

FIRST NATIONAL EQUITIES LIMITED

第一國際有限公司



2017
Annual Report
年度報告

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VISION

Connecting people,

ideas and capital,
we will be our clients'

First Choice

for achieving their
financial aspirations".....



MISSION

"We will put interest of our stakeholders above our own; and measure our success by how much we help them in achieving theirs".



Company Information

Board of Directors:

1.	Mr. Shahzad Akbar	Director/Chairman
2.	Mr. Ali A. Malik	Director/CEO
3.	Mr. Muhammad Iqbal Khan	Director
4.	Mr. Amir Shehzad	Director
5.	Mr. Ijaz Mahmood Chaudhary	Director
6.	Mr. Naveed Ishaque	Director
7.	Mr. Muhammad Asim Mustafa	Director

Audit Committee:

1.	Mr. Muhammad Iqbal Khan	Chairman
2.	Mr. Shahzad Akbar	Member
3.	Mr. Ijaz Mahmood Chaudhary	Member

HR & Remuneration Committee:

1.	Mr. Shahzad Akbar	Chairman
2.	Mr. Muhammad Asim Mustafa	Member
3.	Mr. Ali A. Malik	Member

Chief Financial Officer:

Ms. Faiza Khalid

Company Secretary:

Ms. Samra Tahir

Head of Internal Audit:

Ms. Ammara Zakriya

Auditors:

Tariq Abdul Ghani Maqbool & Co.
Chartered Accountants
Lahore.

Shares Registrar:

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

Bankers:

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

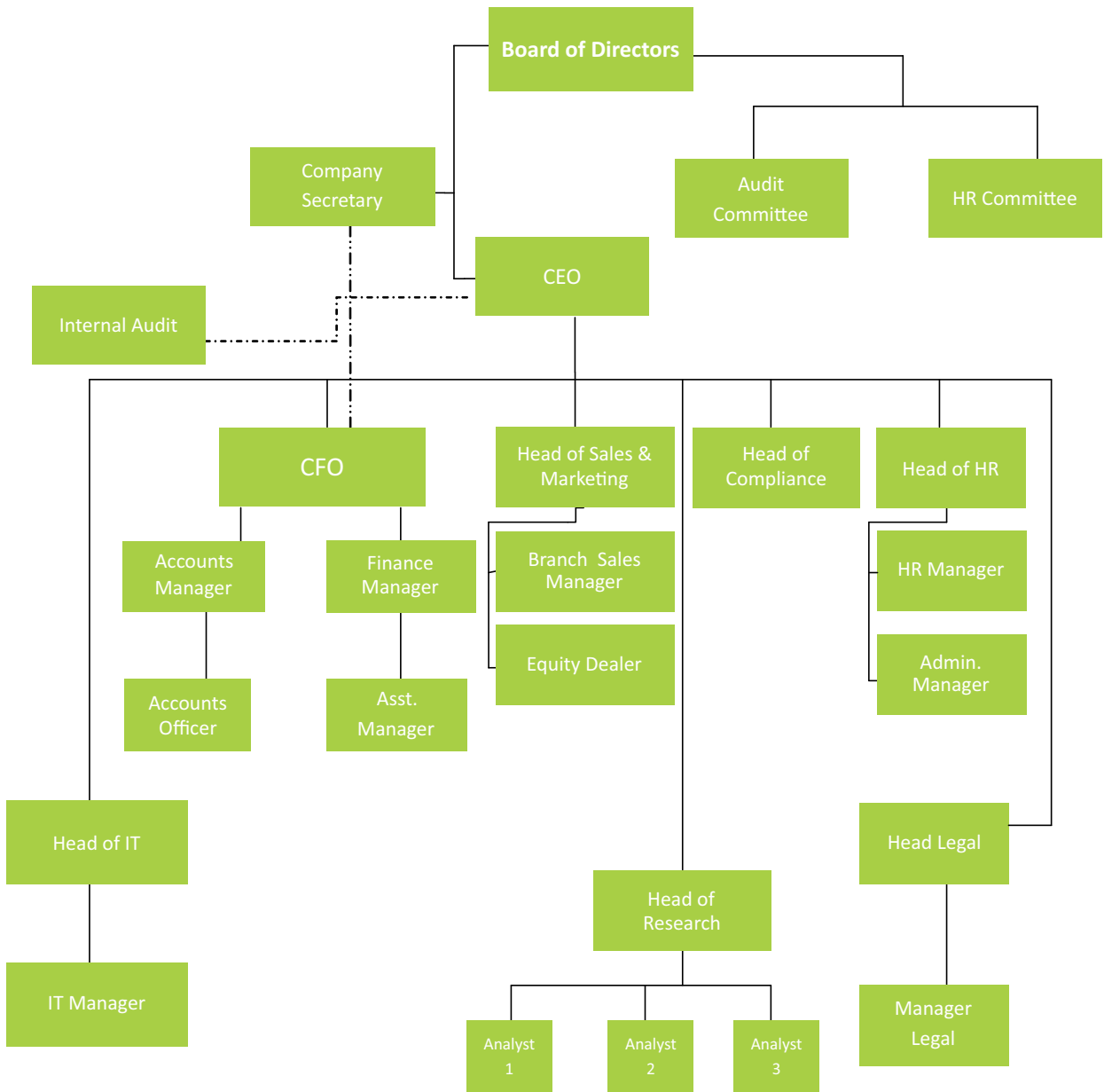
Principal Office:

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

Registered Office:

Room No. 1007, 10th Floor,
New Stock Exchange Building,
Karachi
Tel: 021-32472119, 32472014
Fax: 021- 32472332

Organization Chart



Financial Statistical Summary (2012 - 2017)

	June 30, (Rupees '000)					
	2017	2016	2015	2014	2013	2012
OPERATING RESULTS						
Operating Revenues	66,185	22,685	24,672	43,682	45,235	41,819
Gain on sale of investments	162,890	(3,643)	132,844	86,057	8,211	-
Unrealised Gain / (Loss) on investments	(53,231)	19,304	(8)	2,008	1,234	10,755
Gross Revenue	175,844	38,347	157,508	131,747	54,680	52,574
Administrative Expenses	(151,075)	(52,115)	(43,143)	(83,180)	(54,187)	(64,469)
Finance Cost	(179,245)	(49,627)	(44,428)	47,266	(72,522)	(103,365)
Other Expenses	(5,790)	(12,833)	(1,818)	(4,359)	(10,857)	(46,258)
Other income	302,276	59,156	93,662	34,243	53,230	226,478
	142,011	(17,073)	161,781	125,716	(29,656)	64,960
Share of profit from associates - net of tax	43	407	31,090	(6)	16,206	2,827
Loss on Deemed Disposal- Investment in Associate	-	(10,169)	-	-	-	-
Profit / (Loss) before Tax	142,054	(26,835)	192,871	125,710	(13,450)	67,787
Taxation (expense) / income	24,901	38,406	50,015	(10,992)	(4,946)	(36,152)
Profit / (Loss) after Tax	166,955	11,571	242,885	114,718	(18,396)	31,635
BALANCE SHEET SUMMARY						
Non-Current Asset						
Property and equipment	39,998	57,868	60,370	91,875	98,054	69,287
Capital work in progress	33,340	33,340	33,340	33,340	33,340	69,497
Intangible assets	41,915	41,915	51,915	51,915	51,915	68,135
Investment Property	-	-	106,142	-	-	-
Receivable from Associate	-	-	78,084	106,768	175,411	175,411
Other Receivables	142,579	-	-	-	-	-
Investment in associate	71,540	71,497	105,793	53,326	53,492	-
Investments - available for sale	41,163	40,074	40,074	40,074	40,074	-
Long term deposits	2,496	2,481	2,344	2,394	2,679	3,185
Deferred taxation	164,028	130,064	87,502	25,030	25,649	29,063
Long term investments	-	-	-	-	-	39,073
Total Non-Current Assets	537,059	377,239	565,564	404,722	480,614	453,651
Current assets						
Short term investments	373,049	420,738	1,598	93,533	266,530	151,033
Trade debts	53,270	353,144	346,273	322,932	281,257	287,764
Loans & advances	41,629	501	1,480	1,568	922	2,844
Trade deposits & short term prepayments	50,338	6,537	20	534	498	355
Other Receivables	189,013	165,281	157,642	140,960	115,386	86,063
Advance tax	27,020	13,606	15,605	25,912	32,545	31,641
Cash and bank balance	122,350	52,230	56,483	3,471	3,561	772
Total Current Assets	856,669	1,012,037	579,102	588,910	700,699	560,472
CURRENT LIABILITIES						
Trade & other payables	264,159	198,341	229,002	224,399	471,505	354,367
Interest and mark-up accrued on borrowings	-	-	-	-	-	66
Short term borrowings	-	-	-	-	35,463	167,375
Current maturity of long term financing	32,941	70,623	289,938	331,159	552,735	-
Total Current Liabilities	297,100	268,964	518,940	555,558	1,059,703	521,808
Net Current Assets	559,569	743,073	60,162	33,352	(359,004)	38,664
Non-current liabilities						
Long Term Borrowings	194,113	457,481	298,861	265,976	513,954	1,010,539
Loan from Sponsors	647,743	512,684	26,643	138,498	68,498	68,498
Deferred liabilities	9,360	7,181	7,136	6,231	7,503	6,419
Other Loans	54,721	118,210	256,947	191,375	-	-
Total Non-Current Liabilities	905,937	1,095,557	589,588	602,080	589,955	1,085,456
Net Assets	190,691	24,755	36,138	(164,005)	(468,345)	(593,140)
REPRESENTED BY						
Issued, subscribed and paid-up capital	1,418,098	1,418,098	1,418,098	1,418,098	1,380,000	1,380,000
Discount on issue of Right Shares	(630,419)	(630,419)	(630,418)	(630,418)	(603,750)	(603,750)
Accumulated losses	(621,922)	(763,014)	(774,582)	(1,017,487)	(1,367,784)	(1,349,388)
Unrealized gain/(loss) on remeasurement of investments classified as available for sale	24,934	90	23,040	65,802	123,190	(20,002)
Total Equity	190,691	24,755	36,138	(164,005)	(468,345)	(593,140)

Vertical Analysis

	2017	2016	2015	2014	2013	2012	2017	2016	2015	2014	2013	2012
	(Rupees '000)						(Percentage)					
Profit and Loss Account												
Operating Revenues	66,185	22,685	24,672	43,682	45,235	41,819	38%	59%	16%	33%	83%	80%
Gain on sale of investments	162,890	(3,643)	132,844	86,057	8,211	-	93%	-10%	84%	65%	15%	0%
Unrealised Gain / (Loss) on investments	(53,231)	19,304	(8)	2,008	1,234	10,755	-30%	50%	0%	2%	2%	20%
Gross Revenue	175,844	38,346	157,508	131,747	54,680	52,574	100%	100%	100%	100%	100%	100%
Administrative Expenses	(151,075)	(52,115)	(43,143)	(83,180)	(54,187)	(64,469)	-86%	-136%	-27%	-63%	-99%	-123%
Finance Cost	(179,245)	(49,627)	(44,428)	47,266	(72,522)	(103,365)	-102%	-129%	-28%	36%	-133%	-197%
Other Expenses	(5,790)	(12,833)	(1,818)	(4,359)	(10,857)	(46,258)	-3%	-33%	-1%	-3%	-20%	-88%
Other income	302,276	59,156	93,662	34,243	53,230	226,478	172%	154%	59%	26%	97%	431%
	142,011	(17,074)	161,781	125,717	(29,656)	64,960	-19%	-145%	3%	-5%	-154%	24%
Share of profit from associates - net of tax	43	407	31,090	(6)	16,206	2,827	0%	1%	20%	0%	30%	5%
Loss on Deemed Disposal- Investment in Associate	-	(10,169)	-	-	-	-	0%	-27%	0%	0%	0%	0%
Profit / (Loss) before Tax	142,054	(26,835)	192,871	125,710	(13,450)	67,787	81%	-70%	122%	95%	-25%	129%
Taxation (expense) / income	24,901	38,406	50,015	(10,992)	(4,946)	(36,152)	14%	100%	32%	-8%	-9%	-69%
Profit / (Loss) after Tax	166,955	11,571	242,885	114,718	(18,396)	31,635	95%	30%	154%	87%	-34%	60%
BALANCE SHEET SUMMARY												
Assets												
Property and equipment	39,998	57,868	60,370	91,875	98,054	69,287	3%	4%	5%	9%	8%	7%
Capital work in progress	33,340	33,340	33,340	33,340	33,340	69,497	2%	2%	3%	3%	3%	7%
Intangible assets	41,915	41,915	51,915	51,915	51,915	68,135	3%	3%	5%	5%	4%	7%
Investment Property	-	-	106,142	-	-	-	0%	0%	9%	0%	0%	0%
Receivable from Associate	-	-	78,084	106,768	175,411	175,411	0%	0%	7%	11%	15%	17%
Other Receivables	142,579	261,400	263,884	-	-	-	10%	19%	23%	0%	0%	0%
Investment in associate	71,540	71,497	105,793	53,326	53,492	-	5%	5%	9%	5%	5%	0%
Investments - available for sale	41,163	40,074	40,074	40,074	40,074	-	3%	3%	4%	4%	3%	0%
Long term deposits	2,496	2,481	2,344	2,394	2,679	3,185	0%	0%	0%	0%	0%	0%
Deferred taxation	164,028	130,064	87,502	25,030	25,649	29,063	12%	9%	8%	3%	2%	3%
Long term investments	-	-	-	-	-	39,073	0%	0%	0%	0%	0%	4%
Short term investments	373,049	420,738	1,598	93,533	266,530	151,033	27%	30%	0%	9%	23%	15%
Trade debts	53,270	91,744	82,389	322,932	281,257	287,764	4%	7%	7%	33%	24%	28%
Loans & advances	41,629	501	1,480	1,568	922	2,844	3%	0%	0%	0%	0%	0%
Trade deposits & short term prepayments	50,338	6,537	20	534	498	355	4%	0%	0%	0%	0%	0%
Other Receivables	189,013	165,281	157,642	140,960	115,386	86,063	14%	12%	14%	14%	10%	8%
Advance tax	27,020	13,606	15,605	25,912	32,545	31,641	2%	1%	1%	3%	3%	3%
Cash and bank balance	122,350	52,230	56,483	3,471	3,561	772	9%	4%	5%	0%	0%	0%
Total Assets	1,393,728	1,389,276	1,144,665	993,632	1,181,313	1,014,123	100%	100%	100%	100%	100%	100%
LIABILITIES												
Trade & other payables	264,159	198,341	229,002	224,399	471,505	354,367	19%	14%	20%	23%	40%	35%
Interest and mark-up accrued on borrowings	-	-	-	-	-	66	0%	0%	0%	0%	0%	0%
Short term borrowings	-	-	-	-	35,463	167,375	0%	0%	0%	0%	3%	17%
Current maturity of long term financing	32,941	70,623	289,938	331,159	552,735	-	2%	5%	25%	33%	47%	0%
Long Term Borrowings	194,113	457,481	298,861	265,976	513,954	1,010,539	14%	33%	26%	27%	44%	100%
Loan from Sponsors	647,743	512,684	26,643	138,498	68,498	68,498	46%	37%	2%	14%	6%	7%
Deferred liabilities	9,360	7,181	7,136	6,231	7,503	6,419	1%	1%	1%	1%	1%	1%
Other Loans	54,721	118,210	256,947	191,375	-	-	4%	9%	22%	19%	0%	0%
Total Liabilities	1,203,037	1,364,520	1,108,527	1,157,638	1,649,658	1,607,264	86%	98%	97%	117%	140%	158%
Net Assets	190,691	24,755	36,138	(164,005)	(468,345)	(593,140)	14%	2%	3%	-17%	-40%	-58%
REPRESENTED BY												
Issued, subscribed and paid-up capital	1,418,098	1,418,098	1,418,098	1,418,098	1,380,000	1,380,000	102%	102%	124%	143%	117%	136%
Discount on issue of Right Shares	(630,419)	(630,419)	(630,418)	(630,418)	(603,750)	(603,750)	-45%	-45%	-55%	-63%	-51%	-60%
Accumulated losses	(621,922)	(763,014)	(774,582)	(1,017,487)	(1,367,784)	(1,349,388)	-45%	-55%	-68%	-102%	-116%	-133%
Unrealized gain/(loss) on remeasurement of investments classified as available for sale	24,934	90	23,040	65,802	123,190	(20,002)	2%	0%	2%	7%	10%	-2%
Total Equity and Liabilities	190,691	24,755	36,138	(164,005)	(468,345)	(593,140)	14%	2%	3%	-17%	-40%	-58%

Horizontal Analysis

	2017	2016	2015	2014	2013	2012	2017 Vs 2016	2016 Vs 2015	2015 Vs 2014	2014 Vs 2013	2013 vs 2012
	----- (Rupees'000) -----						----- (Percentage) -----				
Profit and Loss Account											
Operating Revenues	66,185	22,685	24,672	43,682	45,235	41,819	192%	-8%	-44%	-3%	8%
Gain on sale of investments	162,890	(3,643)	132,844	86,057	8,211	-	-4571%	-103%	54%	948%	100%
Unrealised Gain / (Loss) on investments	(53,231)	19,304	(8)	2,008	1,234	10,755	-376%	-241400%	-100%	0%	0%
Gross Revenue	175,844	38,347	157,508	131,747	54,680	52,574	359%	-76%	20%	141%	4%
Administrative Expenses	(151,075)	(52,115)	(43,143)	(83,180)	(54,187)	(64,469)	190%	21%	-48%	54%	-16%
Finance Cost	(179,245)	(49,627)	(44,428)	47,266	(72,522)	(103,365)	261%	12%	-194%	-165%	-30%
Other Expenses	(5,790)	(12,833)	(1,818)	(4,359)	(10,857)	(46,258)	-55%	606%	-58%	-60%	-77%
Other income	302,276	59,156	93,662	34,243	53,230	226,478	411%	-37%	174%	-36%	-76%
	142,011	(17,073)	161,781	125,717	(29,656)	64,960	-932%	-111%	29%	-524%	-146%
Share of profit from associates - net of tax	43	407	31,090	(6)	16,206	2,827	-89%	-99%	-518267%	-100%	473%
Loss on Deemed Disposal- Investment in Associate	-	(10,169)	-	-	-	-	-100%	-100%	0%	0%	0%
Profit / (Loss) before Tax	142,054	(26,835)	192,871	125,710	(13,450)	67,787	-629%	-114%	53%	-1035%	-120%
Taxation (expense) / income	24,901	38,406	50,015	(10,992)	(4,946)	(36,152)	-35%	-23%	-555%	122%	-86%
Profit / (Loss) after Tax	166,955	11,571	242,884	114,718	(18,396)	31,635	1343%	-95%	112%	-724%	-158%
BALANCE SHEET SUMMARY											
Assets											
Property and equipment	39,998	57,868	60,370	91,875	98,054	69,287	-31%	-4%	-34%	-6%	42%
Capital work in progress	33,340	33,340	33,340	33,340	33,340	69,497	0%	0%	0%	0%	-52%
Intangible assets	41,915	41,915	51,915	51,915	51,915	68,135	0%	-19%	0%	0%	-24%
Investment Property	-	-	106,142	-	-	-	0%	-100%	100%	0%	0%
Receivable from Associate	-	-	78,084	106,768	175,411	175,411	0%	-100%	-27%	-39%	0%
Other Recievables	142,579	261,400	263,884	-	-	-	-45%	-1%	0%	0%	0%
Investment in associate	71,540	71,497	105,793	53,326	53,492	-	0%	-32%	98%	0%	100%
Investments - available for sale	41,163	40,074	40,074	40,074	40,074	-	3%	0%	0%	0%	100%
Long term deposits	2,496	2,481	2,344	2,394	2,679	3,185	1%	6%	-2%	-11%	-16%
Deferred taxation	164,028	130,064	87,502	25,030	25,649	29,063	26%	49%	250%	-2%	-12%
Long term investments	-	-	-	-	-	39,073	0%	0%	0%	0%	-100%
Short term investments	373,049	420,738	1,598	93,533	266,530	151,033	-11%	26229%	-98%	-65%	76%
Trade debts	53,270	91,744	82,389	322,932	281,257	287,764	-42%	11%	-74%	15%	-2%
Loans & advances	41,629	501	1,480	1,568	922	2,844	8209%	-66%	-6%	70%	-68%
Trade deposits & short term prepayments	50,338	6,537	20	534	498	355	670%	32585%	-96%	7%	40%
Other Receivables	189,013	165,281	157,642	140,960	115,386	86,063	14%	5%	12%	22%	34%
Advance tax	27,020	13,606	15,605	25,912	32,545	31,641	99%	-13%	-40%	-20%	3%
Cash and bank balance	122,350	52,230	56,483	3,471	3,561	772	134%	-8%	1527%	-3%	361%
Total Assets	1,393,728	1,389,276	1,144,665	993,632	1,181,313	1,014,123	0.32%	21%	15%	-16%	16%
LIABILITIES											
Trade & other payables	264,159	198,341	229,002	224,399	471,505	354,367	33%	-13%	2%	-52%	33%
Interest and mark-up accrued on borrowings	-	-	-	-	-	66	0%	0%	0%	0%	-100%
Short term borrowings	-	-	-	-	35,463	167,375	0%	0%	0%	-100%	-79%
Current maturity of long term financing	32,941	70,623	289,938	331,159	552,735	-	-53%	-76%	-12%	-40%	100%
Long Term Borrowings	194,113	457,481	298,861	265,976	513,954	1,010,539	-58%	53%	12%	-48%	-49%
Loan from Sponsors	647,743	512,684	26,643	138,498	68,498	68,498	26%	1824%	-81%	102%	0%
Deferred liabilities	9,360	7,181	7,136	6,231	7,503	6,419	30%	1%	15%	-17%	17%
Other Loans	54,721	118,210	256,947	191,375	-	-	-54%	-54%	34%	100%	0%
Total Liabilities	1,203,037	1,364,520	1,108,527	1,157,638	1,649,658	1,607,264	-12%	23%	-4%	-30%	3%
Net Assets	190,691	24,755	36,138	(164,005)	(468,345)	(593,140)	670%	-31%	-122%	-65%	-21%
REPRESENTED BY											
Issued, subscribed and paid-up capital	1,418,098	1,418,098	1,418,098	1,418,098	1,380,000	1,380,000	0%	0%	0%	3%	0%
Discount on issue of Right Shares	(630,419)	(630,419)	(630,418)	(630,418)	(603,750)	(603,750)	0%	0%	0%	4%	0%
Accumulated losses	(621,922)	(763,014)	(774,582)	(1,017,487)	(1,367,784)	(1,349,388)	-18%	-1%	-24%	-26%	1%
Unrealized gain/(loss) on remeasurement of investments classified	24,934	90	23,040	65,802	123,190	(20,002)	27604%	-100%	-65%	-47%	-716%
Total Equity and Liabilities	190,691	24,755	36,138	(164,005)	(468,345)	(593,140)	670%	-31%	-122%	-65%	-21%

Chairman's Review

It brings me great pleasure to announce another profitable year at First National Equities Limited based on our performance in FY17. Our management, Board of Directors and Regulators have played a major role in our continued success and we are sincerely grateful for all their support.

