

FIRST NATIONAL EQUITIES LIMITED

第一国家股权有限

2018
ANNUAL REPORT
年度报告



**(Audited) For the Period Ended
June 30, 2018.**

(已审核) 截至期末2018年6月30日

www.fnetrade.com

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VISION

Connecting people,
ideas and capital,
we will be our clients'

First Choice
for achieving their
financial aspirations"



MISSION

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

Company Information

Board of Directors:

1. Mr. Shahzad Akbar	Director/Chairman
2. Mr. Ali A. Malik	Director/CEO
3. Mr. Amir Shehzad	Director
4. Mr. Ijaz Mahmood Chaudhary	Director
5. Mr. Naveed Ishaque	Director
6. Mr. Abid Yousaf	Director
7. Mr. Sami Ullah Butt	Director

Audit Committee:

1. Mr. Ijaz Mahmood Chaudhary	Chairman
2. Mr. Shahzad Akbar	Member
3. Mr. Sami Ullah Butt	Member

HR & Remuneration Committee:

1. Mr. Shahzad Akbar	Member
2. Mr. Ijaz Mahmood Chaudhary	Chairman
3. Mr. Ali A. Malik	Member

Chief Financial Officer:

Ms. Faiza Khalid

Company Secretary:

Adv. Syeda Adeela Abid

Head of Internal Audit:

Ms. Ammara Zakriya

Auditors:

IECNET S.K.S.S.S
Chartered Accountants
11-Happy Home, 38-A, Main Gulberg,
Salman Ahmed Rd, Lahore,
Tel: 042-35776691-5,
Fax: 042-35776695,
Email: info@iecnet.com.pk

Legal Advisor:

Lashari & Co. Advocates
Tariq Raheem Manzil,
Turner Road, Lahore,
Tel: 042-37324296, 042-37113205
Cell: 0331-4795350, 0345-1000159
Email: lashariandco@gmail.com

Shares Registrar:

CorpTec Associates (Pvt.) Limited
503-E, Johar Town, Lahore
Tel: 92-042-35170335-7

Bankers:

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

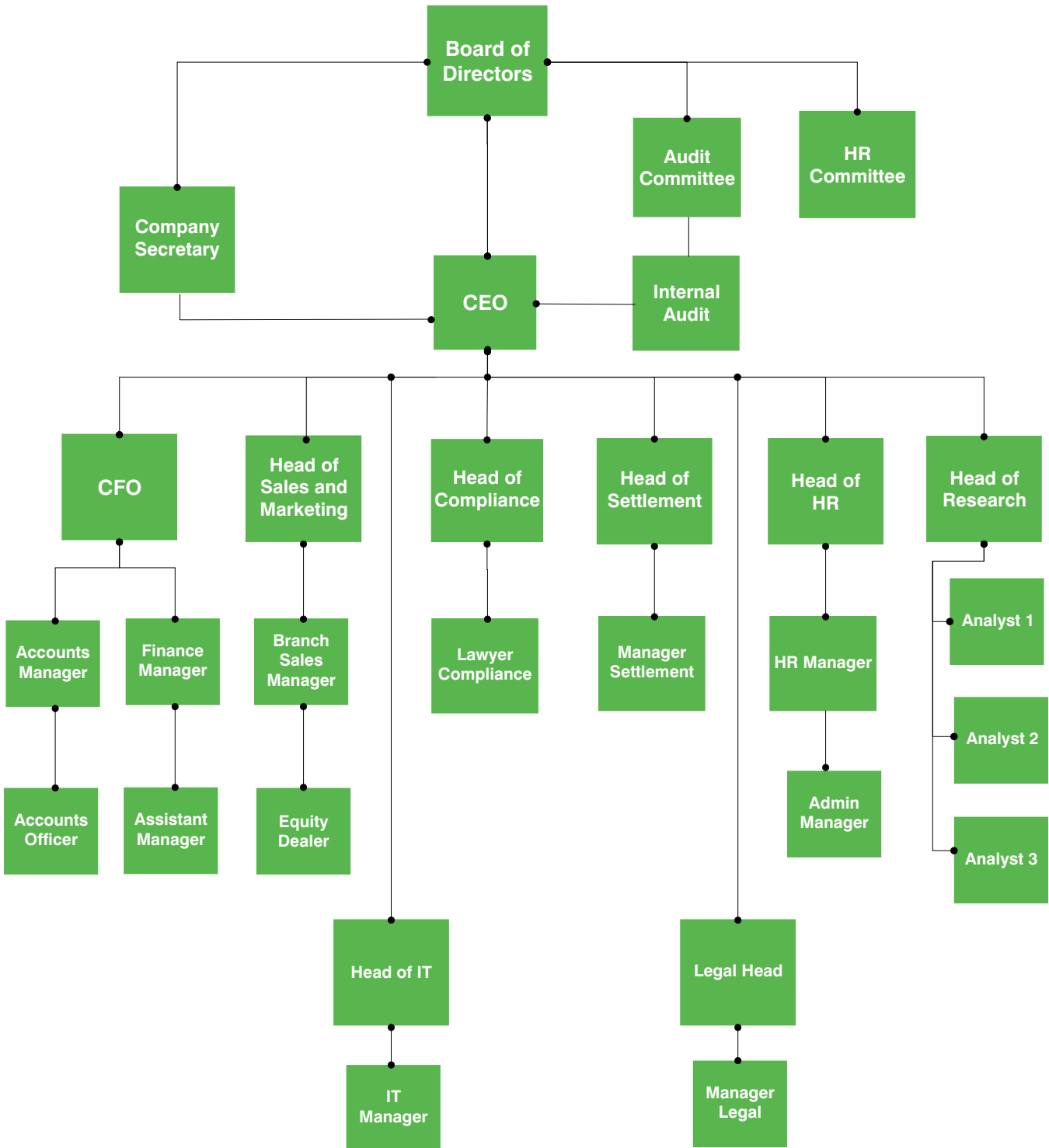
Principal Office:

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, 021-32472014
Fax: 021- 32472332

Organization Chart



Financial Statistical Summary (2013 - 2018)

	June 30, (Rupees '000)					
	2018	2017	2016	2015	2014	2013
OPERATING RESULTS						
Operating Revenues	25,010	66,185	22,685	24,672	43,682	45,235
Gain on sale of investments	(103,523)	162,890	(3,643)	132,844	86,057	8,211
Unrealised Gain / (Loss) on investments	(686)	(53,231)	19,304	(8)	2,008	1,234
Gross Revenue	(79,199)	175,844	38,347	157,508	131,747	54,680
Administrative Expenses	(41,248)	(151,075)	(52,115)	(43,143)	(83,180)	(54,187)
Finance Cost	(24,986)	(179,245)	(49,627)	(44,428)	47,266	(72,522)
Other Expenses	(5,586)	(5,790)	(12,833)	(1,818)	(4,359)	(10,857)
Other income	(4,471)	302,276	59,156	93,662	34,243	53,230
	(155,490)	142,011	(17,073)	161,781	125,716	(29,656)
Share of profit from associates - net of tax	1,450	43	407	31,090	(6)	16,206
Loss on Deemed Disposal- Investment in Associate		-	(10,169)	-	-	-
Profit / (Loss) before Tax	(154,040)	142,054	(26,835)	192,871	125,710	(13,450)
Taxation (expense) / income	(20,721)	24,901	38,406	50,015	(10,992)	(4,946)
Profit / (Loss) after Tax	(174,761)	166,955	11,571	242,885	114,718	(18,396)

BALANCE SHEET SUMMARY

Non-Current Asset

Property and equipment	39,074	39,998	57,868	60,370	91,875	98,054
Capital work in progress	-	33,340	33,340	33,340	33,340	33,340
Intangible assets	64,415	41,915	41,915	51,915	51,915	51,915
Investment Property	-	-	-	106,142	-	-
Receivable from Associate	-	-	-	78,084	106,768	175,411
Other Recievables	155,513	142,579	261,400	263,884	-	-
Investment in associate	72,990	71,540	71,497	105,793	53,326	53,492
Investments - available for sale	21,354	41,163	40,074	40,074	40,074	40,074
Long term deposits	2,996	2,496	2,481	2,344	2,394	2,679
Deferred taxation	150,785	164,028	130,064	87,502	25,030	25,649
Long term investments	-	-	-	-	-	-
Total Non-Curruent Assets	507,126	537,059	638,639	829,448	404,722	480,614

Current assets

Short term investments	16,620	373,049	420,738	1,598	93,533	266,530
Trade debts	95,565	53,270	91,744	82,389	322,932	281,257
Loans & advances	4,324	41,629	501	1,480	1,568	922
Trade deposits & short term prepayments	11,424	50,338	6,537	20	534	498
Other Receivables	154,559	189,013	165,281	157,642	140,960	115,386
Advance tax	24,856	27,020	13,606	15,605	25,912	32,545
Cash and bank balance	260,197	122,350	52,230	56,483	3,471	3,561
Total Curruent Assets	567,545	856,669	750,637	315,218	588,910	700,699

CURRENT LIABILITIES

Trade & other payables	281,644	264,159	198,341	229,002	224,399	471,505
Unclaimed dividend	9,676	-	-	-	-	-
Short term borrowings	-	-	-	-	-	35,463
Current maturity of long term financing	29,435	32,941	70,623	289,938	331,159	552,735
Total Current Liabilities	320,755	297,100	268,964	518,940	555,558	1,059,703

Net Current Assets

	246,790	559,569	481,673	(203,722)	33,352	(359,004)
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Non-current liabilities

Long Term Borrowings	208,856	194,113	457,481	298,861	265,976	513,954
Loan from Sponsors	155,175	647,743	512,684	26,643	138,498	68,498
Deferred liabilities	10,925	9,360	7,181	7,136	6,231	7,503
Other Loans	-	54,721	118,210	256,947	191,375	-
Total Non-Current Liabilities	374,955	905,937	1,095,557	589,588	602,080	589,955

Net Assets

	378,961	190,691	24,755	36,138	(164,005)	(468,345)
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REPRESENTED BY

Issued, subscribed and paid-up capital	2,672,863	1,418,098	1,418,098	1,418,098	1,418,098	1,380,000
Discount on issue of Right Shares	(1,508,754)	(630,419)	(630,419)	(630,418)	(630,418)	(603,750)
Accumulated losses	(796,683)	(621,922)	(763,014)	(774,582)	(1,017,487)	(1,367,784)
Unrealized gain/(loss) on remeasurement of investments classified as available for sale	11,535	24,934	90	23,040	65,802	123,190

Total Equity

	378,961	190,691	24,755	36,138	(164,005)	(468,345)
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Vertical Analysis

	2018	2017	2016	2015	2014	2013	2018	2017	2016	2015	2014	2013
	------(Rupees)-----						------(Rupees)-----					
Profit and Loss Account												
Operating Revenues	25,010	66,185	22,685	24,672	43,682	45,235	-32%	38%	59%	16%	33%	83%
Gain on sale of investments	(103,523)	162,890	(3,643)	132,844	86,057	8,211	131%	93%	-10%	84%	65%	15%
Unrealised Gain / (Loss) on investments	(686)	(53,231)	19,304	(8)	2,008	1,234	1%	-30%	50%	0%	2%	2%
Gross Revenue	(79,199)	175,844	38,346	157,508	131,747	54,680	100%	100%	100%	100%	100%	100%
Administrative Expenses	(41,248)	(151,075)	(52,115)	(43,143)	(83,180)	(54,187)	52%	-86%	-136%	-27%	-63%	-99%
Finance Cost	(24,986)	(179,245)	(49,627)	(44,428)	47,266	(72,522)	32%	-102%	-129%	-28%	36%	-133%
Other Expenses	(5,586)	(5,790)	(12,833)	(1,818)	(4,359)	(10,857)	7%	-3%	-33%	-1%	-3%	-20%
Other income	(4,471)	302,276	59,156	93,662	34,243	53,230	6%	172%	154%	59%	26%	97%
	(155,490)	142,011	(17,074)	161,781	125,717	(29,656)	96%	-19%	-145%	3%	-5%	-154%
Share of profit from associates - net of tax	1,450	43	407	31,090	(6)	16,206	-2%	0%	1%	20%	0%	30%
Loss on Deemed Disposal- Investment in Associate	-	-	(10,169)	-	-	-	0%	0%	-27%	0%	0%	0%
Profit / (Loss) before Tax	(154,040)	142,054	(26,835)	192,871	125,710	(13,450)	194%	81%	-70%	122%	95%	-25%
Taxation (expense) / income	(20,721)	24,901	38,406	50,015	(10,992)	(4,946)	26%	14%	100%	32%	-8%	-9%
Profit / (Loss) after Tax	(174,761)	166,955	11,571	242,885	114,718	(18,396)	-99%	95%	30%	154%	87%	-34%
BALANCE SHEET SUMMARY												
Assets												
Property and equipment	39,074	39,998	57,868	60,370	91,875	98,054	4%	3%	4%	5%	9%	8%
Capital work in progress	-	33,340	33,340	33,340	33,340	33,340	0%	2%	2%	3%	3%	3%
Intangible assets	64,415	41,915	41,915	51,915	51,915	51,915	6%	3%	3%	5%	5%	4%
Investment Property	-	-	-	106,142	-	-	0%	0%	0%	9%	0%	0%
Receivable from Associate	-	-	-	78,084	106,768	175,411	0%	0%	0%	7%	11%	15%
Other Receivables	155,513	142,579	261,400	263,884	-	-	14%	10%	19%	23%	0%	0%
Investment in associate	72,990	71,540	71,497	105,793	53,326	53,492	7%	5%	5%	9%	5%	5%
Investments - available for sale	21,354	41,163	40,074	40,074	40,074	40,074	2%	3%	3%	4%	4%	3%
Long term deposits	2,996	2,496	2,481	2,344	2,394	2,679	0%	0%	0%	0%	0%	0%
Deferred taxation	150,785	164,028	130,064	87,502	25,030	25,649	14%	12%	9%	8%	3%	2%
Long term investments	-	-	-	-	-	-	0%	0%	0%	0%	0%	0%
Short term investments	16,620	373,049	420,738	1,598	93,533	266,530	2%	27%	30%	0%	9%	23%
Trade debts	95,565	53,270	91,744	82,389	322,932	281,257	9%	4%	7%	7%	33%	24%
Loans & advances	4,324	41,629	501	1,480	1,568	922	0%	3%	0%	0%	0%	0%
Trade deposits & short term prepayments	11,424	50,338	6,537	20	534	498	1%	4%	0%	0%	0%	0%
Other Receivables	154,559	189,013	165,281	157,642	140,960	115,386	14%	14%	12%	14%	14%	10%
Advance tax	24,856	27,020	13,606	15,605	25,912	32,545	2%	2%	1%	1%	3%	3%
Cash and bank balance	260,197	122,350	52,230	56,483	3,471	3,561	24%	9%	4%	5%	0%	0%
Total Assets	1,074,672	1,393,728	1,389,276	1,144,665	993,632	1,181,313	100%	100%	100%	100%	100%	100%
LIABILITIES												
Trade & other payables	281,644	264,159	198,341	229,002	224,399	471,505	26%	19%	14%	20%	23%	40%
Unclaimed Dividend	9,676	-	-	-	-	-	0%	0%	0%	0%	0%	0%
Short term borrowings	-	-	-	-	-	35,463	0%	0%	0%	0%	0%	3%
Current maturity of long term financing	29,435	32,941	70,623	289,938	331,159	552,735	3%	2%	5%	25%	33%	47%
Long Term Borrowings	208,856	194,113	457,481	298,861	265,976	513,954	19%	14%	33%	26%	27%	44%
Loan from Sponsors	155,175	647,743	512,684	26,643	138,498	68,498	14%	46%	37%	2%	14%	6%
Deferred liabilities	10,925	9,360	7,181	7,136	6,231	7,503	1%	1%	1%	1%	1%	1%
Other Loans	-	54,721	118,210	256,947	191,375	-	1%	4%	9%	22%	19%	0%
Total Liabilities	686,035	1,203,037	1,364,520	1,108,527	1,157,638	1,649,658	65%	86%	98%	97%	117%	140%
Net Assets	378,961	190,691	24,755	36,138	(164,005)	(468,345)	35%	14%	2%	3%	-17%	-40%
REPRESENTED BY												
Issued, subscribed and paid-up capital	2,672,863	1,418,098	1,418,098	1,418,098	1,418,098	1,380,000	249%	102%	102%	124%	143%	117%
Discount on issue of Right Shares	(1,508,754)	(630,419)	(630,419)	(630,418)	(630,418)	(603,750)	-140%	-45%	-45%	-55%	-63%	-51%
Accumulated losses	(796,683)	(621,922)	(763,014)	(774,582)	(1,017,487)	(1,367,784)	-74%	-45%	-55%	-68%	-102%	-116%
Unrealized gain/(loss) on remeasurement of investments classified as available for sale	11,535	24,934	90	23,040	65,802	123,190	0%	1%	2%	0%	2%	7%
Total Equity and Liabilities	378,961	190,691	24,755	36,138	(164,005)	(468,345)	35%	14%	2%	3%	-17%	-40%

Horizontal Analysis

	2018	2017	2016	2015	2014	2013	2018 Vs 2017	2017 Vs 2016	2016 Vs 2015	2015 Vs 2014	2014 Vs 2013
	------(Rupees)-----						------(Rupees)-----				
Profit and Loss Account											
Operating Revenues	25,010	66,185	22,685	24,672	43,682	45,235	-62%	192%	-8%	-44%	-3%
Gain on sale of investments	(103,523)	162,890	(3,643)	132,844	86,057	8,211	-164%	-4571%	-103%	54%	948%
Unrealised Gain / (Loss) on investments	(686)	(53,231)	19,304	(8)	2,008	1,234	-99%	-376%	-241400%	-100%	0%
Gross Revenue	(79,199)	175,844	38,347	157,508	131,747	54,680	-145%	359%	-76%	20%	141%
Administrative Expenses	(41,248)	(151,075)	(52,115)	(43,143)	(83,180)	(54,187)	-73%	190%	21%	-48%	54%
Finance Cost	(24,986)	(179,245)	(49,627)	(44,428)	47,266	(72,522)	-86%	261%	12%	-194%	-165%
Other Expenses	(5,586)	(5,790)	(12,833)	(1,818)	(4,359)	(10,857)	-4%	-55%	606%	-58%	-60%
Other income	(4,471)	302,276	59,156	93,662	34,243	53,230	-101%	411%	-37%	174%	-36%
	(155,490)	142,011	(17,073)	161,781	125,717	(29,656)	-209%	-932%	-111%	29%	-524%
Share of profit from associates - net of tax	1,450	43	407	31,090	(6)	16,206	3272%	-89%	-99%	-518267%	-100%
Loss on Deemed Disposal- Investment in Associate	-	-	(10,169)	-	-	-	0%	-100%	-100%	0%	0%
Profit / (Loss) before Tax	(154,040)	142,054	(26,835)	192,871	125,710	(13,450)	-208%	-629%	-114%	53%	-1035%
Taxation (expense) / income	(20,721)	24,901	38,406	50,015	(10,992)	(4,946)	-183%	-35%	-23%	-555%	122%
Profit / (Loss) after Tax	(174,761)	166,955	11,571	242,884	114,718	(18,396)	-205%	1343%	-95%	112%	-724%
BALANCE SHEET SUMMARY											
Assets											
Property and equipment	39,074	39,998	57,868	60,370	91,875	98,054	-2%	-31%	-4%	-34%	-6%
Capital work in progress	-	33,340	33,340	33,340	33,340	33,340	-100%	0%	0%	0%	0%
Intangible assets	64,415	41,915	41,915	51,915	51,915	51,915	54%	0%	-19%	0%	0%
Investment Property	-	-	-	106,142	-	-	0%	0%	-100%	100%	0%
Receivable from Associate	-	-	-	78,084	106,768	175,411	0%	0%	-100%	-27%	-39%
Other Receivables	155,513	142,579	261,400	263,884	-	-	9%	-45%	-1%	0%	0%
Investment in associate	72,990	71,540	71,497	105,793	53,326	53,492	2%	0%	-32%	98%	0%
Investments - available for sale	21,354	41,163	40,074	40,074	40,074	40,074	-48%	3%	0%	0%	0%
Long term deposits	2,996	2,496	2,481	2,344	2,394	2,679	20%	1%	6%	-2%	-11%
Deferred taxation	150,785	164,028	130,064	87,502	25,030	25,649	-8%	26%	49%	250%	-2%
Long term investments	-	-	-	-	-	-	0%	0%	0%	0%	0%
Short term investments	16,620	373,049	420,738	1,598	93,533	266,530	-96%	-11%	26229%	-98%	-65%
Trade debts	95,565	53,270	91,744	82,389	322,932	281,257	79%	-42%	11%	-74%	15%
Loans & advances	4,324	41,629	501	1,480	1,568	922	-90%	8209%	-66%	-6%	70%
Trade deposits & short term prepayments	11,424	50,338	6,537	20	534	498	-77%	670%	32585%	-96%	7%
Other Receivables	154,559	189,013	165,281	157,642	140,960	115,386	-18%	14%	5%	12%	22%
Advance tax	24,856	27,020	13,606	15,605	25,912	32,545	-8%	99%	-13%	-40%	-20%
Cash and bank balance	260,197	122,350	52,230	56,483	3,471	3,561	113%	134%	-8%	1527%	-3%
Total Assets	1,074,672	1,393,728	1,389,276	1,144,665	993,632	1,181,313	-23%	0%	21%	15%	-16%
LIABILITIES											
Trade & other payables	281,644	264,159	198,341	229,002	224,399	471,505	5%	33%	-13%	2%	-52%
Unclaimed Dividend	9,676	-	-	-	-	-	0%	0%	0%	0%	0%
Short term borrowings	-	-	-	-	-	35,463	0%	0%	0%	0%	-100%
Current maturity of long term financing	29,435	32,941	70,623	289,938	331,159	552,735	-11%	-53%	-76%	-12%	-40%
Long Term Borrowings	208,856	194,113	457,481	298,861	265,976	513,954	8%	-58%	53%	12%	-48%
Loan from Sponsors	155,175	647,743	512,684	26,643	138,498	68,498	-76%	26%	1824%	-81%	102%
Deferred liabilities	10,925	9,360	7,181	7,136	6,231	7,503	17%	30%	1%	15%	-17%
Other Loans	-	54,721	118,210	256,947	191,375	-	-73%	-54%	-54%	34%	100%
Total Liabilities	686,035	1,203,037	1,364,520	1,108,527	1,157,638	1,649,658	-42%	-12%	23%	-4%	-30%
Net Assets	378,961	190,691	24,755	36,138	(164,005)	(468,345)	99%	670%	-31%	-122%	-65%
REPRESENTED BY											
Issued, subscribed and paid-up capital	2,672,863	1,418,098	1,418,098	1,418,098	1,418,098	1,380,000	88%	0%	0%	0%	3%
Discount on issue of Right Shares	(1,508,754)	(630,419)	(630,419)	(630,418)	(630,418)	(603,750)	139%	0%	0%	0%	4%
Accumulated losses	(796,683)	(621,922)	(763,014)	(774,582)	(1,017,487)	(1,367,784)	28%	-18%	-1%	-24%	-26%
Unrealized gain/(loss) on remeasurement of investments classified as available for sale	11,535	24,934	90	23,040	65,802	123,190	-54%	27604%	-100%	-65%	-47%
Total Equity and Liabilities	378,961	190,691	24,755	36,138	(164,005)	(468,345)	99%	670%	-31%	-122%	-65%

Chairman's Review

It gives me pleasure to see First National Equities Limited (FNEL) has been able to consolidate its position as broker of choice for our customers.

