely enhancement in new investment in listed companies and future capital gains in the investment will have significant impact on the profitability of the company in future. Further this capital /funds injection will also mitigate the auditor's observation/emphasis of matter highlighted in his audit report regarding the company's ability to continue as going concern. After loan restructuring /rescheduling agreement, including the waiver of outstanding Markup, with a commercial Bank it has provided substantial positive impact on the equity of the company. We are very positive that as results of these measures, company will be able to generate more revenue and sufficient profits in future.

Owing company financial position the Board of Directors has decided not to declare any dividend, bonus and not to approve any appropriation for reserves.

There have been no material changes since June 30, 2015 to the date of this report that require adjustment to Financial Statements.

At FNE, Human Resources in its business partner role, endorses strategies to raise the performance of each team member to its maximum potential. The continuous review of the organizational structure ensured the business' stability. Employees are rewarded based on performance, resulting enhanced retention and motivation at all levels.

The Company is committed towards fulfilling its Corporate Social Responsibility and has been actively performing its Corporate Social Responsibility in areas of healthcare, education, environment community welfare, sports & relief work and aims to enhance its scope and contribution in the future. We at FNE are well aware of the well being of our employees as well as the community at large. Pollution reduction and waste management processes have been distinct and are being applied to ensure minimal impact on our environment. The Company focuses on energy conservation and all departments and employees adhere to the power conservation measures. Your Company always takes its contribution towards national economy seriously

The Directors are pleased to confirm that:

- The financial statements prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of financial statements and the accounting estimates are based on reasonable and prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of the financial statements and there has been no departure from them.
- The system of internal control is sound in design and has been effectively implemented and monitored.
- Mitigating factors for significant doubts upon the company's ability to continue as going concern have been detailed in note 2.2 to the financial statements.
- The information about the loan/debts have been detailed in notes 19 & 24 to the financial statements
- There has been no material departure from the best practices of corporate governance, as detailed in listing regulations.
- Key historical data is summarized and attached.
- A total of four board meetings were held during the year details of which together with attendance by each director are as follows:

S. No.	Name of Director	Total No. of Board Meeting	Number of Meeting(s) attended
1	Mr. Ali Aslam Malik	4	4
2	Mr. Malik Attiq-ur-Rehman *	2	1
3	Mr. Azeem-Ul-Hassan*	2	2
4	Mr. Muhammad Iqbal khan	4	4
5	Mr. Shahzad Akbar	4	4
6	Mr. Rais Ahmad Dar	4	0
7	Mr. Saeed Ahmad Bajwa	4	0
8	Mr. Amir Shehzad	4	4



*Mr. Azeem ul Hassan was appointed as director of the company during the year to fill the casual vacancy due to the resignation of Mr. Malik Attique ur Rehman. He is entitled for the remuneration of Rs.50,000/- P.M along with Company maintained 800 CC car, Leaves, retirement's benefits and other entitlement are per company employee's services rules, policies and/or applicable Legal Laws, Rules and Regulations.

Leaves of absence were granted to the Directors who could not attend the Board Meeting.

As required under the Code of Corporate Governance, the Audit Committee continued to perform as per its terms of reference duty approved by the Board. Six meetings of the Audit Committee were held during the year, details of which together with attendance by each member are as follows:

S. No.	Name of Director	Total No. of Audit Committee Meeting	Number of Meeting(s) attended
1	Mr. Muhammad Iqbal Khan	6	6
2	Mr. Malik Attiq-ur-Rehman (Resigned)	2	1
3	Mr. Rais Ahmad Dar	4	0
4	Mr. Shahzad Akbar	6	6

As required under the Code of Corporate Governance, the HR&R continued to perform as per its terms of reference duty approved by the Board. Four meetings of the HR&R were held during the year, details of which together with attendance by each member are as follows:

S. No.	Name of Director	Total No. of HR&R Committee Meeting	Number of Meeting(s) attended
1	Mr. Shahzad Akbar	4	4
2	Mr. Muhammad Iqbal Khan	4	4
3	Mr. Ali A. Malik	4	4

The statement showing pattern of share holding in the company, as on June 30, 2015 is attached.

During the year under review 500 shares of the company were purchased by Mr. Azeem ul Hassan, Director and no other trades in the shares of the company were carried out by its Directors, CEO, CFO, Company Secretary and their spouses & minor children.

The Company Secretary furnished a Secretarial Compliance Certificate, in the prescribed form, as required under listing regulation 5.19.14 of Karachi Stock Exchange, as part of the annual return filed with the Registrar of Companies to certify the secretarial and corporate requirements of the Companies Ordinance, 1984 and listing regulations have been duly complied with.

In order to comply with the requirements of listing regulations, the Company presented all related party transactions before the Audit Committee and Board for their review and approval. These transactions have been approved by the Audit Committee and Board of Directors in their respective meetings. The details of all related party transactions have been provided in note 35 of the annexed audited separate financial statements.

The present external auditors Messrs H.A.M.D & Co., Chartered Accountants have retired and have not offered themselves for re-appointment for the year ended June 30, 2016. Another firm Messer. Tariq Abdul Ghani Maqbool & Co., being eligible, have offered themselves for appointment as Auditors for the company. The Audit Committee of the Board recommended the appointment of Messer. Tariq Abdul Ghani Maqbool & Co. Chartered Accountant as auditors for the financial year 2015-16. A resolution to appoint the auditors of the company for the following year will be proposed at the Annual General Meeting.

We are grateful to the Company's stakeholders for their long-lasting confidence and support. We record our appreciation and thanks to our Associated Companies, Bankers & Financial Institution, Securities and Exchange Commission of Pakistan, Central Depository Company of Pakistan and the Management of Karachi Stock Exchange for their support and guidance. We also appreciate the valuable contribution and active role of the members of the audit Committee in supporting and guiding the management on matters of great importance leading to growth with sustainability of the Company.

Place: Lahore

Dated: September 23, 2015

Ali A. Malik

(Chief Executive Officer)



Financial Statistical Summary (2009 - 2015)

PARTICULARS	June 30, (Rupees '000)						
	2015	2014	2013	2012	2011	2010	2009
OPERATING RESULTS							
Operating Revenues	157,516	129,739	53,446	41,819	(3,720)	75,209	(94,734)
Other Operating income	17,695	34,243	53,230	226,478	40,295	211,288	4,001
Gross Revenue	175,211	163,982	106,676	268,297	36,575	286,497	(90,733)
Administrative Expenses	(41,447)	(77,240)	(54,187)	(64,469)	(73,734)	(78,707)	(93,518)
Finance Cost	(35,346)	(45,175)	(72,522)	(103,365)	(130,304)	(164,329)	(218,027)
Notional Interest Income	(9,083)	92,441	-	-	-	-	-
Unrealized gain	75,967	-	-	-	-	-	-
Other Operating Expenses	(3,514)	(10,299)	(10,857)	(46,258)	(11,835)	(11,796)	(365,259)
Fair value loss on remeasurement of held for trading investment - net	161,788	123,709	(30,890)	54,205	(179,298)	31,665	(767,537)
Impairment loss on available for sale securities	(8)	2,007	1,234	10,755	(3,928)	(6,436)	(40,987)
	-	-	-	-	-	(90,830)	(309,872)
	(8)	2,007	1,234	10,755	(3,928)	(97,266)	(350,859)
Share of profit of associates - net of tax	31,090	(6)	16,206	2,827	5,819	511	(23,033)
Profit / (Loss) before Tax	192,870	125,710	(13,450)	67,787	(177,407)	(65,090)	(1,141,429)
Taxation - net	50,015	(10,992)	(4,946)	(36,152)	1,205	(62,595)	-
Profit / (Loss) after Tax	242,885	114,718	(18,396)	31,635	(176,202)	(127,685)	(1,141,429)
Payout Ratio							
BALANCE SHEET SUMMARY							
Non-Current Asset							
Fixed assets	145,625	177,130	183,309	206,919	214,444	223,681	230,894
Investment Property	106,142	-	-	-	-	-	-
Long term Investment	134,300	53,326	53,492	39,073	38,018	30,438	28,442
Deferred cost	87,502	25,030	25,650	29,064	64,617	65,874	126,806
Receivable from associates	78,085	106,768	175,411	175,411	175,411	175,411	-
Investment - Available for Sale	40,074	40,074	40,074	-	-	-	-
Long Term deposits	2,344	2,394	2,679	3,185	2,863	2,863	2,629
	594,072	404,722	480,615	453,652	495,353	498,267	388,771
Current assets							
Short term investments	1,598	93,533	266,530	151,033	83,413	194,720	443,783
Trade debts	346,273	322,932	281,257	287,764	198,165	208,436	284,716
Loans & advances	1,480	1,568	922	2,844	4,312	4,681	1,875
Trade deposits & short term prepayments	20	534	498	355	412	1,066	150
Other Receivables	157,643	140,959	115,386	86,063	57,703	28,989	2,723
Taxation Recoverable - net	15,605	25,912	32,545	31,641	30,420	25,520	23,364
Cash and bank balance	56,483	3,471	3,561	772	3,004	10,039	5,555
	579,102	588,909	700,699	560,472	377,429	473,451	762,166
CURRENT LIABILITIES							
Trade & other payables	229,002	224,399	471,505	354,367	221,901	160,041	115,265
Interest and mark-up accrued on borrowings	-	-	-	65	52	9,181	40,417
Short term borrowings	-	-	35,463	167,376	273,157	484,976	808,160
Current maturity on long term loans	289,938	331,159	552,735	-	-	-	40,322
Loan from director	-	-	-	-	13,700	-	-
	518,940	555,558	1,059,703	521,808	508,810	654,198	1,004,164
Net Current Assets	60,162	33,351	(359,004)	38,664	(131,381)	(180,747)	(241,998)
Non-current liabilities							
Loan from director	-	-	-	-	5,141	4,449	-
Loan from Sponsors	26,643	138,497	68,498	68,498	-	-	-
Defferred liabilities	7,137	6,231	7,503	6,419	5,608	3,515	3,209
Other Loans	256,948	191,374	-	-	-	-	-
Long Term Borrowings	298,861	265,976	513,954	1,010,539	1,077,427	901,027	583,270
	589,589	602,078	589,955	1,085,456	1,088,176	908,991	586,479
Net Assets	64,645	(164,005)	(468,344)	(593,140)	(724,204)	(591,471)	(439,706)
REPRESENTED BY							
Issued, subscribed and paid-up capital	1,418,098	1,418,098	1,380,000	1,380,000	575,000	575,000	575,000
Discount of issue of Right Shares	(630,418)	(630,418)	(603,750)	(603,750)	-	-	-
Unappropriated profit / (Accumulated losses)	(774,260)	(1,017,487)	(1,367,784)	(1,349,388)	(1,231,306)	(1,055,103)	(927,418)
Surplus/(deficit) on revaluation of investment- available for sale	51,225	65,802	123,190	(20,002)	(67,898)	(111,368)	(87,288)
Total Equity and Liabilities	64,645	(164,005)	(468,344)	(593,140)	(724,204)	(591,471)	(439,706)



Statement of Compliance with the Code of Corporate Governance For the year ended on June 30, 2015

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No 5.19 of listing regulations of Karachi Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance. The company has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Independent Directors	Mr. Muhammad Iqbal Khan Mr. Saeed Ahmed Bajwa
Executive Directors	Mr. Ali Aslam Malik Mr. Amir Shehzad Mr. Azeem ul Hassan
Non-Executive Directors	Mr. Rais Ahmad Dar Mr. Shahzad Akbar

The independent directors meets the criteria of independence under clause i (b) of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
3. All the resident directors of the company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. Casual vacancy of Mr Malik Attique ur Rehman was vacated during the financial year which was filled by the appointing Mr. Azeem ul Hassan as Executive Director.
5. The company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
6. The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
7. All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non-executive directors, have been taken by the board/shareholders.
8. The meetings of the board were presided over by the Chairman and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers were circulated at least seven days before the meeting. The minutes of the meetings were appropriately recorded and circulated.
9. The board arranged one training programs for its directors during the year.
10. The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
11. The financial statements of the company were duly endorsed by CEO and officiating CFO before approval of the Board.



12. The directors, CEO and executives do not hold any interest in the shares of the company other than that disclosed in the pattern of shareholding.
13. The company has complied with all the corporate and financial reporting requirements of the CCG.
14. The board has formed an Audit Committee. It comprises three members and all of them are non-executive directors and the chairman of the committee is an independent director.
15. The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
16. The board has formed an HR and Remuneration Committee. It comprises three members, of whom two non-executive directors and the chairman of the committee is a non-executive director.
17. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company
18. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
20. The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange.
21. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
22. The related party transactions have been placed before the audit committee and approved by the board of directors.
23. The company has not made appropriate arrangements of certification for director's training program for their directors as required by para xi of the code.
24. The company has not appointed Head of Internal Audit as required by para xiv of the code and consequently meetings of audit committee are held without presence of head of internal auditor as required by para xxviii of the code.
25. We confirm that all other material principles enshrined in the CCG have been complied with except for the clauses xi and xiv, toward which reasonable progress has been made by the company to seek compliance by the end of next accounting year.

Place: Lahore
Dated: September 23, 2015

Ali A. Malik
(Chief Executive Officer)





H.A.M.D & Co.