FY17 has not only been a fruitful year for First National Equities Limited, but it's been a great year for the Pakistani economy. Our economy continues to grow at a healthy rate, as government led macroeconomic and structural reforms, lower oil prices and an improved security climate made a positive impact on our GDP.

The now merged Pakistan Stock Exchange (PSX) also demonstrated unprecedented growth. During a period of time where other foreign Exchanges were experiencing a downturn, the KSE - 100 INDEX reached 52,876 points, the highest ever closing achieved in our Stock Market's history. Indeed, PSX's stellar performance has already attracted the attention of a consortium of Chinese investors and lead to renewed interest by foreign investors who are eager to capitalize on the country's potential. The ambitious China Pakistan Economic Corridor (CPEC) and its associated projects are further evidence of this and are set to revolutionize our economy and enable Pakistan to become a regional economic force to be reckoned with.

As a Brokerage House, we are well equipped and well placed to take full advantage of our economy's bright prospects. Our experienced team has the tenacity to steer the Company through difficult times and the acumen to seek out new lucrative opportunities for profitability and growth.

I look forward to your continued support and wish you a prosperous and rewarding future with First National Equities Limited.


Shahzad Akbar
Chairman

主席審查

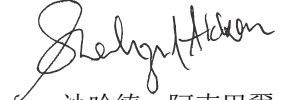
根據我們在17財年的表現，我非常榮幸地宣布了第一國民股票有限公司的另一個盈利年度。我們的管理層，董事會和監管機構在我們的持續成功中發揮了重要作用，我們衷心感謝他們的支持。

17財年不僅是第一民族股份有限公司取得豐碩成果的一年，而且對巴基斯坦經濟來說，這是一個偉大的一年。隨著政府主導宏觀經濟結構性改革，油價下調，安全氣氛的改善，對我們國內生產總值產生了積極的影響，我們的經濟繼續保持增長。

現在合併的巴基斯坦證券交易所（PSX）也呈現前所未有的增長。在其他外匯交易所正在經歷衰退的一段時間內，KSE100指數達到52,876點，是股市歷史最高收盤。事實上，PSX的輝煌表現已經吸引了中國投資者聯盟的關注。這對巴基斯坦來說很好，隨著經濟的不斷增長，股市引發了外國投資者的興趣，這些外國投資者渴望利用這個國家的潛力。中國的巴基斯坦經濟走廊（CPEC）及其相關項目進一步證明了這一點，並將使經濟發生革命，使巴基斯坦成為區域經濟強國。

作為經紀人之家，我們的裝備精良，充分利用了我們經濟的光明前景。我們經驗豐富的團隊有勇氣引導公司經歷困難時期和敏銳度，尋求新的利潤豐厚的盈利和增長機會。

我期待著您的持續支持，並希望您與第一國民股票有限公司有一個繁榮而有意義的未來


沙哈德·阿克巴爾
主席

چیئر مین جائزہ:

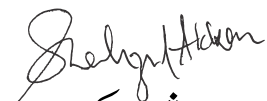
مجھے فرسٹ نیشنل ایکٹیویٹیٹی لمیٹڈ کے مالی سال 2017ء میں منافع بخش کارکردگی کا حساب پیش کرتے ہوئے خوشی محسوس ہو رہی ہے ہماری مینجمنٹ بورڈ آف ڈائریکٹرز اور ریگولٹرز نے ہماری کامیابی میں اہم کردار ادا کیا ہے اور ہم ان کے تعاون کے شکر گزار ہیں۔

مالی سال 2017ء نہ صرف فرسٹ نیشنل ایکٹیویٹیٹی لمیٹڈ کیلئے منافع بخش ثابت ہوا بلکہ یہ پاکستانی معیشت کیلئے بھی ایک اہم سال رہا، ہماری معیشت، حکومتی اصلاحات تیل کی قیمتوں میں کمی اور بہترین سیکورٹی صورت حال کی وجہ سے روز بروز بڑھ رہی ہے جس کی وجہ سے ہماری جی ڈی پی پر مثبت اثرات مرتب ہو رہے ہیں

اب پاکستانی سٹاک ایکسچینج نے بھی بے مثال ترقی کا مظاہرہ کیا ہے، وہ وقت جب غیر ملکی زرمبادلہ معاشی بحران کا سامنا کر رہی تھی تب KSE 100 انڈیکس 52,876 پوائنٹس کی سطح پر پہنچ گیا جو کہ پاکستانی سٹاک مارکیٹ کا سب سے بڑا معرکہ ہے بے شک PSX'S کی شاندار کامیابی نے چینی سرمایہ کاروں کی توجہ کو اپنی طرف متوجہ کیا، بڑھتی ہوئی معاشی ترقی اور سٹاک مارکیٹ میں تیزی پاکستان کیلئے اچھی پیش رفت ثابت ہوئی جس نے غیر ملکی سرمایہ کاروں کی توجہ کو اپنی طرف مدعو کیا۔

CPEC اور اس سے منسلک منصوبے اس بات کا ثبوت ہیں کہ پاکستان کی معیشت کو بہتر بنایا جائے اور اس کی اقتصادی علاقائی اہمیت کو تسلیم کیا جائے۔ ہم ملکی معیشت سے مکمل طور پر فائدہ اٹھانے اور اس میں بہتری لانے کی دلیل دیتے ہیں۔ ہماری تجربہ کار ٹیم کمپنی کو مشکل حالات سے باہر نکالنے اور ترقی کے نئے منافع بخش مواقع فراہم کرنے کی طاقت رکھتی ہے۔

میں آپ کی مسلسل حمایت کا مشکور ہوں اور فرسٹ نیشنل ایکٹیویٹیٹی لمیٹڈ کے ساتھ آپ کیلئے منافع بخش مستقبل کیلئے دعا گو ہوں۔


شہزاد اکبر
چیئر مین

Directors' Report to the Members

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, 2017 together with auditor's report thereon.

Economy

Fiscal Year 2017 was a year of accelerating growth. The majority of Pakistan's macroeconomic fundamentals remained fairly positive, which continued to contribute to economic growth and development. Confidence in the economy also increased with successful completion of the IMF Extended Fund Facility Program. China-Pakistan Economic Corridor ('CPEC') is beginning to show greater momentum with several energy and infrastructure projects in the pipeline, which will fuel growth in the medium term. Pakistan grew at 5.3% during the year according to the government's estimates. CPEC will also attract foreign investment to Pakistan and enhance its status as a regional manufacturing hub. During the fiscal year, net FDI stood at \$2.4 billion, an eight-year high. The Consumer Price Index (CPI) of July-June, 2016-2017 is 4.16% as compared to the 2.86% in July-June, 2015-2016. However, real interest rate scenario is still favorable enough for State Bank to maintain its stance of low interest rates whereby the discount rate has been kept unchanged at 5.75%.

On the external front, the current account deficit widened to an all time high of USD 12.1 billion in 2016-17. Current account deficit is assuming threatening proportions and could lead to further loss of foreign exchange reserve, depreciation in the exchange rate of rupee and higher inflation. Pakistan trade deficit remained US\$ 32.6 billion up by 36.3 percent as compared to US\$ 23.9 billion a year back as exports shrank by 1.4% YoY, in dollar terms, during July - June FY17 to \$21.6 billion while imports have been on an uptrend, increasing by 18% YoY, in dollar terms to almost \$48.5 billion. Liquid foreign reserve decreased to US\$ 21.4 billion as on June 30, 2017 from all time high levels of US\$ 24.0 billion. For now, the government has worked well towards achieving exchange rate stability during the year with rupee maintaining its ground around Rs. 105/\$ at the end of June 2017.

Going forward, Pakistan's fundamentals are expected to continue improving on the back of the reforms undertaken by the government and especially the efforts made in the budget of FY18 to facilitate the exporting industrial sectors. The Government is also trying hard to contain the trade deficit through prudent management, while making efforts to widen the tax net. Expected acceleration in projects under CPEC will become a significant contributor to greater GDP growth in the coming years. Pakistan will need to maintain fiscal discipline and keep government expenditures in check as it bids to spend on development projects. Export competitiveness also remains a major concern and requires special attention from the government to boost productivity, reduce costs of production and embark on greater diversification in the export sector. The Government is progressing towards achieving its major targets of 1) keeping inflation below the target of 6% 2) achieving GDP growth target of over 6%. Pressure on external account is expected to persist due to uncertainty regarding the future of oil prices. A smooth transition of power over the next election will be imperative to investors' concerns regarding Pakistan Political stability, paving the way for the better future for the country's economy.

Stock Market

With the closure of June 2017, the stock market marked the end of the fiscal year with reasonable returns whereby the KSE-100 index closed 23.24% up on a YoY basis. However, the last month of the year tuned out to be an extremely choppy one whereby from the peak levels attained in the last week of May 2017, KSE-100 receded 11.94% to close at 46,565 pts by the end of June 2017.

The performance of the index during the year can be attributed to, i) a run up in anticipation of the reclassification into MSCI EM index, ii) Attractive valuations, iii) flush of liquidity available with the local investors, iv) continuing economic growth, v) the political process moving towards maturity and vi) progress in Chinese investment in Pakistan's energy and infrastructure (under CPEC).

Uncertainty on the political front on account of ongoing investigation by the Supreme Court sanctioned JIT kept the investors jittery and the market volatile. It is worth noting however, that this volatility has resulted in a significant correction post which the stock market's valuations have become quite attractive once again. It is pertinent to note

here that after a significant gap, foreigners also became net buyers during the month of June 2017 with FIPI clocking in a net inflow of almost USD 8 million. This is a very important development showing that foreigners are also taking advantage of the current attractive valuation levels.

Financial Performance

Rupees in Millions	2017	2016
Operating Revenue	66.184	22.685
Gain / (loss) on sale of investment	162.890	(3.642)
Other income	302.276	59.155
Profit / (loss) before tax	142.011	(17.073)
Profit After Tax	166.955	11.571
EPS (Rs.)	1.18	0.08

Growth was a key management focus in FY17, with the company increased its market share. The growth strategy is reflected in the top line, where operating revenue grew by 191%. This performance in equity brokerage has been achieved through improved relationships nurtured with domestic, as well as, foreign financial institutions, corporates and high net worth individuals.

Gain on sale of investment has been increased significantly due to high performance of Pakistan Stock Exchange during the year. Other expenses have been decreased by Rs 7 million due to effective cost control measures by management. Due to all the above mentioned factors company was able to post a profit of Rs. 166 million as compared to profit of Rs. 11 Million. Resultantly we are pleased to report earnings of Rs. 1.18 per share as compared to earnings of Rs. 0.08 per share in last year.

Dividends

The board of directors has recommended no further dividend for year ended June 2017. Whereas company had paid interim dividend at 4% for half year ended Dec 2016.

Risk Management

The Board of Directors at Company actively drives the risk management framework wherein it provides an active approach in dealing with factors that influence the financial standing of the Company. With the valuable guidance of BOD, the Company has a proactive approach to generate recurrent earnings and to maximize shareholder's value by achieving an appropriate tradeoff between risk and returns. An Effective Risk Management Framework along-with Robust Risk Governance Structure, Strong Capital & Liquidity Position and Good Quality of investment Portfolio, remains a cornerstone to accomplish vision of the Company.

Human Resource

The focus of Human Resource Management at FNEL is to recruit, develop, retain and reward best talent. We strive to ensure that our employment policies meet relevant social, statutory and regulatory conditions and remain committed to building and maintaining strong collective relationships and agreements. All HR policies have been reviewed and updated in accordance with present day requirements and corporate framework of the Company as Management has recognized that this is a critical area with strong impact on performance, procedures and business ethics. To enhance employee awareness and understanding, all approved policies are available to all employees.

Company is equal opportunity employer. Females are encouraged to join and play their role in achievement of company's objective and their own professional growth.

Recently day care center is established at Main office Lahore in order to facilitate the female employees. Separate room is dedicated to day care which is furnished with lots of toys. Baby sitter is also arranged to take care of babies.



Internal controls

The internal control structure of First National Equities Limited (Company) comprises the Board of Directors, Senior Management, Internal audit and compliance department and Head of departments. The Company's management is responsible to establish and maintain an adequate and effective system of internal controls and procedures under the policies approved by the Board. The management is also responsible for evaluating effectiveness of the Company's internal control system that covers material matters through identification of control objectives as well as review of significant policies and procedures.

Company's internal control system has been designed to identify and mitigate the risk of failure to achieve overall business objectives of the Company. Internal controls and policies are designed to provide reasonable assurance regarding the effectiveness and efficiency of the Company's operations, reliability of financial information and compliance with applicable laws and regulations. However, it needs to be stated that systems are designed to manage, rather than eliminate the risk of failure to achieve the business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Corporate Social Responsibility

The Company continued its contribution to the society as a socially responsible organization through a series of initiatives. We prioritize contribution towards the enrichment of the lives of our communities and the people of Pakistan. Corporate philanthropy and contribution towards noble social causes is a means to this which allows us to give back to the people around us.

Impact of the company's business on the environment

Company's nature of business is service provider, hence its activities has very less impact on environment. Company has a policy to minimize the use of paper by encouraging employees, departments and clients to communicate mostly through emails.

Code of Corporate Governance

The Board of Directors is committed to ensure that the requirements of Corporate Governance set by the Securities and Exchange Commission of Pakistan are fully met. The Company has adopted good corporate governance practices and the Directors are pleased to report that:

1. 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
2. Proper books of accounts of the company have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of the financial statements except for changes resulting on initial application of standards and amendments or interpretations to existing standards. Accounting estimate are based on reasonable prudent judgment.
4. International Financial reporting standards, as applicable in Pakistan, have been followed in preparation of the financial statements and any departure there from have been adequately disclosed.
5. The system of internal controls is sound in design and has been effectively implemented and monitored.
6. There is no significant doubt upon the company's ability to continue as going concern.
7. There is no material departure from the best practices of corporate governance, as detailed in listing regulations.

Chairman's Review

The Directors of the company endorse the contents of Chairman's Review, dealing with the matters of strategic nature.

Compliance statement with the Code of Corporate Governance

The "Statement of Compliance with the Code of Corporate Governance" is annexed with this annual report.

Related Party Transactions

The Company has presented all related party transactions before the Audit Committee and Board for their review and approval, which have been duly approved in their respective meetings. The detail of such transactions is given in Note 34 of the annexed audited Financial Statements.

Forward Looking Statement

Going into the year 2017, we are optimistic about the outlook for the local economy. With inflation expected to remain largely contained, low interest rates, the realization of benefits of the China Pakistan Economic Corridor (CPEC) and an aggressive incentive package for exporters announced by the government, economic activity is likely to pick up in the medium term.

The future prospects of your Company are very encouraging on account of the Management's efforts in increasing the Company's market share. The Company is striving to yield better volumes from its existing clientele as well as prospective foreign and domestic clients, by expanding and growing relationships with them. The Management is buoyant that the Company's investment portfolio will continue to demonstrate lucrative results, as the economy and the market continues to offer rewarding investment opportunities

Pattern of Shareholding

The pattern of shareholding as at June 30, 2017 is annexed with this annual report.

Auditors

The retiring Auditors M/s Tariq Abdul Ghani Maqbool & Co. Chartered Accountants, being eligible for the next term have offered themselves for reappointment. Upon recommendation of the Audit Committee, the Board recommends appointment of M/s Tariq Abdul Ghani Maqbool & Co, Chartered Accountants as the statutory auditors of the Company for the year ended June 2018 in the forthcoming Annual General Meeting.

Changes in the Board

During the year under review, no change was made in the Board of Directors.

Board and Audit Committee Meetings and Attendance

During the year under review, four meetings of the Board of Director, six meetings of the Audit Committee and 4 meetings of HR & Remuneration Committee were held from July 1st, 2016 to June 30th, 2017. The attendance of the members of Board, Audit Committee and HR & Remuneration were as follows:

Sr. No.	Name of Director	Board Meeting
1.	Mr. Shahzad Akbar	4
2.	Mr. Ali A. Malik	4
3.	Mr. Muhammad Asim Mustafa	1
4.	Mr. Amir Shehzad	4
5.	Mr. Naveed Ishaque	4
6.	Mr. Muhammad Iqbal Khan	3
7.	Mr. Ijaz Mahmood Chaudhary	4

Audit Committee Attendance Sheet

Sr. No.	Name of Director	Audit Committee Meeting
1.	Mr. Shahzad Akbar	6
2.	Mr. Muhammad Iqbal Khan	6
3.	Mr. Ijaz Mahmood Chaudhary	6

HR & Remuneration Committee Attendance Sheet

Sr. No.	Name of Director	HR & Remuneration Committee Meeting
1.	Mr. Shahzad Akbar	4
2.	Mr. Muhammad Asim Mustafa	1
3.	Mr. Ali A. Malik	4

Post Balance Sheet Date Event / Dividend

There is no significant post balance sheet date event happened.

Trading in Shares of the Company by Directors and Executives

Following transactions were made during the year;

Trader	Relationship	No of shares	Nature of Transaction	From/to whom shares acquired/given
Mr. Umer Ali Malik	Son of CEO	167,500	Purchase	Market
Mr. Essa Ali Malik	Son of CEO	100,000	Purchase	Market
Ms. Fatima Ali Malik	Daughter of CEO	100,001	Purchase	Market
First Florance Developers (Pvt) Limited	Holding Company	14,000	Purchase	Market
First Florance Developers (Pvt) Limited	Holding Company	70,000	Sale	Market

Directors Training Program

Following directors have completed directors training program as per code of corporate governance.

Director	Institute	Date	Program
Amir Shehzad	Institute of Chartered Accountant of Pakistan	May, 2016	ICAP Directors Training program
Shehzad Akbar	Institute of Cost and Management Accountant of Pakistan	July, 2017	ICMA Directors Training program

Appreciation and Acknowledgements

The Board of Directors of First National Equities Limited would like to thank the PSX, the SECP, NCCPL, CDC and other regulatory bodies for their continued support, Bankers of the company, all shareholders and clients of the company for their trust, and our staff and management for their continuous dedication and commitment.