The Board of Directors (BOD) of First National Equities Limited comprises of highly professional and competent members. Their expertise in various business disciplines has been instrumental in giving a solid strategic direction to the company. The (BOD) has performed their duties diligently in upholding the interest of the share holders.

The environment in which we operate is constantly evolving, and (FNEL) remains prepared to navigate through the challenges and capitalize on the opportunities.

Financial Year 2017-2018 has been challenging for the capital markets as Pakistan Stock Exchange (PSX) after many years of bull run posted a double digit negative returns, this translated into roughly Rs. 857 billion being wiped off from the stock exchange.

We expect elections to put an end to the political uncertainty in Pakistan, the new government with their plans for the future would sow seeds of confidence and help in turning around the investor confidence. This would be instrumental in attracting local and foreign investment as we are already trading at historically low multiples as compared to our regional peers.

With significant opportunities of growth, within the economy, (FNEL) remains committed in continuing to play its due role in facilitating such progress.

As Chairman of the Board, I thank all shareholders for their continued support, the regulatory authorities for their counsel and the management team / employees for their contributions.



Shahzad Akbar
Chairman

主席审阅报告

我很高兴看到第一国民股票有限公司能够胜任并巩固其作为我们客户选择的经纪人的地位。

我们经营的环境正在迅速演变，我们仍然准备以聪明、灵活和有效的方式应对挑战和利用机会。

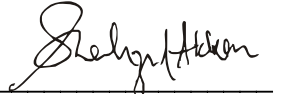
第一个国家股票的董事会 (BOD) 由高度专业和称职的成员组成。他们在各种商业领域的专业知识有助于为公司提供坚实的战略方向。(BOD) 在维护股东利益方面努力履行职责。

巴基斯坦证券交易所连续八年牛市的里程碑终于结束了，PSX指数在2017 - 18财年的回报率为负这意味着该交易所将损失大约8.57亿卢比。

我们预计，选举将结束巴基斯坦的政治不稳定和喧嚣，这种不稳定和吵闹从更高的角度描绘了该国及其市场、财政、贸易和经常账户赤字的负面形象。

随着经济预期中的重大增长机遇，公司仍然承诺将继续在促进这方面的进展方面发挥其应有的作用。我们相信以最有效的方式为客户提供解决方案。我们的优势在于我们的员工——我们敬业、有活力、有技能的团队帮助我们提供可持续的结果，从而提高长期利益相关者的价值。

作为董事会主席，我感谢所有股东的持续支持，感谢监管机构的律师，感谢管理团队和员工的贡。


Shahzad Akbar
主席

چیئر مین کی جائزہ رپورٹ

مجھے فرسٹ نیشنل ایکویٹی لیمیٹڈ کو بروکر کے طور پر صارفین کا اولین انتخاب بننے پر اور مزید مستحکم پوزیشن میں دیکھ کر بے حد خوشی ہو رہی ہے۔

فرسٹ نیشنل ایکویٹی کے بورڈ آف ڈائریکٹرز میں انتہائی پیشہ وارانہ اور قابل مہبران شامل ہیں۔ ان کی کاروبار کے مختلف شعبہ جات میں مہارت کمپنی کی مضبوط حکمت عملی میں اہم کردار ادا کرتی ہے۔ بورڈ کے ممبران حصص داران کے فوائد کو برقرار رکھنے کے لیے اپنی ذمہ داریاں تندہی سے انجام دیتے ہیں۔

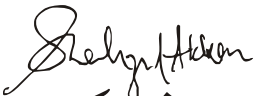
جس ماحول میں ہم کام کرتے ہیں تیزی سے بدل رہا ہے اور ہم خطرات سے نمٹنے اور مواقع سے بھرپور فائدہ اٹھانے کے لئے ہمہ وقت تیار ہیں۔

مالی سال 2018ء سرمایہ مارکیٹ کے لیے بہت دشوار رہا جیسا کہ PSX میں بہت ساؤں کی متواتر تیزی کے بعد دو ہندسی منفی ریٹرن درج کیا۔ جس کے نتیجے میں اسٹاک ایکسچینج سے تقریباً 857 بلین روپے کی رقم ختم ہوئی۔

ہم امید رکھتے ہیں کہ ایکشن سے پاکستان کا سیاسی عدم استحکام ختم ہو جائے گا۔ نئی حکومت کی مستقبل کے لیے منصوبہ بندی سرمایہ دار کے اعتماد کو بحال کرنے کے لیے نئی شروعات ہوگی۔ یہ مقامی اور غیر ملکی سرمایہ داروں کو متوجہ کرنے میں اہم کردار ادا کرے گی، کیونکہ ہم اپنے علاقائی ساتھیوں کے مقابلے میں پہلے ہی تاریخی کم سطح پر لین دین کر رہے ہیں۔

بہتر معیشت کی وجہ سے ترقی کے نمایاں مواقع کے ساتھ کمپنی ترقی میں اپنا کردار ادا کرنے کے لئے پرعزم ہے۔

بورڈ کے چیئر مین کی حیثیت سے، مسلسل حمایت پر تمام حصص داران، رہنمائی کے لئے تمام ریگولیٹری اتھارٹیز اور انتظامی ٹیم اور ملازمین کی ان تھک محنت کا شکریہ ادا کرتا ہوں۔


شہزاد اکبر
چیئر مین

Directors' Report to the Members

Dear Shareholders:

The Directors of the Company are pleased to present their report together with Audited Financial Statements for the year ended June 30, 2018

Economy Review

During the year 2018, the majority of Pakistan's macroeconomic fundamentals remained fairly positive, which continued to contribute to economic growth and development. However, despite encouraging signs, there are some significant areas which needs careful attention by the authorities.

Pakistan's goods exports posted a substantial improvement, growing by 12.6% YoY, in dollar terms, during Jul - Jun FY18 to \$24.7 billion. At the same time, however, goods imports continue to rise, increasing by 14.7% YoY, in dollar terms to almost \$55.9 billion. Pakistan's import bill has risen owing to imports under the CPEC umbrella. Meanwhile, Overseas Pakistani remittances stood at \$19.6 billion, posting a healthy increase of 1.5% from the previous fiscal year. The positive improvement in exports and remittances, however, were not sufficient to contain pressures on the external front. Pakistan's current account deficit increased to around 5.7% of GDP in Jul - Jun FY18, more than last year's deficit of 4.1%.

Therefore, on the foreign exchange market side, the Pakistani Rupee depreciated against the US dollar towards the start of June by around 5.1% from 115.60 to 121.55. Pakistan's FX reserves have been on the declining side, falling from \$17.8 billion at the beginning of the quarter to \$16.4 billion by 29 June due to external debt servicing and other official payments.

On the positive side, however, China-Pakistan Economic Corridor is beginning to show greater momentum with several energy and infrastructure projects in the pipeline, which will fuel growth in the medium term. Pakistan has grown at 5.8% during FY18 according to the government's estimates, just short of the target of 6.0%. CPEC will also attract foreign investment to Pakistan and enhance its status as a regional manufacturing hub.

During Jul - Jun FY18, net FDI stood at \$2.8 billion, similar to the FDI seen from Jul - Jun FY17. The State Bank of Pakistan, owing to significant pressures from the external side as well as inflation, decided to increase its policy rate by 50 bps at 6.50% at its Monetary Policy Committee meeting in May.

In summation, while it is expected that economic growth in Pakistan will continue to be strong, the effectiveness of policy measures and political stability will largely dictate whether the material benefits are realized to their inherent potential. At the same time, risks emanating from the external side and fiscal side will have to be closely watched.

Stock Market

KSE-100 index has declined 10% YoY during FY18 to close at 41,911 points. The benchmark index attained a high of 47,084 points and also witnessed a low of 37,919 points (reflecting an erosion of 9,165 points (-19%)). The decline in index was majorly led by :

- i) Pressure on the external account,
- ii) Political uncertainty during the year in the wake of Panama Papers and General Elections,
- iii) Massive selling from foreigners post MSCI EM reclassification, and
- iv) Rupee devaluation.

Among other factors, rising cost of production (increase in price of Coal and Crude oil played an important role in deteriorating fundamentals. The deteriorating macro-economic conditions and unabated foreign outflows took its toll on investor sentiment.

Financial Performance

Rupees in Millions

	2018	2017
Operating Revenue	20.769	51.596
(Loss)/gain on sale of investment	(103.522)	162.890
Dividend income	4.239	14.588
Other (expense)/income	(4.470)	302.276
(Loss)/profit before tax	(154.040)	142.054
(Loss)/profit After Tax	(174.761)	166.955
(Loss)/earning per share (Rs.)	(0.88)	0.89

During the year, FNEL posted loss after tax of Rs. 174.761 million as compared to profit after tax of Rs. 166.955 million in last year, which is mainly contributed by decrease in market traded volumes and values due to continuous bearish trend in the market. Average daily volumes plunged by 50% YoY to 175 million shares during FY18 as compared to 350 million shares during same period last year. Similarly, average traded value dropped by 43% YoY to USD 106 million against USD 186 million during FY17.

Administrative expense has been decreased by 73% as compared to last year due to effective cost control measures by management. Other operating expenses has also been decreased by 4 % due to overall decrease in trade activity of the company.

Risk Management

The Board of Directors of the 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 build and maintain strong collective relationships. All HR policies have been reviewed and updated in accordance with present day requirements and corporate framework of the Company as Management recognizes this to be critical area having strong impact on performance, procedures and business ethics. All approved policies are available to enhance employee awareness and participation.

Internal controls

The internal control structure of First National Equities Limited (Company) comprises the Board of Directors, Senior Management, Internal audit and compliance department. The Company's internal audit and compliance department 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 are 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 have very less impact on the environment. Company has policy to minimize the use of paper. All the communication between employees, department and client are through emails.

Key Operating and Financial Data

The Key Operating and Financial Data is annexed to the Annual Report.

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 has 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 preparations of the financial statements and any departures have been adequately disclosed.
5. The system of internal control 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.

Compliance statement with the Code of Corporate Governance

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

Chairman's Review

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

Related Party Transactions

The Company has presented all related party transactions before audit committee and Board for their review and

approval, which have been duly approved in their respective meetings. All transactions involving related parties arising in the normal course of business are conducted according to the Related Party Transaction Policy approved by the Board in pursuance of the Company Act, 2017, which specifies the rate should not be less than the Market rate.

Future Outlook

Going forward, with the general elections in FY19 resolving last year's political uncertainty, the new government will have a clear field and a fresh five-year tenure to resume the economic reforms program. This would help improve business confidence, encourage private sector investment, accelerate CPEC related projects, address power generation and gas supply issues and enhance the security situation. However, Pakistan will need to maintain fiscal discipline and keep government expenditures in check. Export competitiveness still remains a concern and requires special attention from the government to boost productivity, reduce costs of production and embark on greater diversification in the export sector. Despite the devaluation of the rupee relative to the dollar, pressures emanating from the external side will still have to be closely watched and will largely depend on timely materialization of financial inflows and reduction in import bill to improve the country's foreign exchange reserves.

Pattern of Shareholding

The pattern of shareholding as at June 30, 2018, as required u/s 227 of the Companies Act, 2017 and Code of Corporate Governance is annexed with this annual report.

Auditors

The retiring Auditors M/s IECnet S.K.S.S.S 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 IECnet S.K.S.S.S. Chartered Accountants as the statutory auditors of the Company for the year ended June 2019 in the forthcoming Annual General Meeting.

Changes in the Board

During the year under review, following changes were made in the Board of Directors: The Board accepted resignation of Mr. Muhammad Iqbal Khan and Mr. Muhammad Asim Mustafa during the year and accepted appointment of Mr. Sami Ullah Butt and Mr. Abid Yousaf as replacement to Mr. Muhammad Iqbal Khan and Mr. Muhammad Asim Mustafa respectively.

Board and Audit Committee Meetings and Attendance

During the year under review, 5 meetings of the Board of Directors, 4 meetings of Human Resource and Remuneration Committee and 4 meetings of the Audit Committee were held from July 1st, 2017 to June 30th, 2018. The attendance of the Board and Audit Committee members were as follows:

Name of Director	Board Meeting	Audit Committee Meeting	Human Resource and Remuneration Committee
Mr. Shahzad Akbar	5	4	4
Mr. Ali A. Malik	5	N/A	4
Mr. Muhammad Asim Mustafa	0	N/A	N/A
Mr. Amir Shehzad	5	N/A	N/A
Mr. Naveed Ishaque	5	N/A	N/A
Mr. Muhammad Iqbal Khan	1	1	1
Mr. Ijaz Mahmood Chaudhary	5	4	3

Post Balance Sheet Date Event / Dividend

No material changes and commitments affecting the financial position of the Company have occurred between the end of the financial year and the date of the report.

Trading in Shares of the Company by Directors and Executives

Following transactions were made during the year;

Designation	Relationship	No of shares	Nature of Transaction	From/to whom shares acquired/given
First Florance Developers (Pvt.) Limited	Associated Company	17,142,500	Sale	Market
MCD Pakistan Limited	Associated Company	50,000	Purchase	Market

During the year, ended on June 30, 2018 following have subscribed the pending right shares of the company, with details as follow;

Designation	Relationship	No. of Shares
Mr. Ali A. Malik	CEO	72,179,000
Mrs. Adeela Ali	Spouse of CEO	8,881,000
First Florance Developers (Pvt) Limited	Associate Company	44,416,500

Appreciation and Acknowledgements

The Board of Directors of First National Equities Limited would like to thank the Pakistan Stock Exchange, the Securities & Exchange Commission of Pakistan and other regulatory bodies for their continuous support, all shareholders and clients of the company for their trust, and our employees for their continuous dedication and commitment.

On behalf of the Board of Directors


Amir Shehzad
 Executive Director


Ali A. Malik
 Chief Executive Officer

Place: Lahore
 Date: September 27, 2018

亲爱的股东:

公司董事们很高兴地提交他们的报告以及经审计的截至2018年6月30日财年的财务报表。

经济评论

在**2018**年期间，巴基斯坦的宏观经济基本面仍相当积极，继续促进经济增长和发展。然而，尽管有令人鼓舞的迹象，仍有一些重要领域需要当局认真注意。

巴基斯坦的商品出口大幅改善，同比增长**12.6%**，以美元计算，**2018**财年7-6月的出口额为**247**亿美元。但与此同时，商品进口继续增长，同比增长**14.7%**，以美元计算，至近**559**亿美元。由于中巴经济走廊项目下的进口，巴基斯坦的进口金额上升。与此同时，巴基斯坦海外汇款为**196**亿美元，较上一财年健康增长**1.5%**。然而，出口和汇款的积极改善并不足以遏制外部压力。巴基斯坦的经常账户赤字在**2018**财年7-6月增加到**GDP**的**5.7%**左右，超过了去年**4.1%**的赤字。

因此，在外汇市场方面，在6月初，巴基斯坦卢比对美元贬值约**5.1%**，从**115.60**到**121.55**。由于外债还本付息和其他官方付款，巴基斯坦的外汇储备一直在下降，从本季度初的**178**亿美元下降到6月29日的**164**亿美元，

不过，从积极的方面看，中巴经济走廊正开始呈现出更大的发展势头，有几个能源和基础设施项目正在建设中，这将推动中长期增长。根据政府的估计，巴基斯坦在**18**财年的经济增长率为**5.8%**，略低于**6.0%**的目标。中巴经济走廊还将吸引外国投资到巴基斯坦，提高巴基斯坦作为地区制造业中心的地位。在**2018**财年7-6月，净**FDI**为**28**亿美元，接近于**2017**财年7-6财年的**FDI**。由于来自外部的巨大压力以及通货膨胀，巴基斯坦国家银行在5月份的货币政策委员会会议上决定将政策利率上调**50**个基点，至**6.50%**。

总而言之，虽然预期巴基斯坦的经济增长将继续强劲，但政策措施的效力和政治稳定将在很大程度上决定物质利益是否能实现其固有的潜力。与此同时，必须密切关注来自外部和财政方面的风险。

股票市场

KSE-100指数在**2018**财年同比下跌**10%**，收于**41,911**点。基准指数达到了**47,084**点的高点，也经历了**37,919**点的低点(反映了**9165**点(-**19%**)的侵蚀)。指数下跌的主要原因是:

- i) 外部账户压力，
- ii) 巴拿马文件和普选后一年的政治不稳定，
- iii) 明晟新兴市场指数重新分类后，外国投资者大举抛售，以及
- iv) 卢比贬值。

除其他因素外，生产成本上升(煤和原油价格上涨在基本面恶化中发挥了重要作用)。宏观经济环境的恶化和外国资本外流的持续增加对投资者信心造成了影响。

财务业绩

百万卢比

	2018	2017
营业收入	20.769	51.596
投资收益	(103.522)	162.890
股利收入	4.23	14.588
其它收入	(4.470)	302.276
税前利润	(154.040)	142.054
税后利润	(174.761)	166.955
每股收益 (卢比)	(0.88)	0.89

今年，FNEL公布税后亏损174.761亿卢比，而去年税后利润为166.955亿卢比，这主要是由于市场持续看跌，导致市场交易量和价值下降。与去年同期的3.5亿股相比，2018财年平均日成交量同比下降50%，至1.75亿股。同样，在2017财年，平均交易额同比下降43%，从1.86亿美元降至1.06亿美元。由于管理层采取有效的成本控制措施，管理费用较去年减少了73%。由于公司整体贸易活动的减少，其他经营费用也减少了4%。

风险管理

公司董事会积极推动风险管理框架，在此框架中，它提供了一种积极的方法来处理影响公司财务状况的因素。在董事会的宝贵指导下，公司采取了积极主动的方式，通过在风险和回报之间进行适当的权衡，实现了经常性收益和股东价值的最大化。一个有效的风险管理框架，以及健全的风险治理结构、强大的资本和流动性状况和良好的投资组合质量，仍然是实现公司愿景的基石。

人力资源

FNEL的人力资源管理重点是招聘、开发、保留和奖励优秀人才。我们致力于确保我们的就业政策符合有关的社会、法定及规管条件，并致力于建立及维持良好的集体关系。所有的人力资源政策都是根据公司目前的要求和公司框架进行审查和更新的，因为管理层认识到这是对绩效、程序和商业道德有重大影响的关键领域。所有被批准的政策都是为了提高员工的意识和参与。