CHARTERED ACCOUNTANTS

Room no. 1, 2nd Floor,
Diamond Tower, Liberty Market,
Lahore. (Pakistan) Ph: 042-35784200&201
Fax: 042-35784202,
Email: waseem@hamdca.com

REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

We have reviewed the enclosed Statement of Compliance with the best practices contained in the Code of Corporate Governance (the Code) prepared by the Board of Directors of First National Equities Limited (the Company) to comply with the requirements of Listing Regulation No. 35 of Karachi Stock Exchange where the company is listed.

The responsibility for compliance with the Code is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code and report if it does not. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls, or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Code requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions distinguishing between transactions carried out on terms equivalent to those that prevail in arm's length transactions and transactions which are not executed at arm's length price and recording proper justification for using such alternate pricing mechanism. We are only required and have ensured compliance of this requirement to the extent of the approval of related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to determine whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended 30 June 2015.

Further, we highlight below instances of non-compliance with the requirements of the Codes were observed which are not stated in the Statement of Compliance:

Further, we highlight below instance(s) of non-compliance with the requirement(s) of the Code as reflected in the note/paragraph reference where these are stated in the Statement of Compliance:

- The company has not made appropriate arrangements to carry out orientation courses under directors' training program for their directors as required by para xi of the code;
- The company has not appointed Head of Internal Audit as required by para xiv of the code and consequently meetings of audit committee are held without presence of head of internal auditor as required by para xxviii of the code.

Based on our review, except for the above instances of non-compliance, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the best practices contained in the Code as applicable to the Company for the year ended June 30, 2015.

H.A.M.D. & Co.
Chartered Accountants
Engagement partner: Waseem Ashfaq

Place: Lahore
Date: September 23, 2015





H.A.M.D & Co.

CHARTERED ACCOUNTANTS

Room no. 1, 2nd Floor,
Diamond Tower, Liberty Market,
Lahore. (Pakistan) Ph: 042-35784200&201
Fax: 042-35784202,
Email: waseem@hamdca.com

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of FIRST NATIONAL EQUITIES LIMITED ("the company") as at June 30, 2015 and related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the Company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- a) In our opinion, proper books of accounts have been kept by the company as required by the Companies Ordinance, 1984.
- b) In our opinion
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984 and are in agreement with the books of accounts and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the Company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the Company;
- c) In our opinion, and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2015 and of the profit, comprehensive profit, its cash flows and changes in equity for the year then ended; and
- d) In our opinion, no Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

Emphasis of matter

- e) Without qualifying our opinion, we draw attention to the contents of note 2.2 to the accompanying financial statements, the Company earned profit after tax of Rs. 242.885 million in the year after recognizing deferred tax asset of Rs. 50.49 million. The accumulated losses of the company, however, were at Rs. 774.259 million as of the balance sheet date (2014, Rs. 1, 1017.487 million) after accounting for credit of notional income of Rs. 233.266 million. These conditions indicate the existence of material uncertainty that may cast doubt about the company's ability to continue as a going concern for a foreseeable future period and to realize its assets and settle its liabilities in the foreseeable future periods. However, management and directors are also working on a plan of action in order to turn around the company, as described in that note. Therefore the accompanying financial statements have been prepared on going concern basis of accounting.

H.A.M.D. & Co.
Chartered Accountants
Engagement partner: Waseem Ashfaq

Place: Lahore
Date: September 23, 2015



FIRST NATIONAL EQUITIES LIMITED
BALANCE SHEET
AS AT JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees(Restated)
NON-CURRENT ASSETS			
Property and equipment	4	60,369,890	91,874,905
Capital work in progress	5	33,340,000	33,340,000
Intangible assets	6	51,915,000	51,915,000
Investment Property	7	106,142,000	-
Receivable from associates	8	78,084,646	106,768,489
Investment in associate	9	134,300,452	53,326,629
Investments - available for sale	10	40,073,830	40,073,830
Long term deposits	11	2,344,209	2,394,209
Deferred taxation	12	87,502,177	25,029,753
		594,072,203	404,722,814
CURRENT ASSETS			
Short term investments	13	1,598,356	93,533,256
Trade debts	14	346,273,348	322,932,058
Loans and advances	15	1,480,314	1,567,986
Trade deposits	16	20,000	533,930
Other receivables	17	157,642,446	140,959,581
Advance tax		15,604,849	25,912,488
Cash and bank balances	18	56,483,031	3,471,322
		579,102,344	588,910,621
Total Assets		1,173,174,547	993,633,435
NON-CURRENT LIABILITIES			
Long term financing	19	298,860,877	265,976,323
Loan from sponsors	20	26,643,417	138,497,501
Other loans	21	256,947,585	191,375,221
Deferred liabilities	22	7,136,796	6,231,249
		589,588,675	602,080,294
CURRENT LIABILITIES			
Trade and other payables	23	229,002,321	224,398,902
Current maturity of long term financing	19	289,938,081	331,159,485
		518,940,402	555,558,387
Total Liabilities		1,108,529,077	1,157,638,681
CONTINGENCIES AND COMMITMENTS			
	24	-	-
NET ASSETS		64,645,470	(164,005,245)
REPRESENTED BY:			
Issued, subscribed and paid-up capital	25	1,418,098,310	1,418,098,310
Discount on issue of right shares		(630,418,817)	(630,418,817)
Accumulated losses		(774,259,059)	(1,017,487,222)
		13,420,434	(229,807,729)
Unrealized diminution on re-measurement of investments classified as available for sale	13.1.3	51,225,036	65,802,484
		64,645,470	(164,005,245)

The Annexed notes from 1 to 45 form an integral part of these financial statements.

Chief Executive

Director



FIRST NATIONAL EQUITIES LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
Operating revenue	26	24,672,555	43,681,695
Gain on sale of investments		132,844,403	86,056,987
Other operating income	27	17,695,229	34,243,487
		<u>175,212,187</u>	<u>163,982,169</u>
Administrative expenses	28	41,447,504	77,239,923
Operating profit		<u>133,764,683</u>	<u>86,742,246</u>
Finance cost	30	(35,346,104)	(45,175,425)
Notional (expense)/income		(9,082,864)	92,441,271
Unrealised gain on re-measurement of investment property		75,967,236	-
Other operating expenses	31	(3,514,073)	(10,298,970)
		<u>161,788,878</u>	<u>123,709,122</u>
Unrealized profit on re-measurement of investments classified as financial assets at fair value through profit or loss-held for trading-net	13.2	(8,032)	2,007,648
Share of profit / (loss) of associate-net	9.1	31,089,967	(6,384)
Profit before taxation		<u>192,870,813</u>	<u>125,710,386</u>
Taxation	32	(50,014,964)	10,992,468
Profit after taxation		<u>242,885,777</u>	<u>114,717,918</u>
PROFIT PER SHARE - BASIC AND DILUTED	33	<u>1.71</u>	<u>0.83</u>

The annexed notes from 1 to 45 form an integral part of these financial statements.

Chief Executive

Director



FIRST NATIONAL EQUITIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED JUNE 30, 2015

	Note	2015 Rupees	2014 Rupees
Profit after taxation		242,885,777	114,717,918
Unrealized gain during the year in the market value of investments classified as 'available for sale'		65,008,438	25,837,156
Reclassification adjustment of realized profit on sale of investments-available for sale		(132,301,492)	(86,056,987)
Share of unrealized surplus - investment in associate	9.1	52,715,607	2,831,751
		(14,577,447)	(57,388,080)
Actuarial gains from remeasurment of staff retirement benefits		342,386	282,815
Total comprehensive income for the year-net of tax		228,650,716	57,612,653

The annexed notes from 1 to 45 form an integral part of these financial statements.

Chief Executive



Annual Report '15

Director

FIRST NATIONAL EQUITIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED JUNE 30, 2015

	Issued, subscribed and paid-up capital	Discount on issue of right shares	Accumulated (loss) / profit	Unrealised surplus / (deficit) on re- measurement of investments classified as available for sale	Total
------(Rupees)-----					
Balance as at July 01, 2012 (Restated)	1,380,000,000	(603,750,000)	(1,347,335,195)	(20,001,721)	(591,086,916)
Loss after taxation for the year ended June 30 2013	-	-	(18,396,443)	-	(18,396,443)
Effect of change in accounting policy (Note 29)	-	-	(126,798)	-	(126,798)
Other comprehensive income for the year	-	-	-	143,192,284	143,192,284
Effect of change in accounting policy (Note 29)	-	-	108,194	-	108,194
Balance as at June 30, 2013 (Restated)	1,380,000,000	(603,750,000)	(1,365,750,242)	123,190,563	(466,309,679)
Profit after taxation for the year ended June 30 2013	-	-	114,717,919	-	114,717,919
Other comprehensive income for the year	-	-	-	(57,388,080)	(57,388,080)
Right shares issued during the year	38,098,310	(26,668,817)	-	-	11,429,493
Effect of change in accounting policy (Note 29)	-	-	282,815	-	282,815
Prior years' adjustment	-	-	(3,976)	-	(3,976)
Balance as at June 30, 2014 (as previously reported)	1,418,098,310	(630,418,817)	(1,250,753,484)	65,802,483	(397,271,508)
Notional Gain on amortization of markup liability	-	-	233,266,262	-	233,266,262
Balance as at June 30, 2014 (as restated)	1,418,098,310	(630,418,817)	(1,017,487,222)	65,802,483	(164,005,246)
Profit after taxation for the year ended June 30, 2015	-	-	242,885,777	-	242,885,777
Other comprehensive income for the year	-	-	-	(14,577,447)	(14,577,447)
Gain on remeasurement of staff retirement benefits (Note 29)	-	-	342,386	-	342,386
Balance as at June 30, 2015	1,418,098,310	(630,418,817)	(774,259,059)	51,225,036	64,645,470

The annexed notes from 1 to 45 form an integral part of these financial statements.

Chief Executive

Director



FIRST NATIONAL EQUITIES LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED JUNE 30, 2015

Note	2015 Rupees	2014 Rupees
Cash flows from operating activities		
	Cash generated from operations	
36	(23,951,853)	(160,447,983)
	Finance cost paid	(8,902,764)
	Gratuity paid	(110,000)
	Income taxes paid	(2,149,821)
	Net cash used in the operating activities	(35,114,438)
A		(172,672,166)
Cash flows from investing activities		
	Investment in available for sale financial assets - net	154,805,093
	Investment in marketable securities - net	5,504,831
	Fixed capital expenditure incurred	(72,800)
	Investment in Associates	-
	Long-term deposits	50,000
	Received from Associates	11,383,000
	Dividend received	6,600,795
	Net cash from investing activities	178,270,918
B		203,047,170
		625,752
		(94,500)
		159,130
		298,139
		35,397,659
		15,526,360
		254,959,710
Cash flows from financing activities		
	Proceeds from right issue	-
	Payment made against long-term financing	(43,863,052)
	Net increase in other loans	65,572,364
	(Paid to) / received from sponsor	(111,854,084)
	Net cash from financing activities	(90,144,771)
C		11,429,493
		(180,694,139)
		52,350,206
		70,000,000
		(46,914,440)
	Net increase in cash and cash equivalents	53,011,709
(A+B+C)		35,373,104
	Cash and cash equivalents at the beginning of year	3,471,322
		(31,901,782)
	Cash and cash equivalents at the end of year	56,483,031
		3,471,322

The annexed notes from 1 to 45 form an integral part of these financial statements.

Chief Executive

Director



FIRST NATIONAL EQUITIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

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. The registered office of the company is situated at 19-C, Sunset Lane-6, South Park Avenue, Phase-II Extension, DHA, Karachi. The company is listed on the Karachi Stock Exchange Limited.

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

2 ACCOUNTING CONVENTION AND BASIS FOR PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with requirements of Companies Ordinance, 1984 (the Ordinance), the directives issued by Securities and Exchange Commission of Pakistan and approved financial reporting standards as applicable in Pakistan. Approved financial reporting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions and directives issued under the Ordinance. In case requirements differ, the provisions or directives of the Ordinance, prevail.

2.2 Going concern - Assumptions

The Company has made profit after tax of Rs. 242.885 million during the current year after taking into account deferred tax of Rs 50.49 million on unused tax losses of Rs. 297 million and unrealised gain on re-measurement of investment property Rs.75 million, aggregating Rs. 126.565 million. As at June 30, 2015, the Company's accumulated losses were Rs. 774.259 million (2014: Rs. 1,017.487 million) after accounting for credit of notional income of Rs. 233.266 million on accrued mark liability measured at amortized cost pertaining to prior year resulting in equity of Rs. 64.645 million as at June 30, 2015 (2014: negative Rs. 164.005 million). These conditions indicate significant doubts about the company's ability to continue as going concern for a foreseeable future period and company would be unable to realize its assets and settle its liabilities in the normal course of business. However, The directors of the Company have been continued to work on a plan of action in order to improve upon financial position and the operating profitability which interalia include;

a) Issue of right shares

The members of the Company in their EOGM held on May 15, 2013 had approved the issuance of 333.396 million ordinary shares to inject a further equity (liquidity) of Rs. 1,001.88 million by way of right issue which has also been approved by SECP vide its letter dated June 12, 2013. During the last year Rs.11.429 million equity was injected through Right Issue. The Company is in process for further Right Issue and is hopeful to complete the same during coming year.

b) Restructuring arrangement

The Company has made progress in reaching a restructuring/rescheduling arrangements for its financing facilities with Bank Alfalah Limited which includes a waiver of outstanding markup as explain in note 19 which will have substantial positive impact on the profitability and consequently on the equity of the Company in coming years.

c) Prospective new Business Plans

The Management believes that due to availability of the additional liquidity and further financing arrangements as well as likely enhancement in new investment in listed companies and future capital gains in the investment in shares and consequent new business opportunities would arise in the future period, the Company would there for would be able to generate sufficient profits to enable it to set-off the accumulates losses.

d) Substantial reduction in administrative expenses

The Management of the company has curtailed its administrative and other operating expenses as reflected in the profit and loss account to minimum possible level without affecting the operational efficiency of the Company. This has resulted in improving the operating results and equity position of the Company.