On behalf of the Board of Directors

Place: Lahore
Date: September 27, 2017


Amir Shahzad
(Executive Director)


Ali A. Malik
(Chief Executive Officer)

董事會報告

董事會代表董事會，我很高興地介紹貴公司截至6月份的年度財務報表30, 2017 連同核數師的報告。

經濟。

財年2017是加速增長的一年。巴基斯坦的宏觀經濟基本面大部分仍然相當積極，繼續為經濟增長和發展做出貢獻。成功完成國際貨幣基金組織擴大基金設施方案後，對經濟的信心也有所增加。中國 - 巴基斯坦 經濟 走廊 ('CPEC') 正在開始出現更多的動力，幾個能源和基礎設施項目正在籌備中，這將推動中期增長。根據政府估計，巴基斯坦年內增長5.3%。CPEC 也將吸引外國投資巴基斯坦，提升其作為區域製造業中心的地位。在財政年度，淨外商直接投資達24億美元，創8年來最高點。消費者物價指數 (CPI) 七月六月，2016-2017是4.16%相比之下2.86% 7月至6月，2016-2017。然而，實際利率情況仍然有利於國家銀行維持低利率立場，貼現率維持在5.75%。

在外部方面，經常賬戶赤字擴大到一直高潮 USD 12.1十億 2016-17。經常項目赤字正在承受威脅的程度，可能導致外匯儲備進一步下滑，盧比匯率貶值和通貨膨脹率上升。巴基斯坦的貿易赤字仍然達326億美元，同比增長36.3%，而一年前的239億美元，出口同比減少1.4個百分點，以美元計算，至2017年7月至6月，達216億美元，進口呈上升趨勢，同比增長18%，以美元計算近485億美元。截至2017年6月30日，流動性外匯儲備下降至214億美元，高達240億美元。目前，政府在今年實現匯率穩定方面表現良好，盧比維持在盧比左右。2017年6月底105/\$。

展望未來，巴基斯坦的基本面預計在政府改革的背景下將繼續改善，特別是18年度預算中促進出口工業部門的努力。政府也在努力通過審慎管理遏制貿易逆差，同時努力擴大稅網。CPEC項目的預期加速將成為未來幾年GDP增長的重要因素。巴基斯坦需要維持財政紀律，並在開發項目上投入支出來維持政府支出。出口競爭力仍然是一個主要關切問題，需要政府特別注意提高生產力，降低生產成本，進一步擴大出口部門的多樣化。政府正在實現其主要目標：1) 將通貨膨脹率保持在6%的目標水平以下2) 實現GDP增長目標6 %以上。由於油價未來的不確定性，預計外部壓力將繼續下滑。投資者對巴基斯坦政治穩定的擔憂，是為下一屆選舉順利過渡，為國家經濟的美好未來鋪平道路。

股市。

隨著2017年6月底關閉，股票市場以合理回報標榜財年結束，KSE-100指數同比回落23.24%。然而，截至2017年5月份的最後一個星期，KSE-100最後一個月的漲幅是非常波動的，截至2017年6月底，KSE-100回落11.94%，收於46,565點。

本年度指數的表現可歸因於i) 預期將MSCI新興市場指數重新分類，ii) 有吸引力的估值，iii) 與當地投資者融資，iv) 持續經濟增長，v) 政治進程走向成熟，六) 中國對巴基斯坦能源和基礎設施投資 (CPEC) 的進展。

由於最高法院正在進行的調查，政治面前的不確定性批准了JIT，使得投資者的震盪和市場動盪。不過值得注意的是，這種波動性導致了一個重大的修正，股市的估值再次變得非常有吸引力。這裡要注意的是，在一個明顯的差距之後，外國人在2017年6月份也成為淨買家，FIPI的淨流入近800萬美元。這是一個非常重要的發展，顯示外國人也在利用當前有吸引力的估值水平。

財務績效。

百萬盧比

Rupees in Millions	2017	2016
營業收入	66.184	22.685
獲得投資收益	162.890	(3.642)
其他的收入	302.276	59.155
稅前利潤	142.011	(17.073)
稅後利潤	166.955	11.571
EPS (盧比.)	1.18	0.08

增長是17財年的重點管理重點，公司增加了市場份額。增長戰略反映在頂線，營業收入增長了191%。通過改善與國外金融機構，企業和高淨人士的關係，實現股權經紀業績。由於本年度巴基斯坦證券交易所的高表現，投資收益的增長大幅增加。

由於管理層採取有效的成本控制措施，其他費用已下降了700萬盧比。由於所有上述因素，公司能發行盧比的利潤。1.36億比盧比的利潤。11百萬結果我們很高興地報告盧比的收入。與盧比的收益相比，每股1.18美元。去年每股0.08美元。

股息。

截至2016年6月底，董事會建議不再進一步派息。儘管公司截至2017年12月半年半年支付中期股息4%。

風險管理。

公司董事會積極推動風險管理框架，為影響公司財務狀況的因素提供積極的態度。在公司董事會的寶貴指導下，本公司採取積極主動的方式產生經常性收益，並通過在風險與收益之間進行適當的權衡來最大化股東的價值。有效的風險管理框架，堅實的風險治理結構，強大的資本和流動性立場，優質的投資組合，仍然是實現公司願景的基石。

人力資源。

FNEL人力資源管理的重點是招聘，發展，保留和獎勵最佳人才。我們努力確保我們的就業政策符合相關的社會，法定和監管條件，並繼續致力於建立和維護強有力的集體關係和協議。所有人力資源政策已經根據公司現在的要求和公司框架進行了審查和更新，因為管理層認識到這是對績效，程序和商業道德產生強烈影響的關鍵領域。為提高員工的意識和理解，所有員工都可以獲得所有認可的政策。

公司是平等機會的雇主。鼓勵女性加入和發揮自己的作用，實現公司的目標和自身的專業成長。

最近在拉合爾辦事處設立了日託中心，以方便女性員工。獨立的房間專用於配有大量玩具的日托。保姆也安排照顧嬰兒。

內部控制。

第一民族股份有限公司（公司）內部控制結構由董事會，高級管理人員，內部審計與合規部門，部門主管組成。公司管理層負責根據董事會批准的政策，建立和維持充分有效的內部控制和程序制度。管理層還負責通過確定控制目標以及重大政策和程序的審查來評估公司內部控制制度的有效性，涵蓋重大事項。

公司內部控制制度旨在確定和減輕未能實現公司整體業務目標的風險。內部控制和政策旨在為公司運營的有效性和效率，財務信息的可靠性以及遵守適用的法律法規提供合理的保證。然而，需要指出的是，系統旨在管理而不是消除未能實現業務目標的風險，只能提供合理而不絕對的保證來防止重大錯報或損失。

企業社會責任。

公司通過一系列舉措，繼續為社會做出貢獻，作為一個對社會負責的組織。我們優先考慮為豐富我們社區和巴基斯坦人民的生活做出貢獻。企業慈善事業和對高尚社會事業的貢獻是一種手段，使我們能夠回饋給我們周圍的人。

公司業務對環境的影響。

公司的業務性質是服務提供商，因此其活動對環境影響較小。公司有通過鼓勵員工，部門和客戶通過電子郵件進行溝通，盡量減少使用紙張的政策。

公司治理準則。

董事會致力於確保巴基斯坦證券交易委員會制定的公司治理要求得到充分滿足。本公司採取良好的公司治理做法，董事高興地報告：

1. 公司管理層編制的財務報表，公允反映了經營情況，經營成果，現金流量和權益變動情況

2. 公司已經維護了適當的賬簿。
3. 在編制財務報表時，一直適用適當的會計政策，除了初步實施標準和對現行標準進行修改或解釋的變更外。會計估計是基於合理審慎的判斷。
4. 按照適用於巴基斯坦的國際財務報告準則，在編制財務報表時已經得到遵守，其中任何偏離已經得到充分披露。
5. 內閣控衞度計緩資，得到有效實施和監督。
6. 對公司持續關注的能力毫無疑問。7. 如上市規則所詳述，與公司治理的最佳做法沒有任何重大偏離。

主席審查。

公司董事認可董事長審議內幕，涉及戰略性事項。

“公司治理準則”的合規聲明。

“遵守”公司治理準則“的聲明附件載於第頁

關聯交易。

公司已向審計委員會和董事會提交了所有關聯交易的審查通過，已經在各自的會議上得到了適當的批准。這些交易的詳情見附件經審計的財務報表附註34。

前瞻性聲明。

進入2017年，我們對當地經濟前景樂觀。由於通貨膨脹預期仍將大幅度下降，中國巴基斯坦經濟走廊（CPEC）實現低利率，實現利益，政府出台的出口商積極激勵措施，中期經濟活動有可能回升。

由於管理層在提高公司市場份額方面的努力，貴公司的未來前景令人鼓舞。公司正在努力通過擴大和擴大與他們的關係，從現有的客資責蟊蠱國內磨客資蠖誦更多蠱莠。管理層積極推動公司的投資組合將繼續顯示利潤豐厚的業績，因為經濟和市場繼續提供有價值的投資機會

股權模式。

根據“2017年公司條例”第227條和“公司治理準則”，2017年6月30日的股權格局將附於本年度報告。

審計。

退休審計師Tariq Abdul Ghani Maqbool & Co. 註冊會計師有資格獲得下一任期，已經提出自己重新任命。根據審計委員會的建議，董事會建議在即將召開的年度股東大會上，任命Mari Tadq Abdul Ghani Maqbool & Co. 註冊會計師為本公司截至二零一八年六月底的法定核數師。

董事會變更。

在回顧年度內，董事會未發生變更

董事會和審計委員會會議和出席情況。

審議年度內，董事會四次會議，審計委員會六次會議和人事薪酬委員會四次會議於二零一六年七月一日至二零一七年六月三十日舉行。審計委員會審計委員會及人力資源及薪酬情況如下：

導演出勤表 董事會會議2016-2017

董事姓名	董事會會議
Mr. Shahzad Akbar	4
Mr. Ali A. Malik	4
Mr. Muhammad Asim Mustafa	1
Mr. Amir Shehzad	4
Mr. Naveed Ishaque	4
Mr. Muhammad Iqbal Khan	3
Mr. Ijaz Mahmood Chaudhary	4

審計委員會考察表 董事會會議 2016-2017

董事姓名	審計委員會會議
Mr. Shahzad Akbar	6
Mr. Muhammad Iqbal Khan	6
Mr. Ijaz Mahmood Chaudhary	6

人力資源與薪酬委員會考察表 董事會會議 2016-2017

董事姓名	人力資源與薪酬委員會
Mr. Shahzad Akbar	4
Mr. Muhammad Asim Mustafa	1
Mr. Ali A. Malik	4

資產負債表日期事件/股息。

資產負債表日期事件沒有發生重大事項。

董事， 高管人員交易本公司股份。

本年度進行交易；

商人	關係	沒有股份	交易性質	從/向誰收購/給予
Mr. Umer Ali Malik	的兒子 CEO	167,500	採購	市場
Mr. Essa Ali Malik	的兒子 CEO	100,000	採購	市場
Ms. Fatima Ali Malik	的女兒 CEO	100,001	採購	市場
First Florance Developers (Pvt) Limited	控股公司	14,000	採購	市場
First Florance Developers (Pvt) Limited	控股公司	70,000	拍賣	市場

董事培訓計劃。

以下董事根據公司治理守則完成董事培訓計劃

導向器	研究所	日期	程序
Amir Shehzad	特許研究所 巴基斯坦會計師	可能, 2016	ICAP董事 訓練 程序
Shehzad Akbar	巴基斯坦成本與管理會計師協會	七月, 2017	ICMA董事 訓練 程序

欣賞和鳴謝。

第一民族股份有限公司董事會感謝PSX, SECP, NCCPL, CDC及其他監管機構的持續支持， 公司的銀行家， 公司所有股東和客戶的信任， 以及我們的員工並為其管理不斷奉獻和承諾。

代表董事會


Amir Shahzad
(Executive Director)


Ali A. Malik
(Chief Executive Officer)

日期: September 27, 2017

تجارت کار	رشتہ	حصص کی تعداد	ٹرانزیکشن کی نوعیت	س/تک جس کے حصص حاصل دیئے گئے
جناب عمر علی ملک	سی ای او کا بیٹا	167,500	خرید	مارکیٹ
جناب عیسیٰ علی ملک	سی ای او کا بیٹا	100,000	خرید	مارکیٹ
محترمہ فاطمہ علی ملک	سی ای او کی بیٹی	100,001	خرید	مارکیٹ
فرسٹ فلورین ڈویلپرز (پرائیویٹ) لمیٹڈ	ہولڈنگ کمپنی	14,000	خرید	مارکیٹ
فرسٹ فلورین ڈویلپرز (پرائیویٹ) لمیٹڈ	ہولڈنگ کمپنی	70,000	فروخت	مارکیٹ

ڈائریکٹرز بینگ پروگرام

مندرجہ ذیل ڈائریکٹرز کارپوریٹ گورننس کے کوڈ کے مطابق ڈائریکٹرز بینگ پروگرام مکمل کر چکے ہیں۔

ڈائریکٹر	ادارہ	تاریخ	پروگرام
عامر شہزاد	انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس	مئی 2016	ICAP ڈائریکٹرز بینگ پروگرام
شہزاد اکبر	انسٹیٹیوٹ آف چارٹرڈ اکاؤنٹنٹس	جولائی 2017	ICAP ڈائریکٹرز بینگ پروگرام

تعریف اور اعتراف

فرسٹ نیشنل ایکویٹی لمیٹڈ بورڈ آف ڈائریکٹرز پی ایس ایس، ایس ای سی پی، این سی سی پی ایل، سی ڈی سی اور دیگر ریگولیٹری اداروں، کمپنی کے بینکرز، کمپنی کے تمام حصص داران اور گاہکوں کے اعتماد اور ہمارے عملے اور ان کی مسلسل لگن اور عزم کے مسلسل تعاون کے شکر گزار ہے۔

منجانب بورڈ آف ڈائریکٹرز

عامر شہزاد
ایگزیکٹو ڈائریکٹر

علی اسلم
چیف ایگزیکٹو آفسر

تاریخ: ستمبر 27، 2017
جگہ: لاہور

نمونہ حصص داری

30 جون 2017 کو نمونہ حصص داری اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

آڈیٹرز

سبکدوش ہونے والے آڈیٹرز میسرز طارق عبدالغنی مقبول اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس نے اہل ہونے کی بنیاد پر اگلی مدت کے لئے اپنی دوبارہ تقرری کے لئے اپنے آپ کو پیش کرتے ہیں۔ آڈٹ کمیٹی کی سفارش پر، بورڈ نے آئندہ سالانہ جنرل اجلاس میں جون 2018 کو ختم ہونے والے سال کے لئے کمیٹی کے قانونی آڈیٹرز کے طور پر میسرز طارق عبدالغنی مقبول اینڈ کمپنی، چارٹرڈ اکاؤنٹنٹس کی تقرری کی سفارش کی ہے۔

بورڈ میں تبدیلیاں

زیر جائزہ سال کے دوران، بورڈ آف ڈائریکٹرز میں کوئی تبدیلی نہیں کی گئی

بورڈ اور آڈٹ کمیٹی کے اجلاس اور حاضری

زیر جائزہ سال کے دوران، بورڈ آف ڈائریکٹرز کے چار اجلاس، آڈٹ کمیٹی کے چھ اجلاس اور ایچ آر اور ریمیزیشن کمیٹی کے 4 اجلاس یکم جولائی 2016 سے 30 جون، 2017 تک منعقد ہوئے۔ بورڈ، آڈٹ کمیٹی اور ایچ آر اور ریمیزیشن کمیٹی کے ارکان کی حاضری مندرجہ ذیل تھی:

ڈائریکٹرز کی حاضری شیٹ

نام ڈائریکٹر	بورڈ کے اجلاس
جناب شہزاد اکبر	4
جناب علی اے ملک	4
جناب محمد عامر مصطفیٰ	1
جناب عامر شہزاد	4
جناب نوید اسحاق	4
جناب محمد اقبال	3
جناب اعجاز محمود چوہدری	4

آڈٹ کمیٹی کی حاضری شیٹ

نام ڈائریکٹر	بورڈ کے اجلاس
شہزاد اکبر	6
محمد اقبال خان	6
اعجاز محمود چوہدری	6

ایچ آر اور ریمیزیشن کمیٹی کی حاضری شیٹ

نام ڈائریکٹر	بورڈ کے اجلاس
شہزاد اکبر	4
محمد عامر مصطفیٰ	1
علی اے ملک	4

بعد از بتلیس شیٹ واقعات / ڈیویڈنڈ

کوئی اہم بعد از بتلیس شیٹ واقعہ رونما نہیں ہوا ہے۔

ڈائریکٹرز اور انتظامیہ کی طرف سے کمپنی کے حصص میں ٹریڈنگ

سال کے دوران مندرجہ ذیل لین دین کیا گیا تھا:

کرنے میں ناکامی کے خطرے کو ختم کرنے کے بجائے منظم کرنے کے لئے ڈیزائن کیا گیا ہے اور مادی غلطی یا نقصان کے خلاف صرف مناسب اور مطمئن یقین دہانی کرائی جاسکتی ہے۔

کارپوریٹ سماجی ذمہ داری

کمپنی سماجی ذمہ دار تنظیم کے طور پر معاشرے میں اپنا کردار ادا کرتی ہے۔ ہم اپنے معاشرہ اور پاکستان کے عوام کی زندگیوں کو فروغ دینے کے لئے شراکت کو ترجیح دیتے ہیں۔ کارپوریٹ فلسفہ اور عظیم سماجی وجوہات کی خاطر شراکت کا ذریعہ ہے جو ہمیں اردگرد لوگوں کو وابستہ دینے کی اجازت دیتا ہے۔

کمپنی کے کاروبار کا ماحول پر اثر

کمپنی کے کاروبار کی فطرت سروس فراہم کرنا ہے، لہذا اس کی سرگرمیوں کا ماحول پر بہت کم اثر ہے۔ ای میلز کے ذریعہ زیادہ سے زیادہ بات چیت کرنے کے لئے کمپنی ملازموں، جھگڑوں اور گاہکوں کی کاغذ کا استعمال کم کرنے کی پالیسی پر حوصلہ افزائی کرتی ہے۔

کارپوریٹ گورننس کا کوڈ

بورڈ آف ڈائریکٹرز اس بات کو یقینی بناتا ہے کہ سیکورٹیز اینڈ ایکسچینج کمیشن پاکستان کی طرف سے مقرر کردہ کارپوریٹ گورننس کی ضروریات کو مکمل طور پر پورا کیا ہے۔ کمپنی اچھے کارپوریٹ گورننس کے طریقوں کو اپنایا ہے اور ڈائریکٹرز رپورٹ پیش کرتے ہوئے خوشی محسوس کرتے ہیں کہ:

- 1- کمپنی کی انتظامیہ کی طرف سے تیار کردہ، مالیاتی حسابات، اس کے امور، آپریشنز کے نتائج، نقدی بہاؤ اور ایکویٹی میں تبدیلیوں کو منصفانہ طور پر ظاہر کرتے ہیں۔
- 2- کمپنی کے کھاتہ جات بالکل صحیح طور سے بنائے گئے ہیں۔
- 3- مالی حسابات کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کو تسلسل کے ساتھ لاگو کیا گیا ہے اور اکاؤنٹنگ کے تخمینہ جات مناسب اور دانشمندانہ فیصلوں پر مبنی ہیں۔
- 4- مالی حسابات کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ کے معیارات کی پیروی کی گئی ہے، اور کسی بھی انحراف کا موزوں اکتشاف اور وضاحت کی گئی ہے۔
- 5- اندرونی کنٹرول کے نظام کا ڈیزائن مستحکم ہے اور اسکی موثر طریقے سے عملدرآمد اور نگرانی کی جاتی ہے۔
- 6- کمپنی کے گونگ کنسرن ہونے کی صلاحیت پر کوئی قابل ذکر شکوک و شبہات نہیں ہیں۔
- 8- فہرستی قوانین میں تفصیلی، کارپوریٹ گورننس کے بہترین عملوں سے کوئی مادی انحراف نہیں کیا گیا ہے۔

چیئر مین کا جائزہ

کمپنی کے ڈائریکٹرز نے اسٹریٹجک نوعیت کے معاملات سے نمٹنے کے لئے چیئر مین کے جائزہ کے مواد کی توثیق کی ہے۔

کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان

کارپوریٹ گورننس اس رپورٹ کے ساتھ منسلک ہے۔

متعلقہ پارٹی کے ساتھ لین دین

کمپنی نے آڈٹ کمپنی اور بورڈ کے جائزہ اور منظوری کے لئے تمام متعلقہ پارٹی لین دین پیش کیا ہے، جس کی ان کے متعلقہ اجلاسوں میں باقاعدہ منظوری دی گئی ہے۔ اس قسم کے ٹرانزیکشن کی تفصیل ملحقہ نظر ثانی شدہ مالیاتی حسابات کے نوٹ 34 میں دی گئی ہے۔

مستقبل کے نقطہ نظر کا بیان

سال 2017 کے دوران، ہم مقامی معیشت کے نقطہ نظر کے بارے میں پُر امید ہیں۔ متوقع سرمایہ کاری کی موجودگی کے ساتھ، کم سود کی شرح، چین پاکستان اقتصادی کوریڈور (سی پی ای سی) کے فوائد سے واقفیت اور حکومت کی طرف سے اعلان کردہ برآمد کنندگان کے لئے جارحانہ حوصلہ افزائی پیکج اقتصادی سرگرمی کو درمیانہ مدت میں بڑھا سکتی ہے۔

آپ کی کمپنی مستقبل کے امکانات کمپنی کی مارکیٹ شیئر میں اضافہ کرنے میں مینجمنٹ کی کوششوں کے سلسلے میں بہت حوصلہ افزاء ہیں۔ کمپنی اپنے موجودہ گاہکوں اور ممکنہ غیر ملکی اور مقامی کلائنٹس کے ساتھ تعلقات کو وسعت دینے اور ان کو بڑھانے کے لئے کوشش کر رہی ہے۔ مینجمنٹ کا خیال ہے کہ کمپنی کی سرمایہ کاری پورٹ فولیو منافع بخش نتائج کا مظاہرہ جاری رکھے گی، اسی طرح معیشت اور مارکیٹ سرمایہ کاری کے مواقع پیش کرنا جاری رکھے گی۔

مالیاتی کارکردگی

2016	2017	روپے بلین میں
22.685	66.184	آپریٹنگ آمدنی
(3.642)	162.890	سرمایہ کاری کی فروخت پر حاصل
59.155	302.276	دیگر آمدنی
(17.073)	142.011	ٹیکس سے پہلے منافع
11.571	166.955	ٹیکس کے بعد منافع
0.08	1.18	فی شیئر آمدنی

مالی سال 17 میں ترقی میٹجمنٹ کی اہم توجہ تھی، کمپنی نے اس کے مارکیٹ حصہ کو بڑھایا۔ ترقی کی حکمت عملی سب سے اوپر کی لائن پر ظاہر ہوتی ہے، جہاں آپریٹنگ آمدنی 191 فیصد بڑھ گئی ہے۔ ایکویٹی بروکر ج میں یہ کارکردگی بہتر تعلقات، مقامی کے ساتھ ساتھ، غیر ملکی مالیاتی اداروں، کارپوریٹس اور اعلیٰ خاص افراد کے ساتھ کاروبار کے ذریعے حاصل کی گئی ہے۔