内部控制

第一国民股份有限公司(公司)的内部控制架构由董事会、高级管理层、内部审计及合规部组成。根据董事会批准的政策，公司的内部审计和合规部门负责建立和维持适当和有效的内部控制和程序体系。管理层还负责评估公司内部控制系统的有效性，该系统通过识别控制目标以及审查重要的政策和程序来涵盖重大事项。

公司内部控制系统的设计目的是识别和降低未能实现公司总体业务目标的风险。内部控制和政策旨在为公司运营的有效性和效率、财务信息的可靠性和适用法律法规的遵守提供合理的保证。然而，需要说明的是，系统的设计目的是管理，而不是消除未能实现业务目标的风险，并且只能提供对重大错报或损失的合理而非绝对保证。

公司社会责任

公司通过一系列举措，继续以社会责任组织的身份为社会做出贡献。我们优先为丰富我们各社区和巴基斯坦人民的生活作出贡献。企业的慈善事业和对高尚社会事业的贡献是我们回报周围人的方式。

公司业务对环境的影响

公司的业务性质是服务提供者，因此其活动对环境的影响很小。公司有减少用纸的政策。除非非常重要时，所有员工、部门和客户之间的沟通都是通过电子邮件进行的。

主要经营和财务数据

年度的报告的第...至...页提到关键操作和财务数据页提到。

公司管治守则

董事会致力于确保巴基斯坦证券交易委员会制定的公司治理要求得到充分满足。公司已采取良好的公司管治措施，并且董事们高兴地报告：

1. 由公司管理层编制的财务报表公正地反映了公司的状况、经营成果、现金流量和股权变动情况
2. 公司的账簿妥善保管。
3. 除由于最初采用标准和对现有标准进行修订或解释而产生的变化以外，在编制财务报表时一贯采用了适当的会计政策。会计估计是以合理的审慎判断为基础的。
4. 在编制财务报表时遵循了适用于巴基斯坦的国际财务报告标准，并充分披露了任何不符情况。



5. 内部控制系统设计合理，实施和监控效果良好。
6. 毫无疑问，公司有将持续经营。
7. 公司治理的最佳实践没有重大偏离。

遵守公司治理准则的声明

本年报附有“遵守公司管治守则的声明”。

主席评论

公司董事同意董事长审查的内容，处理具有战略性质的事项。

关联方交易

公司已向审计委员会和董事会提交了所有关联方交易的审查和批准，并在各自的会议上得到了正式批准。凡在正常经营过程中发生的涉及关联方的交易，均按照2017年公司法批准的关联交易政策进行，具体费率不得低于市场汇率。

未来前景

展望未来，随着19财年的大选解决了去年的政治不确定性，新政府将拥有一个明确的领域和一个新的五年任期，以恢复经济改革计划。这将有助于增强企业信心，鼓励私营部门投资，加快中巴经济走廊相关项目建设，解决发电和天然气供应问题，改善安全状况。然而，巴基斯坦需要保持财政纪律，并控制政府开支。出口竞争力仍然令人关切，需要政府特别注意提高生产率、降低生产成本和在出口部门实行更大的多样化。尽管卢比相对于美元贬值，但外界的压力仍将受到密切关注，并且这在很大程度上取决于资金流入的及时落实和减少进口金额以改善该国的外汇储备。

股权模式

本年度报告附有截至2018年6月30日的《2017年公司法》和《公司治理守则》第227条所要求的持股模式。

审计师

已退休的审计师M/s IECnetS.K.S.S.S.S特许会计师，有资格参加下一任期，已经提出重新任命。根据审计委员会的建议，在即将召开的年度股东大会上董事会建议任命M/sIECnetS.K.S.S.S.S特许会计师为公司截至2019年6月的年度法定审计师。

董事会变动

在本报告所述年度内，董事会作出以下变动：

委员会在这一年中接受了穆罕默德·伊克巴尔·汗先生和穆罕默德·阿西姆·穆斯塔法先生的辞职，并接受任命萨米·乌拉·巴特先生和阿比德·优萨夫先生分别接替穆罕默德·伊克巴尔·汗先生和穆罕默德·阿西姆·穆斯塔法先生。

董事会和审计委员会的会议和出席情况

在本年度审查期间，于2017年7月1日至2018年6月30日举行了5次董事会会议、4次人力资源薪酬委员会会议和4次审计委员会会议。董事会和审计委员会成员出席情况如下

董事姓名	董事会会议	审计委员会会议	人力资源薪酬委员会会议
Shahzad Akbar先生	5	4	4
Ali A. Malik先生	5	N/A	4
Muhammad Asim Mustafa 先生	0	N/A	N/A
Amir Shehzad先生	5	N/A	N/A
Naveed Ishaque先生	5	N/A	N/A
Muhammad Iqbal Khan 先生	1	1	1
Ijaz Mahmood Chaudhary 先生	5	4	3

资产负债表日期后事项/股利

在本财政年度终了和报告日期之间没有发生影响公司财务状况的重大变化和承诺。

董事和高管对公司股票的交易

今年进行了如下交易：

名称	关系	股份数	交易性质	从/向其获取/给予股票
第一佛罗伦萨开发商 (PVT) 有限公司	关联公司	17,142,500	出售	市场
MCD巴基斯坦有限公司	关联公司	50,000	购买	市场

在截至2018年6月30日止的一年内，下列人士已认购公司待认购股权，详情如下；

名称	关系	股份数
Ali A. Malik先生	首席执行官	72,179,000
Adeela Ali 女士	首席执行官的配偶	8,881,000
第一佛罗伦萨开发商 (PVT) 有限公司	关联公司	44,416,500

赞赏和感谢

第一国民股票有限公司的的董事会要感谢巴基斯坦证券交易所有限,巴基斯坦的证券交易委员会和其他监管机构的持续支持,公司的所有股东和客户的信任,和我们的员工不断的奉献和承诺。

代表董事会


Amir Shehzad
执行董事


Ali A. Malik
首席执行官

地点：Lahore

日期：September 27, 2018

پوسٹ بیلنس شیٹ ایونٹ/ منافع منقسمہ کی تاریخ

مالی سال کے اختتام اور رپورٹ کی مقررہ تاریخ کے دوران کمپنی کی مالی حالت پر کس قسم کے عوام اثر انداز نہ ہوئے۔

ڈائریکٹرز اور ایگزیکٹوز کی جانب سے کمپنی کے حصص میں تجارت

سال کے دوران مندرجہ ذیل ٹرنزیکشن کی گئیں:

عہدہ	تعلق	تعداد حصص	ٹرانزیکشن کی نوعیت	حصص کا حصول/ فراہمی
فرسٹ فلورنس ڈیویلپرز (پرائیویٹ) لمیٹڈ	متعلقہ کمپنی	17,142,500	فروخت	مارکیٹ
MCD پاکستان لمیٹڈ	متعلقہ کمپنی	50,000	خرید	مارکیٹ

30 جون 2018ء کے اختتام پذیر سال کے دوران کمپنی کے مؤخرائٹ حصص کی حسب ذیل سبسکرپشن ہوئی:

عہدہ	تعلق	تعداد حصص
محترم علی اے ملک	CEO	72,179,000
محترمہ عدیلہ علی	CEO کی اہلیہ	8,881,000
فرسٹ فلورنس ڈیویلپرز (پرائیویٹ) لمیٹڈ	متعلقہ کمپنی	44,416,500

حوصلہ افزائی اور اعتراف

فرسٹ نیشنل ایکویٹیز لمیٹڈ کے بورڈ آف ڈائریکٹرز پاکستان سٹاک ایکچینج، سیکورٹیز اینڈ اینڈ ایکسچینج کمیشن آف پاکستان اور دیگر ریگولیٹری اداروں کی مسلسل حمایت، کمپنی کے تمام حصص داران اور کلائنٹس کے ہم پر بھروسہ اور اپنے ملازمین کی مسلسل معاونت اور وابستگی کے لئے شکر گزار ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

عامر شہزاد

 ایگزیکٹو ڈائریکٹر

علی اے ملک

 چیف ایگزیکٹو آفیسر

مقام: لاہور

تاریخ: 27 ستمبر 2018ء

کاروباری امور میں متعلقہ پارٹی سے متعلق تمام لین دین کمپنیز ایکٹ 2017ء کی بیرونی میں بورڈ کی جانب سے منظور شدہ متعلقہ پارٹی لین دین پالیسی کے تحت عمل میں لائے جاتے ہیں۔ جس سے واضح ہوتا ہے کہ شرح مارکیٹ شرح سے کم نہیں ہونی چاہئے۔

مستقبل کا منظر نامہ

عام انتخابات کے بعد مالی سال 2019ء میں گذشتہ سال کے سیاسی عدم استحکام کا خاتمہ متوقع ہے۔ نئی حکومت کے پاس شفاف میدان ہوگا اور معاشی اصلاحات کا پروگرام جاری رکھنے کے لئے پانچ سال کی مدت ہوگی۔ اس کے نتیجے میں کاروباری اعتماد میں اضافہ ہوگا اور نجی شعبہ کی سرمایہ داری کی حوصلہ افزائی، CPEC سے متعلقہ منصوبہ جات میں تیزی، توانائی کے بحران سے نہرو آزمائے اور گیس کی فراہمی کے مسائل اور سیکورٹی حالات میں بہتری کی بھی توقع ہے۔ تاہم، پاکستان کو مالیات پر نظم و ضبط برقرار رکھنے اور حکومتی اخراجات کو زیر غور لانے کی ضرورت ہے۔ برآمدات میں مسابقت بھی اہمیت کی حامل ہے۔ پیداوار کو بڑھانے، پیداواری لاگت میں کمی اور برآمدات کے شعبے میں تنوع پر بھرپور توجہ کی ضرورت ہے۔ ڈالر کے مقابلہ میں روپے کی بے قدری کے باوجود بیرونی محاذ سے دباؤ پر گہری نظر رکھنے کی ضرورت ہے اور مالی ترسیل اور درآمدی بل میں کمی پر بروقت حکمت عملی بنا کر ملک کے غیر ملکی زرمبادلہ کے ذخائر میں اضافہ کیا جاسکتا ہے۔

شیر ہولڈنگ کی وضع

کمپنیز ایکٹ 2017ء کے سیکشن 227 اور کاروباری نظم و ضبط کے قواعد کے تحت 30 جون 2018ء کو شیر ہولڈنگ کی وضع اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

آڈیٹرز

ریٹائر ہونے والے آڈیٹرز آئی ای سی نیٹ S.K.S.S چارٹرڈ اکاؤنٹنٹس نے اگلی مدت کے لئے اہل ہونے پر دوبارہ تقرری کی پیش کش کی ہے۔ آڈٹ کمیٹی کی سفارش پر بورڈ آئی ای سی نیٹ S.K.S.S چارٹرڈ اکاؤنٹنٹس کی تقرری کی سفارش کرتا ہے۔ جون 2019ء کو اختتام پذیر سال کے لئے چارٹرڈ اکاؤنٹنٹس کی کمیٹی کے قانونی آڈیٹرز کی تقرری کی آئندہ سالانہ اجلاس میں توثیق کی جائے گی۔

بورڈ میں تبدیلیاں

زیر جائزہ سال کے دوران، مندرجہ ذیل تبدیلیاں بورڈ آف ڈائریکٹرز میں کی گئی۔ بورڈ نے محترم محمد اقبال خان اور محترم محمد عامر مصطفیٰ کا استعفیٰ دوران سال قبول کیا اور محترم سمیع اللہ بٹ اور محترم عابد یوسف کی اوپر دیئے گئے ممبران کی جگہ تقرری کی گئی۔

بورڈ اور آڈٹ کمیٹی کے اجلاس اور حاضری

زیر جائزہ سال کے دوران، بورڈ آف ڈائریکٹرز کے 5 ہیومن ریسورس اینڈ ریویژن کمیٹی کے 4 اور آڈٹ کمیٹی کے 14 اجلاس منعقد ہوئے۔ بورڈ اور آڈٹ کمیٹی کے اراکین کی حاضری حسب ذیل ہے:

نام ڈائریکٹر	بورڈ کا اجلاس	آڈٹ کمیٹی کا اجلاس	ہیومن ریسورس اینڈ ریویژن کمیٹی کا اجلاس
محترم شہباز اکبر	5	4	4
محترم علی اے ملک	5	N/A	4
محترم محمد عامر مصطفیٰ	0	N/A	N/A
محترم عامر شہزاد	5	N/A	N/A
محترم نوید اسحاق	5	N/A	N/A
محترم محمد اقبال خان	1	1	1
محترم اعجاز محمود چوہدری	5	4	3

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 جاتا چاہئے کہ سسٹم کو کاروبار کے مقاصد کو حاصل 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 جا سکتی ہے۔

کارپوریٹ و 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 لیے شراکت کو ترجیح دیتے ہیں۔ کارپوریٹ فلسفہ اور عظیم سماجی وجوہات کی خاطر شراکت کا ذریعہ ہے جو ہمیں ارد گرد 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 پر بہت کم اثر ہے۔ اسی میلز کے ذریعہ زیادہ سے زیادہ بات چیت کرنے کے لیے کمپنی ملازموں، محکموں 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 آف 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 اور ڈائریکٹرز ریپورٹ 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 انکشاف 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 شک و شبہات نہیں ہیں۔
7. فہرستی قوانین میں تفصیلی، کارپوریٹ گورننس کے بہترین عملوں سے کوئی مادی انحراف نہیں کیا گیا ہے۔

چیرمین کا تجزیہ

کمپنی کے ڈائریکٹرز نے اسٹریٹجک نوعیت کے معاملات سے نمٹنے کے لیے چیرمین کے جائزہ کو 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 جائزہ اور منظوری کے غرض سے آڈٹ کمیٹی اور بورڈ کے روبرو تمام متعلقہ پارٹی لین دین کی رپورٹ پیش کر دی ہے جو ان کے اجلاس میں باضابطہ منظور کر لی گئی ہے۔ معمول کے مطابق

مالی کارکردگی

اعداد ملین روپوں میں

2017	2018	
51.596	20.769	آپریٹنگ آمدنی
162.890	(103.522)	سرماہ داری کی فروخت پر حاصلات
14.588	4.23	آمدنی منافع منقسمہ
302.276	(4.470)	دیگر آمدنی
142.054	(154.040)	(نقصان) / نفع علاوہ ٹیکس
166.955	(174.761)	(نقصان) / نفع بمع ٹیکس
0.89	(0.88)	(نقصان) / آمدنی فی حصص (روپے)

سال کے دوران فرسٹ نیشنل ایکویٹیز لمیٹڈ نے گزشتہ سال کے 166.955 ملین روپے کے نفع بمع ٹیکس کے مقابلہ میں حالیہ برس 174.761 ملین روپے کا خسارہ بمع ٹیکس درج کیا۔ جس کی بنیادی وجہ مارکیٹ میں تجارتی حجم اور قدر میں کمی ہے۔ اوسط یومیہ حجم میں سالانہ کی بنیاد پر 50 فی صد کمی ہوئی جو گزشتہ سال کے 350 ملین حصص کے مقابلہ میں مالی سال 2018 کے دوران 175 ملین حصص ہے۔ اسی طرح سے، سالانہ کی بنیاد پر اوسط لین دین کی مالیت 43 فی صد تک کم ہوا جو مالی سال 2017ء کے 186 ملین ڈالر کے مقابلہ میں حالیہ برس 106 ملین ڈالر ہے۔ انتظامی اخراجات لاگت پر موثر کنٹرول کی وجہ سے گزشتہ سال کے مقابلہ میں 73 فی صد تک کم ہوئی۔ کمپنی کی تجارتی سرگرمیوں میں مجموعی کمی کی وجہ سے دیگر آپریٹنگ اخراجات میں بھی 4 فی صد کمی واقع ہوئی۔

رسک مینجمنٹ

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 دباؤوں کے درمیان مناسب تجارت حاصل کر کے حصص داران کو زیادہ سے زیادہ فائدہ پہنچانے کے لیے ایک فعال نقطہ نظر رکھتا ہے۔ مضبوط رسک گورننس ساخت، مضبوط سرمایہ اور پگھلاؤ پوزیشن اور سرمایہ کاری کا اچھا معیار پورٹ فولیو کے ساتھ ساتھ ایک موثر رسک مینجمنٹ فریم ورک، کمپنی کے نقطہ نظر کو پورا کرنے کے لئے ایک بنیاد ہوتا ہے۔

انسانی وسائل

FNEL میں ہیومن ریسورس مینجمنٹ 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 لیے پر عزم 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 لیے، تمام منظور شدہ پالیسیاں دستیاب ہیں۔

اندرونی کنٹرول

فرسٹ نیشنل ایکویٹیز لمیٹڈ (کمپنی) کا داخلی کنٹرول سٹرکچر بورڈ آف ڈائریکٹرز، سینئر مینجمنٹ، اندرونی آڈٹ اور تعمیل سیکشن پر مشتمل ہے۔ کمپنی کی انتظامیہ بورڈ کے ذریعہ منظور شدہ پالیسیوں کے تحت اندرونی کنٹرول اور طریقہ 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 پر نظر ثانی کرتی ہے۔

ڈائریکٹرز کی جائزہ رپورٹ

معزز حصص داران!

کمپنی کے ڈائریکٹرز پڑتال شدہ مالیاتی نتائج کے ہمراہ 30 جون 2018ء کو اختتام پذیر سال کے لئے ازرابہ مسرت اپنی رپورٹ پیش کرتے ہیں۔

اقتصادی جائزہ

سال 2018ء کے دوران، پاکستان کے بڑے اقتصادی عناصر عموماً مثبت رہے جس سے معاشی نمو اور ترقی میں اضافہ ہوا۔ تاہم، حوصلہ افزا اعلانات کے باوجود کئی نمایاں شعبوں میں متعلقہ احکام کی بھرپور توجہ کی ضرورت ہے۔

پاکستانی ایشیا کی برآمدات میں، امریکی ڈالروں میں، سالانہ کی بنیاد پر 12.6 فی صد کی نمایاں بہتری آئی جو مالی سال 2018ء میں 24.7 بلین ڈالر تک بڑھ گئی۔ اسی اثناء میں، تاہم، ایشیا کی درآمدات میں بھی سالانہ کی بنیاد پر 14.7 فی صد تک اضافہ ہوتا رہا جو تقریباً 55.9 بلین ڈالر تک پہنچ گئی۔ CPEC کے تحت برآمدات کی وجہ سے پاکستان کے درآمدی بل میں اضافہ ہوا۔ دریں اثناء، سمندر پار پاکستانیوں کی جانب سے گذشتہ مالی سال کے مقابلہ میں 1.5 فی صد کے حساب سے 19.6 بلین روپے رقوم کی فراہمی دیکھنے میں آئی۔ تاہم برآمدات اور رقوم کی منتقلی کی یہ شرح نمو بیرونی محاذ پر پیش آنے والے دباؤ کے لئے ناکافی تھی۔ مالی سال 2018ء میں پاکستان کا کرنٹ اکاؤنٹ کا خسارہ بڑھتے ہوئے GDP کا 5.7 فی صد جا پہنچا جبکہ پچھلے سال اس کی شرح 4.1 فی صد تھی۔

اس لئے، جون کے آغاز میں پاکستانی روپیہ امریکی ڈالر کی نسبت %5.1 کی کمی کے ساتھ 115.60 روپے فی ڈالر کی سطح سے گرتا ہوا 121.55 روپے فی ڈالر تک پہنچ گیا۔ بیرونی قرضوں اور حکومتی ادا کیگیوں کی وجہ سے سہ ماہی کے آغاز پر پاکستان کے غیر ملکی زرمبادلہ کے ذخائر 17.8 بلین ڈالر کے حجم سے کم ہوتے ہوئے 29 جون 2018 تک 16.4 بلین ڈالر تک جا پہنچے۔

تاہم، مثبت پہلو یہ ہے کہ پاک چین اقتصادی راہداری کے ثمرات نظر آنا شروع ہو رہے ہیں ان میں موجود توانائی اور تعمیرات کے منصوبوں کے باعث درمیانی مدت میں ترقی کا امکان ہے۔ پاکستان میں حکومتی اندازوں کے مطابق مالی سال 2018ء میں 6.0 فی صد ترقی کی شرح سے کچھ کم 5.8 فی صد رہی۔ CPEC پاکستان کا خطے میں مقامی صنعتی مرکز کے تشخص کو اجاگر کرتے ہوئے بیرونی سرمایہ کاری کو متوجہ کرنے میں معاون ثابت ہوگا۔

مالی سال 2018ء کے دوران براہ راست غیر ملکی سرمایہ کاری کا حجم 2.8 بلین ڈالر رہا جو 2017ء کی شرح کے برابر ہے۔ بیرونی دباؤ اور افراط زر کے نتیجے میں سٹیٹ بینک آف پاکستان نے نئی میں اپنی مانیٹری پالیسی کمیٹی کے اجلاس میں پالیسی کی شرح میں 50 بی پی ایس اضافے کا فیصلہ کیا جس کے بعد شرح 6.5 مقرر ہو گئی۔

مختصراً، پاکستان میں اقتصادی استحکام، پالیسی اقدامات کے مثبت اثرات اور سیاسی استحکام کی توقع کی جا رہی ہے اس لئے مادی فوائد سے بھرپور فائدہ اٹھایا جائے گا۔ اسی اثناء میں، بیرونی اور معاشی محاذ پر خطرات سے نپٹنے کے لئے بھرپور توجہ کی ضرورت ہے۔

شاہکار مارکیٹ

مالی سال 2018 میں KSE100 انڈیکس میں سالانہ بنیاد پر 10 فی صد تنزلی ہوئی اور 41,911 پر بند ہوا۔ بیچ مارک 47,084 پوائنٹس کی اعلیٰ سطح پر رہا جب کہ 37,919 پوائنٹس کی کمی بھی دیکھی گئی (9,165 پوائنٹس کی تنزلی (-19))۔ انڈیکس میں یہ تنزلی کی مندرجہ ذیل وجوہات تھیں:

- (i) بیرونی کھاتوں پر دباؤ
- (ii) پاناما ہیپرز اور عام انتخابات کی وجہ سے سال بھر میں سیاسی عدم استحکام
- (iii) MSCI EM کی دوبارہ درج بندی کی وجہ سے فارنز کی بھاری فروخت
- (iv) روپے کی قدر میں کمی

دیگر عوامل میں، پیداواری لاگت میں اضافہ اور کونسلے اور خام تیل کی قیمت میں اضافہ نے اس کمی پذیر مبادیات میں اہم کردار ادا کیا ہے۔ رو بہ زوال اقتصادی حالات اور رقوم کی دیگر ممالک میں بے قابو منتقلی کی وجہ سے سرمایہ داروں کے اعتماد میں اضافہ نہ ہو سکا۔

Statement of Compliance with the Code of Corporate Governance

For the year ended on June 30, 2018

This statement is being presented for the year ended June 30, 2018, to comply with the Code of Corporate Governance 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. And for female director we are exempted for current term. At present the board (Male:7, Female: Nil) includes:

Category	Names
Independent Directors	1. Mr. Ijaz Mahmood Chaudhary 2. Mr. Sami Ullah Butt
Executive Directors	3. Mr. Ali A. Malik 4. Mr. Amir Shehzad 5. Mr. Naveed Ishaque
Non-Executive Directors	6. Mr. Shahzad Akbar 7. Mr. Abid Yousaf

The independent director meets the criteria of independence under clause 5.19.1 (b) of the CCG, however appointment of Director Mr. Sami Ullah Butt has not yet approved by the regulatory authorities.