2.3 Accounting convention

These financial statements have been prepared under the historical cost convention, except for investments and derivative financial instruments which have been marked to market and carried at fair value to comply with the requirements of IAS 39: "Financial Instruments : Recognition and measurement" and investment property which are stated at fair value.

2.4 The accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as describe below:

New/Revised Standards, Interpretations and Amendments which became effective during the year

During the year certain amendments to Standards or new interpretations became effective, however, the amendments or interpretation were either not relevant to the Company's operations or were not expected to have any significant impact on the Company's financial statements.

Improvements to Accounting Standards issued by the IASB

- IAS 1 - Presentation of Financial Statements - Clarification of the requirements for comparative information
- IAS 16 - Property, Plant and Equipment - Clarification of Servicing Equipment
- IAS 32 - Financial instruments: Presentation - Tax Effects of Distribution to Holders of Equity Instruments
- IAS 34 - Interim Financial Reporting - Interim Financial Reporting and Segment Information for Total Assets and Liabilities

The adoption of the above amendments, revisions, improvements to accounting standards and interpretations did not have any effect on the financial statements.

2.5 Standards, interpretations and amendments to approved accounting standards that are not yet effective:

The following amendments and interpretations with respect to the approved accounting standards as applicable in Pakistan would be effective from the dates mentioned below against the respective standard or interpretation:

Standard or Interpretation	Effective date (annual periods Beginning on or after)
- IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations (Amendments)	01 July 2016
- IFRS 7 - Financial Instruments: Disclosures (Amendments)	01 July 2016
- IFRS 14 - Regulatory Deferral Accounts	01 January 2016
- IFRS 15 - Revenue from Contracts with Customers	01 January 2017
- IAS 1 - Presentation of Financial Statements (Amendments)	01 January 2016
- IAS 16 - Property, Plant and Equipment (Amendments)	01 January 2016
- IAS 19 - Employee Benefits (Amendments)	01 January 2016
- IAS 27 - Separate Financial Statements	01 January 2016
- IAS 28 - Investment in Associates and Joint Ventures (Amendments)	01 January 2016
- IAS 34 - Interim Financial Reporting (Amendments)	01 January 2016
- IAS 38 - Intangible Assets (Amendments)	01 January 2016
- IAS 41 - Agriculture (Amendments)	01 January 2016



The management anticipates that, adoption of above standards, amendments and interpretations in future periods, will have no material impact on the financial statements other than in presentation / disclosures.

Further, following new standards have been issued by IASB which are yet to be notified by the SECP for the purpose of applicability in Pakistan.

- IFRS 1 - First-time Adoption of International Financial Reporting Standards
- IFRS 9 - Financial Instruments: Classification and Measurement

The following interpretations issued by the IASB have been waived off by SECP:

- IFRS 4 - Determining whether an arrangement contains lease
- IFRS 12 - Service concession arrangements

2.6 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expense. It also requires the management to exercise its judgment in the process of applying the Company's accounting policies.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are as follows:

a) Property and equipment

The Company's management determines the estimated useful lives and related depreciation charge for its property and equipment. The Company estimates with respect to residual values and depreciable lives. Further, the Company reviews the value of the assets for possible impairment on an annual basis. Any change in the estimate in the future years might affect the carrying amounts of the respective item of property and equipment with a corresponding affect on the depreciation charge and impairment.

b) Income taxes

In making the estimates for income taxes currently payable by the Company, the management looks at the current income tax law and the decisions of appellate authorities on certain issues in the past.

c) Trade debts and other receivables

Impairment loss against doubtful trade and other debts is made on a judgment basis, provisions may differ in the future years based on the actual experience. The difference in provision if any, is recognized in the future period.

d) Classification and valuation of investments

The Company has determined fair value of investments from active market. Fair value estimates are made at a specific point of time based on market conditions and information about the financial instruments. These estimates are subjective in nature and involve uncertainties and matter of judgments (e.g. valuation, interest rates, etc.) and therefore, can not be determined with precision.

e) Staff retirement benefits

Liability under defined benefit plan is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases and mortality rates. Due to the long term nature of this plan, such estimates are subject to uncertainty. Further details are given in Note 29.

3 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

3.1 Property and equipment

These are stated at cost less accumulated depreciation or impairment losses, if any, except for capital work-in-progress which is stated at cost less accumulated impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items. All expenditures connected to the specific assets incurred during installation and construction period are carried under capital work-in-progress. These are transferred to specific assets as and when assets are available for use. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it



is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Depreciation on all property and equipment is calculated using the straight-line method in accordance with the rates specified in note 4 to these financial statements and after taking into account residual value, if material. The residual value and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. Depreciation on additions is charged from the month the property and equipment is available for use while no depreciation is charged in the month of disposal.

Repairs and maintenance are charged to the profit and loss account during the financial year in which they are incurred.

Gains or losses on disposals of property and equipment are determined by comparing proceeds with the carrying amount. These are included in the profit and loss account.

An asset's carrying amount is written down immediately to its recoverable amount if the carrying amount is less than the recoverable amount.

3.2 Intangible assets -

Intangible assets, includes Trading Right Entitlement Certificate (TREC), Licenses and tenancy rights, with indefinite useful life are stated at cost less accumulated impairment losses, if any. An intangible asset is regarded as having an indefinite useful life, when, based on an analysis of all the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. An intangible asset with an indefinite useful life is not amortized. However, it is tested for impairment, if any, at each balance sheet date or whenever there is an indication that the asset may be impaired. Gains or losses on disposal of intangible assets, if any, are taken to the profit and loss account.

3.3 Investment Property

"Property that is held for long-term rental yields or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the supply of services or for administrative purposes, is classified as investment property. Investment property is initially measured at its cost, including related transaction costs and borrowing costs, if any.

Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Latest valuation was carried out by the independent valuer on June 30, 2015. For the purpose of subsequent measurement, the Company determines with sufficient regularity the fair value of the items of investment property based on available active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Valuations wherever needed are performed as of the reporting date by professional valuers who hold recognized and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property.

Changes in fair values are recognized in the profit and loss account. An item of Investment property is derecognized either when disposed of or permanently withdrawn from use and no future economic benefit is expected from its disposal."

3.4 Investments

The management determines the appropriate classification of its investments in accordance with the requirements of International Accounting Standards (IAS) 39: "Financial Instruments : Recognition and Measurement", at the time of the purchase and re-evaluates this classification on a regular basis. The existing portfolio of the Company has been categorized as follows:

a) Investment in associates

Associates are all entities over which the Company has significant influence but not control. Investment in associates where the Company has significant influence are accounted for using the equity method of accounting. Under the equity method of accounting, the investment in associates are initially recognized at cost and the carrying amount of investment is increased or decreased to recognize the Company's share of the post acquisition profits or losses in income and its share of the post acquisition movement in reserves is recognized in reserves.

b) Financial assets at fair value through profit or loss account

Investments that are acquired principally for the purpose of generating profit from short term fluctuations in prices are classified as 'financial assets at fair value through profit or loss' category. These investments are initially recognized at fair value and the transaction costs associated with these investments are taken directly to the profit and loss account. Subsequent to initial recognition, these investments are marked to market using the closing market rates and are carried at these values on the balance sheet being their fair value. Net gains and losses arising on changes in fair values of these investments are taken to the profit and loss account in the period in which they arise.



c) Available for sale

Available for sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) loans and receivables, (b) held to maturity investments, and (c) financial assets at fair value through profit or loss. These investments are initially recognized at fair value which includes transaction costs associated with the investments. Subsequent to initial recognition, these investments are marked to market using the closing market rates and are carried at these values on the balance sheet being their fair value. Net gains and losses arising on changes in fair values of these investments are taken to equity. They are included in non-current assets unless management intends to dispose of the investments within twelve months from the balance sheet date.

All purchases and sales of investments that require delivery within the time frame established by regulation or market convention ('regular way' purchases and sales) are recognized at trade date, which is the date that the Company commits to purchase or sell the asset. All other purchases and sales are recognized as derivative forward transactions until settlement occurs.

Investments are derecognized when the right to receive cash flows from the investments have expired, or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Impairment loss in respect of investments is recognized when there is any objective evidence as a result of one or more events that may have an impact on the estimated future cash flows of the investment. A significant or prolonged decline in the fair value of an investment in equity security below its cost is also an objective evidence of impairment. Provision for impairment in the value of investment, if any, is taken to the profit and loss account. In case of impairment of equity securities classified as available for sale, the cumulative loss that has been recognized directly in surplus on revaluation of securities on the balance sheet below equity is removed there from and recognized in the profit and loss. Any subsequent increase in the value of these investments is taken directly to surplus on revaluation of securities which is shown on the balance sheet below equity. For investments classified as held to maturity, the impairment loss is recognized in the profit and loss.

3.5 Trade debts and other receivables

Trade debts and other receivables are recognized initially at fair value and subsequently at amortized cost using the effective interest method less an estimate made for doubtful receivables where there is objective evidence that the Company will not be able to collect all the amounts due. Balances considered bad and irrecoverable are written off.

**3.6 Taxation
Current**

Provision for current taxation is based on taxable income at the current rates of taxation after taking into account tax credits and rebates available, if any. The charge for current tax also includes adjustments where necessary, relating to prior years which arise from assessments framed / finalized during the year.

Deferred

Deferred tax is recognized using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities used for financial reporting purposes and amounts used for taxation purposes. Deferred tax is calculated using the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liabilities are recognized for all taxable temporary differences. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized.

3.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, balances with banks in current and deposit accounts, stamps in hand, other short-term highly liquid investments with original maturities of less than three months and short term running finances.

3.8 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost.

3.9 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. The amount recognized represents the best estimate of the expenditure required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

4 Staff retirement benefits

The Company operates an unfunded gratuity scheme covering all eligible permanent employees. The liability recognized in the balance sheet in respect of defined benefit gratuity scheme is the present value of the defined benefit obligation at the



balance sheet date together with the adjustments for unrecognized actuarial gains or losses and past service costs, if any. The defined benefit obligation is calculated by an independent actuary using the Projected Unit Credit Method. The unrecognized actuarial gains or losses at each valuation date in excess of the 10% of the present value of the defined benefit obligation are amortized over the average remaining working lives of the employees in the following year.

3.10 Borrowings

These are recorded at the proceeds received. Finance costs are accounted for on accrual basis and are disclosed as accrued interest / mark-up to the extent of the amount remaining unpaid.

3.11 Proposed dividend and transfer between reserves

Dividends declared and transfer between reserves made subsequent to the balance sheet date are considered as non-adjusting events and are recognized in the financial statements in the period in which such dividends are declared / transfers are made.

3.12 Impairment

The carrying amount of assets is reviewed at each balance sheet date to determine whether there is any indication of impairment of any asset or group of assets. If any such indication exists, the recoverable amount of such assets is estimated and impairment losses are recognized immediately in the financial statements. The resulting impairment loss is taken to the profit and loss account.

3.13 Borrowing cost

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of the relevant asset.

3.14 Fiduciary assets

Assets held in trust or in a fiduciary capacity by the Company are not treated as assets of the Company.

3.15 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any direct expenses. Revenue is recognized on the following basis:

- Brokerage income is recognized when brokerage services are rendered
- Dividend income is recognized when the right to receive the dividend is established.
- Commission income is recognized on an accrual basis.
- Return on deposits is recognized using the effective interest method.
- Income on fixed term investments is recognized using the effective interest method.
- Gains / (losses) arising on sale of investments are included in the profit and loss account in the period in which they arise.
- Unrealized capital gains / (losses) arising from mark to market of investments classified as 'financial assets at fair value through profit or loss - held for trading' are included in profit and loss account for the period in which they arise.
- Income on KSE exposure deposit is recognized using the effective interest rate.

3.16 Foreign currency transaction and translation

Transactions in foreign currencies are translated into the functional currency at the rates of exchange ruling on the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transaction and from translation at year end exchange rates of monetary assets and liabilities in foreign currencies are recognized in income.



3.17 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pak Rupee, which is the Company's functional and presentation currency.

