

FIRST NATIONAL EQUITIES LIMITED

第一国家股权有限

**2019**  
**ANNUAL REPORT**  
年度报告



**(Audited) For the Period Ended  
June 30, 2019.**

**(已审核) 截至期末2019年6月30日**

## Contents

Vision .....	02
Mission .....	03
Company Information .....	04
Organizational Chart .....	05
Financial Statistical Summary .....	06
Vertical & Horizontal Analysis .....	07
Chairman's Review .....	09
Directors' Report .....	11
Statement of Compliance .....	25
Review Report to the Members .....	27
Auditor's Report to the Members .....	28

## Financial Statements

Statement of Financial Position .....	33
Profit and Loss Account .....	34
Statement of Comprehensive Income .....	35
Cash Flow Statement .....	36
Statement of Changes in Equity .....	37
Notes to the Financial Statements .....	38
Pattern of Shareholding .....	78
Notice of Annual General Meeting .....	81
Branches Network .....	89
Form of Proxy .....	91



## 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. Amir Shehzad	Director
3. Mr. Abid Yousaf	Director
4. Mrs. Syeda Faaiza Akmal Tirimzi	Director
5. Mr. Muhammad Akhtar Choudhry	Director
6. Mr. Tahir Waheed	Director
7. Mr. Adnan Amjad	Director

### Chief Executive Officer:

Mr. Ali A. Malik

### Audit Committee:

1. Mr. Adnan Amjad Khan	Chairman
2. Mr. Shahzad Akbar	Member
3. Mr. Muhammad Akhtar Chaudhry	Member

### HR & Remuneration Committee:

1. Mr. Adnan Amjad Khan	Chairman
2. Mr. Shahzad Akbar	Member
3. Mr. Ali A. Malik	Member

### Chief Financial Officer:

Ms. Ammara Zakriya

### Company Secretary:

Mr. Khurram Zahoor

### Head of Internal Audit:

Mr. Muhammad Waleed Ahmed

### Auditors:

IECNET S.K.S.S.S  
Chartered Accountants  
Lahore.