پاکستان اسٹاک ایکسچینج میں اعلیٰ کارکردگی کی وجہ سے سال کے دوران سرمایہ کاری کی قیمتوں میں اضافہ بہت اہم ہے۔ انتظامیہ کے ذریعے موثر قیمتوں پر کنٹرول کے اقدامات کے باعث دیگر اخراجات 7 بلین روپے تک کم ہو گئے۔ تمام مندرجہ بالا عوامل کی وجہ سے کمپنی نے 11 بلین روپے کے مقابلے میں 166 بلین روپے کا فائدہ اٹھایا، اس کے نتیجے میں گزشتہ سال میں 0.08 روپے فی شیئر آمدنی کے مقابلے میں 1.18 روپے فی شیئر آمدنی حاصل کی ہے۔

منافع منقسمہ

بورڈ آف ڈائریکٹرز نے جون 2017 مختتمہ سال کے لئے مزید منافع منقسمہ کی سفارش کی ہے۔ جبکہ کمپنی نے دسمبر 2016 مختتمہ ششماہی کے لئے 4 فیصد شرح سے عبوری منافع منقسمہ کی رقم ادا کی تھی۔

رسک میٹجمنٹ

کمپنی کا بورڈ آف ڈائریکٹرز فعال طور پر خطرے کے انتظامات کے فریم ورک کو چلاتا ہے جس میں یہ کمپنی کے مالی موقف پر اثر انداز ہونے والے عوامل سے نمٹنے کے لئے ایک فعال نقطہ نظر فراہم کرتا ہے۔ بورڈ کی قیمتی رہنمائی کے ساتھ، کمپنی دوبارہ آمدنی پیدا کرنے اور خطرے اور واپسیوں کے درمیان مناسب تجارت حاصل کر کے حصص داران کو زیادہ سے زیادہ فائدہ پہنچانے کے لئے ایک فعال نقطہ نظر رکھتا ہے۔ مضبوط رسک گورننس ساخت، مضبوط سرمایہ اور پیکلڈار پوزیشن اور سرمایہ کاری کا اچھا معیار پورٹ فولیو کے ساتھ ساتھ ایک موثر رسک میٹجمنٹ فریم ورک، کمپنی کے نقطہ نظر کو پورا کرنے کے لئے ایک بنیاد رہتا ہے۔

انسانی وسائل

FNEL میں انسانی وسائل میٹجمنٹ کا مرکزی کردار ملازمین کو بھرتی، ترقی، برقرار رکھنا اور بہترین ذہانت کا انعام دینا ہے۔ ہم اس بات کا یقین کرنے کی کوشش کرتے ہیں کہ ہماری روزگار کی پالیسیاں متعلقہ سماجی، قانونی اور ریگولیٹری شرائط کو پورا اور مضبوط اجتماعی تعلقات اور معاہدوں کو تعمیر اور برقرار رکھنے کے لئے پرعزم رہیں۔ موجودہ انسانی ضروریات کے مطابق تمام انسانی پالیسیوں کا جائزہ لیا اور اپ ڈیٹ کیا گیا ہے اور کمپنی کے کارپوریٹ فریم ورک نے تسلیم کیا ہے کہ یہ کارکردگی، طریقہ کار اور کاروباری اخلاقیات پر مضبوط اثرات کا حامل ایک اہم شعبہ ہے۔ ملازمین کی آگاہی اور تفہیم کو بڑھانے کے لئے، تمام منظور شدہ پالیسیاں تمام ملازمین کے لئے دستیاب ہیں۔

کمپنی مساوی مواقع آج ہے۔ خواتین کی شرکت اور کمپنی کے مقصد اور اپنی پیشہ ورانہ ترقی کے حصول میں اپنا کردار ادا کرنے کی حوصلہ افزائی کی جاتی ہے، حال ہی میں ڈے کیئر سنٹر میں آفس لائبریری میں خواتین ملازمین کو سہولت فراہم کرنے کے لئے قائم کیا گیا ہے، الگ الگ کمرے ڈے کیئر کے لئے وقف ہیں جو بہت سے کھلونے کے ساتھ تیار کئے گئے ہیں بچوں کی دیکھ بھال کے لئے بے بی سیٹر کا بھی اہتمام کیا گیا ہے۔

اندرونی کنٹرول

فرسٹ نیشنل ایکویٹی لیمنڈ (کمپنی) کے داخلی کنٹرول سٹرکچر بورڈ آف ڈائریکٹرز، سینئر میٹجمنٹ، اندرونی آڈٹ اور تعین سیکشن اور ہیڈ آف ڈیپارٹمنٹ پر مشتمل ہے۔ کمپنی کی انتظامیہ بورڈ کے ذریعہ منظور شدہ پالیسیوں کے تحت اندرونی کنٹرول اور طریقہ کار کے مناسب اور موثر نظام کو قائم کرنے اور برقرار رکھنے کی ذمہ دار ہے۔ انتظامیہ کمپنی کے داخلی کنٹرول سسٹم کا موثر انداز سے جائزہ لینے کی بھی ذمہ دار ہے جو مادی معاملات کو کنٹرول کے مقصد کی شناخت کے ساتھ ساتھ اہم پالیسیوں اور طریقہ کار پر نظر ثانی کرتی ہے۔

کمپنی کا اندرونی کنٹرول سسٹم کمپنی کے مجموعی کاروباری مقاصد کے حصول میں ناکام ہونے کے خطرات کی شناخت اور انہیں کم کرنے کے لئے ڈیزائن کیا گیا ہے۔ اندرونی کنٹرول اور پالیسیوں کو کمپنی کے آپریشن کی موثر کارکردگی، مالی معلومات کی درستگی اور قابل اطلاق قوانین اور قواعد و ضوابط کی تعمیل کے بارے میں مناسب یقین دہانی کے لئے ڈیزائن کیا گیا ہے۔ تاہم، یہ کہا جانا چاہئے کہ سسٹم کو دوبارہ کے مقاصد کو حاصل

ممبران کو ڈائریکٹروں کی رپورٹ

محترم مخلص یا ذمہ دار

کمپنی کی مجلس نمبر 30 جون 2017 کو ختم ہونے والے سال کے لیے کمپنی کے نظر ثانی شدہ مالی حسابات کے ساتھ سالانہ رپورٹ پیش کرتے ہوئے خوشی محسوس کرتا ہوں۔

اقتصادیات

مالی سال 2017 تیز رفتار ترقی کا سال تھا۔ پاکستان کے اکثر مالیاتی بنیادی اصول کافی مثبت رہے، جس نے اقتصادی نمو اور ترقی میں شراکت کا سلسلہ جاری رکھا۔ معیشت میں آئی ایم ایف کا توسیعی فاؤنڈیشن سہولت پروگرام کی کامیاب تکمیل کے ساتھ اعتماد میں بھی اضافہ ہوا۔ چین-پاکستان اقتصادی کوریڈور (سی پی ای سی) پائپ لائن میں کئی توانائی اور بنیادی ڈھانچے کے منصوبوں میں زیادہ سے زیادہ رفتار ظاہر کرنا شروع کر رہا ہے، جس کی درمیانی مدت میں تیزی سے اضافہ ہوگا۔ حکومت کے تخمینوں کے مطابق سال کے دوران پاکستان میں 5.3 فیصد ترقی ہوئی۔ سی پی ای سی پاکستان میں غیر ملکی سرمایہ کاروں کو بھی اپنی طرف متوجہ کرے گا اور علاقائی مینوفیکچرنگ مرکز کے طور پر اس کی حیثیت کو بڑھادے گا۔ مالی سال کے دوران، خالص ایف ڈی آئی 2.4 بلین ڈالر، آٹھ سال کی بلند ترین تھی۔ جولائی-جون، 2016-2017 کا کنزیومر پرائس انڈیکس (سی پی آئی) جولائی-جون 2016-2017 میں 2.86 فیصد کے مقابلے میں 4.16 فیصد ہے۔ تاہم، سود کی شرح اب بھی اسٹیٹ بینک کے لئے کم سود کی شرح کو برقرار رکھنے کے لئے بہت موزوں ہے جس میں رعایتی شرح 5.75% پر تبدیل نہیں ہوئی ہے۔

بیرونی محاذ پر، کرنٹ اکاؤنٹ خسارہ 2016-2017 میں تمام مدت زیادہ سے زیادہ 12.1 بلین امریکی ڈالر تک پہنچ گیا۔ کرنٹ اکاؤنٹ کے خسارے کو خطرناک تنقید کا سامنا کرنا پڑ رہا ہے اور غیر ملکی تبادلہ ریزرو کا مزید نقصان، روپے کی شرح اور اعلیٰ افراط زر کی شرح میں استحکام کا باعث بن سکتا ہے۔ پاکستان کا تجارتی خسارہ 32.6 بلین امریکی ڈالر رہا جبکہ گزشتہ سال 23.9 بلین امریکی ڈالر کے مقابلے میں 36.3 فیصد تک اضافہ ہوا۔ جس کے نتیجے میں ڈالر کے لحاظ سے برآمدات 1.4 فیصد تک کم ہو گئی، جو سال جولائی-جون مالی سال 2017 میں 21.6 بلین ڈالر جبکہ درآمدات میں 18% کا اضافہ ہوا ہے، ڈالر کے لحاظ سے تقریباً 48.5 بلین ڈالر کا اضافہ ہوا ہے۔ 30 جون، 2017 کو لیکویڈ غیر ملکی ریزرو ہمہ وقت کی اعلیٰ سطح 24.0 بلین امریکی ڈالر سے 21.4 بلین امریکی ڈالر تک کم ہو گیا۔ اب کے لئے، حکومت نے سال کے دوران ایکسیجنگ کی مستحکم شرح حاصل کرنے کے لئے جون 2017 کے اختتام پر ڈالر 105 روپے پر برقرار رکھنے کے لئے بہت کام کیا ہے۔

آگے بڑھتے ہوئے، پاکستان کی بنیادی قیمتوں میں حکومت کی طرف سے کی جانے والی اصلاحات کی پشت پر خاص طور پر برآمدی صنعتی شعبوں کو سہولت دینے کے لئے FY18 کے بجٹ میں کی جانے والی کوششوں کی وجہ سے بہتری جاری رہے گی۔ حکومت سخت انتظامات کے ذریعہ تجارتی خسارے کو بھی شامل کرنے، جبکہ ٹیکس نیٹ کو بڑھانے کی کوششیں کر رہی ہے۔ سی پی ای سی کے تحت منصوبوں میں متوقع تیز رفتار آنے والے سالوں میں جی ڈی پی کو زیادہ سے زیادہ ترقی دینے میں اہم کردار ادا کرے گا۔ پاکستان کو مالی نظم و نسق برقرار رکھنے اور حکومتی اخراجات جو ترقیاتی منصوبوں پر خرچ کے لئے پیش کئے جاتے ہیں کو چیک میں رکھنے کی ضرورت ہوگی۔ برآمد مقابلہ بھی ایک اہم تشویش ہے کیونکہ پیداوار کو فروغ دینے، پیداواری لاگت کو کم کرنے اور برآمدی شعبے میں زیادہ متنوع کو فروغ دینے کے لئے حکومت کی طرف سے خاص توجہ کی ضرورت ہوتی ہے۔ حکومت اپنے بڑے اہداف (1) افراط زر کو 6 فیصد ہدف سے نیچے رکھنا (2) جی ڈی پی کی ترقی کا ہدف 6 فیصد سے زائد حاصل کرنے کی طرف گامزن ہے۔ تیل کی قیمتوں کے مستقبل میں غیر یقینی صورتحال کی وجہ سے بیرونی اکاؤنٹ پر دباؤ جاری ہے۔ اگلے انتخابات میں اقتدار کی ایک ہموار منتقلی پاکستان کے سیاسی استحکام کے بارے میں سرمایہ کاروں کے خدشات، ملک کی معیشت کے بہتر مستقبل کی راہ ہموار بنانے کے لئے اہم ہوگی۔

اسٹاک مارکیٹ

جون 2017 کے اختتام کے ساتھ، اسٹاک مارکیٹ نے مالی سال کے اختتام پر موزوں ریزرنز کا اشارہ دیا جس کے نتیجے میں کے ایس ای-100 انڈیکس 23.24 فیصد پر رہا۔ تاہم، سال کے آخری مہینے نے ایک بہت ہی بے چینی کا مظاہرہ کیا جس کے نتیجے میں مئی 2017 کے آخری ہفتے میں بلند ترین سطح حاصل ہوئی، کے ایس ای 100 جون 2017 کے اختتام تک 11.94 فیصد کمی سے 46,565 پوائنٹ پر ختم ہوا۔

سال کے دوران انڈیکس کی کارکردگی کو (i) ایم ایس سی آئی EM انڈیکس میں دوبارہ درجہ بندی کی پیشرفت میں اضافہ، (ii) پُرکشش تشخص، (iii) مقامی سرمایہ کاروں کے ساتھ معاوضے کا بہاؤ، (iv) جاری اقتصادی ترقی، (v) سیاسی عمل کی چٹنگی اور (vi) پاکستان کے توانائی اور بنیادی ڈھانچے میں چینی سرمایہ کاری میں اضافہ (سی پی ای سی کے تحت) سے منسوب کیا جاسکتا ہے۔

سپریم کورٹ کی جانب سے جاری تحقیقات کے سلسلے میں سیاسی محاذ پر غیر یقینی صورتحال نے سرمایہ کاروں کو پریشان اور بازار کو غیر مستحکم رکھا، تاہم یہ بات قابل ذکر ہے کہ اس عدم استحکام نے ایک بہت اہم اصلاحی ممانعت پیدا کی ہے جس میں اسٹاک مارکیٹ کی قیمتوں میں ایک بار پھر بہت کشش پیدا ہوئی ہے۔ یہاں یہ ضروری ہے کہ اہم فرق کے بعد، 2017 جون کے مہینے میں غیر ملکی FIPI تقریباً 8 بلین امریکی ڈالر کی خالص آمدنی کے ساتھ نقد خریدار بن گئے۔ یہ ایک بہت اہم ترقی ہے جس سے ظاہر ہوتا ہے کہ غیر ملکی بھی موجودہ پُرکشش قیمتوں کا فائدہ اٹھا رہے ہیں۔

Statement of Compliance with the Code of Corporate Governance

For the year ended on June 30, 2017

This statement is being presented for the year ended June 30, 2017, to comply with the Code of Corporate Governance (CCG) contained in Regulation No 5.19.24 of listing regulations of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed by complying 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 executive directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Independent Directors	Mr. Muhammad Iqbal Khan Mr. Ijaz Mahmood Chaudhary Mr. Muhammad Asim Mustafa
Executive Directors	Mr. Ali Aslam Malik Mr. Amir Shehzad Mr. Naveed Ishaque
Non - Executive Directors	Mr. Shahzad Akbar

The independent directors meet the criteria of independence under clause 5.19.1 (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. 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.
5. 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.
6. 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.
7. 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.
8. 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.
9. The financial statements of the company were duly endorsed by CEO and officiating CFO before approval of the Board.
10. 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.
11. The company has complied with all the corporate and financial reporting requirements of the CCG.



12. The board has formed an Audit Committee. It comprises three members, one non-executive and two independent directors including chairman of the committee.
13. 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.
14. The board has formed an HR and Remuneration Committee. It comprises three members, of whom one executive, one Independent director and the chairman of the committee is a non-executive director.
15. The board has set up an effective internal audit function that is considered suitably qualified and experienced for the purpose of internal auditing and are fully conversant with the policies and procedures of the company.
16. 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.
17. 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.
18. 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.
19. Material/price sensitive information has been disseminated among all market participants at once through stock exchange.
20. The related party transactions have been placed before the audit committee and approved by the board of directors.
21. The Board arranged Directors Training Program / Course for its directors during the year. Two directors namely Mr. Amir Shehzad & Mr. Shahzad Akbar attended the director's training program & remaining will complete the training in due course of time.
22. During the year, there was no change in the position of the Company Secretary. The Chief Financial Officer resigned during the year, while the Board approved the appointment including the remuneration and terms and condition of the new employment.
23. The Board approved the appointment of Head of Internal Audit, including remuneration and terms & conditions of employment and consequently Head of Internal Auditor was present in meetings of audit.
24. The Board of Directors has put in place a mechanism for undertaking annual evaluation of the performance of the Board.
25. We confirm that all other material principles enshrined in the CCG have been complied with.

On behalf of the Board of Directors

Amir Shahazad
(Executive Director)

Ali A. Malik
(Chief Executive Officer)

Place: Lahore
Date: September 27, 2017



Tariq Abdul Ghani Maqbool & Co.
Chartered Accountants

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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 2017.

Tariq Abdul Ghani Maqbool & Co.
Tariq Abdul Ghani Maqbool & Co.
Chartered Accountants
Engagement partner: Malik Haroon Ahmad

Place: Lahore
Date: September 29, 2017



Tariq Abdul Ghani Maqbool & Co.
Chartered Accountants

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Auditor's Report to the Members

We have audited the annexed balance sheet of **FIRST NATIONAL EQUITIES LIMITED** ("the Company") as at June 30, 2017 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 the 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, 2017 and of the profit, comprehensive income, its cash flows and changes in equity for the year then ended; and
- d) in our opinion, Zakat deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980), was deducted by the Company and deposited in the central Zakat Fund established under section 7 of that ordinance.

Without qualifying our opinion, we draw attention to Note 7 to the accompanying financial statements, which describes a long outstanding trade debt, which has been re-classified as long-term receivable.

Tariq Abdul Ghani Maqbool & Co.

Tariq Abdul Ghani Maqbool & Co.
Chartered Accountants

Engagement partner: Malik Haroon Ahmad

Place: Lahore

Date: September 29, 2017



Balance Sheet

As at June 30, 2017

	Note	June 30, 2017	(Restated) June 30, 2016	(Restated) June 30, 2015
------(Rupees)-----				
NON-CURRENT ASSETS				
Property and equipment	4	39,997,781	57,868,172	60,369,890
Capital work in progress	5	33,340,000	33,340,000	33,340,000
Intangible assets	6	41,915,000	41,915,000	51,915,000
Investment property		-	-	106,142,000
Receivable from associate		-	-	78,084,646
Other receivables	7	142,578,672	261,399,668	263,884,415
Investment in associate	8	71,540,013	71,496,836	105,793,113
Investments - available for sale	9	41,163,843	40,073,830	40,073,830
Long term deposits	10	2,496,000	2,481,070	2,344,209
Deferred taxation	11	164,028,428	130,063,953	87,502,177
		537,059,737	638,638,529	829,449,280
CURRENT ASSETS				
Short term investments	12	373,048,724	420,737,630	1,598,356
Trade debts	13	53,270,002	91,744,445	82,388,933
Loans and advances	14	41,628,809	500,862	1,480,314
Trade deposits and short term prepayments	15	50,338,258	6,536,997	20,000
Other receivables	16	189,013,201	165,281,066	157,642,446
Advance tax		27,019,872	13,605,926	15,604,849
Cash and bank balances	17	122,349,992	52,230,353	56,483,031
		856,668,858	750,637,279	315,217,929
Total Assets		1,393,728,595	1,389,275,808	1,144,667,209
NON-CURRENT LIABILITIES				
Long term financing	18	194,112,882	457,480,915	298,860,877
Loan from sponsors	19	647,743,041	512,684,463	26,643,417
Other loans	20	54,721,056	118,209,800	256,947,585
Deferred liabilities	21	9,360,117	7,181,208	7,136,796
		905,937,096	1,095,556,386	589,588,675
CURRENT LIABILITIES				
Trade and other payables	22	264,158,794	198,341,210	229,002,321
Current maturity of long term financing	18	32,941,547	70,623,218	289,938,081
		297,100,341	268,964,428	518,940,402
Total Liabilities		1,203,037,437	1,364,520,814	1,108,529,077
CONTINGENCIES AND COMMITMENTS				
	23	-	-	-
Net Assets		190,691,158	24,754,994	36,138,132
REPRESENTED BY:				
Authorized share capital	24	5,000,000,000	5,000,000,000	5,000,000,000
Issued, subscribed and paid-up share capital	24	1,418,098,310	1,418,098,310	1,418,098,310
Discount on issue of right shares		(630,418,817)	(630,418,817)	(630,418,817)
Accumulated loss		(621,922,274)	(763,014,389)	(774,585,651)
		165,757,219	24,665,104	13,093,842
Unrealized gain on re-measurement of investments classified as available for sale		24,933,939	89,890	23,044,290
		190,691,158	24,754,994	36,138,132

The annexed notes 1 to 48 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

Profit and Loss Account

for the year ended June 30, 2017

	Note	June 30, 2017	(Restated) June 30, 2016
----- (Rupees) -----			
Operating revenue	25	66,184,709	22,685,363
Gain / (loss) on sale of investments		162,890,266	(3,642,647)
Unrealized (loss) / profit on re-measurement of investments classified as 'financial assets at fair value through profit or loss'		(53,230,757)	19,304,351
		175,844,218	38,347,067
Administrative expenses	26	151,074,687	52,115,191
Finance cost	28	179,244,803	49,627,251
Other expenses	29	5,789,817	12,833,477
Other income	30	302,276,401	59,155,722
		142,011,312	(17,073,130)
Share of profit of associate - net	8	43,177	407,381
Loss on Deemed Disposal- Investment in Associate		-	(10,168,797)
Profit / (loss) before taxation		142,054,489	(26,834,546)
Taxation Income / (Expense)	31	24,900,698	38,405,808
		24,900,698	38,405,808
Profit after taxation		166,955,187	11,571,262
Basic & diluted earnings per share	32	1.18	0.08

The annexed notes 1 to 48 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

Statement of Comprehensive Income

for the year ended June 30, 2017

	June 30, 2017	(Restated) June 30, 2016
----- (Rupees) -----		
Profit after taxation	166,955,187	11,571,262
Items that will not be re-classified to profit or loss	-	-
Items that are or may be reclassified subsequently to profit or loss		
Unrealized gain / (loss) during the period in the market value of investments classified as 'available for sale'	58,508,728	890,060
Reclassification adjustment of realized gain / (loss) on sale of investments-available for sale	(32,568,144)	-
(Loss) on deemed disposal- Investment in associate	-	(6,051,371)
Share of unrealized surplus/(deficit) - Investment in associate	-	(18,483,491)
	25,940,584	(23,644,802)
Actuarial (loss) / gain from remeasurement of staff retirement benefits	(1,420,382)	690,402
Income tax related to actuarial loss	323,847	-
Other comprehensive income /(loss) for the period net of tax	24,844,049	(22,954,400)
Total comprehensive income / (loss) for the period	191,799,236	(11,383,138)

The annexed notes 1 to 48 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

Cash Flows Statement

for the year ended June 30, 2017

	Note	June 30, 2017	June 30, 2016
----- (Rupees) -----			
Cash flow from operating activities			
Cash (used) / generated in operations	35	(60,646,759)	59,775,579
Finance cost paid		(27,913,773)	(5,873,436)
Income taxes paid		(22,153,876)	(2,157,046)
Net Cash (used) / generated in the operations		(110,714,408)	51,745,097
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of marketable securities		114,739,229	(398,944,839)
Sale of investments classified as 'available-for-sale' - net		40,530,144	(3,642,673)
Addition in fixed assets		(815,219)	(782,519)
Investment property		-	111,500,000
Received from associate		-	78,084,646
Disposal of fixed assets		20,422,904	-
Long term deposits		(14,930)	(136,861)
Dividend received		14,588,352	1,331,750
Net cash generated / (used) from investing activities		189,450,480	(212,590,496)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term loans		(87,398,917)	(89,314,674)
Loan received from sponsors		135,058,578	385,561,258
Other loans repaid		(39,242,112)	(138,737,785)
Gratuity paid		(275,000)	(916,078)
Dividend paid		(16,758,982)	-
Net cash (used) / generated in financing activities		(8,616,433)	156,592,721
Net increase / (decrease) in cash and cash equivalents		70,119,639	(4,252,678)
Cash and cash equivalents at the beginning of period		52,230,353	56,483,031
Cash and cash equivalents at the end of period		122,349,992	52,230,353

The annexed notes 1 to 48 form an integral part of these financial statements.