3.18 Financial instruments**a) Financial assets and liabilities**

Financial instruments carried on the balance sheet include investments, loans, deposits, margin trading system, trade debts, other receivables, cash and bank balances, trade and other payables, payable in respect of margin trading system transactions, short-term borrowings and accrued mark-up on borrowings. At the time of initial recognition, all the financial assets and liabilities are measured at fair value. The particular recognition method for subsequent re-measurement of significant financial assets and liabilities is disclosed in the individual policy statements associated with each item.

b) Derivative financial instruments

Derivative financial instruments are recognized at their fair value on the date on which a derivative contract is entered into. Subsequently, any changes in fair values arising on marking to market of these instruments are taken to the profit and loss account.

c) Off setting

Financial assets and liabilities are offset and the net amount is reported in the financial statements only when the Company has a legally enforceable right to offset the recognized amounts and the Company intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3.19 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted at normal commercial rates on the same terms and conditions as third party transactions, except in extremely rare circumstances where, subject to the approval of the Board of Directors, it is in the interest of the Company to do so.



4 PROPERTY AND EQUIPMENT

Description	Lease hold land	Building on lease hold land	Furniture and fittings	Office equipment	Computer and accessories	Vehicles	Total
	-----Rupees-----						
Cost							
Balance as at July 01, 2013	36,156,614	65,335,686	18,521,169	15,143,519	18,788,577	15,163,211	169,108,776
Additions during the year	-	-	-	-	94,500	-	94,500
Written Off	-	-	(166,825)	(347,020)	(233,070)	-	(746,915)
Balance as at June 30, 2014	36,156,614	65,335,686	18,354,344	14,796,499	18,650,007	15,163,211	168,456,361
Balance as at July 01, 2014	36,156,614	65,335,686	18,354,344	14,796,499	18,650,007	15,163,211	168,456,361
Additions during the year	-	4,050,000	-	-	72,800	-	4,122,800
Transfer	-	(44,025,908)	-	-	-	-	(44,025,908)
Balance as at June 30, 2015	36,156,614	25,359,778	18,354,344	14,796,499	18,722,807	15,163,211	128,553,253
Depreciation							
Balance as at July 01, 2013	388,781	14,091,584	13,296,190	10,931,777	18,788,059	13,558,469	71,054,860
Charge for the year	388,684	1,633,396	1,811,203	1,463,395	15,750	796,548	6,108,976
Written off	-	-	(116,810)	(232,503)	(233,066)	-	(582,379)
Balance as at June 30, 2014	777,465	15,724,980	14,990,583	12,162,669	18,570,743	14,355,017	76,581,457
Balance as at July 01, 2014	777,465	15,724,980	14,990,583	12,162,669	18,570,743	14,355,017	76,581,457
Charge for the year	1,633,396	388,684	1,612,303	1,248,077	43,512	527,080	5,453,052
Transfer	-	(13,851,145)	-	-	-	-	(13,851,145)
Balance as at June 30, 2015	2,410,861	2,262,519	16,602,886	13,410,746	18,614,255	14,882,097	68,183,364
Depreciation Rate	1.08%	2.5%	10%	10%	33.33%	20%	-
Written down value as at June 30, 2015	33,745,753	23,097,259	1,751,458	1,385,753	108,552	281,115	60,369,890
Written down value as at June 30, 2014	35,379,149	49,610,706	3,363,761	2,633,830	79,264	808,195	91,874,905

Lease hold land comprises Plot No. 666-C, measuring 1,100.677 square yards, Mall Road, Peshawar Cantt.

Building on lease hold land comprises Plot No. 19-C, measuring 266 square yards, Sunset Lane No. 6, Phase II extension, DHA, Karachi and Office No. 306 situated at 3rd Floor, Business and Finance Centre, I. I. Chundrigar Road, Karachi. These properties have been mortgaged with a commercial bank for securing financing facilities.

5 CAPITAL WORK IN PROGRESS

	Note	2015 Rupees	2014 Rupees
Advance for Commercial space - Karachi financial towers		33,340,000	33,340,000

6 INTANGIBLE ASSETS

	Cost				Total
	Trading Right Entitlement Certificate (TREC) Karachi Stock Exchange	Membership card of Karachi Stock Exchange	License to use Room at Karachi Stock Exchange	Tenancy rights Building	
	6.1		6.2	6.3	
	-----Rupees-----				
Balance as at June 30, 2015	15,000,000	-	22,000,000	14,915,000	51,915,000
Total	15,000,000	-	22,000,000	14,915,000	51,915,000
Balance as at June 30, 2014	15,000,000	-	22,000,000	14,915,000	51,915,000
Total	15,000,000	-	22,000,000	14,915,000	51,915,000



- 6.1 "Pursuant to demutualization of the Karachi Stock Exchange (KSE), the ownership rights in the Stock Exchange were segregated from the right to trade on an exchange. As a result of such demutualization, the Company received shares and TREC from Karachi Stock Exchange against its membership card."

The active market for TREC is currently not available. The TREC has been accounted for as intangible asset as per provisions of IAS 38. As the TRE certificate is not common tradable instrument, therefore after demutualization, value approved by the Board of Directors of KSE has been used as its initial value. The Board of Directors has already set a value of Rs 15 million for TREC which is also being used in determining the base minimum capital to be maintained by each TREC holder under regulations for Risk management.

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

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

7	Note	2015 Rupees	2014 Rupees
INVESTMENT PROPERTY			
Opening balance		-	-
Transfers during the year		30,174,763	-
Increase in fair value		75,967,237	-
Fair value balance at year end		<u>106,142,000</u>	<u>-</u>

- 7.1 "During the year the board of directors of the company approved reclassification of its property located at DHA, Karachi as investment property. The property was revalued on June 30, 2015. Revaluation was carried out by an independent valuer (M/S. Excel Enterprises (Pvt) Ltd) in which fair value increase amounted to Rs.106.142 million was recognized in profit & loss account in accordance with IAS 40 (investment property)."

8 RECEIVABLE FROM ASSOCIATES

First Pakistan Securities Limited	29,207,904	57,891,747
Switch Securities (Private) Limited	48,876,742	48,876,742
	<u>78,084,646</u>	<u>106,768,489</u>

These receivables carry mark-up at the rate not less than the borrowing rate of the Company and are recoverable over a maximum period of ten years.

9	Note	2015 Rupees	2014 Rupees
INVESTMENT IN ASSOCIATE			
National Asset Management Company Limited (NAMCO)	9.1	<u>134,300,452</u>	<u>53,326,629</u>
		<u>134,300,452</u>	<u>53,326,629</u>
9.1 Investment in associate accounted for under equity method - National Asset Management Company Limited - holding 37.38% [4,000,000 ordinary shares (2014: 4,000,000 ordinary shares) of Rs 10. each fully paid-up. Cost of investment Rs 40,000,000.]			
Investment as at July 1		50,494,878	50,501,262
Share in reserves of associate		52,715,607	2,831,751
Share of profit	9.1.1	31,089,967	(6,384)
Balance as at June 30		<u>134,300,452</u>	<u>53,326,629</u>



- 9.1.1** The share of the Company in National Asset Management Company Limited (an associated undertaking / related party) has been accounted for under the equity method of accounting based on its audited financial statements for the year ended June 30, 2015 in accordance with the treatment specified in International Accounting Standard 28: "Accounting for Investment in Associates". The company holds 37.38318% i.e. 4,000,000 ordinary shares (June 30, 2014: 4,000,000 ordinary shares) of Rs. 10 each fully paid-up. Cost of investment Rs.40 million (June 30, 2014: Rs. 40 million).

Summarized financial information of associate

The gross amounts of assets, liabilities, revenue and profit of the associate are as follows:

	Assets	Liabilities	Income	Profit/ (loss)after taxation	Percentage of Interest held
June 30, 2015					
National Asset Management Company Limited	<u>292,873,512</u>	<u>9,861,610</u>	<u>107,044,874</u>	<u>83,164,276</u>	<u>37.38%</u>
June 30, 2014					
National Asset Management Company Limited	<u>151,374,345</u>	<u>5,092,887</u>	<u>22,385,412</u>	<u>(17,077)</u>	<u>37.38%</u>

	Note	2015 Rupees	2014 Rupees
10 INVESTMENTS - AVAILABLE FOR SALE			
Karachi Stock Exchange Limited	10.1	<u>40,073,830</u>	<u>40,073,830</u>
		<u>40,073,830</u>	<u>40,073,830</u>

- 10.1** Pursuant to demutualization of the Karachi Stock Exchange (KSE), the ownership rights in the Stock Exchange were segregated from the right to trade on an exchange. As a result of such demutualization, the Company received shares and TREC from Karachi Stock Exchange against its membership card.

The above arrangement has been resulted in allocation of 4,007,383 shares of Rs. 10/- each and TREC to the Company by the Karachi Stock Exchange Limited. Out of the total shares issued by the KSE, the Company has received 40% equity shares i.e. 1,602,953 shares in its CDC account. The remaining 60% shares have been transferred to CDC sub account in the Company's name under the KSE's participant IDs with the CDC which will remain blocked until these shares divested / sold to strategic investor(s), general public and financial institutions and proceeds are paid to the Company.

In accordance with applicable IFRS in Pakistan, the shares allotted by KSE has been classified as "Available for sale". These shares have been recorded initially at face value of Rs. 10/- each. Since active market of these shares is not available as of now, therefore, fair value determination is difficult task. An attempt to arrive at the fair value by using appropriate valuation technique may be possible, if data from observable market is available. However in the absence of requisite data for fair value, these shares have been carried at par value.

The above shares and TRE certificate have been received against surrender of stock exchange membership card. As the fair value of both the asset transferred and asset obtained has been determined with reasonable accuracy, the gain on exchange of assets was recognized recorded in profit and loss account of the Company in the year 2013..

	2015 Rupees	2014 Rupees
11 LONG TERM DEPOSITS		
Central Depository Company Limited	150,000	150,000
Karachi Stock Exchange Limited	1,100,000	1,100,000
National Clearing Company of Pakistan Limited	300,000	300,000
Security deposits	<u>794,209</u>	<u>844,209</u>
	<u>2,344,209</u>	<u>2,394,209</u>



	Note	2015 Rupees	2014 Rupees
12 DEFERRED TAXATION - NET			
Temporary differences on:			
Provision for gratuity		1,213,255	2,118,625
Provision for doubtful debts		53,304,256	37,879,235
Accelerated tax depreciation		(1,772,131)	(10,437,052)
Investment in associate		(15,841,228)	(4,531,055)
		36,904,151	25,029,753
Effect of Carried Forward-tax losses	12.1	50,598,025	-
		87,502,177	25,029,753

12.1 The amount of unused tax losses for the tax year 2011 and 2013 were Rs 126,931,850/- and Rs 170,703,594/- respectively. The Company has recognized deferred tax debit balance on these losses after considering opinion of the tax consultant and another independent firm of chartered accountants based on current / previous year profits and future year projections.

13 SHORT-TERM INVESTMENTS - NET

Available for sale	13.1	1,024,197	87,446,234
At fair value through profit or loss- held for trading	13.2	574,159	6,087,022
		1,598,356	93,533,256

13.1 Available for sale

Detail of investments in shares / certificates / units of listed Companies / mutual funds:

No. of Shares		Name of Scrip / Company	2015		2014	
Jun-15	Jun-14		Average Cost	Market Value	Average Cost	Market Value
10,134	1,771,134	Cement Pioneer Cement Limited - note 13.1.2	204,568	864,303	21,337,265	82,641,112
453,525	453,525	Leasing Companies SME Leasing Limited - note 13.1.1	2,267,852	113,381	2,267,852	2,267,625
1,500	1,500	Sugar composite Kohinoor sugar mills limited	15,997	25,950	15,997	15,000
-	321,166	Open-end mutual fund NAMCO Balanced Fund - related party	-	-	600,180	1,926,996
180	40,980	Support services TRG Pakistan	1,005	5,499	228,862	574,949
500	500	Miscellaneous Diamond Industries Limited	25,000	14,290	25,000	19,785
1	1	Punjab Oil Mills Limited	46	183	46	105
2	2	Nishat Chunian Power	29.00	119	29	76
23	23	Pak Telecommunication Corp.	271	472	271	586
465,865	2,588,831		2,514,768	1,024,197	24,475,502	87,446,234

Unrealised gain/(loss) on re-measurement of investments classified as 'available for sale'

(1,490,571)	62,970,732
1,024,197	87,446,234

13.1.1 Securities having average cost of Rs. 1,406,254 (2014: Rs 22,769,754) and fair value of Rs. 924,408 (2014: Rs. 84,408,824) have been pledged with various commercial banks for obtaining finance facilities under mark-up arrangements as specified in note 19.

13.1.2 As at June 30, 2015 securities having average cost of Rs.201,889 and fair value of Rs. 852,900 are held in the name Sindh Industrial Trading Estate Limited and have been kept as security with one of the Commercial banks for securing financing facilities under mark-up arrangement.