2. The directors have confirmed that none of them is serving as a director on more than five 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 non executive director and the chairman of the committee is an independent 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 and registered with audit oversight, 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 had not arranged Directors Training Program / Course for its directors during this year. Two directors namely Mr. Amir Shehzad & Mr. Shahzad Akbar attended the director's training program last year & remaining will complete the training in the coming session.
22. During the year, there was no change in the position of Chief Financial Officer. The Company Secretary resigned during the year, while the Board approved the appointment including the remuneration and terms and condition of the new employment.
23. The Board of Directors has put in place a mechanism for undertaking annual evaluation of the performance of the Board.
24. We confirm that all other material principles enshrined in the CCG have been complied with.

Amir Shehzad
Executive Director

On behalf of the Board of Directors

Ali A. Malik
Chief Executive Officer

Place: Lahore

Date: September 27, 2018

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** for the year ended **June 30, 2018** to comply with the Listed Companies (Code of Corporate Governance) Regulations, 2017.

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 and to highlight any non-compliance with the requirements of the Code. 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 a part of our audit of the 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 the 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 June 30, 2018.

Emphasis of Matter

We note that the appointment of Mr. Sami Ullah Butt as a Director of the Company has not, as of the date of this report and to the best of our knowledge, been approved by Pakistan Stock Exchange. Our opinion is not modified in respect of this matter.



IECnet S.K.S.S.S.
Chartered Accountants
Lahore.

Dated: September 28, 2018

INDEPENDENT AUDITORS' REPORT

To the members of First National Equities Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of First National Equities Limited (“the Company”), which comprise the statement of financial position as at June 30, 2018, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (collectively, the “financial statements”), 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 the audit.

In our opinion, to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), 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, 2018 and of its profit or loss and other comprehensive income, changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* as adopted by the Institute of Chartered Accountants of Pakistan (the “Code”) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matter(s):

Sr. No	Key audit matter(s)	How the matter was addressed in our audit
#1	<p>Valuation of Trade Debts</p> <p>The valuation of trade debts – and the related estimation of a provision for doubtful debts – was identified as an area subject to significant risk due to its significant effect on the Company's financial position as well as on its profitability and earnings per share for the year.</p>	<p>To address this significant risk, we performed certain key audit procedures, including (but not limited to) the following:</p> <ul style="list-style-type: none"> Obtaining an understanding of Management's provisioning model; Consideration of factors that would indicate or constitute objective evidence that an impairment loss has been incurred; A separate assessment of individually significant balances for impairment; Assessment of individually non-significant balances on a group basis, ensuring that such groups share similar credit risk characteristics; Consideration of the historical loss experience for both individually significant and individually non-significant (grouped) debtors; and Consideration of the nature, quantum and accessibility of collateral.
#2	<p>Completeness & Accuracy of Staff Retirement Obligations</p> <p>The Company operates an unfunded gratuity scheme covering all eligible permanent employees. Estimation of the liability associated with this scheme is based on a number of assumptions about the future and requires professional expertise, as a result of which the completeness, accuracy and valuation of this liability was considered an area subject to significant risk.</p>	<p>To address this significant risk, we performed certain key audit procedures, including (but not limited to) the following:</p> <ul style="list-style-type: none"> Obtaining an understanding of the actuarial model employed in estimating the liability; Requesting and directly obtaining a report on the valuation of the liability (and related balances) from an management's appointed actuary; Evaluation of the competence, capabilities and objectivity of the actuary; obtaining an understanding of the actuary's work; and evaluation of the appropriateness of the actuary's work as audit evidence; Assessing the assumptions (including discount rates) used by the actuary for reasonableness; and Performance of a reconciliation of the data used by the actuary with the corresponding data maintained by the Company.

Information Other Than The Financial Statements And Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information in the annual report including, in particular, the Chairman's Review, Director's Report, Financial and Business Highlights, Graphical Representation and Horizontal and Vertical Analysis of Financial Statements, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017). Management is also responsible for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, any related matters, and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, determine whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and

Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and assess whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that, in our opinion:

- a) Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) The statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;
- d) 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; and



- e) The Company was in compliance with the requirement of section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licencing and Operations) Regulations, 2016 as at the date on which the balance sheet was prepared.

The financial statements of the company for the year ended June 30, 2017 were audited by the outgoing auditors, Tariq Abdul Ghani Maqbool & Co, Chartered Accountants

The engagement partner on the audit resulting in this independent auditor's report is Mr. Muhammad Aslam Khan.

IECnet S.K.S.S.S.
Chartered Accountants
Lahore

Date: September 28, 2018

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2018

	Note	June 30, 2018	June 30, 2017
------(Rupees)-----			
NON-CURRENT ASSETS			
Property and equipment	4	39,073,690	39,997,781
Capital work-in-progress	5	-	33,340,000
Intangible assets	6	64,415,000	41,915,000
Other receivables	7	155,512,959	142,578,672
Investment in associates	8	72,989,837	71,540,013
Investments - available for sale	9	21,353,582	41,163,843
Long-term deposits	10	2,996,000	2,496,000
Deferred taxation	11	150,785,097	164,028,428
		507,126,166	537,059,737
CURRENT ASSETS			
Short-term investments	12	16,619,935	373,048,724
Trade debts	13	95,564,701	53,270,002
Loans and advances	14	4,324,009	41,628,809
Trade deposits and short-term prepayments	15	11,424,336	50,338,258
Other receivables	16	154,558,932	189,013,201
Advance tax		24,856,344	27,019,872
Cash and bank balances	17	260,197,163	122,349,992
		567,545,421	856,668,858
Total Assets		1,074,671,586	1,393,728,595
NON-CURRENT LIABILITIES			
Long-term financing	18	208,855,923	194,112,882
Loan from sponsors	19	155,175,000	647,743,041
Other loans	20	-	54,721,056
Deferred liabilities	21	10,924,646	9,360,117
		374,955,569	905,937,096
CURRENT LIABILITIES			
Trade and other payables	22	281,644,007	252,510,692
Unclaimed dividend		9,676,311	11,648,103
Current portion of long-term financing		29,434,769	32,941,547
		320,755,086	297,100,341
Total Liabilities		695,710,656	1,203,037,437
CONTINGENCIES AND COMMITMENTS	23	-	-
Net Assets		378,960,931	190,691,158
REPRESENTED BY:			
Authorized share capital		5,000,000,000	5,000,000,000
Issued, subscribed and paid-up share capital	24	2,672,863,310	1,418,098,310
Discount on right shares		(1,508,754,317)	(630,418,817)
Accumulated loss		(796,683,176)	(621,922,274)
		367,425,817	165,757,219
Unrealized gain on re-measurement of investments classified as available for sale		11,535,114	24,933,939
		378,960,931	190,691,158

The annexed notes 01 to 47 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer


Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED JUNE 30, 2018

	Note	June 30, 2018	June 30, 2017
		----- (Rupees) -----	
Operating revenue	25	25,009,537	66,184,709
(Loss) / gain on sale of investments		(103,522,805)	162,890,266
Unrealized loss on re-measurement of investments classified at fair value through profit or loss - net		(686,069)	(53,230,757)
Operating (loss) / profit		(79,199,337)	175,844,218
Administrative expenses	26	41,248,292	151,074,687
Finance cost	28	24,985,704	179,244,803
Other operating expenses	29	5,585,648	5,789,817
Other operating (loss) / income	30	(4,470,957)	302,276,401
Share of profit of associate	8	1,449,824	43,177
(Loss) / profit before taxation		(154,040,114)	142,054,489
Taxation	31	20,720,788	24,900,698
(Loss) / profit after taxation		(174,760,902)	166,955,187
Basic(loss)/earnings per share	32	(0.88)	0.89

The annexed notes 01 to 47 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer


Director

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED JUNE 30, 2018

	June 30, 2018	June 30, 2017
	------(Rupees)-----	
(Loss) / profit after taxation	(174,760,902)	166,955,187
Items that will not be re-classified to profit or loss		
Actuarial (loss) / gain from remeasurement of staff retirement benefits	(142,600)	(1,420,382)
Income tax related to actuarial loss	21,445	323,847
Items that are or may be reclassified subsequently to profit or loss		
Unrealized (loss) / gain during the period in the market value of investments classified as available for sale	(13,267,109)	58,508,728
Reclassification of realized gain on sale of investments available for sale	(10,562)	(32,568,144)
	(13,277,671)	25,940,584
Other comprehensive (loss) / income for the period	(13,398,826)	24,844,049
Total comprehensive (loss) / income for the period	(188,159,728)	191,799,236

The annexed notes 01 to 47 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer


Director

CASH FLOW STATEMENT

FOR THE YEAR ENDED JUNE 30, 2018

	Note	June 30, 2018	June 30, 2017
		------(Rupees)-----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash generated from / (used in) operations	35	67,959,380	(60,646,759)
Finance cost paid		(26,848,714)	(27,913,773)
Income taxes paid		(5,313,929)	(22,153,876)
Net cash generated from / (used in) operations		35,796,738	(110,714,408)
CASH FLOWS FROM INVESTING ACTIVITIES			
Sale of marketable securities		253,549,166	114,739,229
Sale of investments classified as 'available-for-sale'		5,311,040	40,530,144
Addition of fixed assets		(402,341)	(815,219)
Disposals of intangible assets		4,000,000	20,422,904
Increase in long-term deposits		(500,000)	(14,930)
Dividends received		4,239,572	14,588,352
Net cash generated from investing activities		266,197,435	189,450,480
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of long term loans		(6,204,413)	(87,398,917)
Shares issued		63,863,000	-
(Repayment of) / increase in sponsor loans		(180,001,541)	135,058,578
Repayment of other loans		(39,770,955)	(39,242,112)
Gratuity paid		(61,300)	(275,000)
Dividend paid		(1,971,793)	(16,758,982)
Net cash used in financing activities		(164,147,002)	(8,616,433)
Net increase in cash and cash equivalents		137,847,171	70,119,639
Cash and cash equivalents - beginning of period		122,349,992	52,230,353
Cash and cash equivalents - end of period		260,197,163	122,349,992

The annexed notes 01 to 47 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer


Director

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED JUNE 30, 2018

	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 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 (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>
Balance as at July 01, 2017	1,418,098,310	(630,418,817)	(621,922,274)	24,933,939	190,691,158
Issue of right shares	1,254,765,000	(878,335,500)	-	-	376,429,500
Profit after taxation for the year ended June 30, 2018	-	-	(174,760,902)	-	(174,760,902)
Other comprehensive income for the year	-	-	-	(13,277,671)	(13,277,671)
Loss on remeasurement of staff retirement benefits	-	-	-	(121,154)	(121,154)
Balance as at June 30, 2018	<u>2,672,863,310</u>	<u>(1,508,754,317)</u>	<u>(796,683,176)</u>	<u>11,535,114</u>	<u>378,960,931</u>

The annexed notes 01 to 47 form an integral part of these financial statements.


Chief Executive Officer


Chief Financial Officer


Director

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2018

1 THE COMPANY AND ITS OPERATIONS

First National Equities Limited ("the Company") is a limited liability company incorporated in Pakistan under the Companies Ordinance, 1984 (now the Companies Act, 2017). Shares of the the Company are quoted on the Pakistan Stock Exchange Limited ("PSX"). The registered office of the company is situated at Room No. 1007, 10th Floor, New Stock Exchange Building, Stock Exchange Road, Karachi.

The Company is a holder of Trading Rights Entitlement Certificate ("TREC") of Pakistan Stock Exchange Limited. The principal activities of the Company include shares brokerage, consultancy services and portfolio investment.

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

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

Peshawar Branch Ground Floor, Bank Square Chowk Yadgar, Opposite Habib Bank Ltd, Peshawar Cantonment, Peshawar.

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

2 ACCOUNTING CONVENTION AND BASIS FOR PREPARATION

2.1 Statement of compliance

These financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards applicable in Pakistan comprise of such International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") as are notified under the Companies Act, 2017 (the "Act"), and provisions of and directives issued under the Act. If and where provisions of and directives issued under the Act differ from IFRSs, the provisions of and directives issued under the Act will prevail.

2.2 Performance history, top-line enhancement and cost optimization

The Company's after-tax loss during the current year was Rs. 174.761 million. As at June 30, 2018, the Company's accumulated losses increased to Rs. 796.683 million (2017: Rs. 621.922 million).

Current year losses are primarily attributable to macro factors, including significant political uncertainty that has resulted in an economy-wide depression in economic activity, particularly in the capital markets. Lower brokerage income during the year and losses on the Company's short-term investment portfolio were offset, in part, by reductions in administrative and financing-related expenses.

Management expects improvements in economic outcomes in future periods, early signs of which are visible, and has accordingly put in place in plans and strategies to capitalize on such improvements, particularly in the capital markets sector. Such plans include the effective deployment of working capital (made possible through improved cash flow management through additional liquidity), a re-alignment of the Company's short-term investment portfolio that began in the current year and is being carried forward into the next, and an intensification of business development activities to attract new business.

Management is also continuing to pursue cost optimization strategies in order to reduce administrative and other operating expenses to the extent possible without compromising the Company's operational efficiency. In recent years, the Company has negotiated highly favorable restructuring / rescheduling arrangements with its lenders, including waivers of outstanding mark-up (refer to note 18 for details). These arrangements, which reflect lenders' confidence in the Company's Management and its strategy, have had significant positive impact on the profitability (and, consequently, the equity and liquidity) of the Company.

Directors / sponsors of the Company have provided significant financial assistance in the form of subordinated loans for the purpose of maintaining and/or increasing the net worth and liquid capital at the Company's disposal. The Company's sponsors remain committed to additional financial assistance as, when and to the extent necessary until an improvement in external / macro factors and the Company's cost optimization strategies result in improved profitability.

For a detailed review of the Company's performance, refer to the Directors' Report.

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention, except:

- Investments in quoted equity securities (whether classified as assets at fair value through profit or loss, or as available-for-sale), which are carried at fair value;
- Investments in associates, which are recorded in accordance with the equity method of accounting for such investments; and
- Derivative financial instruments, which are marked-to-market as appropriate under relevant accounting and reporting standards.

2.4 Amendments / improvements to existing standards (including interpretations thereof) and forthcoming requirements

Accounting policies adopted in the preparation of these financial statements are consistent with those of the previous financial year except as described below.

The following IFRSs (as well as amendments thereto and interpretations thereof) as notified under the Companies Act, 2017 are / will be effective for accounting periods beginning on or after the dates specified below:

- IFRS 2: Share-Based Payment

Amendments to IFRS 2, which clarify the accounting (including the measurement and classification) of certain cash-settled and equity-settled share-based payments, are effective for annual periods beginning on or after January 1, 2018. The amendments are not expected to have an impact on the Company's financial statements.

- IAS 40: Investment Property

Amendments to IAS 40 pertain to rules around the change in classification of an asset from or to an investment property. The amendments, effective for annual periods beginning on or after January 1, 2018, are not expected to impact the Company's financial statements.

- IAS 28: Investments in Associates and Joint Ventures

A first amendment to this standard relates to provisions under which certain businesses may elect to measure investments in associates / joint ventures at fair value through profit or loss, albeit under a



narrow set of precedent conditions. The provisions, which are effective for annual periods beginning on or after January 1, 2018, are unavailable to the Company and are therefore not expected to have an impact on the Company's financial statements.

A second amendment affects companies which finance associates or joint ventures with preference shares or with loans for which repayment is not expected in the foreseeable future. The amendments, which are to be applied in conjunction with IFRS 9 where appropriate, are effective for annual periods beginning on or after January 1, 2019. The Company is currently in the process of assessing the potential impact (including presentation) that the adoption of this amendment may have on its financial statements.

- IFRS 15: Revenue from Contracts with Customers

Effective for annual periods beginning on or after July 1, 2018, IFRS 15 specifies how and when to recognize revenue, and also requires reporting entities to provide users of financial statements with more informative, relevant disclosures. The standard replaces IAS 18 (Revenue), IAS 11 (Construction Contracts), IFRIC 13 (Customer Loyalty Programmes) as well as various other standards and interpretations. The Company is currently in the process of preparing a gap analysis and identifying the nature and quantum, if any, of the impact of the adoption of this standard on the Company's financial statements.

- IFRS 9: Financial Instruments

IFRS 9 replaces IAS 39 (Financial Instruments: Recognition & Measurement). The new standard introduces new guidance on the classification and measurement of financial instruments as well as a new expected credit loss model for calculating impairment on financial assets. IFRS 9 is effective for annual periods beginning on or after July 1, 2018. The Company is currently in the process of preparing a gap analysis and identifying the nature and quantum of the impact of the adoption of this standard on the Company's financial statements.

An amendment to IFRS 9 pertaining to the classification and measurement of debt instruments where borrowers are permitted to prepay the instrument at an amount less than the unpaid principal and interest owed ("negative compensation") is effective for annual periods beginning on or after January 1, 2019. The amendment is not expected to impact the Company's financial statements.

- IFRS 16: Leases

This standard introduces a single, on-balance sheet lease accounting model for lessees, whereby the lessee recognizes a single, right-of-use asset (representing its right to use an asset) and a lease liability representing the lessee's obligation to make lease payments. Guidance being replaced and superseded by IFRS 16 includes (but is not limited to) IAS 17 (Leases), IFRIC 4 (Determining Whether An Arrangement Contains a Lease) and SIC 15 (Incentives in Operating Leases). The standard is effective for annual periods beginning on or after January 1, 2019. The Company is currently in the process of identifying the nature and quantum of the impact of the adoption of this standard on the Company's financial statements.

- IAS 19: Employee Benefits

Amendments to IAS 19 clarify the approach to be employed (including the use of actuarial assumptions to determine current service cost and net interest, and the relationship between the asset ceiling and the gain/loss on plan settlement) upon amendment, curtailment or settlement of a defined benefit plan. The amendments, effective for annual periods beginning on or after January 1, 2019, are not expected to significantly impact the Company's financial statements.

- IFRS 3: Business Combinations / IFRS 11: Joint Arrangements

Amendments to these standards relate to the re-measurement of a previously-held interest in a joint operation when a reporting entity obtains control of the joint operation (when that joint operation meets the definition of a business). The amendments, effective for annual periods beginning on or after January 1, 2019, are not expected to impact the Company's financial statements.