 Chief Executive



 Chief Financial Officer



 Director

Statement of Changes in Equity

for the year ended June 30, 2017

	Issued, subscribed and paid-up capital	Discount on issue of right shares	Accumulated loss	Unrealized surplus / (deficit) on re- measurement of investments classified as available for sale	Total
----- (Rupees) -----					
Balance as at June 30, 2015 as previously reported	1,418,098,310	(630,418,817)	(774,259,059)	51,225,036	64,645,469
Retrospective Effect of Restatement of Error in calculation of Investment in Associate	-	-	(326,592)	(28,180,746)	(28,507,338)
Balance as at June 30, 2015 Restated	<u>1,418,098,310</u>	<u>(630,418,817)</u>	<u>(774,585,651)</u>	<u>23,044,290</u>	<u>36,138,131</u>
Profit after taxation for the year ended June 30, 2016	-	-	11,571,262	-	11,571,262
Other comprehensive income for the year	-	-	-	(23,644,802)	(23,644,802)
Gain on remeasurement of staff retirement benefits	-	-	-	690,402	690,402
Balance as at June 30, 2016 - Restated	<u>1,418,098,310</u>	<u>(630,418,817)</u>	<u>(763,014,389)</u>	<u>89,890</u>	<u>24,754,993</u>
Balance as at July 01, 2016	1,418,098,310	(630,418,817)	(763,014,389)	89,890	24,754,994
Profit after taxation for the year ended June 30, 2017	-	-	166,955,187	-	166,955,187
Other comprehensive income for the year	-	-	-	25,940,584	25,940,584
Loss on remeasurement of staff retirement benefits	-	-	-	(1,096,535)	(1,096,535)
Interim Dividend of Rs 0.4 per share	-	-	(25,863,072)	-	(25,863,072)
Balance as at June 30, 2017	<u>1,418,098,310</u>	<u>(630,418,817)</u>	<u>(621,922,274)</u>	<u>24,933,939</u>	<u>190,691,158</u>

The annexed notes 1 to 48 form an integral part of these financial statements.



Chief Executive



Chief Financial Officer



Director

Notes to the Financial Statements

for the year ended June 30, 2017

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 Room No. 1007, 10th Floor, New Stock Exchange Building, Stock Exchange Road, Karachi. The Company is a subsidiary of First Florance Developers (Pvt) Limited (the parent company). The parent company holds 54.4519% shares of the Company. The Company is listed on the Pakistan Stock Exchange Limited (PSX).

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

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 Performance history

The Company has made profit after tax of Rs. 166.955 million during the current year. The Company's accumulated losses, as at June 30, 2017 decreased to Rs. 621.922 million (2016: Rs.763.014 million-restated) resulting in an increase in equity to Rs. 190.691 million as compared to Rs. 24.754 million at previous year end. The Company is expecting continuing support from its lenders, sponsor/directors in future and optimistic of its ability to generate liquidity, better utilization of its resources to increase its operations and other plans of action to improve upon financial position and the operating profitability which interalia include;

a) Restructuring arrangement

During the previous years the Company has made highly favorable progress in finalizing a restructuring/rescheduling arrangements for its financing facilities with Bank Alfalah Limited and The Bank of Punjab which includes a waiver of outstanding markup, as explained in note 18.1 and 18.3 respectively, which will have substantial positive impact on the profitability and consequently on the equity and liquidity of the Company in coming years. The financial support provided by both banks reveals high level of confidence on the the Company management and its business strategies.

b) Financial support from directors/sponsors

During the current year the sponsors have provided significant financial assistance in the shape of loan for the purpose of equities investment and to enhance the investment portfolio of the company which would have significant impact on the profitability of the Company. In addition, sponsors of the Company are also considering further assistance to the company in near future.

c) Prospective new Business Plans

The management believes that improved cash flow management due to availability of the additional liquidity and further financing arrangements as well as likely enhancement in new investments in listed companies and future capital gains in the investment in shares and consequently new business opportunities would arise in the future period, the Company would therefore be able to generate sufficient profits to enable it to set-off the accumulated losses.

d) Substantial reduction in administrative expenses

The management of the Company has continued to control its administrative and other operating expenses 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 'regular way purchase sale 'investments and derivative financial instruments which have been marked to market and carried at fair value under settlement date accounting.

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

- IFRS 14 -Regulatory Deferral Accounts
- Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)
- Clarification of Acceptable Methods of Depreciation and Amortisation (Amendments to IAS 16 and IAS 38)
- Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)
- Equity Method in Separate Financial Statements (Amendments to IAS 27)
- Annual Improvements 2012-2014 Cycle contain amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34.
- Disclosure Initiative (Amendments to IAS 1)
- Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)

The adoption of the above amendments, revisions, improvements to accounting standards and interpretations are not likely to 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)
- IAS 7 - Disclosure Initiative - (Amendments)	01 January 2017
- IAS 12 - Recognition of Deferred Tax Assets for Unrealised Losses - (Amendments)	01 January 2017
- IFRS 15 - Revenue from Contracts with Customers	01 January 2018
- IFRS 9 - Financial Instruments	01 January 2018
- IFRS 2 - Classification and Measurement of Share-based Payment Transactions - (Amendments)	01 January 2018
- IFRS 16 - Leases	01 January 2019

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
- IFRS 14 - Regulatory Deferral Accounts
- IFRS 15 - Revenue from Contracts with Customers
- IFRS 16 - Leases

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

- IFRIC 4 - Determining whether an arrangement contains lease
- IFRIC 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 prevailing 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 27.

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 is charged when asset is available for use until asset is disposed off.

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.

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 other comprehensive income.

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 settlement date at which delivery of assets occur. 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. In this regard the effects on deferred taxation on the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirements of Accounting Technical Release-27 of the Institute of Chartered Accountants of Pakistan.

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.

3.10 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.

3.11 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.

3.12 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.

3.13 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.

3.14 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.

3.15 Fiduciary assets

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

3.16 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 PSX exposure deposit is recognized using the effective interest rate.

3.17 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.

3.18 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.

3.19 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.

3.20 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	Building on Lease Hold Land	Building	Furniture and Fittings	Office Equipment	Computer and Accessories	Vehicles	Total
	----- Rupees -----						
Cost							
Balance as at July 01, 2015	36,156,614	25,359,778	18,354,344	14,796,499	18,722,807	15,163,211	128,553,253
Additions during the year	-	210,000	-	268,969	303,550	-	782,519
Transfer/Disposal/Write off	-	-	(3,483,260)	(719,540)	(1,561,719)	-	(5,764,519)
Balance as at June 30, 2016	36,156,614	25,569,778	14,871,084	14,345,928	17,464,638	15,163,211	123,571,253
Balance as at July 01, 2016	36,156,614	25,569,778	14,871,084	14,345,928	17,464,638	15,163,211	123,571,253
Additions during the year	-	-	-	256,369	558,850	-	815,219
Transfer/Disposal/Write off	-	(21,309,778)	(1,470,542)	(336,030)	-	-	(23,116,350)
Balance as at June 30, 2017	36,156,614	4,260,000	13,400,542	14,266,267	18,023,488	15,163,211	101,270,122
Depreciation							
Balance as at July 01, 2015	1,166,149	3,507,231	16,602,886	13,410,746	18,614,255	14,882,097	68,183,364
Charge for the year	388,684	639,248	1,034,019	684,279	80,356	252,632	3,079,218
Transfer/Disposal/Write off	-	-	(3,346,234)	(651,858)	(1,561,409)	-	(5,559,501)
Balance as at June 30, 2016	1,554,833	4,146,479	14,290,671	13,443,167	17,133,202	15,134,729	65,703,081
Balance as at July 01, 2016	1,554,833	4,146,479	14,290,671	13,443,167	17,133,202	15,134,729	65,703,081
Charge for the year	388,684	506,062	292,968	348,286	258,893	15,136	1,810,029
Disposal/Write off	-	(4,439,533)	(1,470,533)	(330,703)	-	-	(6,240,769)
Transfer	-	11,994	8,456	7,311	(27,766)	5	-
Balance as at June 30, 2017	1,943,517	225,002	13,121,562	13,468,061	17,364,329	15,149,870	61,272,341
Depreciation Rate	1.08%	2.5%	10%	10%	33.33%	20%	
Written down value as at June 30, 2017	34,213,097	4,034,998	278,980	798,206	659,159	13,341	39,997,781
Written down value as at June 30, 2016	34,601,781	21,423,299	580,413	902,761	331,436	28,482	57,868,172

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

4.2 Particulars of Disposal of Property and Equipment are as follows:

Particulars	Cost	Accumulated Depreciation	WDV at Disposal	Sale Proceeds	Gain/(Loss)	Mode of Disposal	Particulars of Buyer
Building on Lease Hold Land	21,309,778	4,439,533	16,870,245	20,372,000	3,501,755	Negotiation	M/s Magnus Investment Advisors Limited
Furniture and Fittings	1,470,542	1,470,542	-	22,004	22,004	Negotiation	Sold to Number of Parties
Office Equipment	336,030	330,703	5,327	28,900	23,573	Negotiation	Sold to Number of Parties
	23,116,350	6,240,778	16,875,572	20,422,904	3,547,332		

5 CAPITAL WORK IN PROGRESS

	2017 Rupees	2016 Rupees
Advance for Commercial space - Karachi financial towers	33,340,000	33,340,000

The building is under construction as a joint venture of ENSHAA-NLC, a government owned entity. Management believes that advance do not attract to impairment and shall be transferred to Property & Equipment upon completion and final handing over of the space.

6 INTANGIBLE ASSETS

Particulars	Cost			
	Trading Right Entitlement Certificate (TREC) Pakistan Stock Exchange Limited	License to use Room at Pakistan Stock Exchange	Tenancy rights Building	Total
	6.1	6.2	6.3	
	Rupees			
Gross Balance as at June 30, 2017	5,000,000	22,000,000	14,915,000	41,915,000
Net Balance as at June 30, 2017	5,000,000	22,000,000	14,915,000	41,915,000
Net Balance as at June 30, 2016	5,000,000	22,000,000	14,915,000	41,915,000

6.1 Pursuant to demutualization of the Pakistan Stock Exchange Limited (PSX), 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 PSX 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 TREC certificate is not common tradable instrument, therefore after demutualization, value approved by the Board of Directors of KSE (now PSX) has been used as its initial value. The Board of Directors of KSE had set a value of Rs 15 million for TREC vide its notice dated May 2013 which was also used in determining the base minimum capital to be maintained by each TREC holder under regulations for Risk management.

During previous year, a memorandum of understanding was signed between Karachi Stock Exchange (KSE), the Lahore stock exchange (LSE) and the Islamabad stock exchange (ISE) for integration of all three stock exchanges in Pakistan as envisaged in the stock exchanges (Corporatization, Demutualization and Integration) Act 2012 (XV of 2012) vide SECP's SRO 21(1)/2016 dated January 11, 2016. As a consequence of the integration scheme, KSE would carry the same business as Stock Exchange under the name of Pakistan Stock Exchange Limited (PSX).

Pakistan Stock Exchange Limited (PSX) vide its notice dated March 30, 2016 revised the notional value of the TREC to Rs 5 million. The PSX shall determine Notional value of the TREC biannually as per Chapter 19 of PSX Rule Book. In consequence of this revision, the Company has recognized an impairment loss of Rs 10 Million during 2016. Pakistan Stock Exchange Limited (PSX) vide its notice dated March 08, 2017 (2016: March 30, 2016) stated the notional value of the TREC to Rs 5 million.

6.2 Room at Pakistan Stock Exchange represents the consideration paid for the right to occupy two rooms situated at Stock Exchange Building, Karachi. The Pakistan 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.

	Note	2017 Rupees	2016 Rupees (Restated)
7 LONG TERM RECEIVABLE			
Long term receivable at amortized cost	7.1	151,880,998	261,399,668
Less: Current maturity	7.2	(9,302,326)	-
		142,578,672	261,399,668

7.1 This amount pertains to a long term outstanding trade debt amounting to Rs.230.635 million pertaining to an ex-client of the company. The debt has been reclassified, with the approval of the Board, as long term receivable in view of agreement duly executed on stamp paper reached with the party for repayment of debt, repayable in quarterly installments latest by December 2026 which is considered good. The receivable has been remeasured at amortized cost as per IAS 39 resulting in notional expense of Rs 78.754 million which is charged to the profit and loss account.

	Note	2017 Rupees	2016 Rupees (Restated)
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8 INVESTMENT IN ASSOCIATE

National Asset Management Company Limited - NAMCO	8.1	71,540,013	71,496,836
		71,540,013	71,496,836

8.1 Investment in associate accounted for under equity method - National Asset Management Company Limited - holding 28.1669% (2016: 28.1669%) 4,000,000 ordinary shares (2016: 4,000,000 ordinary shares) of Rs 10. each fully paid-up. Cost of investment Rs 40,000,000.

	Note	2017 Rupees	2016 Rupees (Restated)
Investment as at July 01		71,496,836	105,793,113
Share of profits from associate		43,177	407,381
Share in reserves of associate	8.1.1	-	(18,483,491)
Adjustment for reduction in shareholding in associate		-	(16,220,168)
Balance as at June 30		71,540,013	71,496,836

8.1.1 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 unaudited and audited financial statements for the year ended June 30, 2017 and June 30, 2016 respectively in accordance with the treatment specified in International Accounting Standard 28: "Accounting for Investment in Associates".

Summarised financial information of Associate is presented below based upon the unaudited and audited financial statements for the year ended June 30, 2017 and 2016 respectively.

(Un-Audited) 2017 Rupees	(Audited) 2016 Rupees
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Summarised Financial Information for Associate

Summarised Balance Sheet of Associate :

Current Asset

Cash & cash equivalents	54,810	115,520
Other current assets	244,344,421	261,432,736
Total Current Assets	244,399,231	261,548,256

Non current assets	18,954,688	3,370,792
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Current Liabilities

Other currents liabilities	9,368,730	11,087,132
Total Current Liabilities	9,368,730	11,087,132

Closing Net Assets	253,985,189	253,831,916
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Company's Share in %	28.17%	28.17%
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Carrying Amount	71,540,013	71,496,836
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Reconcillation to carrying amounts

Opening net assets	253,831,916	282,996,409
Share deposit	-	10,400
Profit for the year	153,273	1,446,307
Other comprehensive Income	-	(30,621,200)
Closing Net Assets	253,985,189	253,831,916

Summarised Income Statement :

Revenue	12,262,395	25,475,586
Interest expense	(898,165)	(5,830)
General & admin expenses	(9,013,785)	(20,552,489)
Income tax expense	(2,197,172)	(3,470,960)
Profit for the Year	153,273	1,446,307

Note	2017 Rupees	2016 Rupees
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9 INVESTMENTS - AVAILABLE FOR SALE

Pakistan Stock Exchange Limited	9.1	41,163,843	40,073,830
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9.1 Reconcillation of Investments-Available for Sale

Opening balance	9.2	40,073,830	40,073,830
FV gain on investment	9.3	68,414,047	-
Disposed of during the year	9.3	(67,324,034)	-
Closing Balance		41,163,843	40,073,830

9.2 Pursuant to demutualization of the Pakistan Stock Exchange Limited, herein after referred to as (PSX), 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 PSX against its membership card.

The above arrangement had been resulted in allocation of 4,007,383 shares of Rs. 10/- each and TREC to the Company by the PSX. Out of the total shares issued by the PSX, the Company had received 40% equity shares i.e. 1,602,953 shares in its CDC account. The remaining 60% shares had been transferred to CDC sub account in the Company's name under the PSX'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 PSX had been classified as "Available for sale". These shares had been recorded initially at face value of Rs. 10/- each. Since active market of these shares was not available, therefore, fair value determination was 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 had 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.

During the year 2016, a memorandum of understanding was signed between Karachi Stock Exchange (KSE), the Lahore stock exchange (LSE) and the Islamabad stock exchange (ISE) for integration of all three stock exchanges in Pakistan as envisaged in the stock exchanges (Corporatization, Demutualization and Integration) Act 2012 (XV of 2012) vide SECP's SRO 21(1)/2016 dated January 11, 2016. As a consequence of the integration scheme, KSE would carry the same business as Stock Exchange under the name of Pakistan Stock Exchange Limited (PSX).

During the year 2016, the Pakistan Stock Exchange vide letter dated March 30, 2016 revised the Break up Value of its shares to Rs 10.042 as of December 31, 2015. The PSX shall determine break up value of its shares biannually as per Chapter 19 of PSX Rule Book. Thus, in consequence of above revision, the shares initially recorded at face value remained the same in last year.

9.3 In pursuance of listing of PSX the fair value of shares of PSX is readily available in the market, resultantly fair value gain is recognized in other comprehensive income as share price rises from Rs 10/- share to 25.68/- share as on June 30, 2017. Further the company sold 2,404,428 shares of PSX @ Rs. 28/- per share during the year.

	Note	2017 Rupees	2016 Rupees
10 LONG TERM DEPOSITS			
Central Depository Company Limited		150,000	150,000
Pakistan Stock Exchange Limited		1,200,000	1,200,000
National Clearing Company of Pakistan Limited		300,000	300,000
Security deposits		846,000	831,070
		2,496,000	2,481,070
11 DEFERRED TAXATION - NET			
Temporary differences on:			
Provision for gratuity		2,134,107	1,800,330
Intangible assets		2,280,000	6,362,982
Investment available for sale		-	(9,724,900)
Short term investments		12,089,698	(4,538,946)
Current maturity of long term financing		-	17,138,461
Long term financing		-	7,247,704
Loan from sponsors		-	(24,383,892)
Provision for doubtful debts		94,863,243	76,091,697
Taxable temporary differences on:			
Accelerated tax depreciation		2,040,237	98,771
Investment in associate		(7,191,123)	(17,990,239)
		106,216,162	52,101,969
Effect of Carried Forward tax losses/tax credits	11.1	57,812,266	77,961,985
		164,028,428	130,063,953

- 11.1** The amount of remaining unused tax losses for the tax year 2013 and tax year 2016 were Rs 170.703 million and Rs 7.757 million respectively. The Company has recognized deferred tax asset on these losses amounting to Rs 53.538 million and the impact of other carry forward adjustable amounts allowed under section 113C of ITO, 2001 amounting to Rs 4.273 million.