13.1.3 Movement in unrealized gain / (loss) on investments classified as 'available for sale':



	Note	2015 Rupees	2014 Rupees
Short-term investments	13.1	(1,490,571)	62,970,732
Share in reserves of associate	9.1	52,715,607	2,831,751
		<u>51,225,036</u>	<u>65,802,483</u>

13.2 Financial assets at 'fair value through profit or loss

Detail of investments in shares / certificates / units of listed Companies / mutual funds:

No. of Shares		Name of Scrip / Company	2015		2014	
Jun-15	Jun-14		Average Cost	Market Value	Average Cost	Market Value
1,166	272,652	Open-end mutual fund NAMCO Balanced Fund - related party	6,996	14,906	1,605,499	1,635,912
200,000	200,000	Modarabas First I.B.L Modaraba - IPO Investments	540,000	522,000	300,000	540,000
49	31,653	Insurance EFU General Insurance	6,009	7,203	2,151,421	3,881,924
68	68	Oil & gas marketing Companies Pakistan State Oil Company Limited	26,442	26,234	19,864	26,442
69	69	Fauji Fertilizer Bin Qasim Limited	2,744	3,817	2,590	2,744
201,352	504,442		582,191	574,159	4,079,374	6,087,022
Unrealized gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss'-held for trading			(8,032)		2,007,648	
			574,159	574,159	6,087,022	6,087,022

13.2.1 Securities having average cost of Rs. NIL(2014: 2,148,124) and fair value of Rs. NIL(2014: Rs.3,875,915) have been pledged with various commercial banks for obtaining finance facilities under mark-up arrangements as specified in note 19.

13.2.2 International Accounting Standard 39, Financial Instruments: Recognition and Measurement (IAS 39) requires an entity to assess at each balance sheet date whether there is any objective evidence that a financial asset or liability is impaired. A significant decline in the fair value of an investment in an equity security below its cost is objective evidence of such impairment. When a decline in the fair value of an investment in equity securities classified as available for sale has been recognized directly in equity and there is objective evidence that the investment is impaired, the cumulative loss that had been recognized directly in equity is removed from equity and is recognized in the profit and loss account even though the investment has not been derecognized. Impairment losses recognized in the profit and loss account for an investment in an equity security classified as available for sale are not reversed through the profit and loss account but are recognized in the available for sale reserve in equity.

	Note	2015 Rupees	2014 Rupees
14 TRADE DEBTS			
Considered good	14.1	346,273,348	322,932,058
Considered doubtful		313,554,445	313,554,445
		<u>659,827,793</u>	<u>636,486,503</u>
Less: Provision for doubtful debts	14.2	(313,554,445)	(313,554,445)
		<u>346,273,348</u>	<u>322,932,058</u>



- 14.1** This includes receivable from National Clearing Company of Pakistan Limited (NCCPL) and director of the Company amounting to Rs. NIL (2014: Rs 193,119).

14.2	Movement in provision against trade debts	Note	2015 Rupees	2014 Rupees
	Opening balance		313,554,445	308,204,672
	Charged during the year		-	5,349,773
	Closing balance		<u>313,554,445</u>	<u>313,554,445</u>

- 14.3** The Company holds securities having fair value of Rupees 184.562 Million (2014: Rs. 89.668million) owned by its clients as collateral against trade debts.

15	LOANS AND ADVANCES	Note	2015 Rupees	2014 Rupees
	Advances - unsecured, considered good			
	to employees against expenses		1,480,314	1,263,736
	to suppliers		304,250	304,250
	Less: advances written off		(304,250)	-
			<u>1,480,314</u>	<u>1,567,986</u>
16	TRADE DEPOSITS			
	Exposure deposit	16.1	20,000	533,930
			<u>20,000</u>	<u>533,930</u>

- 16.1** This represents amount deposited with Karachi Stock Exchange Limited against exposure arising out of the transactions entered into by the Company in respect of which settlements have not taken place as at the year end. The Company has deposited the exposure amount in the form of securities in accordance with the regulations of the Karachi Stock Exchange Limited.

17	OTHER RECEIVABLES	Note	2015 Rupees	2014 Rupees
	Mark up on receivable from associates	17.1	154,183,115	138,518,195
	Others		3,459,330	2,441,385
			<u>157,642,446</u>	<u>140,959,581</u>

- 17.1** This mark up is charged on receivable from associates as more fully explained in note 8.

	First Pakistan Securities Limited	80,607,140	72,762,502
	Switch Securities (Private) Limited.	73,575,975	65,755,693
		<u>154,183,115</u>	<u>138,518,195</u>

18	CASH AND BANK BALANCES	Note	2015 Rupees	2014 Rupees
	Cash at bank in:			
	Current accounts		56,469,013	3,445,537
	Saving accounts		14,018	25,785
18.1	The markup rate on saving accounts is 5.6% to 6.5% (2014:6.7% to 7.5%)		<u>56,483,031</u>	<u>3,471,322</u>



	Note	Sanctioned Limit Rupees	2015 Rupees	2014 Rupees
19 LONG-TERM FINANCING				
From banking companies-secured				
Bank Alfalah Limited	19.1		210,033,390	240,263,939
United Bank Limited	19.2	300,000,000	4,437,528	5,879,176
The Bank of Punjab	19.3	500,000,000	135,307,837	135,307,837
From non-banking company-unsecured				
Sindh Industrial Trading Estates -S.I.T.E.	19.4		16,237,442	16,237,442
Overdue interest on long term financing	19.5		222,782,762	199,447,414
			<u>588,798,958</u>	<u>597,135,808</u>
Less: current portion of long term financing			<u>(289,938,081)</u>	<u>(331,159,485)</u>
			<u>298,860,877</u>	<u>265,976,323</u>

19.1 Financing from Bank Alfalah Limited has been restructured/rescheduled vide offer letter dated June 27, 2014 as amended dated September 08, 2014 wherein TF-I, TF-II, TF-III and short term financing have been merged. The restructured loan liability is interest free liability and has been recognized at present value of liability discounted at the average borrowing cost of the company. The difference between the carrying amount of the liability extinguished and the fair value of the new liability has been recognized in profit and loss account as notional income. The finance facility was obtained for working capital requirement and improvement in liquidity. The facility is secured against pledge of shares amounting to Rs.78.6 million and mortgage of commercial plot of land at DHA, Karachi, mortgage of rooms # 135 & 136 in Stock Exchange Building, Karachi, mortgage of room # 306, 3rd Floor, Business & Finance Centre, I. I Chundrigar Road, Karachi, mortgage of municipal showroom at Bank Square, Chowk Yadgar, Peshawar City, total valuing Rs. 115 million and Personal guarantee of Mr. Ali Aslam Malik (CEO).

The company was not able to comply with the repayment schedule 2014-15 as the result, the new present value was determined base on the revised repayment schedule and notional income of Rs. 14,252,484 was recognized in profit & loss account during the year.

In the first phase, the company shall get shares released against firm payment as per prevailing market rates, that were pledged from the sub-accounts, upto value of Rs. 30 million, within 30 days of the above offer letter. The company shall get all the remaining pledged shares released in piecemeal before Dec 15, 2014. The bank shall first right to the company to have above properties released from bank's mortgage by paying average market value for partial settlement of loan liability uptill Oct 07, 2014, otherwise the bank will be authorized to acquire/purchase/sell these properties. The balance principal amount left unpaid after the these transactions, would be paid as Rs. 0.3 million on quarterly basis from January 2015 to December 2016, and Rs. 1.0 million would be paid on quarterly basis from January 2017 onwards till final adjustment on or before June 30, 2021.

Reconciliation of fair value of the Long term Financing - BAFL

	2015 Rupees	2014 Rupees
Amount of Liability of loan - Bank Alfalah Ltd	240,263,937	332,705,208
Less: Unamortized notional income	(14,252,484)	(92,441,271)
Add: Reversal of notional income	26,443,340	-
Less: payments made during the period	(42,421,403)	-
	<u>210,033,390</u>	<u>240,263,937</u>

"Since the restructured loan is interest free, the present value has been assessed using estimated future cash outflows discounted to their present values @ 11.7% being the average borrowing rate of the company. The difference between the liability initially recognized and the presented value calculated through discounting future cash outflows has been recognized in profit and loss account and notional income and will amortized during the tenure of the liability i.e. June 2021."

	2015 Rupees	2014 Rupees
"Unamortized notional interest"		
As at the beginning of the year	92,441,271	-
Arising during the year	(26,443,340)	92,441,271
Amortized during the year-adjusted	14,252,484	-
As at the closing of the year	<u>80,250,415</u>	<u>92,441,271</u>



19.2 The company has negotiated financing agreement with United Bank Limited and has finalized a restructuring agreement to settle its total outstanding liability of amount of Rs.7,333,321 (inclusive of any markup). The borrowing was obtained to finance daily clearing obligations of Karachi Stock Exchange and settlement of client's trade. The borrowing are secured against pledge of shares through CDC as per list approved by UBL's Treasury Middle Office with minimum margin of 30%.

19.3 The financing facility has been obtained from The Bank of Punjab for working capital requirement and improvement in liquidity. The facility is secured against pledge of shares. The mark-up rate is 3 Months KIBOR + 1.5%.

According to management they have filed a counter claim against the bank based on non performance of their obligation to sell the shares on the call margin. Management and legal advisor do not anticipate any losses or claim's arising from the instant litigation. The company has thus stopped accruing any further mark-up.

In view of litigation filed by the bank and now pending in the court, the gross payment / installments of the principal and markup shall accrue for payment on the superior court's pronouncing final judgment.

19.4 The company has settled its liability towards Sindh Industrial Trading Estate (S.I.T.E.) in the light of court order dated October 21, 2013 by making payments amounting to Rs. 129,582,492/= Settlement of balance amount is under negotiation.

19.5 This represents markup liability pertaining to Bank Alfalah Limited which was suspended by the bank under the reschedule agreement dated June 27, 2014. During the year the company recognized mark-up liability at present value discounted at average borrowing cost and amortized over the term of new agreement by restating previous year figures. The resultant gain Rs. 233.27 million has been recognized in the statement of change in equity in accordance with IAS 39. Further the national expense charge for the year is Rs. 23.34 million.

EFFECT OF RESTATEMENT OF PRIOR PERIOD FINANCIAL STATEMENTS

During the year the company has restated its prior period financial statements in accordance with para 10 of IAS 1 to account for its markup liability towards Bank Alfalah Limited as described above. The effect of restatement and retrospective application is summarized below:

	As previously reported	Adjustment	Restated
Effect of changes in balance sheet:			
Long term financing			
Decrease in long term financing	499,242,585	(233,266,262)	265,976,323
Effect of changes in statement of changes in equity:			
Accumulated losses			
Decrease in accumulated losses	(1,250,753,484)	233,266,262	(1,017,487,222)

20	LOAN FROM SPONSORS	Note	2015 Rupees	2014 Rupees
	Loan From Sponsors	20.1	<u>26,643,417</u>	<u>138,497,501</u>

This represents unsecured interest free loan received from spouse of a director of the Company.

21	Other loans	21.1	<u>256,947,585</u>	<u>191,375,221</u>
-----------	--------------------	-------------	---------------------------	--------------------

21.1 This represents amounts payable to various individuals from whom the Company borrows funds to settle its clearing with NCCPL and carry mark up ranging from 13% to 19.5% per annum.

21.2 This includes amount payable to directors of the Company against salary, trading transactions and other payables amounting to Rs. 142,805,545 (2014: Rs. 64,305,475) and due to spouse of a director of the Company amounting to Rs. 20,886,175 (2014: 14,886,175)



22	DEFERRED LIABILITIES	Note	2015 Rupees	2014 Rupees
	Gratuity	29	7,136,796	6,231,249
			<u>7,136,796</u>	<u>6,231,249</u>
23	TRADE AND OTHER PAYABLES			
	Creditors	23.1	54,001,800	51,941,977
	Other trade payables - net of comm. & taxes	23.2	143,352,836	144,352,836
	Accrued expenses		20,380,642	19,686,874
	Unclaimed dividends		2,544,013	2,544,013
	Others		8,723,030	5,873,203
			<u>229,002,321</u>	<u>224,398,902</u>

23.1 Creditors

23.1(a) This includes amounts due to related parties as follows:

Due to directors	-	1,114,736
	-	<u>1,114,736</u>

23.2 This represents payable to a client of the Company 'Abondant Properties Organization' due to inadvertent erroneous transactions by certain ex-employees of the Company in client's account during prior period (s).

24 CONTINGENCIES AND COMMITMENTS

Contingencies

- Income tax assessment of the Company for tax years 2005, 2006 and 2007 has been amended by the Taxation Officer on account of allocation of expenses and disallowance of certain items resulting in a tax demand of Rs. 149,322,823. The Company had filed an appeal with the CIT (appeals) in respect of the above mentioned disallowance and decision was made in favor of the Company as on 26-07-2012, the tax department has filed second appeal before the Appellate Tribunal.

- The Bank of Punjab has filed a suit under section 16 of the Financial Institution's Ordinance, 2001 (Recovery of Finance) in the Sindh High Court against the Company during the year for the principal and mark-up of short term borrowings amounting to Rs. 99,321,837/- and Rs. 35,986,000/- respectively. The amounts were transferred to long term financing by the Company. The Company availed the short term borrowings facility against the pledge of listed Company shares (Trust Investment Bank shares 259,000 and Pioneer Cement Shares 8,508,500). Due to financial crunch in the country the Company was unable to payback the principal and mark-up on due date. Against the subject case of Bank of Punjab, the Company has also filed the counter claim against the bank on the ground that the bank has failed to recover the amount by selling off the pledged shares even the margin on the pledged shares reduced below the agreed limit of 30%.