- IAS 12: Income Taxes

An amendment to this standard clarifies that the income tax consequences of dividends are recognized consistently and concurrently with the transaction that generates distributable profits. The amendment is effective for annual periods beginning on or after January 1, 2019 and is not expected to impact the Company's financial statements.

- IAS 23: Borrowing Costs

An amendment to this standard clarifies that a reporting entity treats as general borrowings any borrowing originally made to develop an asset when the asset is ready for its intended use (or sale). The amendment is effective for annual periods beginning on or after January 1, 2019 and is not expected to impact the Company's financial statements.

In addition to the above, IFRIC 22 and 23 - which relate to foreign currency transactions / translations and uncertainty around income tax treatments - are effective for annual periods beginning on or after January 1, 2018 and January 1, 2019, respectively. Neither is expected to materially impact the Company's financial statements upon adoption.

Certain new standards, amendments and/or interpretations issued by the IASB are yet to be notified by the SECP for the purpose of applicability in Pakistan.

2.5 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 management to exercise judgment in the process of applying the Company's accounting policies.

Estimates and judgments are continually evaluated and are based on historical experience as well as expectations of future events that are believed to be reasonable under the circumstances. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are as follows:

- Useful lives and residual values of items of property and equipment (note 3.1)
- Provision against doubtful debts (note 3.8)
- Classification, recognition, measurement / valuation of financial instruments (notes 3.4 and 3.5)
- Provision for taxation (note 3.9)
- Staff retirement benefits (note 3.10).

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Items of property and equipment are stated at cost less accumulated depreciation and/or impairment



losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

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. Where such subsequent costs are incurred to replace parts and are capitalized, the carrying amount of replaced parts is derecognized. All other repairs and maintenance expenditures are charged to the profit and loss account during the year in which they are incurred.

Depreciation on all items of 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. Residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. Depreciation is charged on an asset from when the asset is available for use until the asset is disposed of.

An item of property and equipment is derecognized upon disposal or when no future benefits are expected from its use or disposal. Any gain or loss arising on asset derecognition (calculated as the difference between net disposal proceeds and the carrying amount of the asset) is included in the profit and loss account in the year in which the asset is derecognized.

3.2 Intangible assets

Intangible assets with indefinite useful lives, including Trading Right Entitlement Certificate ("TREC"), licenses and tenancy rights, are stated at cost less accumulated impairment losses, if any. An intangible asset is considered as having an indefinite useful life when, based on an analysis of all 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 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 recognized in the profit and loss account during the year in which the assets are disposed of.

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), used 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.

3.4 Financial assets

The Company classifies its financial assets in the following categories: (a) at fair through profit and loss, (b) loans and receivables, (c) available-for-sale and (d) held to maturity. Classification in a category depends on the purpose for which an asset was acquired, and this determination is made at the time of initial recognition. The classification is re-evaluated on a periodic basis, consistent with relevant accounting and reporting standards.

a) Financial assets at fair value through profit or loss

An asset is classified at fair value through profit or loss if acquired principally for the purpose of selling in the short term, whether as a cash flow management strategy or in order to generate profit from short-term price fluctuations (or both). Such assets are initially recognized at fair value, with any associated transaction costs recorded in the profit and loss account. Subsequent to initial recognition, such assets are marked to market using closing market rates. Net gains or losses arising on changes in fair values of these assets are taken to the profit and loss account in the period in which they arise.

b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than twelve months after the balance sheet date, in which case such assets are classified as non-current assets.

c) Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified in any of the other categories. These investments are initially recognized at fair value, which includes associated transaction costs. Subsequent to initial recognition, these assets are marked to market using closing market rates. Net gains and losses arising on changes in fair values of these assets are taken to equity. They are included in non-current assets unless management intends to dispose of the assets within twelve months from the reporting date.

When securities classified as available-for-sale are sold or impaired, accumulated fair value adjustments recognized in equity are reclassified to the profit and loss account as gains / losses from available-for-sale investment securities. Dividends on available-for-sale equity instruments are recognized in profit and loss when the Company's right to receive payment is established.

d) Held-to-maturity assets

Held-to-maturity financial assets are those with fixed or determinable payments and fixed maturity, where management has the intention and ability to hold till maturity. These are carried at amortized cost.

All financial assets are recognized at the time when the Company becomes a party to the contractual provisions of the instrument. 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, which is the date at which delivery of assets occurs. All other purchases and sales are recognized as derivative forward transactions until settlement occurs.

Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

The Company assesses at each balance sheet date whether there is objective evidence, as a result of one or more events that may have an impact on the estimated future cash flows from an asset, that an asset or a group of assets is impaired. A significant or prolonged decline in the fair value of an investment in an equity security below its cost is also considered objective evidence of impairment. Provision for impairment, if any, in the value of an asset 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 in other comprehensive income is reclassified to profit and loss. For assets classified as held-to-maturity, impairment losses are recognized in profit and loss.

3.5 Financial liabilities

Financial liabilities are initially recognized at fair value plus directly attributable costs, if any, and are subsequently carried at amortized cost using the effective interest rate method.

3.6 Offsetting of financial assets and liabilities

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

3.7 Investment in associates

Associates are all entities over which the Company has significant influence but not control. Investments in associates where the Company has significant influence are accounted for using the equity method of accounting. Under the equity method of accounting, investments 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 associate's post-acquisition profits or losses in income, and its share of the post-acquisition movement in reserves is recognized in other comprehensive income.

3.8 Impairment

Financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. A financial asset is considered impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows from the asset.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. Impairment loss in respect of a financial asset measured at fair value is determined by reference to that fair value. All impairment losses are recognized in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. An impairment loss is reversed only to the extent that the financial asset's carrying amount after the reversal does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

Non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount - defined as the higher of the asset's fair value less costs of disposal and the asset's value-in-use (present value of estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and asset-specific risk) - is estimated to determine the extent of the impairment loss. For the purpose of assessing impairment, assets are grouped into cash-generating units: the lowest levels for which there are separately identifiable cash flows.

3.8 Trade debts and other receivables

Trade debts and other receivables are recognized initially at transaction price less an allowance for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision, as well as the impact of any change thereto, is recognised in the statement of profit or loss. Bad debts are written off in the statement of profit or loss on identification.

The determination of the allowance for doubtful debts is a judgment-driven process. In estimating this allowance, the Company takes into a number of factors, including - but not limited to - ageing of receivables, creditworthiness of debtors, historical experience and future expectations.

3.9 Taxation

Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using rates enacted or substantively enacted at the reporting date, and takes into account tax credits, exemptions 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 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.

Deferred tax is charged or credited to the income statement, except in the case of items credited or charged to comprehensive income or equity, in which case it is included in comprehensive income or equity.

3.10 Cash and cash equivalents

Cash and cash equivalents are carried at cost and 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.

3.11 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 using the effective interest method. They are classified as current if payment is due within twelve months of the reporting date, and as non-current otherwise.

3.12 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.

3.13 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 the 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.

3.14 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 unpaid at the reporting date.

3.15 Proposed dividend and transfers between reserves

Dividends declared and transfers 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.

3.16 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.

3.17 Fiduciary assets

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

3.18 Revenue recognition

Revenue is recognized to the extent that it is probable that 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 marking to market financial assets classified as financial assets at fair value through profit or loss are included in profit and loss during the period in which they arise.
- Income / profit on exposure deposits is recognized using the effective interest rate.

3.19 Foreign currency transaction and translation

Monetary assets and liabilities in foreign currencies are translated into functional currency at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are translated into functional currency at the rates of exchange prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in income.

3.20 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 Pakistani Rupee, which is the Company's functional and presentation currency.

3.21 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.

3.22 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted according to the Related Party Transaction Policy approved by the Board of Directors in accordance with the Company Act, 2017, which specifies that the rate at which such transactions are conducted should not be less than the market rate.

4 PROPERTY AND EQUIPMENT

Description	Building on Leasehold Land	Building on Freehold Land	Furniture and Fittings	Office Equipment	Computer and Accessories	Vehicles	Total
Rupees							
Cost							
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
Transfers / Disposals / Write-offs	-	(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
Balance as at July 01, 2017	36,156,614	4,260,000	13,400,542	14,266,267	18,023,488	15,163,211	101,270,122
Additions during the year	-	-	96,299	215,600	91,800	-	403,699
Transfers / Disposals / Write-offs	-	-	-	-	-	(44,500)	(44,500)
Balance as at June 30, 2018	36,156,614	4,260,000	13,496,841	14,481,867	18,115,288	15,118,711	101,629,321
Depreciation							
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
Disposals / Write-offs	-	(4,439,533)	(1,470,533)	(330,703)	-	-	(6,240,769)
Transfers	-	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
Balance as at July 01, 2017	1,943,517	225,002	13,121,562	13,468,061	17,364,329	15,149,870	61,272,341
Charge for the year	388,684	106,503	194,017	292,685	332,550	8,566	1,323,006
Disposals / Write-offs	-	-	-	-	-	(39,716)	(39,716)
Transfers	-	-	-	-	-	-	-
Balance as at June 30, 2018	2,332,201	331,505	13,315,579	13,760,746	17,696,879	15,118,720	62,555,631
Depreciation Rate	1.08%	2.5%	10%	10%	33.33%	20%	
Written down value as at June 30, 2018	33,824,413	3,928,495	181,262	721,121	418,409	(9)	39,073,690
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

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

Building on freehold land comprises Flat No.4 and Flat No. 7 on the third and ground floors, respectively, in Bhurbhan Heights Murree.

June 30, 2018	June 30, 2017
----- (Rupees) -----	

5 CAPITAL WORK IN PROGRESS

Advance for Commercial space - Karachi Financial Tower

-	33,340,000
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The building is under construction as a joint venture of ENSHAA-NLC , a government owned entity. In the interest of prudence, the amount has been provided against in the current year. However, Management considers the amount and the associated claim to be recoverable, whether through a release of advanced funds or through delivery of the constructed project.

6 INTANGIBLE ASSETS

Particulars	Cost			
	Building Tenancy Rights	License to use Room at Pakistan Stock Exchange	Trading Right Entitlement Certificate (TREC) Pakistan Stock Exchange Limited	Total
	6.1	6.2	6.3	
-----Rupees-----				
Balance as at July 01, 2017	14,915,000	22,000,000	5,000,000	41,915,000
License of rooms of PSX transferred		(22,000,000)		(22,000,000)
Purchase of license of 10 Rooms of PSX		47,000,000		47,000,000
Less: Impairment loss			(2,500,000)	(2,500,000)
Net Balance as at June 30, 2018	14,915,000	47,000,000	2,500,000	64,415,000
Net Balance as at June 30, 2017	14,915,000	22,000,000	5,000,000	41,915,000

6.1 Building tenancy rights represent consideration paid by the Company in connection with the transfer of tenancy rights in favor of the Company for properties situated at Bank Square, Peshawar and Mall Road, Nowshera. The ownership of these properties continues to vest with the original owner. The Company has hypothecated the tenancy rights of the Bank Square, Peshawar property in favor of a commercial bank for securing financing facilities.

6.2 During the period, the Company transferred the risks and rewards relating to PSX rooms No. 135-136, situated at the 3rd floor of Stock Exchange Building, Karachi and carried at a book value of Rs. 22 million, to Mr. Ghulam Mustafa against lump-sum consideration of Rs. 11 million. The difference of Rs. 11 million was recorded as a loss in the profit and loss account.

During the period, the Board of Directors resolved to buy license of 10 Rooms of PSX, located on the 10th floor of New Stock Exchange Building, I.I. Chundrigar Road, Karachi for lump-sum consideration of Rs. 47 million, of which Rs. 40.2 million has been paid as advance. The risks and rewards have been substantively transferred to the Company and an intangible asset in the amount of Rs. 47 million has been recognized during the period.

6.3 Pursuant to demutualization of the Pakistan Stock Exchange Limited ("PSX"), the ownership rights in the Exchange were segregated from the right to trade on an exchange. As a result of such demutualization, the Company received shares and a Trading Rights Entitlement Certificate ("TREC") from the PSX against its membership card.

An 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 is not a commonly tradable instrument, the value approved by the Board of Directors of PSX post-demutualization has been used as its initial value.

Vide its notice dated November 10, 2017, PSX revised the notional value of the TREC from Rs. 5 million to Rs 2.5 million. As a result, the Company has recognized an impairment loss of Rs 2.5 Million during 2018.

Note	June 30, 2018	June 30, 2017
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-----**(Rupees)**-----

7 LONG TERM RECEIVABLE

Long-term receivable at amortized cost	7.1	155,512,959	151,880,998
Less: Current maturity		-	(9,302,326)
		155,512,959	142,578,672

- 7.1** This amount pertains to a long term outstanding trade debt amounting to Rs. 230.635 million, owed by an ex-client of the company. The debt has been reclassified, with the approval of the Board, as a long-term receivable in view of both the current legal form and the substance of the asset. The debt, which is repayable in quarterly installments up to December 2026, is considered good.

Note	June 30, 2018	June 30, 2017
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-----**(Rupees)**-----

8 INVESTMENT IN ASSOCIATE

Coastal Company Limited [formerly National Asset Management Company Limited or "NAMCO")	8.1	72,989,837	71,540,013
		72,989,837	71,540,013

- 8.1** The Company holds 4,000,000 ordinary shares (2017: 4,000,000 ordinary shares), at Rs. 10 per share fully paid-up, in Coastal Company Limited. The shareholding represents 28.1669% (2017: 28.1669%) of Coastal Company Limited's total shareholding. The cost of the investment in Coastal Company Limited was Rs. 40 million.

Note	June 30, 2018	June 30, 2017
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-----**(Rupees)**-----

Investment as at July 01		71,540,013	71,496,836
Share of profits from associate	8.1.1	1,449,824	43,177
Balance as at June 30		72,989,837	71,540,013

- 8.1.1** The Company's investment in Coastal Company Limited (formerly National Asset Management Company Limited or "NAMCO", an associated undertaking / related party) has been accounted for under the equity method of accounting. The Company's investment has been adjusted by its share of Coastal Company Limited's profits, based on Coastal Company Limited's audited financial statements, in accordance with IAS 28.

Summarized financial information of the associate, extracted from the associate's audited financial statements, is presented below.

Note	June 30, 2018	June 30, 2017
------(Rupees)-----		
Summarized Financial Information for Associate		
Summarized Balance Sheet:		
Current Assets		
Cash & cash equivalents	39,369	55,035
Other current assets	54,991,745	58,065,681
Total Current Assets	55,031,114	58,120,717
Non-Current Assets	216,383,802	207,275,371
Current Liabilities		
Other current liabilities	9,847,616	8,976,051
Total Current Liabilities	9,847,616	8,976,051
Closing Net Assets	261,567,300	256,420,037
Company's Share in %	28.17%	28.17%
Carrying Amount	73,683,508	72,233,524
Reconciliation to Carrying Amount		
Opening net assets	256,420,037	256,266,764
Profit for the year	5,147,263	153,273
Closing Net Assets	261,567,299	256,420,037

Summarized Income Statement:

Revenue	12,884,339	12,262,395
Interest expense	(66)	(898,165)
General & admin expense	(6,682,767)	(9,013,785)
Income tax expense	(1,054,243)	(2,197,172)
Profit for the Year	5,147,263	153,273

9 INVESTMENTS - AVAILABLE FOR SALE

Pakistan Stock Exchange Limited	9.1	21,353,582	41,163,843
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9.1 Reconciliation of Investments - Available for Sale

Opening balance		41,163,843	40,073,830
Transferred	9.1.1	(14,035,317)	(67,324,034)
Fair value gain on investment	9.1.2	5,774,944	68,414,047
		21,353,582	41,163,843

9.1.1 Pursuant to the promulgation of the Stock Exchanges (Corporatization, Demutualization and Integration) Act, 2012, ownership rights in exchanges were segregated from the right to trade on an exchange. As a result of such demutualization, the Company received shares of Pakistan Stock Exchange Limited ("PSX") and a Trading Rights Entitlement Certificate from PSX in lieu of its membership card.

In total, the Company received 4,007,383 PSX shares, of which 60% were held in a separate blocked account in the Central Depository Company Limited ("CDC") to restrict the sale of such shares by members of PSX. In fiscal 2017, these shares were disposed of under a share purchase agreement between PSX and an anchor investor as well as under an Initial Public Offering. Further, as per section 5(2) of Public Offering Regulations, 2017, the Company is required to retain not less than 25% of the total paid-up capital for a period of not less than three financial years from the last date for public subscriptions.

Accordingly, the investment in PSX to the extent of the afore-noted 25% has been classified as long-term, and the remainder has been classified as short term.

- 9.1.2** As a result of the listing of PSX shares, the fair value of these shares is readily determinable by reference to quoted market prices. As a result, the shares have been marked to market, with the resulting gain recognized in other comprehensive income, consistent with the Company's accounting policy in respect of available-for-sale investments. On June 30, 2018, the closing rate for PSX shares was Rs. 19.75 per share.

Note	June 30, 2018	June 30, 2017
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------(Rupees)-----

10 LONG TERM DEPOSITS

Central Depository Company Limited	150,000	150,000
Pakistan Stock Exchange Limited	1,700,000	1,200,000
National Clearing Company of Pakistan Limited	300,000	300,000
Other security deposits	846,000	846,000
	2,996,000	2,496,000

11 DEFERRED TAXATION - NET

Temporary differences on:		
Provision for gratuity	2,413,460	2,134,107
Intangible assets	1,656,891	2,280,000
Short-term investments	148,228	12,089,698
Provision for doubtful debts	83,800,342	94,863,243
Taxable temporary differences on:		
Accelerated tax depreciation	1,729,822	2,040,237
Investment in associate	(7,288,076)	(7,191,123)
	82,460,667	106,216,162
Effect of carried-forward tax losses/tax credits	11.1 68,324,430	57,812,266
	150,785,097	164,028,428

- 11.1** The amount of remaining unused tax losses for tax year 2013, tax year 2016 and tax year 2018 were Rs 170.703 million, Rs 7.757 million and Rs 28.23, respectively. The Company has recognized a deferred tax asset on these losses amounting to Rs 59.94 million, as well as an asset relating to other carry-forward adjustable amounts allowed under section 113C of the Income Tax Ordinance, 2001 amounting to Rs 8.38 million.

Note	June 30, 2018	June 30, 2017
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------(Rupees)-----

12 SHORT-TERM INVESTMENTS - NET

Available for sale	12.1	6,392,824	2,677,996
At fair value through profit or loss	12.2	10,227,111	370,370,728
		<u>16,619,935</u>	<u>373,048,724</u>

12.1 Available for sale

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

No. of Shares		Name of Scrip / Company	2018		2017	
2018	2017		Average Cost	Market Value	Average Cost	Market Value
10,000	10,134	Pioneer Cement Limited	201,900	468,600	204,605	1,317,420
453,525	453,525	SME Leasing Limited	2,267,626	1,179,165	2,267,626	1,360,576
240,259	-	Pakistan Stock Exchange	2,402,590	4,745,059	-	-
-	-		-	-	-	-
<u>703,784</u>	<u>463,659</u>		<u>4,872,116</u>	<u>6,392,824</u>	<u>2,472,231</u>	<u>2,677,996</u>
Unrealized gain / (loss) on remeasurement of investments classified as 'available for sale'			1,520,708	-	205,766	-
			<u>6,392,824</u>	<u>6,392,824</u>	<u>2,677,996</u>	<u>2,677,996</u>

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

Note	June 30, 2018	June 30, 2017
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------(Rupees)-----

Short-term investments	1,520,708	205,765
Long-term investments	5,774,944	25,134,306
	<u>7,295,652</u>	<u>25,340,071</u>

12.2 Financial assets at fair value through profit or loss

No. of Shares		Name of Scrip / Company	2018		2017	
2018	2017		Average Cost	Market Value	Average Cost	Market Value
Oil & Gas Marketing Companies						
-	3,000	Sui Northern Gas Pipelines Limited	-	-	523,476	446,760
-	265,000	Sui Southern Gas Company Limited	-	-	10,754,893	9,648,650
Banks						
388,000	17,241,000	The Bank of Punjab	3,901,495	4,683,160	267,663,077	203,098,980
-	200	The Bank of Punjab- Right 2	-	-	14	8
25,000	-	Securities Investment Bank Limited	237,075	157,750	-	-
Cement						
50,366	1,009,866	Pioneer Cement Limited	2,352,268	2,360,151	117,820,662	131,282,580
15,000	-	Maple Leaf Cement Factory	1,355,399	761,100	-	-
Technology And Communication						
2500	129,500	TRG Pakistan Limited	93,108	71,600	7,443,777	5,191,655
Agriculture						
-	122,500	Agritech Limited	-	-	1,557,526	1,100,050
Textile						
1000	1,000	Hira Textile Mills Limited	8,970	6,300	14,129	8,970
Automobile						
-	10,000	Dewan Farooque Motors Limited	-	-	457,779	337,900
5000	-	Ghandhara Nissan Limited	1,319,700	898,350	-	-
Engineering						
-	26,500	Descon Engineering Limited	-	-	660,740	486,275
Iron and Steel						
-	10,000	Mughal Iron and Steel Industries Limited	-	-	100,000	807,300
10,000	-	International Steel Limited	1,334,016	1,017,000	-	-
Leasing Companies						
104,500	2,287,000	SME Leasing Limited	311,149	271,700	993,244	6,861,000
Miscellaneous						
-	150,000	Shabbir Tiles and Ceramics Limited	-	-	3,492,300	2,875,500
-	832,500	TPL Trakker Limited	-	-	12,119,868	8,225,100
601,366	22,088,066		10,913,180	10,227,111	423,601,485	370,370,728

Unrealized (loss) / gain on re-measurement of investments classified as financial assets at fair value through profit or loss - net

(686,069)

(53,230,757)

10,227,111

10,227,111

370,370,728

370,370,728

12.3 Securities having market value of Rs. NIL (2017: Rs. 304.684 million) have been pledged with various commercial banks for obtaining finance facilities.