### Legal Advisor:

Lashari & Co. Advocates

### Shares Registrar:

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

### Bankers:

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

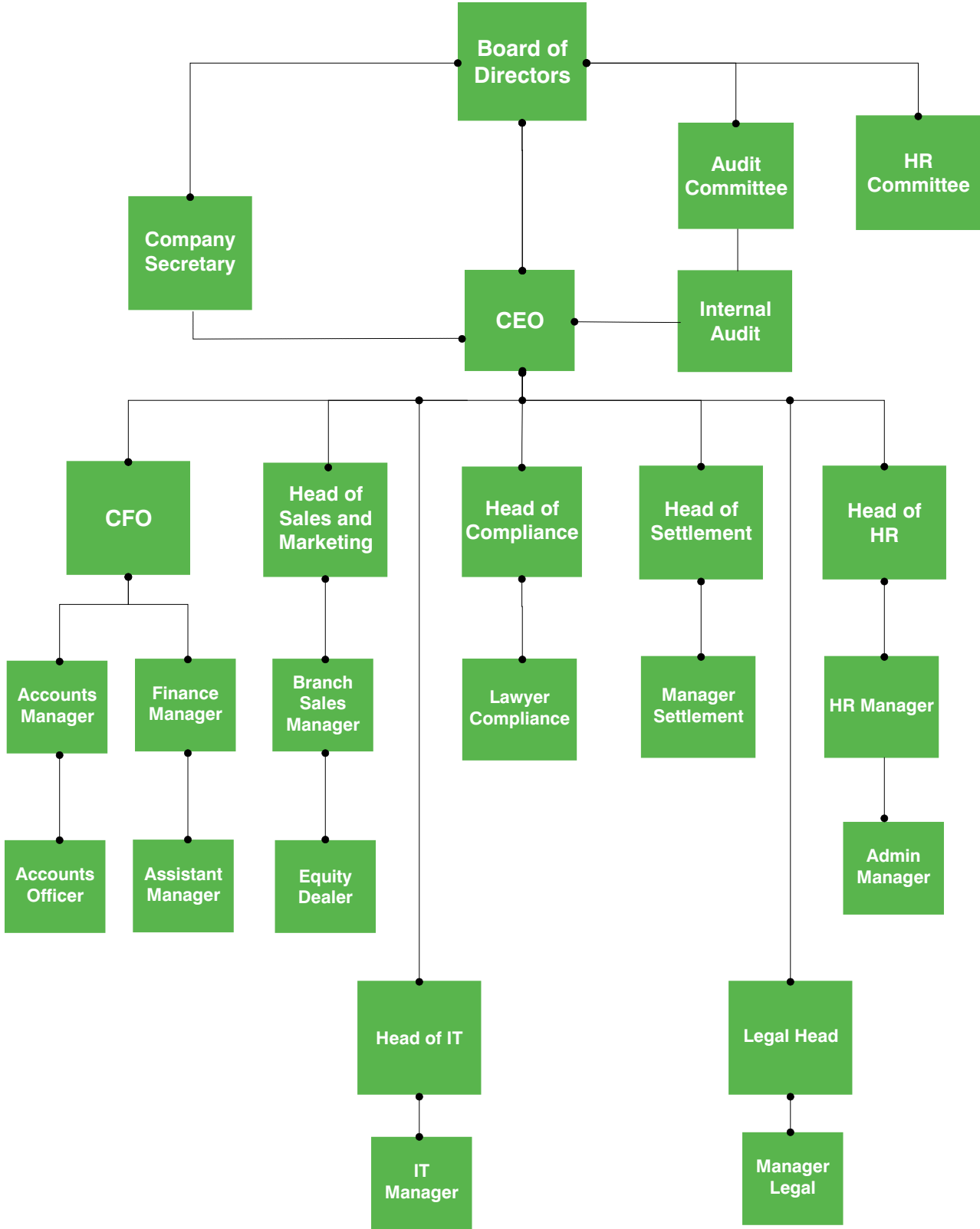
### Principal Office:

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

### Registered Office:

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

# Organization Chart





## Financial Statistical Summary (2014 - 2019)

### OPERATING RESULTS

	2019	2018	2017	2016	2015	2014
Operating Revenues	21,317	25,010	66,185	22,685	24,672	43,682
Gain on sale of investments	(7,486)	(103,523)	162,890	(3,643)	132,844	86,057
Unrealised Gain / (Loss) on investments	(7,084)	(686)	(53,231)	19,304	(8)	2,008
Gross Revenue	6,747	(79,199)	175,844	38,347	157,508	131,747
Administrative Expenses	(48,857)	(41,248)	(151,075)	(52,115)	(43,143)	(83,180)
Finance Cost	(50,111)	(24,986)	(179,245)	(49,627)	(44,428)	47,266
Other Expenses	(2,720)	(5,586)	(5,790)	(12,833)	(1,818)	(4,359)
Other income	10,240	4,471	302,276	59,156	93,662	34,243
	(84,701)	(155,490)	142,011	(17,073)	161,781	125,716
Share of profit from associates - net of tax	2,370	1,450	43	407	31,090	(6)
Change in fair value of investment	637,050	-	-	-	-	-
Loss on Deemed Disposal- Investment in Associate	-	-	-	(10,169)	-	-
<b>Profit / (Loss) before Tax</b>	<b>554,719</b>	<b>(154,040)</b>	<b>142,054</b>	<b>(26,835)</b>	<b>192,871</b>	<b>125,710</b>
Taxation (expense) / income	(56,815)	(20,721)	24,901	38,406	50,015	(10,992)
<b>Profit / (Loss) after Tax</b>	<b>497,904</b>	<b>(174,761)</b>	<b>166,955</b>	<b>11,571</b>	<b>242,886</b>	<b>114,718</b>