The Honorable Court adjudicated the case against the Company. The Bank of Punjab sold all the pledged shares of Pioneer Cement after judgment of the Court. The Company, however, has filed a special appeal under section 22 of the Financial Institutions Ordinance (Recovery of Finances) Ordinance, 2001 against the decision of the Single Bench of Sindh High Court which is currently pending. Based on the advice of the legal advisor; the Company is hopeful of a favorable decision. Meanwhile, the Company has been granted stay dated 01/02/2012 by the honorable high court.

- Sindh Industrial Trading Estates (SITE) Limited has filed a recovery suit for Rs. 174,058,936 against the Company in the Honorable Sindh High Court which is pending settlement. During the pendency of the case the company has paid Rs. 129,582,492 in the light of order of Honorable Sindh High Court. The Company is hopeful of settlement of the case in its favor for determination and settlement of balance amount.

- Securities and Exchange Commission of Pakistan (SECP) through an order dated June 06, 2013 imposed a penalty of Rs. 500,000 in lieu of overstatement of Net Capital Balance position as on December 31, 2012 as required by Securities and Exchange Rules 1971. However the Company has filed an appeal before the Appellate Bench of SECP against the Order, which has been registered and pending for hearing.

- Securities and Exchange Commission of Pakistan (SECP) received a complaint from Abandoned Properties Organization (APO) against the company regarding non transfer of shares into its CDC Investors Account. SECP through an order dated February 4, 2014 imposed a penalty of Rs. 500,000 in lieu of mishandling client's shares and its use with the authority of the client as against the rules of Brokerage and Agents Registration Rules, 2001 and provisions of the Central Depository Act, 1997. However the Company has filed an appeal before the Appellate Bench of SECP against the Order, which has been registered and pending for hearing. APO has an addition claim of 123,762 bonus shares of Pakistan State Oil which is under scrutiny and negotiation.

Securities and Exchange Commission of Pakistan (SECP) through an order dated February 20, 2015 imposed a penalty of Rs. 500,000 in lieu of failure to maintain minimum Net Capital Balance position as on June 30, 2014 and as on October 27, 2014 as required in the terms of rules 3 as required by Securities and Exchange Rules 1971. However the Company has filed an appeal before the Appellate Bench of SECP against the Order, which has been registered and pending for hearing.



	Note	2015 Rupees	2014 Rupees
Commitment			
Capital expenditure contracted for but not incurred		<u>100,020,000</u>	<u>100,020,000</u>

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

	Note	2015 Rupees	2014 Rupees
25 SHARE CAPITAL			
25.1 Authorized capital			
500,000,000 (2013: 50,000,000) Ordinary shares of Rs. 10 each		<u>5,000,000,000</u>	<u>5,000,000,000</u>
25.2 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
		<u>1,418,098,310</u>	<u>1,418,098,310</u>

25.3 The following shares were held by the related parties of the Company:

	2015		2014	
	Shares held	Percentage	Shares held	Percentage
First Florance Developers (Pvt.) Limited	77,218,150	54.452%	77,218,150	54.452%
Yarmouk Paper & Board Industry (Pvt.) Limited			300,000	0.212%
MCD Pakistan Limited	2,353,950	1.660%	2,353,950	1.660%
First Pakistan Securities Limited	10,581,808	7.462%	10,581,808	7.462%
Switch Securities (Pvt.) Limited	5,684,506	4.009%	6,093,899	4.297%

25.4 The directors, their spouses and minor children hold 2,756,179 shares as at June 30, 2015 (2014: 2,931,529 shares).

	Note	2015 Rupees	2014 Rupees
26 OPERATING REVENUE			
Brokerage income		13,887,233	27,634,119
Dividend income		6,600,795	15,526,360
Other		4,184,527	521,216
		<u>24,672,555</u>	<u>43,681,695</u>

27 OTHER OPERATING INCOME

**Income from financial assets
Mark-up on:**

Exposure deposits		14,644	17,939
Receivable from associates		15,664,920	26,197,308
Return on fixed assets		10,877	13,269
		<u>15,690,441</u>	<u>26,228,516</u>

Income from non-financial assets

Accrued mark-up waived off - UBL		-	1,773,637
Rental income	27.1	1,830,000	2,227,500
Trading Liabilities written-off	27.2	-	2,246,498
Miscellaneous		174,788	1,767,336
		<u>17,695,229</u>	<u>30,223,352</u>

27.1 This includes rent received from National Asset Management Company Limited amounting to Rs180,000/- (2014: Rs 690,000), a related party.

27.2 These are the commission payable by the company to dealers which are outstanding for more than 3 years



	Note	2015 Rupees	2014 Rupees
28 ADMINISTRATIVE EXPENSES			
Salaries, allowances and other benefits	28.1	18,777,916	21,055,977
Rent, rates and taxes		6,072,827	9,019,419
Fuel, repairs and maintenance		1,531,826	1,823,286
Utilities		2,023,602	2,912,546
Fees and subscription		915,124	15,625,794
KSE, clearing house and CDC charges		820,048	857,820
Traveling and conveyance		249,520	1,769,792
Depreciation	4	5,453,094	6,108,930
Communication, printing and stationery		1,679,269	1,746,775
Legal and professional charges		2,943,072	14,563,717
Entertainment		778,689	975,329
Advertisement expenses		-	76,400
Others		202,517	704,139
		<u>41,447,504</u>	<u>77,239,923</u>

28.1 Salaries, allowances and other benefits include Rs.1,357,932 (2014: Rs 1,201,737) in respect of staff retirement benefits.

29 EMPLOYEE BENEFITS

Unfunded gratuity scheme:

As mentioned in note 3.9, the Company operates an unfunded gratuity scheme. The latest actuarial valuation of the scheme was carried out as at June 30, 2015. Projected Unit Credit method using the following significant assumptions, was used for the valuation of the scheme:

	Note	2015 Rupees	2014 Rupees
29.1 Balance sheet reconciliation			
Present Value of defined benefit obligation	29.1.1	4,408,849	4,525,725
Plus Payables		2,727,947	1,705,524
Net Liability at the end of year		<u>7,136,796</u>	<u>6,231,249</u>
29.1.1 Movement in present value of defined benefit obligation			
Present Value of defined benefit obligation at the beginning of the year		4,525,725	4,020,564
Current service cost		830,823	805,416
Interest cost on defined benefit obligations		527,109	396,321
benefits due but not paid (payables)		(1,132,423)	(335,186)
Benefits paid		-	(78,575)
Remeasurement: experience adjustments		(342,386)	(282,815)
Present value of defined benefit obligation		<u>4,408,848</u>	<u>4,525,725</u>
29.1.2 Expenses to be charged to profit and loss account			
Current service cost		830,823	805,416
Interest cost on defined benefit obligations		527,109	396,321
Expense for the year		<u>1,357,932</u>	<u>1,201,737</u>
29.1.3 Remeasurement losses/(gains) recognised in other comprehensive income			
Experience adjustments		(342,386)	(282,815)
		<u>(342,386)</u>	<u>(282,815)</u>
29.1.4 Net recognized liability			
Net liability at the beginning of the year		6,231,249	5,469,302
Remeasurement losses/(gains) recognized in other comprehensive income		1,357,932	1,201,737
Experience adjustments		(342,386)	(282,815)
Benefits paid		(110,000)	(156,975)
Net liability at the end of the year		<u>7,136,795</u>	<u>6,231,249</u>



29.2 The principal assumptions used in the actuarial valuations carried out as of June 30, 2015 using the 'Projected Unit Credit' method are as follow

Discount rate per annum	13.50%	10.50%
Expected per annum rate of increase in future salaries	10.50%	13.50%
Expected mortality rate	SLIC 2001-2005 Setback 1 Year Age-based	SLIC 2001-2005 Setback 1 Year Age-based
Expected withdraw rate		

29.3 Sensitivity analysis for actuarial assumptions

The sensivity of the defined benefit obligation to changes in weighted principal assumptions is:

Discount Rate +100 bps	3,855,717	3,960,779
Discount Rate -100 bps	5,066,456	5,210,036
Salary Increase +100 bps	5,060,033	5,203,466
Salary Increase -100 bps	3,851,085	3,956,220

The average duration of the defined benefit obligation is 14 years 14 years

Five year data on experience adjustments

	2015	2014	2013	2012	2011
	------(Rupees)-----				
Present value of defined benefit obligation, June 30	7,136,796	6,231,249	5,469,302	4,366,438	5,273,156
Experience adjustment arising on plan liabilities gains	342,386	282,815	108,194	2,285,404	272,917

Based on actuarial advice the Company intends to charge an amount of approximately Rs 1,418,830 in respect of the gratuity scheme in the financial statements for the year ending June 30, 2015.

	Note	2015 Rupees	2014 Rupees
30 FINANCE COST			
Mark-up on:			
Long Term Financing-BAF		-	36,848,838
Notional interest-BAF		26,443,340	-
Bank and other charges	30.1	8,902,765	8,326,587
		35,346,104	45,175,425

30.1 This includes finance charges amounting to Rs. 8,846,260 (2013: Rs. 7,691,077) paid/payable by the Company against funds placed by various individuals in order to pay off/settle clearing with National Clearing Company of Pakistan Limited (NCCPL).

	Note	2015 Rupees	2014 Rupees
31 OTHER OPERATING EXPENSES			
Auditors' remuneration	31.1	1,110,000	1,110,000
Fine and penalties - SECP & CDC		-	742,586
Provision for doubtful debts		1,695,892	5,939,981
Property and equipment written off		-	164,513
Advances written off		304,250	-
Commission to trading agents		403,931	2,341,889
		3,514,073	10,298,970
31.1			
Auditors' remuneration			
Statutory audit fee		700,000	700,000
Half yearly review fee		230,000	230,000
Code of corporate governance		100,000	100,000
Out of pocket expenses		80,000	80,000
		1,110,000	1,110,000



	2015 Rupees	2014 Rupees
32 TAXATION		
Current:		
for the year	12,457,460	10,372,755
Deferred	(62,472,424)	619,712
	(50,014,964)	10,992,468

Relationship between tax expenses and accounting profit

Numerical reconciliation between the average tax rate and the applicable tax rate has not been presented as provision for current year income tax has been made under the provisions of minimum tax under Section 113(A) of the Income Tax Ordinance, 2001.

33 EARNING PER SHARE - BASIC AND DILUTED

Profit/(loss) per share is calculated by dividing Profit after tax for the period by weighted average number of shares outstanding during the period as follows:

Profit after taxation attributable to ordinary shareholders	242,885,777	114,717,918
Weighted average number of ordinary shares in issue during the year	141,809,831	141,809,831
Earning Per Share	1.71	0.83

No figure for diluted earnings per share has been presented as the Company has not issued any instruments carrying options which would have an impact on earnings per share when exercised.

34 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

The aggregate amounts charged in the financial statements for remuneration, including benefits to the chief executive, directors and executives of the Company as per terms of the employment are as follows:

	2015			2014		
	Chief Executive	Executive Directors	Executives	Chief Executive	Executive Directors	Executives
	------(Rupees)-----					
Managerial remuneration	6,000,000	1,392,000	780,000	6,000,000	900,000	-
Utilities	65,119	-	-	92,000	-	-
Retirement benefits	500,000	130,000	75,000	500,000	75,000	-
Conveyance and traveling	8,100	433,012	-	1,705,303	342,921	-
	6,573,219	1,955,012	855,000	8,297,303	855,000	-
No of persons	1	2	1	1	1	0

The chief executive, executive directors and executives are provided with the free use of Company's owned and maintained cars.

Remuneration to other directors

Aggregate amount charged in the financial statements for fee to directors was Nil as at June 30, 2015 (2014: Nil).

	2015			
	Key Management	Associates	Other related parties	Total
	------(Rupees)-----			
Transactions during the year				
Purchase of marketable securities for and on behalf of	293,205,135	1,444,516,271	27,996,347	1,765,717,753
Sale of marketable securities for and on behalf of	163,240,972	1,630,526,313	15,070,849	1,808,838,134
Brokerage income	248,534	2,107,431	283,000	2,638,965
Rent received	-	-	180,000	180,000
Rent expense	-	-	4,500,000	4,500,000
Remuneration to key management personnel	8,172,000	-	-	8,172,000
Gratuity charged	705,000	-	-	705,000
Loan From Sponsors	-	-	26,643,417	26,643,417
Mark up on receivable from associates	-	15,664,920	-	15,664,920



2014			
Key Management	Associates	Other related parties	Total
------(Rupees)-----			

Transactions during the year			
Purchase of marketable securities for and on behalf of	193,837,998	1,003,437,240	- 1,197,275,238
Sale of marketable securities for and on behalf of	155,870,361	1,163,581,332	- 1,319,451,693
Brokerage income	147,444	1,568,382	- 1,715,826
Rent received	-	690,000	- 690,000
Rent expense	-	-	6,000,000 6,000,000
Remuneration to key management personnel	10,600,224	-	- 10,600,224
Gratuity charged	630,000	-	- 630,000
Loan From Sponsors	-	-	138,497,501 138,497,501
Mark up on receivable from associates	-	26,197,308	- 26,197,308

The Company has related party relationship with its associated undertakings, its directors and executive officers. Transactions with associated undertakings essentially entail sale and purchase of marketable securities.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling activities of the entity. The Company considers all members of their management team, including the Chief Executive Officer and Directors to be its key management personnel.