Note	2017 Rupees	2016 Rupees
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12 SHORT-TERM INVESTMENTS - NET

Available for sale	12.1	2,677,996	1,914,282
At fair value through profit or loss- held for trading	12.2	370,370,728	418,823,348
		373,048,724	420,737,630

12.1 Available for sale

Details of investment in shares/ certificate/ units of listed companies/ mutual funds

No. of Shares		Name of Scrip / Company	2017		2016	
June-17	June-16		Avg. Cost	Market Value	Avg. Cost	Market Value
10,134	10,134	Cement	204,605	1,317,420	204,594	1,088,392
		Pioneer Cement Limited				
453,525	453,525	Leasing Companies	2,267,625	1,360,576	2,267,851	721,105
		SME Leasing Limited				
-	1,500	Sugar Composite	-	-	15,997	85,680
		Kohinoor Sugar Mills Limited				
-	180	Technology and Communication	-	-	1,005	6,039
		TRG Pakistan Limited				
-	23	Miscellaneous	-	-	271	346
		Pak Telecommunication Corp.				
-	500	Diamond Industries Limited	-	-	25,000	12,350
		Vanaspati and Allied Industries				
-	1	Punjab Oil Mills Limited	-	-	46	267
		Power Generation and Distribution				
-	2	Nishat Chunian Limited	-	-	29	105
463,659	465,865		2,472,230	2,677,996	2,514,793	1,914,282
Unrealized gain/(loss) on remeasurement of investments classified as 'available for sale'			205,766		(600,511)	
			2,677,996	2,677,996	1,914,282	1,914,282

- 12.1.1** Securities having average cost of Rs. 2.472 million (2016: Rs 2.267 million) and fair value of Rs 2.677 million (2016: Rs. 1.352 million) have been pledged with various commercial banks for obtaining finance facilities under mark-up arrangements as specified in note 18 and 19.

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

Note	2017 Rupees	2016 Rupees
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Short-term investments	12.1	205,766	(600,511)
Share in reserves of associate		-	(23,044,190)
Long-term investments	9.2	25,134,306	-
		25,340,071	(23,644,702)

12.2 Financial assets at 'fair value through profit or loss'

No. of Shares		Name of Scrip / Company	2017		2016	
June-17	June-16		Avg. Cost	Market Value	Avg. Cost	Market Value
-	200,000	Modarbas First I.B.L Modarba	-	-	522,000	822,000
-	49	Insurance EFU General Insurance Limited	-	-	7,203	5,794
-	68	Oil & Gas Marketing Companies Pakistan State Oil Company Limited	-	-	26,234	25,531
3,000	200,000	Sui Northern Gas Pipelines Limited	523,476	446,760	7,524,140	7,258,000
265,000	-	Sui Southern Gas Company Limited	10,754,893	9,648,650	-	-
17,241,000	113,000	Banks The Bank of Punjab	267,663,077	203,098,980	766,841	908,520
200	-	The Bank of Punjab - Right2	14	8	-	-
-	250,000	Jahangir Siddiqui Co Limited	-	-	5,492,675	4,950,000
-	100,000	Cement Dewan Cement Limited	-	-	1,491,000	1,448,000
-	1,847,000	Maple Leaf Cement Factory Limited	-	-	180,958,347	194,876,970
-	17,500	Pak Cement Limited	-	-	260,313	309,050
1,009,866	1,693,000	Pioneer Cement Limited	117,820,662	131,282,580	174,659,699	181,828,200
-	385,000	Transport Pakistan International Bulk Terminal Ltd	-	-	12,851,339	12,346,950
129,500	418,500	Technology And Communication TRG Pakistan Limited	7,443,777	5,191,655	14,955,390	14,040,675
-	69	Fertilizers Fauji Fertilizer Bin Qasim Limited	-	-	3,817	3,658
122,500	-	Agriculture Agritech Limited	1,557,526	1,100,050	-	-
1,000	-	Textile Hira Textile Mills Limited	14,129	8,970	-	-
10,000	-	Automobile Dewan Farooque Motors Limited	457,779	337,900	-	-
26,500	-	Engineering Descon Engineering Limited	660,740	486,275	-	-
10,000	-	Iron and Steel Mughal Iron and Steel Industries Limited	100,000	807,300	-	-
2,287,000	-	Leasing Companies SME Leasing Limited	993,244	6,861,000	-	-
150,000	-	Miscellaneous Shabbir Tiles and Ceramics Limited	3,492,300	2,875,500	-	-
832,500	-	TPL Trakker Limited	12,119,868	8,225,100	-	-
22,088,066	5,224,186		423,601,485	370,370,728	399,518,998	418,823,348
Unrealized (loss) /profit on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - held for			(53,230,757)		19,304,351	
			370,370,728		418,823,348	

12.2.1 Securities having average cost of Rs. 397,852,468 (2016: Rs 381.238 million) and fair value of Rs. 350,151,210 (2016: Rs 401.442 million) have been pledged in favor of the Director of the Company against loan as specified in note 18.

12.2.2 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.

13 TRADE DEBTS

	Note	2017 Rupees	2016 Rupees (Restated)
Considered good	13.1	53,270,002	91,744,445
Considered doubtful		<u>416,066,852</u>	<u>313,554,445</u>
		469,336,854	405,298,890
Less: Provision for doubtful debts	13.2	<u>(416,066,852)</u>	<u>(313,554,445)</u>
		53,270,002	91,744,445

13.1 The Company holds securities having total fair value of Rs 1,230.155 million (2016: Rs.336.398 Million) owned by its clients as collateral against trade debts. The provision for doubtful debts has been adjusted in compliance with the requirements of clause 34(2)(h) of the Securities Brokers Licensing and Operations Regulations, 2016, which states that in case of amount receivable for more than 5 days provision should be made to the extent by which amount receivable exceeds the collateral held from such customers after applying haircuts. However, management believes that the substantial part of the debtor is recoverable.

13.2 Movement in provision against trade debts

	2017 Rupees	2016 Rupees (Restated)
Opening balance	313,554,445	313,554,445
Charged during the year	102,512,407	-
Closing balance	<u>416,066,852</u>	<u>313,554,445</u>

14 LOANS AND ADVANCES**Advances - unsecured, considered good**

	Note	2017 Rupees	2016 Rupees
- to employees		1,428,809	500,862
- against property	14.1	<u>40,200,000</u>	<u>-</u>
		41,628,809	500,862

14.1 The Board of Directors of the company have resolved to enter into a contract to buy ten (10) PSX rooms located on 10th floor of New Stock Exchange Building, I. I. Chundrigar Road, Karachi for a lumpsum sale consideration of Rs 47 million, out of which Rs 40.2 million has been paid, upon payment of remaining amount, risks and rewards shall be substantively transferred to the company.

15 TRADE DEPOSITS AND SHORT TERM PRE PAYMENTS

	Note	2017 Rupees	2016 Rupees
Exposure deposit	15.1	50,338,258	6,536,997
		<u>50,338,258</u>	<u>6,536,997</u>

15.1 This represents amount deposited with Pakistan Stock Exchange Limited against exposure arising out of the MTS 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 accordance with the regulations of the Pakistan Stock Exchange Limited.

	Note	2017 Rupees	2016 Rupees
16 OTHER RECEIVABLES			
Mark up on receivable from associates	16.1	154,461,717	164,377,837
Others	16.2	25,249,158	903,229
Current maturity of receivable	7.2	9,302,326	
		<u>189,013,201</u>	<u>165,281,066</u>

16.1 This mark up is charged on receivable from associates

First Pakistan Securities Limited		75,179,319	84,358,438
Switch Securities (Private) Limited		79,282,398	80,019,399
		<u>154,461,717</u>	<u>164,377,837</u>

16.2 This amount includes Rs 22.441 million receivable from PSX in respect of sale of 801,476 PSX shares (20%) held in CDC Blocked Account.

	Note	2017 Rupees	2016 Rupees
17 CASH AND BANK BALANCES			
Cash at bank in:			
Current accounts	17.1	122,349,992	52,216,592
Saving accounts	17.2	-	13,761
		<u>122,349,992</u>	<u>52,230,353</u>

17.1 This includes customers' assets Rs 41.875 million (2016: Rs. 48.707 million) held in designated bank account.

17.2 The markup rate on saving accounts is NIL (2016: 5.6% to 6.5%).

18 LONG-TERM FINANCING

	Note	2017 Rupees	2016 Rupees
From banking companies-secured			
Bank Alfalah Limited	18.1	94,613,285	140,270,599
United Bank Limited	18.2	1,554,232	2,995,880
The Bank of Punjab	18.3	127,920,912	119,751,871
From non-banking company-unsecured			
Sindh Industrial Trading Estates -S.I.T.E.	18.4	-	16,237,442
Overdue interest on long term financing			
Bank Alfalah Limited	18.5	-	248,848,341
The Bank of Punjab		2,966,000	
		<u>227,054,429</u>	<u>528,104,133</u>
Less: Current portion of long term financing		<u>(32,941,547)</u>	<u>(70,623,218)</u>
		<u>194,112,882</u>	<u>457,480,915</u>

- 18.1** Financing from Bank Alfalah Limited (BAF) 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 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 notional expense will be amortized during the tenure of the liability i.e. June 2021. The finance facility was obtained for working capital requirement and improvement in liquidity. The facility was originally secured against pledge of shares amounting to Rs.78.6 million and mortgage of commercial plot of land bearing # 19-C, Sun set lane # 6, phase-2, DHA, Karachi, mortgage of room # 135 & 136, Stock Exchange Building, Karachi, mortgage of room # 306, 3rd Floor, Business & Finance Centre, I. I Chundrigar Road, Karachi, mortgage of municipal showroom # 2, ground floor, adjacent to Asker Bank Ltd, Bank Square, Chowk Yadgar, Peshawar City, total valuing Rs. 115 million and personal guarantee of Mr. Ali Aslam Malik (CEO). During previous year, the mortgage of commercial plot of land bearing 19-C, Sun set lane # 6, phase-2, DHA, Karachi has been released by making repayment to BAF from its sale proceed. During the current year mortgage of room # 135 & 136, Stock Exchange Building, Karachi, mortgage of room # 306, 3rd Floor, Business & Finance Centre, I. I Chundrigar Road, Karachi has been released by making repayment to BAF from its sale proceed.

In view of actual repayments during the year, the present value of the loan was revised whereby notional expenses Rs. 6,806,853 (June 30, 2016: 6,164,433) was recognized in profit and loss account.

As per restructuring offer letter, 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, up to 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 have 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.

	2017 Rupees	2016 Rupees
Reconciliation of fair value of the Long term Financing - BAF		
Amount of Liability of loan - Bank Alfalah Ltd	140,270,599	210,033,390
Notional Interest	23,218,513	(6,164,433)
Add: Reversal of notional income	-	23,852,668
Less: Payments made during the period	(68,875,827)	(87,451,026)
	94,613,285	140,270,599
Unamortized notional interest -BAF		
As at the beginning of the year	62,562,180	80,250,415
Arising during the year	(16,411,660)	(23,852,668)
Amortized for the year	(6,806,853)	6,164,433
As at the closing of the year	39,343,667	62,562,180

- 18.2** 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 PSX 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%.
- 18.3** During the previous year financing from Bank of Punjab has been restructured/rescheduled vide offer letter dated June 30, 2016, wherein the Bank has agreed to settle the previous running finance facility amounting Rs 135 million through restructuring/rescheduling on following terms and conditions:
- 18.3.1** DF-I (Serviceable) amounting Rs 99.497 million with a down payment of Rs 0.422 million and Fuure COF bearing markup Quarterly/bi-annually at the rate of 3%, to be deferred for initial three years and subsequently recovered with balance repayments. This facility will be repaid in 28 step-up quartely/biannual installments till Dec 2025.

DF II (Unserviceable) amounting Rs 94.695 million bears no future mark up. This facility is bifurcated into Rs 36.127 million and Rs 58.568 million. Rs 36.127 million will be repaid in 9 Quarterly/Bi-annual installments starting from Sep-2022 till Dec 2025. The remaining balance of Rs 58.568 million will be waived/written off at the tail end subject to no default.

Other terms and conditions includes the disposal of BOP's petition, to remain intact the existing collateral/Sureties during the currency of credit lines, the unfettered right to demand accelerated repayment with improved rate of markup depending upon the financial growth indicators of the Company by taking June 30, 2015 as base period.

Since the restructured loan is partially interest free and partially at lower interest rate i.e. 3% quarterly/bi-annually, the present value has been assessed using estimated future cash outflows discounted to their present values @ 7.5 % being the market interest rate of the similar loan. The difference between the liability initially recognized and the present value calculated through discounting future cash outflows has been recognized in previous year profit and loss account as notional income and will be amortized during the tenure of the liability i.e. Dec 2025.

	2017 Rupees	2016 Rupees (Restated)
Reconciliation of fair value of the Long term Financing - BOP		
Amount of Liability of loan - The Bank of Punjab	120,173,870	135,307,837
Extinguishment of old Liability	-	(135,307,837)
Add: PV of DF I	-	71,743,313
Add: PV of DF II	-	19,415,377
Add: PV of waived amount	-	29,437,180
Less: Payments made during the year	(844,000)	(422,000)
Add: Amortized notional interest	9,013,041	
	128,342,911	120,173,870
Unamortized notional interest -BOP		
As at the beginning of the year	26,912,842	-
Arising during the year	9,013,041	26,912,842
Amortized for the year	-	-
As at the close of the year	35,925,883	26,912,842

18.4 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/= In view of court order the company has reversed the remaining amount of liability as according to the said Order the plaintiff is not entitled to claim the remaining amount.

18.5 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 previous year the company recognized mark-up liability at present value discounted at average borrowing cost and amortized over the term of new agreement restating previous year figures, the resultant gain Rs 233.27 million was recognized in the statement of changes in equity in accordance with IAS 39. During the current period notional expense of Rs 29.115 million (June 30, 2016: 26.065 million) has been charged. During the year, the Company, based on prudence concept, meeting the terms of the agreement, its current financial position and intentions to pay off complete liability earlier than the repayment schedule, decided to derecognize the waived-off liability prospectively. Consequently, Rs. 277.963 million (June 30, 2016: NIL), has been recognized as income.

19 LOAN FROM SPONSORS

	Note	2017 Rupees	2016 Rupees (Re-stated)
Loan from sponsors	19.1	247,743,041	112,684,463
Loan from Sponsors - Interest Bearing	19.2	400,000,000	400,000,000
		647,743,041	512,684,463
Less: current portion		-	-
		647,743,041	512,684,463

- 19.1** This represents unsecured interest free loan received from spouse and director of the Company. During this period First Florence Developers (Pvt) Limited, the Parent Company, provided finance amounting to Rs. 74 Million (2016:Nil).
- 19.2** This represents loan from a director for a period of 4 years at a mark up of six months kibar plus 2% payable quarterly. The is collateralized at all time by way of pledge of shares with a margin of 30% in favour of the director. The amount has been restated in accordance with requirement of IAS 8 as it carried a markup approximately equal to market rate.

	Note	2017 Rupees	2016 Rupees
20 OTHER LOANS	20.1	54,721,056	118,209,800

- 20.1** 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 16% per annum.

	Note	2017 Rupees	2016 Rupees
21 DEFERRED LIABILITIES			
Gratuity payable	27	9,360,117	7,181,208
		9,360,117	7,181,208

22 TRADE AND OTHER PAYABLES

Creditors	41,875,310	48,258,479
Other trade payables - net of comm. & taxes	143,352,836	143,352,836
Accrued expenses	24,451,984	3,219,954
Unclaimed dividends	11,648,103	2,544,013
Others	42,830,561	965,929
	264,158,794	198,341,210

23 CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

The company has submitted tax return up to year 2017. No tax proceedings are pending against the company at year end.

During the year the Company has derecognized the waived off liability pertaining to Bank Alfalah Limited amounting Rs 450 million of as described in Note 18.5. However, as per agreement, the bank will waive off the entire overdue markup, however, in case the company fails to meet any single term and condition, the above referred waiver/relaxation shall be withdrawn and deemed as cancelled and the Company shall be liable to pay the entire markup amount due.

Trade and Other Payable of the Company includes an amount of Rs. 143.35 million payable to a client of the company against which client has an additional claim of Rs. 25,004,874 on account of 123,762 bonus shares of Pakistan State Oil which is under scrutiny and negotiation/litigation.

	Note	2017 Rupees	2016 Rupees
23.2 Commitment			
Capital expenditure contracted for but not incurred	23.2.1	100,020,000	100,020,000

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

	2017 Rupees	2016 Rupees
23.2.2 Outstanding settlements against sale of investments in regular market	37,127,912	-
Outstanding settlements against purchase of investments in regular market	21,922,394	-

24 SHARE CAPITAL

24.1 Authorized capital 500,000,000 (2016: 500,000,000) Ordinary shares of Rs. 10 each	5,000,000,000	5,000,000,000
24.2 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
	1,418,098,310	1,418,098,310

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

	2017		2016	
	Shares held	Percentage	Shares held	Percentage
First Florance Developers (Pvt.) Limited	77,152,150	54.41%	77,218,150	54.452%
MCD Pakistan Limited	2,353,950	1.66%	2,353,950	1.660%
First Pakistan Securities Limited	10,396,308	7.33%	10,481,808	7.391%
Switch Securities (Pvt.) Limited	5,684,506	4.01%	5,684,506	4.009%

24.4 The directors, their spouses and minor children hold 2,172,290 shares as at June 30, 2017 (2016: 622,730 shares).

	Note	2017 Rupees	2016 Rupees
25 OPERATING REVENUE			
Brokerage income		51,596,357	15,850,527
Dividend income		14,588,352	1,331,750
Other		-	5,503,086
		66,184,709	22,685,363

26 ADMINISTRATIVE EXPENSES

Salaries, allowances and other benefits	26.1	19,574,429	18,945,419
Rent, rates and taxes		2,870,899	5,086,405
Fuel, repairs and maintenance		2,955,325	1,705,860
Utilities		2,638,859	2,275,751
Fees and subscription		2,623,509	1,519,382
KSE, clearing house and CDC charges		1,101,795	740,215
Travelling and conveyance		5,619,556	1,656,618
Depreciation		1,810,026	3,079,218
Communication, printing and stationery		2,229,822	2,046,428
Legal and professional charges		2,954,437	9,160,895
Entertainment		629,641	793,707
Provision for bad debts		102,512,407	-
Others		3,553,982	5,105,293
		151,074,687	52,115,191

26.1 Salaries, allowances and other benefits include Rs 1,033,540 (2016: Rs.1,650,892) in respect of staff retirement benefits.

27 EMPLOYEE BENEFITS**Unfunded gratuity scheme:**

As mentioned in note 3.10, the Company operates an unfunded gratuity scheme. The latest actuarial valuation of the scheme was carried out as at June 30, 2017. Projected Unit Credit method using the following significant assumptions, was used for the valuation of the scheme:

	Note	2017 Rupees	2016 Rupees
27.1 Balance sheet reconciliation			
Present Value of defined benefit obligation	27.1.1	6,305,545	4,021,542
Plus Payables		3,054,572	3,159,666
Net Liability at the end of year		<u>9,360,117</u>	<u>7,181,208</u>

27.1.1 Movement in present value of defined benefit

Present Value of defined benefit obligation at the	4,021,542	4,408,848
Current service cost	679,235	745,924
Past service cost credit	-	512,798
Interest cost on defined benefit obligations	354,293	392,170
Benefits due but not paid (payables)	(169,907)	(1,084,234)
Benefits paid	-	(263,562)
Actuarial Gain/Loss	130,951	
Premeasurement: experience adjustments	1,289,431	(690,402)
Present value of defined benefit obligation	<u>6,305,545</u>	<u>4,021,542</u>

27.1.2 Expenses to be charged to profit and loss

Current service cost	679,235	745,924
Past service cost credit	-	512,798
Interest cost on defined benefit obligations	354,293	392,170
Expense for the year	<u>1,033,528</u>	<u>1,650,892</u>

27.1.3 Premeasurement losses/(gains) recognized in other

Experience adjustments	1,289,431	(690,402)
	<u>1,289,431</u>	<u>(690,402)</u>

27.1.4 Net recognized liability

Net liability at the beginning of the year	7,181,207	7,136,795
Premeasurement losses/(gains) recognized in Profit & Loss	1,033,528	1,650,892
Premeasurement losses/(gains) recognized in Other Comprehensive	1,420,382	(690,402)
Benefits paid	(275,000)	(916,078)
Net liability at the end of the year	<u>9,360,117</u>	<u>7,181,207</u>

27.2 The principal assumptions used in the actuarial valuations carried out as of June 30, 2016 using the 'Projected Unit Credit' method are as follows:

	2017 Rupees	2016 Rupees
Discount rate per annum	9.25%	13.50%
Expected per annum rate of increase in future salaries	9.00%	10.50%
Expected mortality rate	SLIC 2001-2005 Setback 1 Year	SLIC 2001-2005 Setback 1 Year
Expected withdrawal rate	Age-based	Age-based

27.3 Sensitivity analysis for actuarial assumptions

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

	2017 Rupees	2016 Rupees
Discount Rate +100 bps	5,581,692	3,855,713
Discount Rate -100 bps	7,181,734	5,066,456
Salary Increase +100 bps	7,187,745	5,060,033
Salary Increase -100 bps	5,562,572	3,851,085
The average duration of the defined benefit obligation is	13 years	14 years

Five year data on experience

	2017	2016	2015	2014	2013
	----- Rupees -----				
Present value of defined benefit obligation,	9,360,117	7,181,207	7,136,796	6,231,249	5,469,302
Experience adjustment arising on plan	1,289,431	690,402	342,386	282,815	108,194

Based on the actuarial advice, the Company intends to charge an amount of approximately Rs 2,453,910 (2016: 1,650,892) in respect of the gratuity scheme in the financial statements for the year ending June 30, 2017.