### BALANCE SHEET SUMMARY

#### Non-Current Asset

	2019	2018	2017	2016	2015	2014
Property and equipment	38,074	39,074	39,998	57,868	60,370	91,875
Capital work in progress	-	-	33,340	33,340	33,340	33,340
Intangible assets	85,277	64,415	41,915	41,915	51,915	51,915
Investment Property	-	-	-	-	106,142	-
Receivable from Associate	-	-	-	-	78,084	106,768
Other Receivables	113,010	155,513	142,579	261,400	263,884	-
Investment in associate	75,360	72,990	71,540	71,497	105,793	53,326
Long term investments	637,550	-	-	-	-	-
Investments - available for sale	14,056	21,354	41,163	40,074	40,074	40,074
Long term deposits	2,250	2,996	2,496	2,481	2,344	2,394
Deferred taxation	94,255	150,785	164,028	130,064	87,502	25,030
<b>Total Non-Current Assets</b>	<b>1,059,832</b>	<b>507,126</b>	<b>537,059</b>	<b>638,639</b>	<b>829,448</b>	<b>404,722</b>

#### Current assets

Short term investments	21,746	16,620	373,049	420,738	1,598	93,533
Trade debts	102,612	95,565	53,270	91,744	82,389	322,932
Loans & advances	1,339	4,324	41,629	501	1,480	1,568
Trade deposits & short term prepayments	25,055	11,424	50,338	6,537	20	534
Other Receivables	144,737	154,559	189,013	165,281	157,642	140,960
Advance tax	26,340	24,856	27,020	13,606	15,605	25,912
Cash and bank balance	180,704	260,197	122,350	52,230	56,483	3,471
<b>Total Current Assets</b>	<b>502,533</b>	<b>567,545</b>	<b>856,669</b>	<b>750,637</b>	<b>315,218</b>	<b>588,910</b>

### CURRENT LIABILITIES

Trade & other payables	236,289	281,644	264,159	198,341	229,002	224,399
Unclaimed dividend	1,525	9,675	-	-	-	-
Short term borrowings	-	-	-	-	-	-
Current maturity of long term financing	33,991	29,435	32,941	70,623	289,938	331,159
<b>Total Current Liabilities</b>	<b>271,806</b>	<b>320,755</b>	<b>297,100</b>	<b>268,964</b>	<b>518,940</b>	<b>555,558</b>

### Net Current Assets

<b>230,727</b>	<b>246,790</b>	<b>559,569</b>	<b>481,673</b>	<b>(203,722)</b>	<b>33,352</b>
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### Non-current liabilities

Long Term Borrowings	238,426	208,856	194,113	457,481	298,861	265,976
Loan from Sponsors	155,175	155,175	647,743	512,684	26,643	138,498
Deferred liabilities	12,572	10,925	9,360	7,181	7,136	6,231
Other Loans	-	-	54,721	118,210	256,947	191,375
<b>Total Non-Current Liabilities</b>	<b>406,173</b>	<b>374,955</b>	<b>905,937</b>	<b>1,095,556</b>	<b>589,587</b>	<b>602,080</b>

### Net Assets

<b>884,386</b>	<b>378,961</b>	<b>190,691</b>	<b>24,756</b>	<b>36,138</b>	<b>(164,005)</b>
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### REPRESENTED BY

Issued, subscribed and paid-up capital	2,672,863	2,672,863	1,418,098	1,418,098	1,418,098	1,418,098
Discount on issue of Right Shares	(1,508,754)	(1,508,754)	(630,419)	(630,418)	(630,418)	(630,418)
Share Deposit Money	17,003	-	-	-	-	-
Accumulated losses	(298,779)	(796,683)	(621,922)	(763,014)	(774,582)	(1,017,487)
Unrealized gain/(loss) on remeasurement of investments classified as available for sale	2,053	11,535	24,934	90	23,040	65,802