There are no transactions with key management personnel other than under their terms of employment / entitlement. Balances outstanding from / to related parties as at the year end have been disclosed in the relevant balance sheet notes. Transactions with related parties are on arms length.

36 CASH GENERATED FROM OPERATIONS

Note	2015 Rupees	2014 Rupees
	192,870,813	125,710,386
Profit before taxation		
Adjustment for non cash items		
Depreciation	5,453,094	6,108,976
Property and equipment written off	-	164,536
Gain on disposal of investments	(132,844,403)	(86,056,987)
Fair value adjustment of Investment property	(75,967,236)	-
Loss on exchange of asset	(4,050,000)	-
Share of profit of associate - net of tax	(31,089,967)	6,384
Unrealized loss/(profit) on investments at fair value through profit or loss-held for trading-net	8,032	(2,007,648)
Notional Interest expense	49,778,687	-
Notional Interest Income	(14,252,483)	(92,441,271)
Provision for doubtful debts	-	5,349,773
Bad debts	1,695,892	590,208
Provision for gratuity	1,357,932	1,201,737
Finance cost	8,902,765	45,175,425
Dividend income	(6,600,795)	(15,526,360)
Prior years' adjustment	-	(3,976)
Income on exposure deposits	(14,644)	(17,939)
Mark-up income from related party	(15,664,920)	(26,197,308)
Mark-up income on fixed deposits	-	(13,269)
Operating loss before working capital changes	(213,288,046)	(163,667,720)
Changes in working capital:		
Decrease / (increase) in current assets		
Trade debts	(25,037,182)	(49,968,049)
Loans and advances	87,672	(645,622)
Trade deposits and short-term prepayments	528,574	(17,881)
Other receivables	(1,017,945)	623,948
Increase / (decrease) in current liabilities		
Trade and other payables	21,904,261	(72,483,045)
	(3,534,620)	(122,490,650)
Cash generated / (used in) operations	(23,951,853)	(160,447,983)



37 FINANCIAL INSTRUMENTS BY CATEGORY

2015				
Loans and receivables	Available for sale	At fair value through profit and loss	Cost/amortized cost	Total
------(Rupees)-----				
Assets				
Non-current assets				
Long-term deposits	2,344,209	-	-	2,344,209
Receivable from associates	78,084,646	-	-	78,084,646
Current assets				
Short-term investments	-	1,024,223	574,159	1,598,382
Trade debts - net	346,273,348	-	-	346,273,348
Loans and advances	1,480,314	-	-	1,480,314
Trade deposits	20,000	-	-	20,000
Other receivables	157,642,446	-	-	157,642,446
Cash and bank balances	-	-	56,483,031	56,483,031
Liabilities				
Current liabilities				
Trade and other payables	-	-	229,002,321	229,002,321
Current maturity of long term financing	-	-	289,938,081	289,938,081
Non-current liabilities				
Long-term financing	-	-	298,860,877	298,860,877
Other Loans	-	-	256,947,585	256,947,585
Loan from Sponsor	-	-	26,643,417	26,643,417

2014				
Loans and receivables	Available for sale	At fair value through profit and loss	Cost/amortized cost	Total
------(Rupees)-----				
Assets				
Non-current assets				
Long-term deposits	533,930	-	-	533,930
Receivable from associates	106,768,489	-	-	106,768,489
Current assets				
Short-term investments	-	87,446,234	6,087,022	93,533,256
Trade debts - net	322,932,058	-	-	322,932,058
Loans and advances	1,567,986	-	-	1,567,986
Trade deposits	533,930	-	-	533,930
Other receivables	140,963,557	-	-	140,963,557
Cash and bank balances	-	-	3,471,322	3,471,322
Liabilities				
Current liabilities				
Trade and other payables	-	-	224,398,902	224,398,902
Current maturity of long term financing	-	-	331,159,485	331,159,485
Non-current liabilities				
Long-term financing	-	-	499,242,585	499,242,585
Other Loans	-	-	191,375,221	191,375,221
Loan from Sponsor	-	-	138,497,501	138,497,501



2015				
Loans and receivables	Available for sale	At fair value through profit and loss	At amortised cost	Total

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

Income / other items

Operating revenue	4,184,527	-	-	-	4,184,527
Other operating income	15,690,441	-	-	-	15,690,441
Gain on sale of investments-held for trading	-	-	542,912	-	542,912

(Expenses / other items)

Gain on sale of investments-available for sale	-	-	132,301,492	-	132,301,492
Finance cost	-	-	-	-	-
Unrealized profit on re-measurement of investments	-	-	(8,032)	-	(8,032)

2014				
Loans and receivables	Available for sale	At fair value through profit and loss	At amortised cost	Total

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

Income / other items

Operating revenue	521,216	-	-	-	521,216
Other operating income	26,228,516	-	-	-	26,228,516
Gain on sale of investments-held for trading	-	-	-	-	-

(Expenses / other items)

Gain on sale of investments-available for sale	-	86,056,987	-	-	86,056,987
Finance cost	-	-	-	-	-
Unrealized profit on re-measurement of investments	-	-	2,007,648	-	2,007,648

38 FINANCIAL RISK MANAGEMENT

Financial risk factors

The Company's activities are exposed to a variety of financial risks namely market risk, credit risk and liquidity risk. The Company has established adequate procedures to manage each of these risks as explained below.

38.1 Market risk

Market risk is the risk that the value of the financial instrument may fluctuate as a result of changes in market interest rates or the market price of securities due to a change in credit rating of the issuer or the instrument, change in market sentiments, speculative activities, supply and demand of securities and liquidity in the market.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

38.1.1 Currency risk

Currency risk mainly arises where receivables and payables exist due to transactions with foreign undertakings. The Company believes that it is not exposed to major foreign exchange risk in this respect.

38.1.2 Yield / Interest rate risk

Yield risk is the risk of decline in earnings due to adverse movements of the yield curve. Interest rate risk is the risk that the value of the financial instruments will fluctuate due to changes in the market interest rates. Sensitivity to interest / mark-up rate risk arises from mismatches or gaps in the amounts of interest / mark-up based assets and liabilities that mature or reprice in a given period. The Company manages this risk by matching the repricing of financial assets and liabilities through appropriate policies.



As at June 30, 2015				
Exposed to Yield / Interest risk		Not exposed to Yield / Interest rate risk	Total	
Up to one year	More than one year			
------(Rupees)-----				
Financial assets				
Non-current assets				
Long-term deposits	-	-	2,344,209	2,344,209
Receivable from associates	-	78,084,646	-	78,084,646
	-	78,084,646	2,344,209	80,428,855
Current assets				
Short-term investments	-	-	1,598,356	1,598,356
Trade debts - net	-	-	346,273,348	346,273,348
Loans and advances	-	-	1,480,314	1,480,314
Trade deposits	20,000	-	-	20,000
Other receivables	-	-	157,642,446	157,642,446
Cash and bank balances	14,018	-	56,469,013	56,483,031
	34,018	-	563,463,447	563,497,495
Sub Total	34,018	78,084,646	565,807,686	643,926,350
Financial liabilities				
Current liabilities				
Trade and other payables	20,949,132	-	208,053,189	229,002,321
Current maturity of long term financing	289,938,081	-	-	289,938,081
	310,887,213	-	208,053,189	518,940,402
Non current liabilities				
Long term financing	-	298,860,877	-	298,860,877
Other Loans	-	256,947,585	-	256,947,585
Loan from sponsor	-	-	26,643,417	26,643,417
	-	555,808,462	26,643,417	325,504,294
Sub Total	310,887,213	555,808,462	234,696,606	844,444,696
On-balance sheet gap	(310,853,195)	(477,723,816)	331,111,080	(200,518,346)
Off-balance financial instruments	-	-	-	-
Off-balance sheet gap	-	-	-	-
Total interest rate sensitivity gap	(310,853,195)	(477,723,816)		
Cumulative interest rate sensitivity gap	(310,853,195)	(477,723,816)		



As at June 30, 2014			
Exposed to Yield / Interest risk		Not exposed to Yield / Interest rate risk	Total
Up to one year	More than one year		

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

Financial assets**Non-current assets**

Long-term deposits	-	-	2,394,209	2,394,209
Receivable from associates	-	106,768,489	-	106,768,489
	-	106,768,489	2,394,209	109,162,698

Current assets

Short-term investments			93,533,256	93,533,256
Trade debts - net			322,932,058	322,932,058
Loans and advances			1,567,986	1,567,986
Trade deposits	533,930			533,930
Other receivables			140,963,557	140,963,557
Cash and bank balances	25,785		3,445,537	3,471,322
	559,715	-	562,442,394	563,002,109
Sub Total	559,715	106,768,489	564,836,603	672,164,807

Financial liabilities**Current liabilities**

Trade and other payables	43,133,525	-	181,265,377	224,398,902
Current Maturity of Long Term Financing	331,159,485	-	-	331,159,485
	374,293,010	-	181,265,377	555,558,387

Non current liabilities

Long term financing		499,242,585	-	499,242,585
Other Loans	-	191,375,221	-	191,375,221
Loan from sponsor	374,293,010	-	138,497,501	138,497,501
		690,617,806	138,497,501	829,115,307
Sub Total	(373,733,295)	690,617,806	319,762,878	1,384,673,694

On-balance sheet gap

	-	(583,849,317)	245,073,725	(712,508,887)
--	---	---------------	-------------	---------------

Off-balance financial instruments

	-	-	-	-
--	---	---	---	---

Off-balance sheet gap

	(373,733,295)	-	-	-
--	---------------	---	---	---

Total interest rate sensitivity gap

	(373,733,295)	(583,849,317)		
--	---------------	---------------	--	--

Cumulative interest rate sensitivity gap

	(630,892,845)	(583,849,317)		
--	---------------	---------------	--	--

38.1.2.1 The mark-up rates per annum on financial assets and liabilities are as follows:



38.1.2.1 The mark-up rates per annum on financial assets and liabilities are as follows:

	2015	2014
	Percentage	
Short term borrowings	-	11.10-12.2
Long term financing	11.70	11.10 - 12.20
Receivable from associates	16	16
Bank balances	5.56-6.5	6.7-7.5

38.1.2.2 Sensitivity analysis for variable rate instruments

In case of 100 basis points increase / decrease in KIBOR on June 30, with all other variables held constant, the impact on profit and loss will be as follows:

	Profit and loss 100 bps	
	Increase	Decrease
Cash flow sensitivity - variable rate financial liabilities		
As at June 30, 2015	3,021,035	(3,021,035)
As at June 30, 2014	3,149,473	(3,149,473)

The sensitivity analysis prepared as of June 30, 2015 is not necessarily indicative of the impact on Company's net assets of future movements in interest rates.

38.1.3 Price Risk

The Company is exposed to equity price in respect of investments classified as available for sale and at fair value through profit or loss. To manage price risk arising from these equity investments the Company applies appropriate internal policies.

The investment of the Company classified as available for sale and at fair value through profit or loss would normally be affected due to fluctuation of equity prices in the stock exchange. In case of 5% increase / decrease in KSE 100 index on June 30, 2015, the net loss for the year relating to securities classified as fair value through profit and loss would decrease / increase by Rs. 28,708 (2014: Rs. 304,351) and net assets of the Company would increase / decrease by the same amount. In case of 5% increase / decrease in KSE 100 index on June 30, 2015, the net gain for the year relating to securities classified as available for sale and other components of equity and net assets of the Company would increase / decrease by Rs. 51,211 (2014: Rs. 4,372,312) as a result of gains / losses on equity securities classified as available for sale.

The above analysis is based on the assumption that the equity index had increased / decreased by 5% with all other variables held constant and all the Company's equity instruments moved according to the historical correlation with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 index, having regard to the historical volatility of the index. The composition of the Company's investment portfolio and the correlation thereof to the KSE index, is expected to change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2014 is not necessarily indicative of the effect on the Company's net assets of future movements in the level of KSE 100 index.

38.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed to perform as contracted. All the financial assets of the Company except Rs. NIL (2014: Rs. NIL) are exposed to credit risk. To manage the exposure to credit risk, the Company applies credit limits to its customers and in certain cases obtains margins and deposits in the form of cash and marketable securities. The management is confident that credit quality of debts which are not past due nor impaired remains sound at the balance sheet date.

Apportion of the outstanding amounts of trade debts are secured against pledge of customers securities. The Company is entitled to sell these securities, at its own discretion, in case of default by the customers. During the year the Company has disposed off certain securities of its clients in case of non-payment to the Company. The outstanding receivables settled on this account and the amount of securities realized through disposal / transfer to the Company's own account have not been disclosed as it was not practicable to determine the amount of these collaterals / outstanding receivable due to the quantum of transactions that had taken place on these arrangement. The management intends to take appropriate measures for determining these amount in future periods.

A reconciliation of provision made during the year in respect of outstanding trade debts and certain investments categorized as available for sale is given in notes 14 and 13 to these financial statements.



The Company hold certain collaterals which are permitted by the customer for repledge in the absence of default . The fair value of such collateral held as at June 30, 2015 and those which have been repledged along with the details of the Company's obligation as to their return and the significant terms and condition associated with their use are given in note 40 to the financial statements.