	Note	June 30, 2018	June 30, 2017
------(Rupees)-----			
13 TRADE DEBTS			
Considered good	13.1	95,564,701	53,270,002
Considered doubtful		<u>379,326,402</u>	<u>416,066,852</u>
		<u>474,891,103</u>	<u>469,336,854</u>
Less: Provision for doubtful debts	13.2	<u>(379,326,402)</u>	<u>(416,066,852)</u>
		<u>95,564,701</u>	<u>53,270,002</u>

13.1 The Company holds securities having total fair value of Rs 1,597.964 million (2017: Rs.1,230.155 million) owned by its clients as collateral against trade debts. The Company recognizes provision for doubtful debt on accounts receivable in an amount equal to the estimated probable losses net of recoveries. The allowance is based on an analysis of historical bad debt experience, current receivables aging, and expected future write-offs, as well as an assessment of specifically identifiable customer accounts considered at risk or uncollectible.

	Note	June 30, 2018	June 30, 2017
------(Rupees)-----			
13.2 Movement in provision against trade debts			
Opening balance		416,066,852	313,554,445
Charged during the year		<u>(36,740,450)</u>	<u>102,512,407</u>
Closing balance		<u>379,326,402</u>	<u>416,066,852</u>

14 LOANS AND ADVANCES

Advances - unsecured, considered good

- to employees		824,009	1,428,809
- against property		<u>3,500,000</u>	<u>40,200,000</u>
		<u>4,324,009</u>	<u>41,628,809</u>

15 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Exposure deposit	15.1	11,424,336	50,338,258
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15.1 This represents amounts deposited with Pakistan Stock Exchange Limited against exposure arising out of MTS transactions entered into by the Company in respect of which settlements have not taken place as at the reporting date. The Company has deposited the exposure amount in accordance with the regulations of the Pakistan Stock Exchange Limited.

Note	June 30, 2018	June 30, 2017
------	------------------	------------------

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

16 OTHER RECEIVABLES

Mark-up on receivable from associates	16.1	154,166,717	154,461,717
Others		392,215	34,551,484
		<u>154,558,932</u>	<u>189,013,201</u>

16.1 Detail of the mark-up due from each associate is as follows. Corporate guarantees have been provided by the parent / sponsor companies of the associates.

	June 30, 2018	June 30, 2017
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------(Rupees)-----

First Pakistan Securities Limited	74,884,319	75,179,319
Switch Securities (Private) Limited	79,282,398	79,282,398
	<u>154,166,717</u>	<u>154,461,717</u>

17 CASH AND BANK BALANCES

Cash at bank

Current accounts	193,914,973	122,349,992
Saving accounts	66,279,246	-

Cash in hand

	2,944	-
	<u>260,197,163</u>	<u>122,349,992</u>

17.1 This includes customers' assets in the amount of Rs. 37.222 million (2017: Rs. 41.875 million) held in designated bank accounts.

Note	June 30, 2018	June 30, 2017
------	------------------	------------------

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

18 LONG-TERM FINANCING

From banking companies - secured			
Bank Alfalah Limited	18.1	94,063,081	94,613,285
United Bank Limited	18.2	1,193,820	1,554,232
The Bank of Punjab	18.3	137,127,791	127,920,912
Overdue interest on long-term financing			
The Bank of Punjab		5,906,000	2,966,000
		<u>238,290,692</u>	<u>227,054,429</u>
Less: Current portion of long-term financing		<u>(29,434,769)</u>	<u>(32,941,547)</u>
		<u>208,855,923</u>	<u>194,112,882</u>

18.1 The Company obtained financing from Bank Alfalah Limited ("BAF") for working capital requirements and in order to improve liquidity. The liability was restructured / rescheduled vide an offer letter dated June 27, 2014 (and amended on September 08, 2014). Under the terms of the restructuring, multiple loan tranches were merged. The restructured loan liability, which is interest-free, has been recognized at the present value of future payments, discounted at the average borrowing cost of the Company. The difference between the carrying amount of the liability extinguished and the carrying value of the new

liability has been recognized in profit and loss as notional income. The related notional expense is being amortized over the term of the liability (through to June 2021).

The facility was originally secured against pledge of shares (then) amounting to Rs 78.6 million, mortgage of a commercial plot of land (#19-C, Sunset Lane #6, Phase II, DHA, Karachi), mortgage of rooms #135 and #136 at the Stock Exchange Building in Karachi, mortgage of room #306 on the 3rd floor of the Business and Finance Centre in Karachi, mortgage of municipal showroom #2 on the ground floor of Bank Square Chowk Yadgar in Peshawar, and the personal guarantee of Mr. Ali A. Malik (CEO). At present, as a result of repayments to BAF from sale proceeds of properties, all mortgages with the exception of the Peshawar property have been released.

In view of actual repayments during the year, the present value of the loan was revised whereby notional income of Rs. 6,619,960 (June 30, 2017: notional expense of Rs. 6,806,853) was recognized in profit and loss.

As per the terms of the restructuring offer letter, the principal amount unpaid after the sale of pledged properties (or the settlement of the relevant portion of the liability by payments made otherwise) is to be paid in quarterly installments of Rs 0.3 million from January 2016 to December 2016, and in quarterly installments of Rs. 1.0 million from January 2017 to June 2021.

	June 30, 2018	June 30, 2017
	------(Rupees)-----	
Reconciliation of fair value of BAF facility		
Liability - beginning of year	94,613,285	140,270,599
Notional interest	4,449,796	23,218,513
Less: Payments made during the period	(5,000,000)	(68,875,827)
	94,063,081	94,613,285
Unamortized notional interest - BAF		
As at the beginning of the year	39,343,667	62,562,180
Arising during the year	(11,069,756)	(16,411,660)
Amortized for the year	6,619,960	(6,806,853)
As at the end of the year	34,893,871	39,343,667

18.2 The company has negotiated a 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 mark-up). The borrowing was obtained to finance daily clearing obligations of PSX and settlement of client trades.

18.3 Financing from the Bank of Punjab has been restructured/rescheduled vide an offer letter dated June 30, 2016, wherein the Bank has agreed to settle the previous running finance facility, amounting to Rs 135 million, through restructuring/rescheduling on the following terms and conditions:

18.3.1 DF-I (Serviceable) amounting to Rs 99.497 million with a down payment of Rs 0.422 million and future COF bearing markup quarterly/bi-annually at the rate of 3%, to be deferred for an initial three years and subsequently recovered with balance repayments. This facility will be repaid in 28 step-up quarterly/biannual installments till Dec 2025.

DF II (Unserviceable) amounting to 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 is to be repaid in 9 Quarterly/Bi-annual installments from September, 2022 to December, 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 include the disposal of the lender's petition, the obligation to keep intact existing collateral/securities, and the unfettered right to demand accelerated repayment with an improved rate of mark-up depending on financial growth indicators of the Company by taking the period ended June 30, 2015 as the base period.

Since the restructured loan is partially interest-free and partially at a 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 at 7.5%, the market interest rate of similar loans. The difference between the liability initially recognized (but now extinguished) and the present value calculated through discounting future cash outflows was recognized in FY2016 profit and loss account as notional income and will be amortized during the term of the liability, i.e. through to December 2025.

Note	June 30, 2018	June 30, 2017
------(Rupees)-----		
Reconciliation of fair value of BOP facility		
Liability - beginning of year	128,342,911	120,173,870
Less: Payments made during the year	(844,000)	(844,000)
Add: Amortized notional interest	9,628,880	9,013,041
	137,127,791	128,342,911
Unamortized notional interest - BOP		
As at the beginning of the year	35,925,883	26,912,842
Arising during the year	9,628,880	9,013,041
As at the end of the year	45,554,763	35,925,883

19 LOAN FROM SPONSORS

Loan from sponsors - Subordinated	19.1	155,175,000	247,743,041
Loan from Sponsors - Interest-bearing		-	400,000,000
		155,175,000	647,743,041
Less: current portion		-	-
		155,175,000	647,743,041

19.1 This represents subordinated, unsecured loans received from a Director of the Company. During the current period, the Director of the company provided finance amounting to Rs 70 Million as a subordinated loan.

19.2 During the period, company repaid an interest-bearing loan amount to Rs. 400 million to a Director of company, pursuant to Circular no 20. of the Securities & Exchange Commission of Pakistan ("SECP") dated August 30, 2017, under which a brokerage company is not allowed to maintain interest-bearing loans from directors of a company. The Company's directors passed a resolution to repay Rs. 250 million by selling its portfolio investments and the remaining Rs. 150 million was repaid by issuing right shares out of its pending unsubscribed right.

	Note	June 30, 2018	June 30, 2017
		----- (Rupees) -----	
20 OTHER LOANS			
Other loans		-	54,721,056
21 DEFERRED LIABILITIES			
Gratuity payable	27	10,924,646	9,360,117
22 TRADE AND OTHER PAYABLES			
Creditors		37,179,662	41,875,310
Other trade payables - net of comm. & taxes		143,352,836	143,352,836
Accrued expenses		7,504,084	24,451,984
Others		93,607,425	42,830,561
		281,644,007	252,510,691
23 CONTINGENCIES AND COMMITMENTS			
23.1 Contingencies			
<p>Trade and Other Payables of the Company include an amount of Rs. 143.35 million payable to a client of the company. The client has additional claims against the Company and the matter is under litigation in the Sindh High Court since April 5, 2013. The Company's legal counsel is of the view that the Company has a favorable case based on merit. Accordingly, the Company has not provided for the client's additional claims against the Company.</p>			
		June 30, 2018	June 30, 2017
		----- (Rupees) -----	
23.2 Commitments			
23.2.1 Outstanding settlements against sale of investments in regular market		3,415,929	37,127,912
Outstanding settlements against purchase of investments in regular market		3,146,703	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

	June 30, 2018	June 30, 2017
	------(Rupees)-----	
80,500,000 Ordinary shares of Rs. 10 each issued fully paid in cash as right shares at discount	805,000,000	805,000,000
3,809,831 Ordinary shares of Rs. 10 each issued fully paid in cash as right shares at discount	38,098,310	38,098,310
125,476,500 Ordinary shares of Rs. 10 each issued fully paid in cash as right shares at discount	1,254,765,000	-
	<u>2,672,863,310</u>	<u>1,418,098,310</u>

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

	2018		2017	
	Shares held	Percentage	Shares held	Percentage
First Florance Developers (Pvt.) Limited	104,426,150	39.70%	77,152,150	54.41%
MCD Pakistan Limited	2,452,950	0.92%	2,353,950	1.66%
First Pakistan Securities Limited	10,396,308	3.89%	10,396,308	7.33%
Switch Securities (Pvt.) Limited	5,684,506	2.13%	5,684,506	4.01%

24.4 The Company's Directors, their spouses and minor children hold 83,279,530 shares as at June 30, 2018 (2017: 2,172,290 shares).

	Note	June 30, 2018	June 30, 2017
		------(Rupees)-----	
25 OPERATING REVENUE			
Brokerage income			
Dividend income		20,769,965	51,596,357
		4,239,572	14,588,352
		<u>25,009,537</u>	<u>66,184,709</u>

26 ADMINISTRATIVE EXPENSES

Salaries, allowances and other benefits			
Rent, rates and taxes		22,379,916	19,574,429
Fuel, repairs and maintenance		2,807,095	2,870,899
Utilities		4,379,221	2,955,325
Fees and subscription		2,492,460	2,638,859
KSE, clearing house and CDC charges		2,331,381	2,623,509
Travelling and conveyance		946,456	1,101,795
Depreciation		931,467	5,619,556
Communication, printing and stationery		1,323,010	1,810,026
Legal and professional charges		2,413,987	2,229,822
Entertainment		1,380,567	2,954,437
Provisions		679,074	629,641
Others		(1,047,488)	102,512,407
		231,146	3,553,982
		<u>41,248,292</u>	<u>151,074,687</u>

26.1 Salaries, allowances and other benefits include Rs. 1,483,229 (2017: Rs. 1,033,540) in respect of staff retirement benefits.

27 EMPLOYEE BENEFITS

Unfunded gratuity scheme:

As previously noted in note 3.13, the Company operates an unfunded gratuity scheme. The latest actuarial valuation of the scheme was carried out as at June 30, 2018 using the Projected Unit Credit method.

	June 30, 2018	June 30, 2017
	------(Rupees)-----	
27.1 Balance sheet reconciliation		
Present value of defined benefit obligation	7,870,074	6,305,545
Add: Payables	3,054,572	3,054,572
Net Liability at the end of year	10,924,646	9,360,117
27.1.1 Movement in present value of defined benefit obligation		
Present value of defined benefit obligation at the beginning of the year	6,305,545	4,021,542
Current service cost	900,350	679,235
Past service cost credit	-	-
Interest cost on defined benefit obligations	582,879	354,293
Benefits due but not paid (payables)	-	(169,907)
Benefits paid	(61,300)	-
Actuarial gain / loss	-	130,951
Premeasurement: experience adjustments	142,600	1,289,431
Present value of defined benefit obligation at the end of the year	7,870,074	6,305,545
27.1.2 Expenses to be charged to profit and loss account		
Current service cost	900,350	679,235
Interest cost on defined benefit obligations	582,879	354,293
Expense for the year	1,483,229	1,033,528
27.1.3 Premeasurement losses/(gains) recognized in other comprehensive income		
Experience adjustments	142,600	1,289,431
	142,600	1,289,431
27.1.4 Net recognized liability		
Net liability at the beginning of the year	9,360,117	7,181,207
Premeasurement losses/(gains) recognized in Profit & Loss	1,483,229	1,033,528
Premeasurement losses/(gains) recognized in Other Comprehensive Income	142,600	1,420,382
Benefits paid	(61,300)	(275,000)
Net liability at the end of the year	10,924,646	9,360,117

27.2 The principal assumptions used in the actuarial valuations carried out as of **June 30, 2018** using the 'Projected Unit Credit' method are as follows:

Discount rate per annum	9.25%
Expected per annum rate of increase in future salaries	10.00%
	SLIC 2001-2005
Expected morality rate	Setback 1 Year
Expected withdrawal rate	Age-based

Sensitivity analysis for actuarial assumptions

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

Discount Rate +100 bps	6,999,358
Discount Rate -100 bps	8,930,422
Salary Increase +100 bps	8,936,301
Salary Increase -100 bps	6,977,610

The average duration of the defined benefit obligation is 13 years.

Five year data on experience adjustments

	2018	2017	2016	2015	2014
	Rupees				
Present value of defined benefit obligation, June 30	10,924,646	9,360,117	7,181,207	7,136,796	6,231,249
Experience adjustment arising on plan liabilities gains	142,600	1,289,431	690,402	342,386	282,815

Based on actuarial advice, the Company intends to charge an amount of approximately Rs. 1,625,829 (2017: 2,453,910) in respect of the gratuity scheme in the financial statements for the year ending June 30, 2018.

28 FINANCE COST

Mark-up on:

	Note	June 30, 2018	June 30, 2017
		------(Rupees)-----	
Long-term financing			
Commercial banks		2,940,000	2,966,000
Sponsor loans		8,035,000	24,085,000
Margin financing		1,420,993	8,614,670
Bank and other charges		1,720,996	3,478,296
		<u>14,116,989</u>	<u>39,143,966</u>
Notional expenses			
Commercial banks		14,500,676	61,346,810
Other		(3,631,961)	78,754,027
		<u>24,985,704</u>	<u>179,244,803</u>

29 OTHER CHARGES

Auditors' remuneration			
Impairment loss on intangible assets	29.1	928,300	1,175,500
Commission to trading agents		2,500,000	-
		<u>2,157,348</u>	4,614,317
		<u>5,585,648</u>	<u>5,789,817</u>

June 30, 2018	June 30, 2017
------------------	------------------

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

29.1 Auditors' remuneration

Statutory audit fee	500,000	700,000
Half yearly review fee	200,000	230,000
Other certifications and out-of-pocket expenses	228,300	245,500
	928,300	1,175,500

30 OTHER INCOME**Income from financial assets****Mark-up on:**

Exposure deposits	145,656	1,545,510
Return on fixed deposits	785,687	1,016,185
	931,343	2,561,695

Income from non-financial assets/liabilities

Present value of waived-off markup liability	-	277,963,597
(Loss) / gain on sale of fixed assets	(11,000,000)	3,547,320
Other income	5,597,700	18,203,789

(4,470,957)	302,276,401
--------------------	--------------------

31 TAXATION

Current tax expense / (income) for the year	3,607,751	19,793,024
prior years	3,848,259	(11,053,094)
Deferred tax expense / (income) owing to change in tax rate	5,541,668	-
owing to temporary differences	7,723,109	(33,640,628)
	20,720,788	(24,900,698)

The tax provision made in the financial statements is sufficient as the Company has taxable losses for the period and has provided for tax expense under final/minimum taxation.

June 30, 2018	June 30, 2017
------------------	------------------

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

31.1 Relationship between tax expenses and accounting profit :

Profit before taxation	(154,040,114)	142,054,489
Profit attributable to final / separate block Income	117,405,992	(13,431,786)
Tax effect of amounts that are admissible for tax purposes	971,173	(279,749,283)
Tax effect of amounts that are inadmissible for tax purposes	9,415,057	164,456,056
Tax effect of unused losses	26,247,892	(13,329,476)
Taxation under final / separate block income and minimum taxation	3,607,751	19,793,024
Tax effect of prior years	3,848,259	(11,053,094)
Tax effect of timing differences	13,264,777	(33,640,628)
	20,720,788	(24,900,698)

31.2 Income tax assessments of the Company are deemed to be finalized as per tax returns file up to tax year 2017. Tax returns are subject to further assessment under provisions of the Income Tax Ordinance, 2001 ("the Ordinance") unless selected for an audit by the taxation authorities. The Commissioner of Income Tax may, at any time during a period of five years from date of filing of return, select a deemed assessment order for audit.

31.3 According to management, the tax provision made in the financial statements is sufficient. A comparison of last three years of income tax provision with tax assessed is presented below:

Tax Year	Tax Provision	Tax Assessed
2015	12,457,460	3,746,456
2016	12,866,972	226,854
2017	19,793,024	23,641,283

31.4 Differences in amounts provided and final assessments are due to interpretational and treatment differences. In the interest of prudence, amounts provided were higher due to uncertainty around treatment of items such as notional income.

32 EARNINGS PER SHARE - BASIC AND DILUTED

Basic earnings per share is calculated by dividing profit after tax for the year by weighted average number of shares outstanding during the period, as follows:

	June 30, 2018	June 30, 2017
	------(Rupees)-----	
(Loss) / profit after taxation attributable to ordinary shareholders	(174,760,901)	166,955,187
Weighted average number of ordinary shares in issue during the year	197,648,705	187,606,916
Earnings per share	(0.88)	0.89

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

33 RELATED PARTY TRANSACTIONS

Related party comprise of associated companies, key management personnel and Directors of the Company as well as their close family members, and major shareholders of the company. Transaction with related parties are on arms' length basis. Remuneration and benefits to executives of the company are in accordance with the terms of their employment while contribution to provident fund is in accordance with staff service rules.

Remuneration of the Chief Executive Officer, other senior executives and Directors of the Company is disclosed in note 34 to the financial statements. Transactions with related parties during the year, other than those disclosed elsewhere in these financial statements, are as follows.