### Total Equity

<b>884,386</b>	<b>378,961</b>	<b>190,691</b>	<b>24,756</b>	<b>36,138</b>	<b>(164,005)</b>
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## Vertical Analysis

	2019	2018	2017	2016	2015	2014	2019	2018	2017	2016	2015	2014
	.....(Rupees).....						.....(Percentage).....					
<b>Profit and Loss Account</b>												
Operating Revenues	21,317	25,010	66,185	22,685	24,672	43,682	316%	-32%	38%	59%	16%	33%
(Loss)/gain on sale of investments	(7,486)	(103,523)	162,890	(3,643)	132,844	86,057	-111%	131%	93%	-10%	84%	65%
Unrealised Gain / (Loss) on investments	(7,084)	(686)	(53,231)	19,304	(8)	2,008	-105%	1%	-30%	50%	0%	2%
Gross Revenue	<b>6,747</b>	<b>(79,199)</b>	<b>175,844</b>	<b>38,346</b>	<b>157,508</b>	<b>131,747</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Administrative Expenses	(48,857)	(41,248)	(151,075)	(52,115)	(43,143)	(83,180)	-724%	52%	-86%	-136%	-27%	-63%
Finance Cost	(50,111)	(24,986)	(179,245)	(49,627)	(44,428)	47,266	-743%	32%	-102%	-129%	-28%	36%
Other Expenses	(2,720)	(5,586)	(5,790)	(12,833)	(1,818)	(4,359)	-40%	7%	-3%	-33%	-1%	-3%
Other income	10,240	(4,471)	302,276	59,156	93,662	34,243	152%	6%	172%	154%	59%	26%
	<b>(84,701)</b>	<b>(155,490)</b>	<b>142,011</b>	<b>(17,074)</b>	<b>161,781</b>	<b>125,717</b>	<b>-1355%</b>	<b>96%</b>	<b>-19%</b>	<b>-145%</b>	<b>3%</b>	<b>-5%</b>
Change in fair value of investment	637,050											
Share of profit from associates - net of tax	2,370	1,450	43	407	31,090	(6)	35%	-2%	0%	1%	20%	0%
Loss on Deemed Disposal- Investment in Associate	-	-	-	(10,169)	-	-	0%	0%	0%	-27%	0%	0%
<b>Profit / (Loss) before Tax</b>	<b>554,719</b>	<b>(154,040)</b>	<b>142,053</b>	<b>(26,835)</b>	<b>192,871</b>	<b>125,710</b>	<b>8222%</b>	<b>194%</b>	<b>81%</b>	<b>-70%</b>	<b>122%</b>	<b>95%</b>
Taxation (expense) / income	(56,815)	(20,721)	24,901	38,406	50,015	(10,992)	-842%	26%	14%	100%	32%	-8%
<b>Profit / (Loss) after Tax</b>	<b>497,903</b>	<b>(174,760)</b>	<b>166,954</b>	<b>11,571</b>	<b>242,885</b>	<b>114,718</b>	<b>-629%</b>	<b>99%</b>	<b>95%</b>	<b>30%</b>	<b>154%</b>	<b>87%</b>
<b>BALANCE SHEET SUMMARY</b>												
<b>Assets</b>												
Property and equipment	38,074	39,074	39,998	57,868	60,370	91,875	2%	4%	3%	4%	5%	9%
Capital work in progress	-	-	33,340	33,340	33,340	33,340	0%	0%	2%	2%	3%	3%
Intangible assets	85,277	64,415	41,915	41,915	51,915	51,915	5%	6%	3%	3%	5%	5%
Investment Property	-	-	-	-	106,142	-	0%	0%	0%	0%	9%	0%
Receivable from Associate	-	-	-	-	78,084	106,768	0%	0%	0%	0%	7%	11%
Other Receivables	113,010	155,513	142,579	261,400	263,884	-	7%	14%	10%	19%	23%	0%
Investment in associate	75,360	72,990	71,540	71,497	105,793	53,326	5%	7%	5%	5%	9%	5%
Long term investments	637,550	-	-	-	-	-	41%	0%	0%	0%	0%	0%