The maximum exposure to credit risk , by class of financial instrument , at the end of the reporting period without taking into account any collateral held or other credit enhancement is given in note 38 to the financial statements. The Company does not hold any collateral in respect of these assets except for certain trade debts which have been collateralized against certain equity securities.

An analysis of the age of significant financial assets that are past due but not impaired are as under.

	2015		2014	
	Total outstanding amount Rupees	Payment over due (in days)	Outstanding amount Rupees	Payment over due (in days)
Financial instruments carried at amortized cost	-	-	-	-
Trade debts - net	346,273,348	1 - 360	322,932,058	1 - 360

An analysis of the significant financial assets that are individually impaired are as under. The factors in determining the impairment loss mainly comprises management's assessment of potential loss which is expected to arise on these financial assets. Such assessment is mainly based on the potential recoveries / cash flows from the customers.

	2015			
	Total outstanding amount	Up to one month	One to three months	More than three months
	------(Rupees)-----			
Financial instruments carried at amortised cost				
Trade debts	659,827,793	25,227,994	4,207,561	630,392,238

	2014			
	Total outstanding amount	Up to one month	One to three months	More than three months
	------(Rupees)-----			
Financial instruments carried at amortised cost				
Trade debts	636,486,503	3,503,630	41,261,380	591,721,493

Although the Company has made provision against the aforementioned portfolio , the Company still holds certain collateral to be able to enforce in recovery.

38.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company currently is not exposed to significant level of liquidity risk keeping in view the current market situation. Negotiations are in progress with the financial institutions to meet any deficit required to meet the short-term liquidity commitments.

The table below analysis the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.



2015			
Up to three months	More than three months and up to one year	More than one year	Total

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

Current liabilities

Trade and other payables	229,002,321	-	-	-	229,002,321
Current maturity of long term financing	-	289,938,081	-	-	289,938,081

Non current liabilities

Long term financing	-	-	298,860,877	-	298,860,877
Loan from sponsor	-	-	26,643,417	-	26,643,417

2014			
Up to three months	More than three months and up to one year	More than one year	Total

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

Current liabilities

Trade and other payables	224,398,902	-	-	-	224,398,902
Short-term borrowings	-	331,159,485	-	-	331,159,485

Non current liabilities

Long term financing	-	-	265,976,323	-	265,976,323
Loan from sponsor	-	-	138,497,501	-	138,497,501

38.4 Fair value of financial assets and liabilities

The carrying value of all financial assets and liabilities reflected in the financial statements approximate their fair values.

39 CAPITAL RISK MANAGEMENT

The objective of managing capital is to ensure the Company's ability to continue as a going concern, so that it could continue to provide adequate returns to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

40 USE OF COLLATERAL AND TRADING SECURITIES

The Company utilizes customers marginable securities for meeting the exposure deposit requirements of the Karachi Stock Exchange Limited, for meeting securities shortfall at the time of settlements on behalf of the customers and for securing financing facilities from bank. These securities are utilized by the Company with the consent of the customers. As at June 30, 2015, securities amounting to Rs 3,939,825 (2014: Rs. 3,779,783) and Rs. 4,880,564 (2014: Rs. 130,562,103) were pledged / utilized by the Company for meeting the exposure deposit requirement of the Karachi Stock Exchange Limited and for securing financing facilities from banks respectively.

41 FINANCIAL INSTRUMENTS WITH OFF BALANCE SHEET RISKS

The Company purchases and sells securities as either principal or agents on behalf of its customers. If either the customer or a counterparty fails to perform, the Company may be required to discharge the obligation on behalf of the non-performing party. In such circumstances, the Company may sustain a loss if the market value of the security is different from the contracted value of the transaction. The Company also gives customer securities to brokers. If a broker fails to return a security on time, the Company may be obligated to purchase the securities in order to return to the owner. In such circumstances, the Company may incur a loss equal to the amount by which the market value of the security on the date of non-performance exceeds the value of the collateral received from the broker.



The majority of the Company's transactions, and consequently, the concentration of its credit exposure are with the customers, brokers and other financial institutions. These activities primarily involve collateralized arrangement and may result in credit exposure in the events as mentioned above or if the counter party fails to meet its contracted obligations. The Company's exposure to credit risk can also be directly impacted by volatile securities markets which may impair the ability of counterparties to satisfy their contractual obligations. The Company seeks to control its credit risk through a variety of reporting and controls procedures, including establishing credit limits based upon a review of the counterparties' financial condition. The Company monitors collateral levels on a regular basis and requests changes in collateral level as appropriate or if considered necessary.

42 RE-CLASSIFICATION AND RE-ARRANGEMENTS

Corresponding figures have been reclassified and rearranged wherever necessary to reflect more appropriate presentations of events and transactions for the purpose of comparison. Significant reclassification and rearrangement are as follows:

Particulars	From	To	2015	2014
Investment Property	Property and equipment	Investment Property	106,142,000	

43 NUMBER OF EMPLOYEES

Number of employees at the year end.
Average number of Employees

	2015	2014
	43	51
	40	53

44 GENERAL AND CORRESPONDING FIGURES

Amounts have been rounded off to the nearest rupees unless otherwise stated.

45 DATE OF AUTHORIZATION

These financial statements have been authorized for issue on September 23, 2015 by the Board of Directors of the Company.

Chief Executive

Director



PATTERN OF SHAREHOLDING

As at June 30, 2014

NUMBER OF SHAREHOLDERS	From	To	TOTAL SHARES HELD
166	1	100	3,394
110	101	500	36,691
106	501	1000	82,005
171	1001	5000	490,745
62	5001	10000	525,829
31	10001	15000	394,319
17	15001	20000	311,680
24	20001	25000	570,092
9	25001	30000	262,500
5	30001	35000	165,160
9	35001	40000	346,500
6	40001	45000	259,115
13	45001	50000	644,591
5	50001	55000	265,800
4	55001	60000	237,140
3	60001	65000	195,000
2	65001	70000	133,268
4	70001	75000	289,596
1	75001	80000	80,000
1	80001	85000	83,000
1	85001	90000	86,500
1	90001	95000	91,500
2	95001	100000	200,000
1	100001	105000	102,500
2	105001	110000	216,014
2	110001	115000	227,500
4	120001	125000	490,796
1	125001	130000	127,000
1	130001	135000	132,500
3	135001	140000	415,500
1	140001	145000	143,500
1	145001	150000	150,000
1	155001	160000	156,000
1	165001	170000	168,500
2	175001	180000	352,350
3	180001	185000	547,505
1	190001	195000	191,637
1	195001	200000	200,000
1	200001	205000	202,048
1	235001	240000	237,000
1	240001	245000	242,500
1	265001	270000	269,500
1	295001	300000	300,000
1	300001	305000	302,525
1	315001	320000	319,500
1	330001	335000	335,000
1	355001	360000	360,000
1	410001	415000	413,500
1	480001	485000	483,373
1	505001	510000	509,500
1	545001	550000	546,150
1	600001	605000	600,500
1	630001	635000	633,400
1	700001	705000	700,500



PATTERN OF SHAREHOLDING

As at June 30, 2014

NUMBER OF SHAREHOLDERS	From	To	TOTAL SHARES HELD
1	725001	730000	729,000
1	745001	750000	750,000
1	1345001	1350000	1,345,200
1	1515001	1520000	1,518,172
1	1840001	1845000	1,840,500
1	2350001	2355000	2,353,950
1	2535001	2540000	2,540,000
1	2795001	2800000	2,797,000
1	4765001	4770000	4,765,990
1	5050001	5055000	5,051,106
1	9780001	9785000	9,782,040
1	15285001	15290000	15,288,000
1	77215001	77220000	77,218,150
807			141,809,831



Categories of Shareholders

AS at June 30, 2015.

Categories	Number	Shares Held	Percentage
Related Parties			
First Florance Developers (Pvt.) Limited	1	77,218,150	54.4519
MCD Pakistan Limited	1	2,353,950	1.6599
First Pakistan Securities Limited	4	10,581,808	7.4620
Switch Securities (Pvt.) Limited	2	5,684,506	4.0085
Directors, Chief Executive and their Spouse and Minor Children			
Ali Aslam Malik	4	1,950,374	1.3753
Muhammad Iqbal Khan	1	2,760	0.0019
Shahzad Akbar	1	15,180	0.0107
Saeed Ahmed Bajwa	1	500	0.0004
Rais Ahmed Dar	1	183,440	0.1294
Amir Shehzad	1	2,400	0.0017
Mrs. Adeela Ali	1	575	0.0004
Omer Ali Malik (M) Through Guardian Ali A. Malik	1	54,300	0.0383
Mrs. Ghazala Rais Dar	1	546,150	0.3851
Azeem ul Hussan	1	500	0.0004
Executives	0	-	0.0000
Banks/DFIs/NBFIs	4	1,819,967	1.2834
Modarabas/ Mutual Funds & Foreign Investors			
MCBFSL - Trustee Namco Balance Fund	1	15,288,000	10.7806
Soneri Bank Limited - Mutual Funds Units	1	242,500	0.1710
Yoshihiro Saito	1	575	0.0004
Joint Stock Companies	24	4,813,951	3.3947
Insurance Companies	1	46,591	0.0329
NIT & ICP	0	-	0.0000
Individual	754	21,003,654	14.8111
Total	807	141,809,831	100

Detail of Shareholding 5% & more

First Florance Developers (Pvt.) Limited	77,218,150	54.45
MCBFSL - Trustee NAMCO Balanced Fund	15,288,000	10.78
First Pakistan Securities Limited	10,581,808	7.46



Branch Network of First National Equities Limited

Lahore Office

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

Karachi Office

Room No. 135-136, 3rd Floor, New Stock
Exchange Building, Karachi Tel: 021-
32472119, 32472014, 32472758
Fax: 021- 32472332

Peshawar office

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

Rawalpindi Offices

Office # 24, First Floor Services Plaza,
Block 5, The Mall Rawalpindi Cantt.,
(Near Garrison Mess) Rawalpindi.
Tel: 051-5563195-9
Fax: 051-5563194

Abbottabad Office

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



www.jamapunji.pk








 **Jama
Punji**
سرمایہ کاری سمجھداری کے ساتھ










**Be aware, Be alert,
Be safe**

**Learn about investing at
www.jamapunji.pk**

Key features:

-  Licensed Entities Verification
-  Scam meter*
-  Jamapunji games*
-  Tax credit calculator*
-  Company Verification
-  Insurance & Investment Checklist
-  FAQs Answered

-  Stock trading simulator
(based on live feed from KSE)
-  Knowledge center
-  Risk profiler*
-  Financial calculator
-  Subscription to Alerts (event
notifications, corporate and
regulatory actions)
-  Jamapunji application for
mobile device
-  Online Quizzes



Jama Punji is an Investor
Education Initiative of
Securities and Exchange
Commission of Pakistan

 jamapunji.pk

 @jamapunji_pk

*Mobile apps are also available for download for android and ios devices

FORM OF PROXY

FIRST NATIONAL EQUITIES LIMITED

19 -C Sunset Lane 6, South Park Avenue, Phase II, Ext: DHA Karachi.

I/ We _____ of _____ being a member of First National Equities Limited and holder of _____ Ordinary Shares as per Share Register Folio No. _____

For Beneficial Owners As per CDC List	
CDC Participant I.D. _____	No.Sub-Account No. _____
C N I C No. <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/> <input type="text"/>	or Passport No. _____

Hereby appoint _____ of _____ or failing him/ her _____ of _____ as my/ our proxy to vote and act for me/ our behalf at the Annual General Meeting of the Company to be held at FNE House, 19 - C, Sunset Lane 6, South Park Avenue, Phase II Ext. DHA Karachi on Thursday, October 29, 2015 at 03:00 p.m. and at any adjournment thereof.

Please affix rupees five revenue stamp

(Signatures should agree with the specimen signature)

Dated this _____ day of _____, 2015

For beneficial owners as per CDC list

1.WITNESS

Signature: _____

Name: _____

Address: _____

CNIC NO:

or Passport No. _____

Signature of Shareholder _____

Signature of Proxy _____

2.WITNESS

Signature: _____

Name: _____

Address: _____

CNIC NO:

or Passport No. _____

Important:

- 1 This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company at FNE House, 19-C Sunset Lane 6, South Park Avenue, Phase II, Ext DHA. Karachi, not less than 48 hours before the time of holding the meeting.
- 2 No person shall act as proxy unless he/she himself/ herself is a member of the Company, except that a corporation may appoint a person who is not a member.
- 3 If a member appoint more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.

For CDC Account Holders/ Corporate Entities:

In addition to the above the following have to be met:

- i) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iii) The proxy shall produce his/ her original CNIC or passport at the time of the Meeting.
- iv) In case of corporate entity, the Board of Directors' resolution/ power of attorney with specimen signature shall be submitted (unless it has provided earlier) along with proxy form of the Company.





FIRST NATIONAL EQUITIES LIMITED
FNE House: 19-C, Sunset Lane-06, South Park Avenue
Phase – II, Extension, D.H.A. Karachi.



FIRST NATIONAL EQUITIES LIMITED

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

Registered Office:
Room No. 135-136, 3rd Floor,
New Stock Exchange Building, Karachi
Tel: 021-32472119, 32472014, 32472758
Fax: 021- 32472332