28 FINANCE COST

Mark-up on:

	Note	2017 Rupees	2016 Rupees
Long Term Financing			-
Commercial Banks		2,966,000	23,852,668
Sponsors Loan		24,085,000	-
Margin Financing		8,614,670	-
Bank and other charges	28.1	3,478,296	5,873,436
		<u>39,143,966</u>	<u>29,726,104</u>
Notional expenses			
Commercial Banks		61,346,810	19,901,147
Receivable from Ex-Client		78,754,027	
		<u>179,244,803</u>	<u>49,627,251</u>

28.1 This includes finance charges amounting to Rs 2.697 million (2016: Rs. 5.847 Million) 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).

29 OTHER CHARGES

	Note	2017 Rupees	2016 Rupees
Auditors' remuneration	29.1	1,175,500	1,439,721
Property and equipment written off		-	205,019
Impairment loss on Intangible Assets		-	10,000,000
Security Charges		-	278,200
Commission to trading agents		4,614,317	910,537
		<u>5,789,817</u>	<u>12,833,477</u>

	2017 Rupees	2016 Rupees
29.1 Auditors' remuneration		
Statutory audit fee	700,000	700,000
Half yearly review fee	230,000	230,000
Other Certifications and out of pocket expenses	245,500	509,271
	<u>1,175,500</u>	<u>1,439,271</u>
30 OTHER INCOME		
Income from financial assets		
Mark-up on:		
Exposure deposits	1,545,510	-
Receivable from associates	-	10,194,722
Return on fixed deposits	1,016,185	6,246
	-	-
	<u>2,561,695</u>	<u>10,200,968</u>
Income from non-financial assets/liabilities		
Rental income	-	100,000
Gain on disposal of investment property	-	5,358,000
Underwriting Commission	-	3,500,000
PV of waived off markup liability	277,963,597	39,813,699
Gain on sale of Fixed Assets	3,547,320	-
Miscellaneous	18,203,789	183,055
	<u>302,276,401</u>	<u>59,155,722</u>
31 TAXATION		
Current:		
for the year	19,793,024	12,866,972
Prior years	(11,053,094)	(8,711,004)
Deferred	(33,640,628)	(42,561,776)
	<u>(24,900,698)</u>	<u>(38,405,808)</u>
Relationship between tax expenses and accounting profit :		
Profit before taxation	142,054,489	214,863,162
Profit attributable to Final/separate block Income	(13,431,786)	(45,444,628)
Tax effect of amounts that are admissible for tax purposes	(279,749,283)	(128,361,440)
Tax effect of amounts that are inadmissible for tax purposes	164,456,056	51,900,165
Tax effect of unused losses	(13,329,476)	(92,957,259)
Taxation under final/separate block income and minimum taxation	19,793,024	12,866,972
Tax Effect of prior year	(11,053,094)	(8,711,004)
Tax effect of timing differences	(33,640,628)	(42,561,776)
	<u>(24,900,698)</u>	<u>(38,405,808)</u>
32 EARNING PER SHARE - BASIC AND DILUTED		
Earning per share is calculated by dividing Profit after tax for the year by weighted average number of shares outstanding during the period as follows:		
	2017 Rupees	2016 Rupees
Profit after taxation attributable to ordinary shareholders	166,955,187	11,571,262
Weighted average number of ordinary shares in issue during the year	141,809,831	141,809,831
Earning Per Share	1.18	0.08

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.

33 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:

	2017		2016		
	Executive Directors	Executives	Chief Executive	Executive Directors	Executives
----- Rupees -----					
Managerial remuneration	1,620,000	6,470,000	6,000,000	1,577,333	900,000
Utilities	-	-	154,522	-	-
Retirement benefits	-	-	-	-	-
Conveyance and traveling	111,914	-	867,873	215,479	-
	1,731,914	6,470,000	7,022,395	1,792,812	900,000
No. of persons	2	6	1	2	1

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, 2017 (2016: Nil).

34 RELATED PARTY TRANSACTIONS

	2017			
	Key Management	Associates	Other related parties	Total
----- Rupees -----				
Transactions during the year				
Purchase of marketable securities for and on behalf of	8,005,014,016	410,286,190	11,221,851,020	19,637,151,226
Sale of marketable securities for and on behalf of	8,015,346,350	233,392,173	11,211,740,752	19,460,479,275
Brokerage income	1,927,042	2,224,238	1,629,069	5,780,349
Rent received	-	-	-	-
Rent expense	-	-	-	-
Remuneration to key management personnel	11,092,088	-	-	11,092,088
Gratuity charged	-	-	-	-
Loan from Sponsors	85,175,000	74,350,397	-	159,525,397
Mark up on receivable from associates	-	-	-	-
----- Rupees -----				
----- Rupees -----				
----- Rupees -----				
Transactions during the year				
Purchase of marketable securities for and on behalf of	74,521,816	331,828,790	132,803,909	539,154,515
Sale of marketable securities for and on behalf of	490,587,882	556,658,494	135,834,891	1,183,081,267
Brokerage income	86,506	945,695	655,271	1,687,473
Rent received	-	-	3,000,000	3,000,000
Rent expense	-	-	-	-
Remuneration to key management personnel	9,715,207	-	-	9,715,207
Gratuity charged	263,562	-	-	263,562
Loan from Sponsors	385,561,258	-	26,643,417	412,204,675
Mark up on receivable from associates	-	10,194,722	-	10,194,722

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.

35 CASH GENERATED FROM OPERATIONS

	2017 Rupees	2016 Rupees
Profit before taxation	142,054,489	96,644,596
Adjustment for non cash items		
Depreciation	1,810,026	3,079,218
Property and equipment written off	205,019	205,019
Loss/Gain on disposal of investments	(162,890,266)	3,642,647
Fair value adjustment of Investment property	(5,358,000)	(5,358,000)
Share of profit of associate - net of tax	(43,177)	(1,459,060)
Unrealized assets at fair value through profit or loss - held for trading - net	53,230,757	(19,304,351)
Notional Interest expense	43,753,815	43,753,815
Gain on extinguishment of BOP old liability	(26,912,842)	(26,912,842)
Impairment loss on intangible asset	10,000,000	10,000,000
Provision for doubtful debts	102,512,407	-
Provision for gratuity	1,033,527	1,650,892
Finance cost	179,244,803	5,873,436
Dividend income	(14,588,352)	(1,331,750)
Income on exposure deposits	(1,545,510)	-
Mark-up income from related party	(10,194,722)	(10,194,722)
Other operating income	(297,183,571)	-
Gain on disposal of fixed assets	(3,547,320)	-
	(141,966,676)	3,644,301
Operating loss before working capital changes	87,813	100,288,897
Changes in working capital:		
Decrease / (increase) in current assets		
Trade debts	(33,273,321)	(6,870,765)
Loans and advances	(41,127,947)	979,452
Trade deposits and short-term prepayments	(39,312,992)	(6,516,997)
Other receivables	12,491,322	2,556,102
Increase / (decrease) in current liabilities		
Trade and other payables	40,488,366	(30,661,111)
	(60,734,572)	(40,513,318)
Cash (used) / generated in operations	(60,646,759)	59,775,579

36 FINANCIAL INSTRUMENTS BY CATEGORY

	2017				
	Loans and receivables	Available for sale	At fair value through profit and loss	At amortized cost	Total
----- Rupees -----					
Assets					
Non-current assets					
Long-term deposits	2,496,000	-	-	-	2,496,000
Other Receivables	-	-	-	142,578,672	142,578,672
Current assets					
Short-term investments	-	2,677,996	370,370,728	-	373,048,724
Trade debts - net	53,270,002	-	-	-	53,270,002
Loans and advances	41,628,809	-	-	-	41,628,809
Trade deposits	50,338,258	-	-	-	50,338,258
Other receivables	189,013,201	-	-	-	189,013,201
Cash and bank balances	122,349,992	-	-	-	122,349,992
Liabilities					
Current liabilities					
Trade and other payables	-	-	-	264,158,794	264,158,794
Current maturity of long term financing	-	-	-	32,941,547	32,941,547
Non-current liabilities					
Long-term financing	-	-	-	194,112,882	194,112,882
Other Loans	-	-	-	54,721,056	54,721,056
Loan from Sponsor	-	-	-	647,743,041	647,743,041

	2016				
	Loans and receivables	Available for sale	At fair value through profit and loss	At amortized cost	Total
----- Rupees -----					
Assets					
Non-current assets					
Long-term deposits	2,481,070	-	-	-	2,481,070
Long Term Receivables	261,399,668	-	-	-	261,399,668
Current assets					
Short-term investments	-	1,914,282	418,823,348	-	420,737,630
Trade debts - net	91,744,445	-	-	-	91,744,445
Loans and advances	500,862	-	-	-	500,862
Trade deposits	6,536,997	-	-	-	6,536,997
Other receivables	165,281,066	-	-	-	165,281,066
Cash and bank balances	52,230,353	-	-	-	52,230,353
Liabilities					
Current liabilities					
Trade and other payables	-	-	-	198,341,210	198,341,210
Short-term borrowings	-	-	-	-	-
Current maturity of long term financing	-	-	-	70,623,218	70,623,218
Non-current liabilities					
Long-term financing	-	-	-	457,480,915	457,480,915
Other Loans	-	-	-	118,209,800	118,209,800
Loan from Sponsor	-	-	-	512,684,463	512,684,463

37 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.

37.1 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.

37.1.1 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.

37.1.2 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, 2017			
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	-	2,496,000	2,496,000
Long term receivable	142,578,672	-	142,578,672
	-	2,496,000	145,074,672
Current assets			
Short-term investments	-	373,048,724	373,048,724
Trade debts - net	-	53,270,002	53,270,002
Loans and advances	-	41,628,809	41,628,809
Trade deposits	50,338,258	-	50,338,258
Other receivables	9,302,326	179,710,875	189,013,201
Cash and bank balances	-	122,349,992	122,349,992
	59,640,584	770,008,402	829,648,986
Sub Total	59,640,584	770,008,402	974,723,658
Financial liabilities			
Current liabilities			
Trade and other payables	-	264,158,794	264,158,794
Current maturity of long term financing	2,285,648	30,655,899	32,941,547
	2,285,648	294,814,693	297,100,341
Non current liabilities			
Long term financing	-	130,155,496	130,155,496
Other loans	-	54,721,056	54,721,056
Loan from sponsor	-	400,000,000	400,000,000
	-	584,876,552	584,876,552
Sub Total	2,285,648	606,515,120	1,193,677,320
On-balance sheet gap	57,354,936	(442,297,880)	163,493,282
Off-balance financial instruments	-	-	(218,953,662)
Off-balance sheet gap	-	-	-
Total interest rate sensitivity gap	57,354,936	(442,297,880)	(218,953,662)
Cumulative interest rate sensitivity gap	57,354,936	(442,297,880)	(218,953,662)

As at June 30, 2016			
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	-	2,481,070	2,481,070
Long term receivables	-	261,399,668	261,399,668
	-	263,880,738	263,880,738
Current assets			
Short-term investments	-	420,737,630	420,737,630
Trade debts - net	-	91,744,445	91,744,445
Loans and advances	-	500,862	500,862
Trade deposits	6,536,997	-	6,536,997
Other receivables	-	165,281,066	165,281,066
Cash and bank balances	13,761	52,216,592	52,230,353
	6,550,758	730,480,595	737,031,353
Sub Total	6,550,758	994,361,333	1,000,912,091
Financial liabilities			
Current liabilities			
Trade and other payables	-	198,341,210	198,341,210
Accrued mark-up	-	-	-
Current maturity of loan from Sponsors	-	-	-
Current maturity of long term financing	70,623,218	-	70,623,218
	70,623,218	198,341,210	268,964,428
Non current liabilities			
Long term financing	-	457,480,915	457,480,915
Other Loans	-	118,209,800	118,209,800
Loan from sponsor	-	512,684,463	512,684,463
	-	575,690,715	1,088,375,178
Sub Total	70,623,218	711,025,673	1,357,339,606
On-balance sheet gap	(64,072,460)	(575,690,715)	(356,427,515)
Off-balance financial instruments	-	-	-
Off-balance sheet gap	-	-	-
Total interest rate sensitivity gap	(64,072,460)	(575,690,715)	
Cumulative interest rate sensitivity gap	(64,072,460)	(575,690,715)	

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

	2017	2016
	Percentage	
Long term financing	7.5-11.7	7.5-11.7
Receivable from associates	16	16
Bank balances	5.56-6.5	5.56-6.5

37.1.2.2 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	831,980	(831,980)
As at June 30, 2017	831,980	(831,980)
As at June 30, 2016	355,166	(355,166)

The sensitivity analysis prepared as of June 30, 2017 is not necessarily indicative of the impact on Company's net assets of future movements in interest rates.

37.1.3 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 10% (2016: 10%) increase / decrease in KSE 100 index on June 30, 2017, the net gain for the year relating to securities classified as fair value through profit and loss would decrease / increase by Rs 35,941,057 (2016: 41,882,334) and net assets of the Company would increase / decrease by the same amount. In case of 10% (2016: 10%) increase / decrease in KSE 100 index on June 30, 2017, the net loss 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. 4,435,795 (2016: Rs. 191,428) 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 10% (2016: 10%) 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, 2017 is not necessarily indicative of the effect on the Company's net assets of future movements in the level of KSE100 index.

37.2 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 (2016: 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 12 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, 2017 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 38 to the financial statements.

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

	2017		2016	
	Total Rupees	Payment over due (in days)	Total outstanding Rupees	Payment over due (in days)

Financial instruments:

Trade debts - net	53,270,002	1-5	91,744,445	1 - 360
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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.

2017			
Total	Up to one month	One to three months	More than three
Rupees			

Financial instruments:				
Trade debts	469,336,854	828,478	10,801,818	457,706,558

2016			
Total	Up to one month	One to three months	More than three
Rupees			

Financial instruments:				
Trade debts	405,298,890	828,478	10,801,818	393,668,594

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

37.3 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 analyze 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:

2017				
	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	264,158,794	-	-	264,158,794
Current maturity of long term financing	-	32,941,547	-	32,941,547
Non current liabilities				
Long term financing	-	-	194,112,882	194,112,882
Loan from sponsor	-	-	647,743,041	647,743,041
2016				
	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	198,341,210	-	-	198,341,210
Current maturity of long term financing	-	70,623,218	-	70,623,218
Non current liabilities				
Long term financing	-	-	457,480,915	457,480,915
Loan from sponsor	-	-	512,684,463	512,684,463

37.4 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.

38 Fair Value Hierarchy

The Section explains the judgements and estimates made in determining the fair value of financial instruments that are recognised and measured at fair value in financial statements. To provide an indication about reliability of inputs used in determining fair value of the group has classified its financial instruments into 3 levels prescribed under accounting standards. An explanation of each level follows underneath the table

Recurring Fair Value Measurement as at June 30,2017	Level 1	Level 2	Level 3	Total
Long term Investment-Available for Sale	41,163,845	-	-	41,163,845
Short term Investment Available for Sale At Fair value through Profit And Loss	2,677,996	-	-	2,677,996
	370,370,728	-	-	370,370,728

Recurring Fair Value Measurement as at June 30,2016

Long term Investment-Available for Sale	-	40,073,830	-	40,073,830
Short term Investment Available for Sale	1,914,282	-	-	1,914,282
At Fair value through Profit And Loss	418,823,348	-	-	418,823,348

The Finance department of the company includes a team that performs the valuation of no property items required for financial reporting purposes, including level 3 fair values. This team reports directly to chief financial officer (CFO) and the audit committee (AC). Discussions of valuation processes and results are held between the CFO, AC and valuation team atleast once every 6 months, Inline with the company half yearly reporting periods.

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 Pakistan Stock Exchange Limited (Formerly 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, 2017, securities amounting to Rs 7.739 million (2016: Rs NIL) and Rs. NIL (2016:Rs. NIL) were pledged / utilized by the Company for meeting the exposure deposit requirement of the Pakistan Stock Exchange Limited (Formerly 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	2017
S.I.T.E	Long Term Financing	Other Income	16,237,442
Receivable	Trade debt	Long term Receivable	151,880,998
Particulars	From	To	2016
Loan from Sponsors	Other Loans	Loan from Sponsors	86,041,046
Receivable	Trade debt	Long term Receivable	261,399,668

Particulars	From	To	2015
Receivable	Trade debt	Long term Receivable	263,884,415

43 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. The effect of restatement and retrospective application is summarized below:

	As previously reported	As currently reported	Adjustment
Effect of changes in balance sheet:			
Increase in long term financing	445,702,038	11,778,877	457,480,915
Increase in Loan from Sponsors	412,204,675	100,479,788	512,684,463
Decrease in investment in Associate	114,133,180	(42,636,344)	71,496,836
Effect of changes in statement of changes in equity:			
Increase in accumulated losses	(638,518,253)	(124,496,135)	(763,014,388)
Unrealised gain on remeasurement of investments classified as available for sale	30,488,763	(30,398,873)	89,890
Effect of changes in statement of changes in Total Comprehensive Income:			
National Gain on recognition of Loan from Sponsor	100,479,788	(100,479,788)	-
Share of profit from associate	1,459,060	(1,051,679)	407,381
Loss on deemed disposal of investment in associate	-	(10,168,797)	(10,168,797)
Effect of changes in statement of changes in Other Comprehensive Income:			
Unrealized gain/(loss) during the period in the market value of investments classified as 'available for sale'	51,825,547	(51,735,657)	89,890
Loss on deemed disposal of investment in associate	-	(6,051,371)	(6,051,371)
Share of unrealized surplus/(deficit) - Investment in associate	31,089,275	(49,572,766)	(18,483,491)

44 TURNOVER BY SEGMENT

	2017	2016
Proprietary trades	177,478,618	(3,642,647)
Retail customers	48,460,614	22,559,963
Institutional Customers	3,135,743	125,400
	<u>229,074,975</u>	<u>19,042,716</u>

45 SHAREHOLDERS HOLDING 5% OR MORE

SHAREHOLDERS NAME	Shares Held		Percentage		Change
	2017	2016	2017	2016	
First Florance Developers (Pvt.) Limited	77,152,150	77,218,150	54.41%	54.45%	66,000
Biofert (Pvt.) Limited	12,935,408	11,402,637	9.12%	8.04%	1,532,771
First Pakistan Securities Limited	10,396,308	10,481,808	7.33%	7.39%	85,500

46 NUMBER OF EMPLOYEES

	2017	2016
Number of employees at the year end.	<u>52</u>	<u>42</u>
Average number of employees	49	42

47 GENERAL AND CORRESPONDING FIGURES

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

48 DATE OF AUTHORIZATION

These financial statements have been authorized for issue on **September 27, 2017** by the Board of Directors of the Company.



Chief Executive



Chief Financial Officer



Director

Pattern of Shareholding

As At June 30, 2017

No. of Shareholders	Shareholding		Total Shares Held
	From	To	
188	1	100	3,320
128	101	500	48,708
142	501	1,000	120,669
277	1,001	5,000	815,963
93	5,001	10,000	768,848
35	10,001	15,000	440,594
27	15,001	20,000	493,180
27	20,001	25,000	629,100
13	25,001	30,000	372,500
6	30,001	35,000	197,460
6	35,001	40,000	233,000
4	40,001	45,000	172,000
16	45,001	50,000	795,091
2	50,001	55,000	106,500
1	55,001	60,000	58,140
4	60,001	65,000	256,500
1	65,001	70,000	67,000
2	70,001	75,000	143,551
2	80,001	85,000	170,000
5	85,001	90,000	433,600
13	95,001	100,000	1,291,000
4	100,001	105,000	409,001
2	105,001	110,000	217,000
2	110,001	115,000	225,000
2	120,001	125,000	242,771
2	125,001	130,000	257,125
1	130,001	135,000	135,000
1	140,001	145,000	143,500
1	150,001	155,000	154,500
2	170,001	175,000	343,500
2	175,001	180,000	355,350
1	180,001	185,000	182,000
5	195,001	200,000	1,000,000
2	210,001	215,000	428,500
1	220,001	225,000	224,500
1	250,001	255,000	254,000
1	255,001	260,000	258,950
3	260,001	265,000	784,000
2	295,001	300,000	600,000
1	305,001	310,000	305,500
1	330,001	335,000	335,000
1	450,001	455,000	454,000
1	455,001	460,000	460,000
1	480,001	485,000	483,573
1	505,001	510,000	510,000
1	545,001	550,000	546,150
1	570,001	575,000	575,000
1	600,001	605,000	600,500
1	630,001	635,000	633,400
1	695,001	700,000	700,000
1	745,001	750,000	750,000
1	795,001	800,000	800,000
1	930,001	935,000	930,800
1	1,340,001	1,345,000	1,345,000
1	1,840,001	1,845,000	1,840,500
1	2,090,001	2,095,000	2,095,000
1	2,475,001	2,480,000	2,476,525

No. of Shareholders	Shareholding		Total Shares Held
	From	To	
1	2,535,001	2,540,000	2,540,000
1	4,765,001	4,770,000	4,765,990
1	5,050,001	5,055,000	5,051,106
1	10,390,001	10,395,000	10,392,808
1	12,235,001	12,240,000	12,235,408
1	19,100,001	19,105,000	19,101,000
1	58,050,001	58,055,000	58,051,150
1,052			141,809,831

Categories of Shareholders

As At June 30, 2017

Categories of Shareholder	Physical	CDC	Total	% age
Directors, Chief Executive Officer, Their Spouses and Minor Children				
Chief Executive				
Mr. Ali A. Malik	575	1,949,799	1,950,374	1.38
Directors				
Mr. Muhammad Asim Mustafa	500	-	500	0.00
Mr. Muhammad Iqbal Khan	-	2,760	2,760	0.00
Mr. Amir Shehzad	-	2,400	2,400	0.00
Mr. Naveed Ishaque	-	500	500	0.00
Mr. Ijaz Mahmood Choudhary	-	500	500	0.00
Mr. Shahzad Akbar	-	15,180	15,180	0.01
Director's Spouses and Their Minor Children				
Fatima Ali Malik (M) Through Gardian Ali Aslam Malik (G)	-	100,001	100,001	0.07
Essa Ali Malik (M) Through Guardian Ali Aslam Malik (G)	-	100,000	100,000	0.07
Mrs. Adeela Ali	75	-	75	0.00
	1,150	2,171,140	2,172,290	1.53
Associated Companies, Undertakings & Related Parties				
First Pakistan Securities Limited	-	10,396,308	10,396,308	7.33
MCD Pakistan Limited	-	2,353,950	2,353,950	1.66
First Florance Developers (Pvt) Limited	-	77,152,150	77,152,150	54.41
Switch Securities (Pvt) Limited	-	5,684,506	5,684,506	4.01
	-	95,586,914	95,586,914	67.41
Banks, NBFCs, DFIs, Takaful, Pension Funds	-	393,000	393,000	0.28
Insurance Companies	-	46,591	46,591	0.03
Other Companies	-	14,894,961	14,894,961	10.50
General Public				
A. Local	30,803	28,684,697	28,715,500	20.25
B. Foreign	-	575	575	0.00
	30,803	28,685,272	28,716,075	20.25
	31,953	141,777,878	141,809,831	100
Shareholders More Than 5.00%				
First Florance Developers (pvt.) Limited			77,152,150	54.41
Biofert (Pvt) Limited			12,935,408	9.12
First Pakistan Securities Limited			10,392,808	7.33

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 **Royal Rodale Club, TC-V, 34th Street, Kh-e-Sehar, Phase-V Ext., D.H.A., Karachi**, on Saturday, October 28, 2017 at 10:30 a.m. to transact the following business:-

ORDINARY BUSINESS:

1. To confirm the minutes of the last Annual General Meeting held on October 29, 2016.
2. To receive, consider and adopt the Audited Annual Financial Statements of the company for the year ended June 30, 2017 together with the Board of Directors' and Auditors' reports thereon.
3. To appoint external auditors of the company for the year ending on June 30, 2018 and fix their remuneration.
4. To approve interim dividend of Rs. 0.04 per share (i.e. @4%) for the year ended June 30, 2017.
5. To transact any other business of the company that may be placed before the meeting with the permission of the chair.