Investments - available for sale	14,056	21,354	41,163	40,074	40,074	40,074	1%	2%	3%	3%	4%	4%
Long term deposits	2,250	2,996	2,496	2,481	2,344	2,394	0%	0%	0%	0%	0%	0%
Deferred taxation	94,255	150,785	164,028	130,064	87,502	25,030	6%	14%	12%	9%	8%	3%
Short term investments	21,746	16,620	373,049	420,738	1,598	93,533	1%	2%	27%	30%	0%	9%
Trade debts	102,612	95,565	53,270	91,744	82,389	322,932	7%	9%	4%	7%	7%	33%
Loans & advances	1,339	4,324	41,629	501	1,480	1,568	0%	0%	3%	0%	0%	0%
Trade deposits & short term prepayments	25,055	11,424	50,338	6,537	20	534	2%	1%	4%	0%	0%	0%
Other Receivables	144,737	154,559	189,013	165,281	157,642	140,960	9%	14%	14%	12%	14%	14%
Advance tax	26,340	24,856	27,020	13,606	15,605	25,912	2%	2%	2%	1%	1%	3%
Cash and bank balance	180,704	260,197	122,350	52,230	56,483	3,471	12%	24%	9%	4%	5%	0%
<b>Total Assets</b>	<b>1,562,365</b>	<b>1,074,672</b>	<b>1,393,728</b>	<b>1,389,276</b>	<b>1,144,665</b>	<b>993,632</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
<b>LIABILITIES</b>												
Trade & other payables	236,289	281,644	264,159	198,341	229,002	224,399	15%	26%	19%	14%	20%	23%
Unclaimed dividend	1,525	9,675	-	-	-	-	0%	0%	0%	0%	0%	0%
Short term borrowings	-	-	-	-	-	-	0%	0%	0%	0%	0%	0%
Current maturity of long term financing	33,991	29,435	32,941	70,623	289,938	331,159	2%	3%	2%	5%	25%	33%
Long Term Borrowings	238,426	208,856	194,113	457,481	298,861	265,976	14%	19%	14%	33%	26%	27%
Loan from Sponsors	155,175	155,175	647,743	512,684	26,643	138,498	10%	14%	46%	37%	2%	14%
Defferred liabilities	12,572	10,925	9,360	7,181	7,136	6,231	1%	1%	1%	1%	1%	1%
Other Loans	-	-	54,721	118,210	256,947	191,375	1%	1%	4%	9%	22%	19%
<b>Total Liabilities</b>	<b>677,979</b>	<b>695,711</b>	<b>1,203,037</b>	<b>1,364,520</b>	<b>1,108,527</b>	<b>1,157,638</b>	<b>43%</b>	<b>65%</b>	<b>86%</b>	<b>98%</b>	<b>97%</b>	<b>117%</b>
<b>Net Assets</b>	<b>884,386</b>	<b>378,961</b>	<b>190,691</b>	<b>24,756</b>	<b>36,138</b>	<b>(164,005)</b>	<b>57%</b>	<b>35%</b>	<b>14%</b>	<b>2%</b>	<b>3%</b>	<b>-17%</b>
<b>REPRESENTED BY</b>												
Issued, subscribed and paid-up capital	2,672,863	2,672,863	1,418,098	1,418,098	1,418,098	1,418,098	171%	249%	102%	102%	124%	143%
Discount on issue of Right Shares	(1,508,754)	(1,508,754)	(630,419)	(630,418)	(630,418)	(630,418)	-97%	-140%	-45%	-45%	-55%	-63%
Share Deposit Money	17,003	-	-	-	-	-	1%	0%	0%	0%	0%	0%
Accumulated losses	(298,779)	(796,683)	(621,922)	(763,014)	(774,582)	(1,017,487)	-19%	-74%	-45%	-55%	-68%	-102%
Unrealized gain/(loss) on remeasurement of investments classified as available for sale	2,053	11,535	24,934	90	23,040	65,802	0%	1%	2%	0%	2%	7%
<b>Total Equity and Liabilities</b>	<b>884,386</b>	<b>378,961</b>	<b>190,691</b>	<b>24,756</b>	<b>36,138</b>	<b>(164,005)</b>	<b>57%</b>	<b>35%</b>	<b>14%</b>	<b>2%</b>	<b>3%</b>	<b>-17%</b>