Transactions during the year

	33.1	2018			
		Key Management	Associates	Other related parties	Total
Rupees					
Purchase of marketable securities for and on behalf of		4,814,981,427	632,409,061	5,940,169,717	11,387,560,205
Sale of marketable securities for and on behalf of		4,587,969,534	757,909,409	5,915,921,022	11,261,799,965
Brokerage income		547,641	439,000	1,594,259	2,580,900
Loan from sponsors		70,000,000	-	-	70,000,000
Loan repaid to sponsors		400,000,000	-	-	400,000,000
Equity contributions		216,537,000	133,249,500	26,643,000	376,429,500

Transactions during the year

		2017			
		Key Management	Associates	Other related parties	Total
Rupees					
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	5,780,348
Loan from sponsors		85,175,000	74,350,397	-	159,525,397

33.1 This includes the purchase of the Company's portfolio investment by its Chief Executive Officer in accordance with the Related Party Transactions Policy of the Company, approved by the Company's Board of Directors in compliance with section 277 of the Companies Act.

Name and nature of relationship with related parties

Company Name	Basis of Relationship	Aggregate percentage of holding
MCD Pakistan (Pvt.) Limited	Common Directorship	0.92
First Florance Developers (Pvt.) Limited	Significant Influence	39.07
Ms. Adeela Ali	Spouse of CEO	3.32
Ms. Fatima Ali	Daughter of CEO	0.04
Mr. Umer Malik	Son of CEO	0.35
Mr. Essa Malik	Son of CEO	0.04

34 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	2018			2017		
	Chief Executive	Executive Directors	Executives	Chief Executive	Executive Directors	Executives
Rupees						
Managerial remuneration	2,500,000	2,295,000	6,840,000	-	1,620,000	6,470,000
Utilities	90,622	-	44,000	85,505	-	-
Conveyance and traveling	747,357	191,990	205,553	2,889,411	111,914	-
Number of persons	1	2	5	1	2	6

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 for the year ended June 30, 2018 (year ended June 30, 2017: Nil).

June 30, 2018	June 30, 2017
------------------	------------------

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

35 CASH GENERATED FROM OPERATIONS

Profit before taxation	(154,040,114)	142,054,489
Adjustment for non cash items		
Depreciation	1,327,648	1,810,026
Loss / gain on disposal of investments	103,522,805	(162,890,266)
Share of profit of associate - net of tax	(1,449,824)	(43,177)
Unrealized loss on remeasurement of investments at fair value	686,069	53,230,757
Impairment loss on intangible asset	2,500,000	-
Provision for doubtful debts	(36,740,450)	102,512,407
Provision for gratuity	1,396,974	1,033,527
Finance cost	24,985,704	179,244,803
Dividend income	(4,239,572)	(14,588,352)
Income on exposure deposits	145,656	(1,545,510)
Capital work-in-progress	33,340,000	-
Provision for other receivables	2,352,962	-
Other operating income	(6,673,483)	(297,183,571)
Loss on disposal of intangible assets	11,000,000	-
Gain on disposal of fixed assets	(1,216)	(3,547,320)
	132,153,273	(141,966,676)
Operating loss before working capital changes	(21,886,841)	87,813
Changes in working capital:		
Decrease / (increase) in current assets		
Trade debts	(1,262,287)	(33,273,321)
Loans and advances	(2,695,200)	(41,127,947)
Trade deposits and short-term prepayments	40,119,463	(39,312,992)
Other receivables	22,798,980	12,491,322
Increase / (decrease) in current liabilities		
Trade and other payables	30,885,265	40,488,366
	89,846,221	(60,734,572)
Cash (used) / generated in operations	67,959,380	(60,646,759)

36 FINANCIAL INSTRUMENTS BY CATEGORY

2018					
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	2,996,000	-	-	-	2,996,000
Other receivables	-	-	-	155,512,959	155,512,959
Current assets					
Short-term investments		6,392,824	10,227,111		16,619,935
Trade debts - net	95,564,701	-	-	-	95,564,701
Loans and advances	4,324,009	-	-	-	4,324,009
Trade deposits	11,424,336	-	-	-	11,424,336
Other receivables	154,558,932	-	-	-	154,558,932
Cash and bank balances	260,197,163	-	-	-	260,197,163
Liabilities					
Current liabilities					
Trade and other payables	-	-	-	281,644,007	281,644,007
Current maturity of long term financing	-	-	-	29,434,769	29,434,769
Non-current liabilities					
Long-term financing	-	-	-	208,855,923	208,855,923
Other loans	-	-	-	-	-
Loan from sponsor	-	-	-	155,175,000	155,175,000

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



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 financial instruments may fluctuate as a result of changes in market interest rates, changes in the credit rating of the issuer of the instruments, change in market sentiments, speculative activities, supply and demand of securities and/or changes in 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 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 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 maturity / repricing of financial assets and liabilities through appropriate policies.

As at June 30, 2018				
Exposed to Yield / Interest risk		More than one year	Not exposed to Yield / Interest rate risk	Total
Up to one year				

Rupees

Financial assets**Non-current assets**

Long-term deposits	2,996,000	-	-	2,996,000	2,996,000
Long term receivable	-	-	-	155,512,959	155,512,959
	-	-	-	158,508,959	158,508,959

Current assets

Short-term investments	-	-	-	16,619,935	16,619,935
Trade debts - net	-	-	-	95,564,701	95,564,701
Loans and advances	-	-	-	4,324,009	4,324,009
Trade deposits	11,424,336	-	-	-	11,424,336
Other receivables	-	-	-	154,558,932	154,558,932
Cash and bank balances	260,197,163	-	-	-	260,197,163
	271,621,499	-	-	271,067,578	542,689,078
Subtotal	271,621,499	-	-	429,576,537	701,198,036

Financial liabilities**Current liabilities**

Trade and other payables	-	-	-	281,644,007	281,644,007
Current maturity of long term financing	-	-	-	29,434,769	29,434,769
	-	-	-	311,078,776	311,078,776

Non current liabilities

Long term financing	-	-	-	114,792,842	114,792,842
Loan from sponsor	-	-	-	155,175,000	155,175,000
	-	-	-	269,967,842	269,967,842
Subtotal	-	-	-	581,046,618	581,046,618

On-balance sheet gap

	271,621,499	-	-	(151,470,081)	120,151,418
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Off-balance financial instruments

	-	-	-	-	-
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Off-balance sheet gap

	-	-	-	-	-
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Total interest rate sensitivity gap

	271,621,499	-	-	-	-
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Cumulative interest rate sensitivity gap

	271,621,499	-	-	-	-
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As at June 30, 2017				
Exposed to Yield / Interest risk		More than one year	Not exposed to Yield / Interest rate risk	Total
Up to 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
	-		145,074,672	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	-	-	189,013,201	189,013,201
Cash and bank balances	122,349,992	-	-	122,349,992
	172,688,250	-	656,960,736	829,648,986
Sub Total	172,688,250	-	145,074,672	656,960,736
Financial 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
	-	-	297,100,341	297,100,341
Non current liabilities				
Long term financing	-	130,155,496	63,957,386	194,112,882
Other Loans	-	-	54,721,056	54,721,056
Loan from sponsor	-	400,000,000	247,743,041	647,743,041
	-	530,155,496	366,421,483	896,576,979
Sub Total	-	530,155,496	-	663,521,824
On-balance sheet gap	172,688,250	(530,155,496)	145,074,672	(6,561,088)
Off-balance financial instruments	-	-		
Off-balance sheet gap				
Total interest rate sensitivity gap	172,688,250	(530,155,496)		
Cumulative interest rate sensitivity gap	172,688,250	(530,155,496)		

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

	2018	2017
	Percentage	
Loan from sponsors	0	7.5-11.7
Other loans	0	10-12
Trade deposits	5.56-6.5	5.56-6.5

37.1.2.2 Sensitivity analysis for variable rate instruments

In case of a 100 basis points increase / decrease in KIBOR on June 30, 2018, with all other variables held constant, the impact on profit and loss will be as follows:

	Profit and loss 100 bps	
	Increase	Decrease
Cash flow sensitivity - variable rate financial liabilities As at June 30, 2018	<u>1,821,380</u>	<u>(1,821,380)</u>
	<u>1,821,380</u>	<u>(1,821,380)</u>
As at June 30, 2017	<u>831,980</u>	<u>(831,980)</u>

The sensitivity analysis prepared as of June 30, 2018 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 risk 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.

Investments 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 the event of a 10% (2017: 10%) increase / decrease in the KSE 100 index on June 30, 2018, the value of securities classified at fair value through profit and loss would decrease / increase by Rs 1,022,711 (2017: 35,941,057), and net assets of the Company would increase / decrease by the same amount. In the event of a 10% (2017: 10%) increase / decrease in the KSE 100 index on June 30, 2018, the value of securities classified as available for sale would increase / decrease by Rs 639,282 (2017: Rs. 4,435,795), with a corresponding increase / decrease in other components of equity and net assets of the Company.

The above analysis is based on the assumption that if the equity index increases / decreases by 10% (2016; 10%) with all other variables held constant, the Company's equity instruments will move according to the historical correlation of such instruments with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 index, having considered the historical volatility of the index. The composition of the Company's investment portfolio and the correlation thereof to the KSE 100 index is expected to change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2018 is not necessarily indicative of the effect on the Company's net assets of future movements in the level of KSE 100 index.

37.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fail to perform as contracted. All the financial assets of the Company are exposed to

credit risk. To manage 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. Management is confident that credit quality of debts which are not past due nor impaired remains sound at the balance sheet date.

A portion 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 customers.

The Company holds 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, 2018 and those which have been repledged, along with the details of the Company's obligation as to their return and the significant terms and conditions associated with their use, are given in note 40 to the financial statements.

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

2018		2017	
Total outstanding amount	Payment overdue (in days)	Total outstanding amount	Payment overdue (in days)
Rupees		Rupees	

Financial instruments:

Trade debts - net	95,564,701	1-5	53,270,002	1-5
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An analysis of the significant financial assets that are individually impaired is 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.

2018			
Total outstanding amount	Up to one month	One to three months	More than three months
Rupees			

Financial instruments:

Trade debts	474,891,103	24,435,409	3,281,691	447,174,003
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2017			
Total outstanding amount	Up to one month	One to three months	More than three months
Rupees			

Financial instruments:

Trade debts	469,336,854	828,478	10,801,818	457,706,558
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Although the Company has made provision against the aforementioned portfolio, the Company still holds certain collateral to be able to enforce 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 financial institutions to meet any deficit associated with short-term liquidity

commitments, should such a deficit arise.

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

	2018			Total
	Up to three months	More than three months and up to one year	More than one year	
Rupees				
Current liabilities				
Trade and other payables	113,338,070	153,355,836	14,950,101	281,644,007
Unclaimed dividend	-	9,676,311	-	9,676,311
Current maturity of long-term financing	-	29,434,769	-	29,434,769
				-
Non current liabilities				
Long-term financing	-	-	208,855,923	208,855,923
Loan from sponsor	-	-	155,175,000	155,175,000

	2017			Total
	Up to three months	More than three months and up to one year	More than one year	
Rupees				
Current liabilities				
Trade and other payables	252,510,692	-	-	252,510,692
Unclaimed dividend	-	11,648,103	-	11,648,103
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

37.4 Fair value of financial assets and liabilities

Various judgments and estimates are made in determining the fair value of financial instruments that are recognized and measured at fair value in the Company's financial statements. To provide an indication about the reliability of inputs used in determining fair value, financial instruments have been classified into three levels, as prescribed under accounting standards. An explanation of each level follows the table.

Recurring Fair Value Measurement as at June 30, 2018	Level 1	Level 2	Total
Long-term investment - Available for sale	21,353,582	-	21,353,582
Short-term investment - Available for sale	6,392,824	-	6,392,824
At fair value through profit and loss	10,227,111	-	10,227,111
Recurring Fair Value Measurement as at June 30, 2017	Level 1	Level 2	Total
Long-term investment - Available for sale	41,163,845	-	41,163,845
Short-term investment - Available for sale	2,677,996	-	2,677,996
At fair value through profit and loss	370,370,728	-	370,370,728

In the fair value hierarchy in the preceding table, inputs and valuation techniques are as follows:

- Level 1: Quoted market price (unadjusted) in an active market
- Level 2: Valuation techniques based on observable inputs
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

38 CAPITAL RISK MANAGEMENT

The objective of managing capital is to ensure the Company's ability to continue as a going concern so that it can 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.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company manages its capital risk by monitoring its debt levels and liquid assets, and keeping in view future investment requirements as well as shareholder expectations.

	June 30, 2018	June 30, 2017
	----- (Rupees) -----	
Total borrowings	393,465,692	929,518,526
Total equity	367,425,817	165,757,219
Total capital	760,891,510	1,095,275,745
Gearing ratio	51.71%	84.87%

39 USE OF COLLATERAL AND TRADING SECURITIES

The Company utilizes customers marginable securities for meeting the exposure deposit requirements of the Pakistan 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 its customers. As at June 30, 2018, securities amounting to Rs 21.913 million (2017: Rs 7.739 million) and Rs. NIL (2017:Rs. NIL) were pledged / utilized by the Company for meeting the exposure deposit requirement of the Pakistan Stock Exchange Limited and for securing financing facilities from banks, respectively.

40 FINANCIAL INSTRUMENTS WITH OFF-BALANCE SHEET RISKS

The Company purchases and sells securities as either principal or agent 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 customers, brokers and other financial institutions. These activities primarily involve collateralized arrangements and may result in credit exposure in the event of potential outcomes 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.

41 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	2018
Unclaimed Dividend	Trade Payables	Unclaimed Dividend	9,676,311
Other loans	Other loans	Trade Payables	14,950,101

Reclassification made under 4th Schedule disclosure requirements of Companies Act, 2017.

42 TURNOVER BY SEGMENT

	June 30, 2018	June 30, 2017
	------(Rupees)-----	
Proprietary trades	(99,283,233)	177,478,618
Retail customers	18,828,790	48,460,614
Institutional customers	1,941,176	3,135,743
	(78,513,268)	229,074,975

43 SHAREHOLDERS HOLDING 5% OR MORE

	Shares Held		Percentage	
	2018	2017	2018	2017
First Florence Developers (Pvt.) Limited	104,426,150	77,152,150	39.07%	54.41%
Ali Aslam Malik	74,129,374	1,950,374	27.73%	1.38%
Biofert (Pvt.) Limited	10,901,408	12,935,408	4.08%	9.12%
First Pakistan Securities Limited	10,396,308	10,396,308	3.89%	7.33%

44 NUMBER OF EMPLOYEES

	2018	2017
Number of employees at year end	50	52
Average number of employees	44	49

45 EVENTS AFTER REPORTING PERIOD

No events occurred after the reporting date that would require adjustment or disclosure in the financial statements.

446 GENERAL AND CORRESPONDING FIGURES

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

47 DATE OF AUTHORIZATION

These financial statements have been authorized for issue on **September 27, 2018** by the Board of Directors of the Company.


Chief Executive Officer


Chief Financial Officer


Director

Pattern of Shareholding

As at June 30, 2018

No. of Shareholders	Shareholding		Total Shares held
	From	To	
171	1	100	3,144
124	101	500	47,907
128	501	1,000	107,097
259	1,001	5,000	734,480
77	5,001	10,000	635,348
28	10,001	15,000	353,094
16	15,001	20,000	284,680
17	20,001	25,000	397,100
8	25,001	30,000	220,000
5	30,001	35,000	166,460
4	35,001	40,000	152,000
6	40,001	45,000	256,000
18	45,001	50,000	887,591
3	50,001	55,000	158,000
4	55,001	60,000	229,140
5	60,001	65,000	316,000
2	65,001	70,000	137,000
3	70,001	75,000	217,551
2	80,001	85,000	170,000
6	85,001	90,000	527,600
1	90,001	95,000	95,000
11	95,001	100,000	1,099,000
2	100,001	105,000	202,501
4	105,001	110,000	430,500
2	110,001	115,000	225,000
1	115,001	120,000	119,000
2	120,001	125,000	242,771
1	125,001	130,000	127,125
1	140,001	145,000	143,500
1	145,001	150,000	150,000
2	150,001	155,000	308,500
1	170,001	175,000	171,000
1	175,001	180,000	175,350
1	190,001	195,000	190,500
4	195,001	200,000	795,500
1	205,001	210,000	205,500
1	225,001	230,000	225,032
1	230,001	235,000	233,500
1	240,001	245,000	241,000

No. of Shareholders	Shareholding		Total Shares held
	From	To	
1	255,001	260,000	260,000
3	260,001	265,000	787,500
3	295,001	300,000	898,500
1	330,001	335,000	335,000
1	355,001	360,000	357,950
1	455,001	460,000	460,000
1	495,001	500,000	499,000
1	525,001	530,000	528,500
1	535,001	540,000	536,000
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	850,001	855,000	855,000
1	855,001	860,000	860,000
1	930,001	935,000	930,800
1	1,335,001	1,340,000	1,340,000
2	1,340,001	1,345,000	2,690,000
1	1,545,001	1,550,000	1,550,000
1	1,815,001	1,820,000	1,820,000
1	1,840,001	1,845,000	1,840,500
1	1,955,001	1,960,000	1,958,000
1	2,090,001	2,095,000	2,095,000
1	2,320,001	2,325,000	2,325,000
1	2,475,001	2,480,000	2,476,525
1	2,535,001	2,540,000	2,540,000
1	3,000,001	3,005,000	3,005,000
1	3,970,001	3,975,000	3,971,500
1	4,765,001	4,770,000	4,765,990
1	5,050,001	5,055,000	5,051,106
1	8,880,001	8,885,000	8,881,000
1	10,200,001	10,205,000	10,201,408
1	10,390,001	10,395,000	10,392,808
1	15,100,001	15,105,000	15,101,000
1	72,660,001	72,665,000	72,662,573
1	89,325,001	89,330,000	89,325,150
969			267,286,331

Categories of Shareholders

As at June 30, 2018

Categories of Shareholder	Physical	CDC	Total	% age
Directors, Chief Executive Officer, Their Spouses and Minor Children				
Chief Executive				
Mr. Ali A. Malik	575	74,128,799	74,129,374	27.73
Directors				
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
Mr. Sami Ullah Butt	-	50,000	50,000	0.02
Director's Spouses and Their Minor Children				
Fatima Ali Malik (M) Through Gardian Ali Aslam Malik (G)	-	100,001	100,001	0.04
Essa Ali Malik (M) Through Gardian Ali Aslam Malik (G)	-	100,000	100,000	0.04
Mrs. Adeela Ali	75	8,881,000	8,881,075	3.32
	650	83,278,380	83,279,030	31.16
Associated Companies, Undertakings & Related Parties				
MCD Pakistan Limited	-	2,452,950	2,452,950	0.92
First Florance Developers (Pvt) Limited	-	104,426,150	104,426,150	39.07
First Pakistan Securities Limited	-	10,396,308	10,396,308	3.89
Switch Securities (Pvt) Limited	-	5,684,506	5,684,506	2.13
	-	122,959,914	122,959,914	46.00
Banks, NBFCs, DFIs, Takaful, Pension Funds	-	393,000	393,000	0.15
Insurance Companies	-	46,591	46,591	0.02
Other Companies	-	12,738,210	12,738,210	4.77
General Public				
A. Local	31,303	47,837,708	47,869,011	17.91
B. Foreign	-	575	575	0.00
	31,303	47,838,283	47,869,586	17.91
	31,953	267,254,378	267,286,331	100.00
Shareholders More Than 5.00%				
First Florance Developers (Pvt) Limited			104,426,150	39.07
Mr. Ali A. Malik			74,129,374	27.73

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., DHA., Karachi**, on Thursday, **Oct 25, 2018 at 13:45** to transact the following business:-

ORDINARY BUSINESS:

1. To confirm the minutes of the last Annual General Meeting held on **Oct 28, 2017**.
2. To receive, consider and adopt the Audited Annual Financial Statements of the company for the year ended June 30, 2018 together with the Board of Directors' and Auditors' reports thereon.
3. The Board of Directors on the recommendation of Audit Committee has proposed the reappointment of IECNET.S.K.S.S.S. Chartered Accountants as External Auditors for the year ending June 30, 2019.

ANY OTHER BUSINESS OF THE COMPANY

4. To transact any other business of the company that may be placed before the meeting with the permission of the chair.

By order of the Board


Syeda Adeela Abid
Company Secretary

Karachi
Dated: October 04, 2018

A BOOK CLOSURE:

1. The Shares Transfer Books will remain closed from **Oct 19, 2018 to Oct 25, 2018** (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 Share Registrar, Corp Tec Associates (Pvt) Limited, 503-E, Johar Town, Lahore by the close of business hours on **Oct 18, 2018** 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 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.

B. For Attending the Meeting

1. 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

2. 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.

C. For Appointing Proxies

1. 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 valid CNIC or passport.
2. The proxy shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
3. 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.
4. The proxy shall produce his/her valid original CNIC or valid original passport at the time of the meeting.

D. 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:

1. For filers of income tax return: 15%
2. 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%.

Withholding Tax exemption from the dividend income, shall only be allowed if copy of valid tax exemption certificate is made available to Company's Share Registrar by the first day of book closure.

Further, according to clarification received from FBR, withholding tax will be determined separately on "Filer/Non-filer" status of principal shareholder as well as joint-holder(s) based on their shareholding proportions.