SPECIAL BUSINESS

6. To approve transmission of Annual Audited Financial Statements, auditors' report and directors' report etc. (annual audited accounts) to the Company's shareholders through CD/DVD/USB at their registered address as followed by the Securities and Exchange Commission of Pakistan by their SRO No. 470(I)/2016 dated May 31, 2016 and to pass the following resolution as an Ordinary Resolution.

“RESOLVED THAT the Company be and is hereby allowed to transmit its Annual Audited Financial Statements, auditors' report and directors' report etc. (Annual Audited Accounts) to the Company's shareholders at their registered address in the form of soft copies in CD/DVD/USB instead of transmitting the annual audited accounts in printed copy as allowed by the Securities and Exchange Commission of Pakistan via SRO No. 470(I)/2016 dated May 31, 2016”

A statement under section 134(3) of the Companies Act, 2017 pertaining to the Special Business is being sent to the Members with this notice.

By order of the Board



Samra Tahir

(Company Secretary)

Karachi.

Dated: October 06, 2017

Notes:

1. The Shares Transfer Books will remain closed from October 20, 2017 to October 28, 2017 (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, CorpTec Associates (pvt.) Limited, 503-E, Johar Town, Lahore by the close of business hours on October 19, 2017 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 notary 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 Directors' 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 Directors' 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 Withholding Tax on Dividend

Pursuant to the provisions of the Finance Act, 2017 effective July 1, 2017 the deduction of withholding tax on the amount of dividend paid by the companies under section 150 of the Income Tax Ordinance, 2001, are as under:

- i. For filers of Income tax return: 15%
- ii. For non-filer of income tax return: 20%

Shareholders who are filers are advised to make sure that their names are entered into latest Active Tax-payers List (ATL) provided on the website of FBR at the time of dividend payment, otherwise they shall be treated as non filers and tax on their cash dividend will be deducted at the rate of 20% instead of 15%.

A STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

Securities and Exchange Commission of Pakistan has vide S.R.O. 470(1)/2016 dated May 31, 2016 allowed the companies to circulate the annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company to its members through CD/DVD/USB subject to consent of the shareholders in the general meeting. This will save time and expenses incurred on printing of the annual reports.

The Company shall supply the hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand. After approval of the shareholders, the Company will place a Standard Request Form on its website to communicate their need of hard copies of the documents along with postal and email address of the Company Secretary/Share Registrar to whom such requests shall be made.

Accordingly, the directors have placed the matter before the shareholders for their approval and to pass the ordinary resolution as proposed in the notice of meeting. The directors are not interested, directly or indirectly, in the above business except to the extent of their investment as has been detailed in the pattern of shareholding annexed to the Directors Report.

In view of the above, it is proposed that Ordinary Resolution stated at agenda item number Six (6) of the Notice of AGM, be approved.

پ: اکم ٹیکس ڈیویڈنڈ:

فنانس ایکٹ 2017ء موخر از یکم جولائی 2017 کی پروویژن کی پیروی میں اکم ٹیکس کی ڈیویڈنڈ کی بابت اصطلاحات کی گئی ہیں۔ نقد منافع منقسمہ کے لئے اکم ٹیکس آرڈیننس 2001 کی دفعہ 150 کے تحت اکم ٹیکس کی ڈیویڈنڈ کی شرحوں پر درج ذیل کے مطابق نظر ثانی کی گئی ہے:

1	اکم ٹیکس ریٹرنز کے فائلرز کیلئے ٹیکس ڈیویڈنڈ کی شرح	15%
2	اکم ٹیکس ریٹرنز کے نان فائلرز کیلئے ٹیکس ڈیویڈنڈ کی شرح	20%

کمپنی کو نقد منافع منقسمہ کی رقم پر ٹیکس ڈیویڈنڈ 20% کی بجائے 15% شرح سے کرنے کے قابل بنانے کیلئے حصص داران جن کے نام ایف بی آر کی ویب سائٹ پر مہیا شدہ ایک ٹیکس ریٹرنز فہرست (ATL) میں داخل نہیں ہیں، باوجود اس حقیقت کے کہ وہ فائلرز ہیں، سے التماس ہے کہ ATL میں اپنے ناموں کا اندراج یقینی بنائیں۔ بصورت دیگر ان کے نقد منافع منقسمہ پر ٹیکس 15% کی بجائے 20% شرح سے منہا کیا جائے گا۔

کمپنیز کے ایکٹ 2017 کے سیکشن (3) 134 کے تحت مواد کے فوائد کی تشریح

سیوریٹی اینڈ ایڈجسٹمنٹ آف پاکستان 2016/17 (1) S.R.O.470، 31 مئی 2016 کے مطابق کمپنیوں کو تمام اراکین اور حصص داران کو اکٹوں کا حساب سالانہ جزیل اجلاسوں کے نوٹس کمپنی کی موجودہ صورتحال کی معلومات سی ڈی / ڈی ڈی ایو ایس بی کے ذریعے تقسیم کرنے کی اجازت دی تاکہ سالانہ رپورٹوں کی پرنٹنگ پر ہونے والے اخراجات کو کم کیا جاسکے اور وقت بچایا جائے۔

کمپنی تمام حصص داران کو دستاویزات کی کاپیاں آزادانہ لاگت پر ایک ہفتے کے اندر فراہم کرے گی۔ شیئر ہولڈرز کی منظوری کے بعد کمپنی اپنی ویب سائٹ پر بنام کمپنی سیکرٹری / شیئر ہولڈر ایک معیاری درخواست فارم پیش کرے گی تاکہ وہ اس دستاویزات کی ضرورت پڑنے پر وہاں سے نقول حاصل کر سکے۔ علاوہ ازیں ڈائریکٹرز کی ہولڈرز کے سامنے یہ معاملہ پیش کریں گے اور اجلاس کے دوران ایک قرارداد منظور کریں گے۔

ڈائریکٹرز کو سوائے سرمایہ کاری میں اضافہ کے علاوہ براہ راست یا بالواسطہ طور پر مندرجہ بالا کاروبار میں دلچسپی نہیں۔ جیسا کہ ڈائریکٹرز کی شیئر ہولڈنگ سے متعلق رپورٹ میں تفصیلی جائزہ موجود ہے۔ مندرجہ بالا نقطہ نظر میں یہ تجویز دی گئی سالانہ جزیل میٹنگ کے ایجنڈہ میں شناخت نمبر 6 میں بیان کردہ قرارداد کی منظوری دی جائے۔

سالانہ اجلاس عام کی اطلاع

بذریعہ نوٹس ہذا مطلع کیا جاتا ہے کہ فرسٹ نیشنل ایکویٹی لینڈ ("دی کمپنی") کے حصص داران کا سالانہ اجلاس عام، بروز ہفتہ، بوقت صبح 10:30 بجے مورخہ 28 اکتوبر 2017ء کو واقع رائل روڈ ڈیل کلب، TC-V، گلی نمبر 34 خیابان سہرہ، فیئر-V، ایکسٹینشن DHA، کراچی پر درج ذیل امور کی انجام دہی کیلئے منعقد ہوگا۔


عمومی امور

- 1- 129 اکتوبر 2016ء کو منعقدہ کمپنی کے سالانہ اجلاس عام کی کارروائی کی توثیق کرنا۔
- 2- سال تختہ بابت 30 جون 2017ء کی تصفیہ شدہ مالیاتی گوشواروں مع ان پڑاؤ ایکٹرز اور آڈیٹرز کی رپورٹس کی وصولی، غور و خوض اور منظور کرنا۔
- 3- سال تختہ بابت 30 جون 2018ء کیلئے بیرونی آڈیٹران کا تقرر اور ان کے صلہ خدمت کا تعین کرنا۔
- 4- بورڈ آف ڈائریکٹرز کی سفارش کے مطابق عبوری نقد منافع منقسمہ 0.04 حصص فی شیئر (یعنی 4 فیصد) کی منظوری دینا۔
- 5- صاحب صدی اجازت دیگر امور پر غور و خوض کرنا جو کہ اجلاس ہذا میں پیش کیا جاسکتا ہے۔

خصوصی امور

- 6- SRO 470(I)2016 کی ضرورت کے مطابق ہارڈ کاپیز کی تقسیم کی بجائے CD/DVD/USB کے ذریعے سالانہ رپورٹ کی ٹرانسمیشن کے لئے حصص داران کی رضامندی حاصل کرنا اور عمومی قرارداد کے طور پر درج ذیل قرار داد کی منظوری دینا۔
- "قرارداد یا کسی دیگر ایجنڈے کی تصدیق کیلئے کمپنی آف پاکستان کی طرف سے جاری کردہ قانونی نوٹیفیکیشن SRO 470(I)2016 تاریخ 21 مئی 2016ء کے تحت کمپنی کو سالانہ رپورٹ بشمول مگر محدود نہیں، سالانہ بیلنس شیٹ، نفع و نقصان اکاؤنٹس، آڈیٹرز رپورٹ (سالانہ آڈٹ شدہ اکاؤنٹس) اور ڈائریکٹرز کی رپورٹ کی بذریعہ CD/DVD/USB حصص داران کو ان کے رجسٹرڈ پتے پر ترسیل کا اختیار دیتے ہیں۔"
- کمپنیز ایکٹ 2017 کی دفعہ (3) 134 کے تحت خصوصی امور حصص داران کو اس نوٹس کے ساتھ بھیجے جا رہے ہیں

بحکم بورڈ


شرہ طاہر کمپنی سیکریٹری

کراچی

مورخہ: 06 اکتوبر 2017ء

نوٹس:

- 1- کمپنی کی منتقلی حصص کی کتب برائے تعین استحقاق شرکت اجلاس مورخہ 20 اکتوبر 2017ء تا 28 اکتوبر 2017ء (بشمول ہر دو ایام) بند رہیں گی۔
- 2- جو منتقلیاں مورخہ 19 اکتوبر 2017ء تک دوران دفتر کی دکا و بارباری اوقات کار میں کمپنی کے شیئر رجسٹرار میسرز کارپ ٹیک ایسوسی ایٹس (پرائیویٹ) لمیٹڈ واقع E-503، جوہر ٹاؤن، لاہور وصول ہو جائیں گی وہ اجلاس ہذا میں شرکت اور ووٹ دینے کیلئے اہل قرار پائیں گی۔ حصص داران سے التماس ہے کہ اگر ان کے پتے میں کوئی تبدیلی ہو تو وہ تحریری طور پر کمپنی کے شیئر رجسٹرار کو فی الفور مطلع کریں۔
- 3- جو حصص داران اجلاس ہذا میں شرکت کرنے اور ووٹ دینے کے حق دار ہوں گے وہ اجلاس میں شرکت کرنے اور ووٹ دینے کیلئے اپنے بجائے کسی دوسرے ممبر کو اپنی جگہ بحیثیت متبادل مقرر کر سکتا ہے۔ تمام متبادلات اجلاس ہذا کے انعقاد سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرار آفس میں جمع کروانی لازمی ہے۔
- 4- سینٹرل ڈیپوزٹری کمپنی کے اکاؤنٹ ہولڈرز سے التماس ہے کہ وہ بیکو شیئر ایجنڈے کی تصدیق کمپنی آف پاکستان کی مندرجہ ذیل ہدایات پر عمل کریں۔

الف: برائے شرکت اجلاس:

- i- ایسے حضرات/اکاؤنٹ ہولڈرز کیلئے ضروری ہے کہ سالانہ اجلاس عام میں شرکت کے وقت اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا اصل پاسپورٹ دکھا کر اپنی شناخت کروائیں۔ کارپوریٹ ایجنٹ کیلئے ضروری ہے کہ سالانہ اجلاس عام میں شرکت کے وقت بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی بمعہ نامزد کنندہ فرد کے دستخط کے نمونوں کے ہمراہ
- ii- تشریف لائیں (اگر یہ دستاویزات پہلے سے فراہم نہ کی گئی ہوں)۔

ب: متبادلات کی تقرری کے لئے:

- i- ایسے حضرات/اکاؤنٹ ہولڈرز کو سب اکاؤنٹ ہولڈرز کیلئے ضروری ہے کہ سالانہ اجلاس عام میں شرکت کیلئے برعکس درج بالا قواعد اپنے پر کسی فارم جمع کروائیں۔
- ii- پر کسی فارم پر دو عدد گواہان ہونا لازمی ہے جن کے نام، پتے اور کمپیوٹرائزڈ قومی شناختی کارڈ نمبر فارم میں موجود ہونے چاہئیں۔
- iii- کارپوریٹ ایجنٹ کیلئے ضروری ہے کہ سالانہ اجلاس عام میں شرکت کے وقت بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف اٹارنی بمعہ نامزد کنندہ فرد کے دستخط کے نمونوں کے ہمراہ تشریف لائیں (اگر یہ دستاویزات پہلے سے فراہم نہ کی گئی ہوں)۔
- iv- پر کسی کے لئے لازمی ہے کہ اجلاس کے وقت شناخت کیلئے اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ ہمراہ لائیں۔



Branches Network

Lahore Office

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

Peshawar Office

Ground Floor, Bank Square Chowk Yadgar,
Opposite Habib Bank Ltd,
Peshawar Cantt, Peshawar
Tel: 091-2570962-2580746-9

Rawalpindi Office

Office No. 01, First Floor, Faisal Shopping Mall,
Opposite GPO, 29-Kashmir Road,
Rawalpindi Cantt, Rawalpindi
Tel: 051-5563194-5-6

Islamabad Office

Office # 404, 4th Floor,
ISE Towers, 55- B, Jinnah Avenue,
Blue Area, Islamabad.
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FORM OF PROXY FIRST NATIONAL EQUITIES LIMITED

Room # 1007, 10th Floor, New Stock Exchange Building, Stock Exchange Road. 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. _____

CNIC No.

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

 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 on Saturday, October 28, 2017 at 10:30 a.m. at Royal Rodale Club, TC-V, 34th Street, Kh-e-Sehar, Phase-V Ext.,D.H.A., Karachi, and at any adjournment thereof.

Please affix rupees five revenue stamp

(Signatures should agree with the specimen signature registered with the Company)

Signature of Shareholder _____

Dated this _____ day of _____, 2017

Signature of Proxy _____

For beneficial owners as per CDC list

1. WITNESS:

2. WITNESS:

Signature: _____

Signature: _____

Name: _____

Name: _____

Address: _____

Address: _____

CNIC No.

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

CNIC No.

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

or Passport No. _____

or Passport No. _____

Important:

- 1 This Proxy Form, duly completed and signed, must be received at Room # 1007, 10th Floor, New Stock Exchange Building, Stock Exchange Road. 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: Room No. 1007,
10th Floor, New Stock Exchange Building,
Stock Exchange Road , Karachi.

نیابت (پراکسی فارم)
فرسٹ نیشنل ایکویٹیٹیز لمیٹڈ

کمرہ نمبر 1007، 10 فلور، نیوشاک ایپیکس بلڈنگ، اسٹاک ایکسچینج روڈ، کراچی

میں / ہم ساکن
فرسٹ نیشنل ایکویٹیٹیز لمیٹڈ کا ممبر ہوں / ہیں اور میرے / ہمارے
پاس نمبر کے آرڈری شیٹرز ہیں
جن کا رجسٹرڈ فوئیو نمبر
سی ڈی سی اسٹ کے مطابق قانونی وارث
سی ڈی سی پارٹنر شپ نمبر سب کا وٹ نمبر
شناختی کارڈ نمبر یا پاسپورٹ نمبر
بذریعہ تقرر جس کا مکمل پتہ
یا اس کی عدم موجودگی میں مکمل پتہ

میری / ہماری جانب سے کمپنی کی سالانہ جنرل اجلاس میں جو کہ مورخہ 28 اکتوبر 2017 بروز ہفتہ صبح 10.30 بجے واقع رائل روڈ ٹیل کلب، V-TC، گلی نمبر 34، خیابان سہر، فیئر-V، ایکسٹینشن DHA، کراچی ہے یا اس سے
الٹو کی صورت میں اس کے بعد جب بھی اجلاس ہو، میرے نیابت (پراکسی) میں میری طرف سے ووٹ دینے کا حق رکھتا / رکھتی ہے۔

دستخط کمپنی کے رجسٹرڈ
کردہ دستخط جیسے ہونے
ہیں

برائے مہربانی 5 روپے کا
ریونیوسٹمپ چسپاں کریں

زیر دستخطی دن 2017ء دستخط رکن
نیابت (پراکسی) کے دستخط

سی ڈی سی اسٹ کے مطابق قانونی وارث

2- گواہ
..... دستخط
..... نام
..... پتہ
..... شناختی کارڈ نمبر
..... یا پاسپورٹ نمبر

1- گواہ
..... دستخط
..... نام
..... پتہ
..... شناختی کارڈ نمبر
..... یا پاسپورٹ نمبر

نوٹ:-

- 1- یہ پراکسی فارم اجلاس سے 48 گھنٹے قبل تک کمپنی کے رجسٹرڈ آفس میں مکمل طور پر پُر اور دستخط کے ساتھ موصول ہو جانا چاہیے۔
- 2- کوئی بھی شخص / خاتون اس وقت پراکسی کے طور پر کام کرے گا جب وہ خود کمپنی کا ایک رکن ہو، ماسوائے کارپوریشن کے جو کسی ایسے شخص کا تقرر کر سکتی ہے۔ جو کمپنی کا رکن نہ ہو۔
- 3- اگر ایک رکن ایک سے زائد پراکسی مقرر کرتا ہے اور پراکسی کے انسٹرومنٹ کمپنی کے پاس جمع کراتا ہے، تو پراکسی کے تمام انسٹرومنٹس غلط تصور کئے جائیں گے۔

سی ڈی سی اسٹ کا وٹ ہولڈرز / کارپوریٹ اداروں کے لئے:

- (i) پراکسی فارم پر دو افراد جن کے نام اور CNIC نمبر بمعہ پتے کے موجود ہوں بطور گواہ ضروری ہیں۔
- (ii) حصص یافتگان اور پراکسی کے CNIC یا پاسپورٹ کی مصدقہ نقول فارم کے ساتھ منسلک ہوں۔
- (iii) اجلاس کے وقت پراکسی اپنا اصل CNIC یا پاسپورٹ پیش کرے گا۔
- (iv) کارپوریٹ ادارے کی صورت میں کمپنی کو پراکسی فارم کے ساتھ بورڈ آف ڈائریکٹرز کا ریولوشن / پاور آف اٹارنی بمعہ دستخطوں کے نمونے جمع کرانا ہوں گے۔ (اگر پہلے فراہم نہ کئے گئے ہوں)۔



FIRST NATIONAL EQUITIES LIMITED

FNE House: Room No. 1007,
10th Floor, New Stock Exchange Building,
Stock Exchange Road , Karachi.

Notes

A series of 22 horizontal dotted lines for writing.

Notes

A series of horizontal dotted lines for writing notes.



TREC Holder : 175-Pakistan Stock Exchange

Principal Office:

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

Registered Office:

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Tel: 021-32472119, 32472014, 32472758, Fax: 021-32472332