## Horizontal Analysis

	2019	2018	2017	2016	2015	2014	2019 Vs 2018	2018 Vs 2017	2017 Vs 2016	2016 Vs 2015	2015 Vs 2014
	(Rupees)						(Percentage)				
<b>Profit and Loss Account</b>											
Operating Revenues	21,317	25,010	66,185	22,685	24,672	43,682	-15%	-62%	192%	-8%	-44%
Gain on sale of investments	(7,486)	(103,523)	162,890	(3,643)	132,844	86,057	-93%	-164%	-4571%	-103%	54%
Unrealised Gain / (Loss) on investments	(7,084)	(686)	(53,231)	19,304	(8)	2,008	933%	-99%	-376%	-100%	0%
Gross Revenue	<b>6,747</b>	<b>(79,199)</b>	<b>175,844</b>	<b>38,347</b>	<b>157,508</b>	<b>131,747</b>	<b>-109%</b>	<b>-145%</b>	<b>359%</b>	<b>-76%</b>	<b>20%</b>
Administrative Expenses	(48,857)	(41,248)	(151,075)	(52,115)	(43,143)	(83,180)	18%	-73%	190%	21%	-48%
Finance Cost	(50,111)	(24,986)	(179,245)	(49,627)	(44,428)	47,266	101%	-86%	261%	12%	-194%
Other Expenses	(2,720)	(5,586)	(5,790)	(12,833)	(1,818)	(4,359)	-51%	-4%	-55%	606%	-58%
Other income	10,240	(4,471)	302,276	59,156	93,662	34,243	-329%	-101%	411%	-37%	174%
	<b>(84,701)</b>	<b>(155,490)</b>	<b>142,011</b>	<b>(17,073)</b>	<b>161,781</b>	<b>125,717</b>	<b>-46%</b>	<b>-209%</b>	<b>-932%</b>	<b>-111%</b>	<b>29%</b>
Changes in fair value of investment	637,050	-	-	-	-	-					
Share of profit from associates - net of tax	2,370	1,450	43	407	31,090	(6)	63%	3272%	-89%	-99%	-518267%
Loss on Deemed Disposal- Investment in Associate	-	-	-	(10,169)	-	-	0%	0%	-100%	100%	0%
<b>Profit / (Loss) before Tax</b>	<b>554,719</b>	<b>(154,040)</b>	<b>142,054</b>	<b>(26,835)</b>	<b>192,871</b>	<b>125,710</b>	<b>-460%</b>	<b>-208%</b>	<b>-629%</b>	<b>-114%</b>	<b>53%</b>
Taxation (expense) / income	(56,815)	(20,721)	24,901	38,406	50,015	(10,992)	174%	-183%	-35%	-23%	-555%
<b>Profit / (Loss) after Tax</b>	<b>497,904</b>	<b>(174,761)</b>	<b>166,955</b>	<b>11,571</b>	<b>242,884</b>	<b>114,718</b>	<b>-385%</b>	<b>-205%</b>	<b>1343%</b>	<b>-95%</b>	<b>112%</b>
<b>BALANCE SHEET SUMMARY</b>											
<b>Assets</b>											
Property and equipment	38,074	39,074	39,998	57,868	60,370	91,875	-3%	-2%	-31%	-4%	-34%
Capital work in progress	-	-	33,340	33,340	33,340	33,340	0%	-100%	0%	0%	0%
Intangible assets	85,277	64,415	41,915	41,915	51,915	51,915	32%	54%	0%	-19%	0%
Investment Property	-	-	-	-	106,142	-	0%	0%	0%	100%	0%
Receivable from Associate	-	-	-	-	78,084	106,768	0%	0%	0%	-100%	-27%
Other Receivables	113,010	155,513	142,579	261,400	263,884	-	-27%	9%	-45%	0%	0%
Investment in associate	75,360	72,990	71,540	71,497	105,793	53,326	3%	2%	0%	-32%	98%
Long term investments	637,550	-	-	-	-	-	100%	0%	0%	0%	0%
Investments - available for sale	14,056	21,354	41,163	40,074	40,074	40,074	-34%	-48%	3%	0%	0%
Long term deposits	2,250	2,996	2,496	2,481	2,344	2,394	-25%	20%	1%	6%	-2%