In this regard all shareholders who hold company's shares jointly are requested to provide shareholding proportions or principal shareholder and joint-holder(s) in respect of shares held by them (if not already provided) to Company's Share Registrar, in writing as follows:

			Principal Shareholder		Joint Shareholder	
Company Name	Folio/CDS Account No.	Total Shares	Name & CNIC	Shareholding proportion (No. of Shares)	Name & CNIC	Shareholding proportion (No. of Shares)

The required information must reach Company's Share Registrar within 10 days of this notice; otherwise it will be assumed that the shares are equally held by the principal shareholder and joint-holder(s).

The corporate shareholders having CDC accounts are required to have their NTN updated with their respective participants, whereas corporate physical shareholders are requested to send a copy of their NTN certificate to the Company's Share Registrar. The shareholders while sending NTN or NTN certificates, as the case may be, must quote the company name and their respective folio numbers.

E. Availability of Annual Audited Financial Statement:

1. In accordance with the provisions of Section 223 and 237 of the Companies Act 2017, the audited financial statements of the Company for the year, which ended on June 30, 2018, are available on the Company's website (<http://www.fnetrade.com>).
2. In accordance with SRO 470(I)/2016, SECP has allowed the companies to circulate the annual audited accounts to its members through CD/DVD/USB instead of transmitting the hard copies at their registered addresses. The Company has obtained shareholders' approval in its last Annual General Meeting held on October 28, 2017. Accordingly, the Annual Report of FNEL for the year which ended on June 30, 2018 is being dispatched to the shareholders through DVD. However, if any shareholder, in addition, desires to get the hard copy of Annual Audited Financial Statements, the same shall be provided free of cost within seven working days of receipt of such request.
3. For convenience of shareholders, a "Standard Request Form" for provision of Annual Audited Financial Accounts is available on the Company's website.

F. VIDEO CONFERENCE FACILITY:

Members can also avail video conference facility in accordance with the provisions of Section 132 and 134 of the Companies Act, 2017. In this regard, please fill the following form and submit to registered address of the company 07 days before holding of the annual general meeting.

If the company receives consent from members holding 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 07 days prior to day of meeting, the company will arrange a video conference facility in the city subject to availability of such facility in that city

<p>I/We, _____ of _____ being member of First National Equities Limited, holder of _____ ordinary shares as per registered folio No. _____ hereby opt for video conference facility at _____</p> <p style="text-align: right;">_____ Signature of Shareholder</p>

The company will intimate members regarding venue of video conference facility at least five days before the date of annual general meeting along with the complete information necessary to enable them to access the facility.

G. PAYMENT OF CASH DIVIDEND THROUGH ELECTRONIC MODE:

In accordance with the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed company to pay cash dividend to its shareholder only through electronic mode directly into the bank account designated by the entitled shareholder. SECP through its circular No. 18/2017 dated August 01, 2017, has granted listed companies one time relaxation from the afore said requirements of the Act, for payment of cash dividend till October 31, 2017. Please note that giving bank mandate for dividend payments is mandatory and in order to comply with this regulatory requirement and to avail the facility of direct credit of dividend amount in your bank account, you are requested to please provide the following information to your respective CDC Participant / CDC Investor Account Services (in case your shareholding is in Book Entry Form) or to our Share Registrar i.e. Corp Tec Associates (Pvt.) Limited, Share Registrar & Corporate Consultants, 503 E, Johar Town, Lahore.



(Format of Form)

	Details of Shareholder
Name of shareholder	
Folio/CDS Account No.	
CNIC No.	
Cell No. of shareholder	
Landline No. of shareholder, if any	
Email	

	Details of Bank Account
Title of Bank Account	
Account International Bank Account Number <small>(IBAN) Mandatory</small>	PK _____ (24 digits) (kindly provide your accurate IBAN number after consulting with your respective bank branch since in case of any error or omission in given IBAN, the company will not be held responsible in any manner for any loss or delay in your cash dividend payment)
Banks Name	
Branch Name and Address	

It is stated that the above mentioned information is correct and in case of any change therein, I/we will immediately intimate Participant / Share Registrar accordingly.

Signature of shareholder

برقی طریقہ کار کے ذریعے نقد منافع منقسمہ کی ادائیگی

.G

کمپنیز ایکٹ 2017ء کے سیکشن 242 کے قواعد کے تحت لسٹڈ کمپنی کے لئے نقد منافع منقسمہ کی اہل شیئر ہولڈر کے پیش کردہ بینک اکاؤنٹ میں براہ راست ادائیگی صرف برقی طریقہ کار کے ذریعے لازمی ہے۔ یکم اگست 2017ء کے مراسلہ نمبر 18/2017 کے تحت SECP نے 31 اکتوبر 2017ء تک نقد منافع منقسمہ کی ادائیگی کے لئے لسٹڈ کمپنیوں کو مذکورہ بالا ضروریات سے ایک مرتبہ چھوٹ دی ہے۔ یاد رہے کہ، منافع منقسمہ کی ادائیگی کے لئے بینک مینڈیٹ دینا لازمی ہے اور اس قانونی ضابطہ پر پورا اترنے اور اپنے بینک اکاؤنٹ میں منافع منقسمہ کی رقم کی براہ راست منتقلی کے لئے برائے مہربانی اپنے متعلقہ CDC شرکاء / انویسٹرا کاؤنٹ سروسز (اگر آپ کی شیئر ہولڈنگ بک انٹری کی صورت میں ہو) یا ہمارے شیئر رجسٹرار یعنی کارپ ٹیک ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، شیئر رجسٹرار اور کارپوریٹ کنسلٹنٹس E-503، جو ہرٹاؤن، لاہور کے مندرجہ ذیل معلومات فراہم کریں:

(فارم کی وضع)

شیئر ہولڈر کی تفصیلات	
	شیئر ہولڈر کا نام
	فولیو / CDS اکاؤنٹ نمبر
	CNIC نمبر
	شیئر ہولڈر کا سیل نمبر
	شیئر ہولڈر کا لینڈ لائن نمبر، اگر دستیاب ہو
	ای میل

بینک اکاؤنٹ کی تفصیلات	
	بینک اکاؤنٹ کا ٹائٹل
PK.....	انٹرنیشنل بینک اکاؤنٹ نمبر (IBAN) ”لازمی“
(24 ہندسے) (برائے مہربانی اپنی متعلقہ بینک برانچ سے مشورہ کے بعد درست IBAN نمبر فراہم کریں آپ کے نقد منافع منقسمہ کی ادائیگی میں کسی بھی قسم کے نقصان یا تاخیر کے لئے کمپنی ذمہ دار نہ ہوگی)	
	بینک کا نام
	برانچ کا نام اور پتہ
یہ بیان کیا جاتا ہے کہ مذکورہ بالا معلومات درست ہیں اور ان میں کسی بھی قسم کی تبدیلی کی صورت میں، میں/ہم شرکاء/شیئر رجسٹرار کو فوراً مطلع کروں/کریں گے۔	

مشترکہ شیئر ہولڈر		پرنسپل شیئر ہولڈر				
شیئر ہولڈنگ تناسب (تعداد حصص)	نام اور CNIC	شیئر ہولڈنگ تناسب (تعداد حصص)	نام اور CNIC	کل حصص	فولیو/ CDS اکاؤنٹ نمبر	نام کمپنی

- ✓ مطلوبہ معلومات اس نوٹس کی فراہمی کے 10 روز کے اندر کمپنی کے شیئر رجسٹر اراکین کو پہنچ جانی چاہئیں بصورت دیگر یہ تصور کیا جائے گا کہ پرنسپل شیئر ہولڈر اور مشترکہ مالک (مالکان) مساوی حصص کے مالک ہیں۔
- ✓ CDC اکاؤنٹس کے حامل کاروباری حصص داران کے لئے اپنے متعلقہ شرکاء کو اپنے NTN سے متعلق آگاہ کرنا ضروری ہے جب کہ کاروباری فزیکل حصص داران سے درخواست ہے کہ وہ کمپنی کے شیئر رجسٹر اراکین کو اپنے NTN کی تصدیق کی نقل ارسال کریں۔ NTN، NTN کی تصدیق، کوئی بھی معاملہ ہو، ارسال کرتے ہوئے حصص داران کو اپنا کمپنی کا نام اور متعلقہ فولیو نمبر درج کرنا ہوگا۔

E. سالانہ پڑتال شدہ مالی اسٹیٹمنٹ کی دستیابی

1. کمپنیز ایکٹ 2017ء کے سیکشن 223 اور 237 کے قواعد کے مطابق 30 جون 2018ء کو اختتام پذیر سال کے لئے کمپنی کی پڑتال شدہ مالی اسٹیٹمنٹس کمپنی کی ویب سائٹ <http://www.fnetrade.com> پر دستیاب ہیں۔
2. مراسلہ نمبر SRO 470(I)/2016 کے تحت SECP نے کمپنیوں کو سالانہ پڑتال شدہ کھاتوں کو کاغذات کی بجائے بذریعہ ICD/DVD/USB اراکین کے رجسٹرڈ پتہ پر ارسال کرنے کی اجازت دی ہے۔ کمپنی نے 28 اکتوبر 2017ء کو منعقدہ سالانہ اجلاس عام میں حصص داران سے اس کی منظوری حاصل کی ہے۔ اسی طرح سے، 30 جون 2018ء کو اختتام پذیر سال کے لئے FNEL کی سالانہ رپورٹ حصص داران کو بذریعہ DVD فراہم کی جا رہی ہے۔ تاہم، اگر کوئی شیئر ہولڈر، سالانہ پڑتال شدہ مالی اسٹیٹمنٹس کو کاغذات کی صورت میں حاصل کرنے کا خواہش مند ہے تو درخواست موصول ہونے پر 7 کام کے ایام کے دوران بالکل مفت فراہم کی جائے۔
3. سالانہ پڑتال شدہ مالی کھاتوں کے حصول کی غرض سے حصص داران کی سہولت کے لئے، ”معیاری درخواست فارم“، کمپنی کی ویب سائٹ پر دستیاب ہے۔

F. ویڈیو کانفرنسنگ

- کمپنیز ایکٹ 2017ء کے سیکشن 132 اور 134 کے قواعد کے تحت اراکین ویڈیو کانفرنس کی سہولت بھی حاصل کر سکتے ہیں۔ اس کے تناظر میں، برائے مہربانی مندرجہ ذیل فارم پر کر کے کمپنی کے رجسٹرڈ پتہ پر سالانہ اجلاس عام کے انعقاد سے 7 یوم قبل جمع کرائیں۔
- اگر کمپنی 10 فی صد یا اس سے زائد حصص کے مالک، جو دور دراز مقام پر ہو، کی جانب سے اجلاس کے انعقاد سے 7 یوم قبل ویڈیو کانفرنس کے ذریعے اجلاس میں شرکت کی رضامندی وصول کرتی ہے تو کمپنی اس شہر میں سہولت دستیاب ہونے پر ویڈیو کانفرنس کا انتظام کرے گی۔

<p>میں/ ہم،..... فرسٹ نیشنل ایکویٹی لمیٹڈ کے رکن اور رجسٹرڈ فولیو نمبر..... کے تحت</p> <p>..... عمومی حصص کے مالک ہونے پر..... پروویڈیو کانفرنس کی سہولت کا/ کے خواہش مند ہوں/ ہیں۔</p> <p>دستخط شیئر ہولڈر</p>

کمپنی سالانہ اجلاس عام کی مقررہ تاریخ سے کم از کم پانچ یوم قبل ویڈیو کانفرنس کی سہولت کے مقام اور سہولت حاصل کرنے کے لئے مکمل ضروری معلومات سے متعلق اراکین کو مطلع کرے گی۔

کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ پتہ پر جمع کرایا جائے۔

4. سنٹرل ڈیپازٹری اکاؤنٹ ہولڈرز کو سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی حسب ذیل ہدایات پر عمل کرنا ہوگا:

.B اجلاس میں شرکت کے لئے

1. اجلاس میں شرکت اور ووٹ کرنے کے اہل CDC کے فرد واحد بینی فیشل مالکان کو اجلاس کے انعقاد کے موقع پر اپنی شناخت ثابت کرنے کے لئے اپنا شناختی شناخت نمبر اور اکاؤنٹ/ذیلی اکاؤنٹ نمبر بمعہ جائز حقیقی CNIC یا حقیقی پاسپورٹ فراہم کرنا ہوگا۔
2. کاروباری ادارہ کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ جس پر نامزد شخص کے نمونہ کے دستخط موجود ہوں اجلاس کے موقع پر پیش کرنا ہوگا۔ (اگر یہ پہلے جمع نہیں کرائے گئے ہوں)

.C پراکسیز کی تقرری کے لئے

1. CDC کے فرد واحد بینی فیشل مالکان کو مذکورہ بالا معیارات کے مطابق پراکسی فارم بمعہ شناختی نمبر اور اکاؤنٹ/ذیلی اکاؤنٹ نمبر بشمول جائز CNIC یا پاسپورٹ کی مصدقہ نقل جمع کرانی ہوگی۔
2. پراکسی کی توثیق دو افراد کریں گے۔ جن کے نام، پتے اور قومی شناختی کارڈ نمبر فارم پر درج ہونے چاہئیں۔
3. کاروباری ادارہ کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ پراکسی کے نمونہ کے دستخط پراکسی فارم کے ہمراہ (اگر پہلے جمع نہیں کرائے گئے ہیں) جمع کرانا ہوگا۔
4. پراکسی کو اجلاس کے انعقاد کے موقع پر جائز اصل شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔

.D منافع منقسمہ پروڈ ہولڈنگ ٹیکس

یکم جولائی 2017ء سے موثر فائننس ایکٹ 2017ء کے قواعد کی پیروی میں انکم ٹیکس آرڈیننس 2001ء کے سیکشن 150 کی روشنی میں کمپنی کی جانب سے ادا کئے گئے منافع منقسمہ کی رقم پروڈ ہولڈنگ ٹیکس کی کٹوتی حسب ذیل ہے:

1. انکم ٹیکس گوشوارے جمع کرانے والوں کے لئے 15 فی صد
2. انکم ٹیکس گوشوارے نہ جمع کرانے والوں کے لئے 20 فی صد

فائلر حصص داران کو تلقین کی جاتی ہے کہ وہ منافع منقسمہ کی ادائیگی کے موقع پر FBR کی ویب سائٹ پر فراہم کی گئی ایکٹیو ٹیکس پیپر (ATL) فہرست میں اپنے نام کے اندراج کو یقینی بنائیں بصورت دیگر انہیں نان فائلر تصور کیا جائے گا اور ان کے نقد منافع منقسمہ پر 15 فی صد کی بجائے 20 فی صد ٹیکس کا اطلاق ہوگا۔

✓ منافع منقسمہ آمدنی سے ود ہولڈنگ ٹیکس کی چھوٹی اسی صورت میں دی جائے گی اگر کتب کی بندش سے قبل کمپنی کے شیئر رجسٹر اریو ٹیکس اسٹنٹی کے جائز سرٹیفکیٹ کی نقل فراہم کی جاتی ہے۔

✓ مزید یہ کہ، FBR کی جانب سے موصول وضاحت کے مطابق، پرنسپل حصص دار اور مشترکہ مالک (مالکان) کے شیئر ہولڈنگ تناسب سے ان کی ”فائلر/نان فائلر“ حیثیت کو مد نظر رکھ کر ود ہولڈنگ ٹیکس کا علیحدہ علیحدہ تعین کیا جائے گا۔

✓ اس طرح تمام حصص داران جو کمپنی حصص کے مشترکہ مالکان ہیں انہیں ہدایت کی جاتی ہے کہ اپنا شیئر ہولڈنگ تناسب یا پرنسپل حصص دار اور مشترکہ مالک (مالکان) کے ملکیتی حصص کی تفصیلات کمپنی کے شیئر رجسٹر اریو ٹیکس کی طور پر حسب ذیل طریقہ سے فراہم کریں:

نوٹس | سالانہ اجلاس عام

فرسٹ نیشنل ایکویٹیٹیز لمیٹڈ ("کمپنی") کے اراکین کا سالانہ اجلاس عام بروز جمعرات مورخہ 25 اکتوبر 2018ء بوقت 13:45 بجے رائل روڈ ہل کلب، TC-V، سٹریٹ 34، خیابان سحر، فیز ۷، ایکسٹینشن، ڈی ایچ اے، کراچی میں مندرجہ ذیل امور پر بحث کے لئے منعقد کیا جائے گا۔

عمومی امور

1. 28 اکتوبر 2017ء کو منعقدہ سالانہ اجلاس عام کی روئیداد کی توثیق کرنا۔
2. 30 جون 2018ء کو اختتام پذیر سال کے لئے کمپنی کی پڑتال شدہ سالانہ مالی اسٹیٹمنٹس بمعہ آڈیٹرز اور بورڈ آف ڈائریکٹرز کی رپورٹ وصول کرنا اور ان کو زیر غور لانا اور اختیار کرنا۔
3. آڈٹ کمیٹی کی سفارش پر بورڈ آف ڈائریکٹرز نے 30 جون 2019ء کو اختتام پذیر سال کے لئے بحیثیت بیرونی آڈیٹرز IECNET.S.K.S.S.S. چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی تجویز دی ہے۔

کمپنی کے دیگر امور

4. چیئر کی اجازت سے اجلاس میں رکھے گئے کمپنی کے دیگر امور پر بحث کرنا۔

بحکم بورڈ
Adila Syed
 سیدہ عدیلہ عابد
 (کمپنی سیکریٹری)

کراچی

مورخہ: 04 اکتوبر 2018ء

مندرجات:

A. کتاب کی بندش

1. شیئرز ٹرانسفر بک 19 اکتوبر 2018ء سے 25 اکتوبر 2018ء تک (بشمول دنوں ایام) بند رہے گی تاکہ کمپنی اجلاس میں شرکت کے لئے اراکین کی اہلیت کا تعین کر سکے۔
2. 18 اکتوبر 2018ء کو کاروباری اوقات کا ختم ہونے تک کمپنی کے شیئرز رجسٹرار کے دفتر کارپ ٹیک ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، E-503 جوہر ٹاؤن، لاہور میں موصول ٹرانسفرز کو اجلاس میں شرکت اور ووٹ کرنے کی اہلیت کی غرض سے بروقت وصولی تصور کیا جائے گا۔ اراکین سے درخواست ہے کہ اپنے رجسٹرڈ پتے میں تبدیلی کی صورت میں فوراً کمپنی کے شیئرز رجسٹرار دفتر میں اطلاع دیں۔
3. اس اجلاس میں شرکت اور ووٹ کرنے کا/کی اہل رکن اپنی جگہ شرکت اور ووٹ کرنے کے لئے اپنا پر کسی مقرر کر سکتا/سکتی ہے جو ایک رکن کی حیثیت رکھتا/رکھتی ہے۔ پر کسی کو موثر بنانے کی غرض سے دستخط، مہر اور تصدیق شدہ پر کسی فارم اور مختار نامہ یا مختار نامہ کی نوٹری یا دیگر اتھارٹی سے تصدیق شدہ نقل اجلاس کے انعقاد سے کم از

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نیابت (پراکسی فارم)

فرسٹ نیشنل ایکویٹی لمیٹڈ

کمرہ نمبر 10، 1007، فلور، نیوشاک ایگنچنگ بلڈنگ، اسٹاک ایکچینج روڈ، کراچی۔

میں / ہم ----- ساکن -----
 فرسٹ نیشنل ایکویٹی لمیٹڈ کا ممبر ہوں / ہیں اور میرے / ہمارے -----
 پاس ----- نمبر کے آرڈری شمیر ز ہیں -----
 جن کا رجسٹرڈ فوئیو نمبر -----
 سی ڈی سی لسٹ کے مطابق قانونی وارث -----
 سی ڈی سی پارٹنر شپ نمبر ----- سب اکاؤنٹ 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 25 اکتوبر 2018ء بروز جمعرات دوپہر 13:45 بجے واقع رائل روڈ مل کلب، TC-V، گلی نمبر 34، خیابان سہر، فیڑ، V، ایکسٹینشن DHA، کراچی ہے یا اس سے التوا 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
 ریونیو سٹیٹمنٹ چسپاں کریں

زیر دستخطی ----- دن ----- 2018ء -----
 دستخط رکن -----
 نیابت (پراکسی) کے دستخط -----

سی ڈی سی لسٹ کے مطابق قانونی وارث

1- گواہ

دستخط -----

نام -----

پتہ -----

شناختی کارڈ نمبر -----

یا پاسپورٹ نمبر -----

2- 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 پورا 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 کو 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 اکاؤنٹ ہولڈرز / کارپوریٹ اداروں کے لیے:

- (i) پراکسی فارم پر دو افراد جن کے نام اور CNIC نمبر بمعہ پتے کے موجود ہوں بطور گواہ ضروری ہیں۔
- (ii) شخص یا ذمہ دار 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)۔



Notes

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