Deferred taxation	94,255	150,785	164,028	130,064	87,502	25,030	-37%	-8%	26%	49%	250%
Long term investments	-	-	-	-	-	-	0%	0%	0%	0%	0%
Short term investments	21,746	16,620	373,049	420,738	1,598	93,533	31%	-96%	-11%	26229%	-98%
Trade debts	102,612	95,565	53,270	91,744	82,389	322,932	7%	79%	-42%	11%	-74%
Loans & advances	1,339	4,324	41,629	501	1,480	1,568	-69%	-90%	8209%	-66%	-6%
Trade deposits & short term prepayments	25,055	11,424	50,338	6,537	20	534	119%	-77%	670%	32585%	-96%
Other Receivables	144,737	154,559	189,013	165,281	157,642	140,960	-6%	-18%	14%	5%	12%
Advance tax	26,340	24,856	27,020	13,606	15,605	25,912	6%	-8%	99%	-13%	-40%
Cash and bank balance	180,704	260,197	122,350	52,230	56,483	3,471	-31%	113%	134%	-8%	1527%
<b>Total Assets</b>	<b>1,562,365</b>	<b>1,074,672</b>	<b>1,393,728</b>	<b>1,389,276</b>	<b>1,144,665</b>	<b>993,632</b>	<b>45%</b>	<b>-23%</b>	<b>0%</b>	<b>21%</b>	<b>15%</b>
<b>LIABILITIES</b>											
Trade & other payables	236,289	281,644	264,159	198,341	229,002	224,399	-14%	5%	33%	-13%	2%
Unclaimed dividend	1,525	9,675	-	-	-	-	0%	0%	0%	0%	0%
Short term borrowings	-	-	-	-	-	-	0%	0%	0%	0%	0%
Current maturity of long term financing	33,991	29,435	32,941	70,623	289,938	331,159	15%	-11%	-53%	-76%	-12%
Long Term Borrowings	238,426	208,856	194,113	457,481	298,861	265,976	7%	8%	-58%	53%	12%
Loan from Sponsors	155,175	155,175	647,743	512,684	26,643	138,498	0%	-76%	26%	1824%	-81%
Deferred liabilities	12,572	10,925	9,360	7,181	7,136	6,231	15%	17%	30%	1%	15%
Other Loans	-	-	54,721	118,210	256,947	191,375	0%	-73%	-54%	-54%	100%
<b>Total Liabilities</b>	<b>677,979</b>	<b>695,711</b>	<b>1,203,037</b>	<b>1,364,520</b>	<b>1,108,527</b>	<b>1,157,638</b>	<b>-3%</b>	<b>-42%</b>	<b>-12%</b>	<b>23%</b>	<b>-4%</b>
<b>Net Assets</b>	<b>884,386</b>	<b>378,961</b>	<b>190,691</b>	<b>24,756</b>	<b>36,138</b>	<b>(164,005)</b>	<b>133%</b>	<b>99%</b>	<b>670%</b>	<b>-31%</b>	<b>-122%</b>
<b>REPRESENTED BY</b>											
Issued, subscribed and paid-up capital	2,672,863	2,672,863	1,418,098	1,418,098	1,418,098	1,418,098	0%	88%	0%	0%	0%
Discount on issue of Right Shares	(1,508,754)	(1,508,754)	(630,419)	(630,418)	(630,418)	(630,418)	0%	139%	0%	0%	0%
Share Deposit Money	17,003	-	-	-	-	-	100%	0%	0%	0%	0%
Accumulated losses	(298,779)	(796,683)	(621,922)	(763,014)	(774,582)	(1,017,487)	-62%	28%	-18%	-1%	-24%
Unrealized gain/(loss) on remeasurement of investments classified as available for sale	2,053	11,535	24,934	90	23,040	65,802	-82%	-54%	27604%	-100%	-65%
<b>Total Equity and Liabilities</b>	<b>884,386</b>	<b>378,961</b>	<b>190,691</b>	<b>24,756</b>	<b>36,138</b>	<b>(164,005)</b>	<b>133%</b>	<b>99%</b>	<b>670%</b>	<b>-31%</b>	<b>-122%</b>

## Chairman's Review

The Board of Directors of First National Equities Limited (FNEL) performed their duties diligently in upholding the best interests of shareholders' of the company and managed the affairs of the company in an effective and efficient manner.

Pakistan has faced numerous challenges since the start of FY2019. During the year; The Pakistani rupee depreciated by a massive 32% against the US dollar, while consecutive Interest rate hikes muted the business sentiment. The macroeconomic fundamentals of the country depicted mixed performances as the government continued to strive towards fiscal consolidation along with monetary tightening by SBP to contain the twin deficit.

Moving forward, the economy is expected to stabilize especially after Pakistan has successfully secured a bailout package from the IMF, as well as numerous progressive measures adopted by the government to create a more business friendly environment. Moreover, fiscal inflows from friendly countries will further help in strengthening Pakistan's position on the external front.

During FY19, the KSE-100 Index performed below-par with a net-negative return, making it the second consecutive decline on a YoY basis. The local Index underperformed global benchmark Indices, which were already under pressure on account of a global economic slowdown.

Despite the low penetration of the local equity markets amongst the masses, I strongly believe that the recent and ongoing efforts by way of implementing new regulatory measures will bear fruit in the long term as added accountability will bridge the trust deficit between the market and the wider population, resulting in an increase in market participation. The company, for its part, continues to lead in terms of compliance, protection of clients' assets and offers highly qualified and proficient services.

The board has ensured good corporate governance by maintaining high levels of professional and business conduct and implementing effective internal controls and audit functions. The board has also closely reviewed policy related matters with long term implications, as per regulatory obligations, which also meet the company's operational requirements.

Going forward, by the will of The Almighty, we are hopeful and confident that your company will continue to move towards greater success. We will endeavor and strive to succeed and thrive, creating greater value for our esteemed shareholders.



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**Shahzad Akbar**  
Chairman



## 主席审查报告

第一民族股份有限公司 FNEL 董事会勤勉尽责，维护公司股东的最大利益，并有效，高效地管理公司事务。

自 2019 财年开始以来，巴基斯坦面临着众多挑战 年内，巴基斯坦卢比兑美元汇率大幅贬值了 32%，而连续不断的加息却使商业情绪低落 该国的宏观经济基本面表现喜忧参半，因为政府继续努力进行财政合并，同时 SBP 收紧货币以遏制双赤字

展望未来，预计经济将趋于稳定，尤其是在巴基斯坦成功获得国际货币基金组织的一揽子援助计划以及政府为创造更加商业友好的环境而采取的多项进步措施之后 此外，友好国家的资金流入将进一步帮助加强巴基斯坦在外部战线上的地位

在 FY19 期间，KSE-100 指数的表现低于标准水平，净收益为负值，使其连续第二年同比下降 本地指数的表现不及全球基准指数，由于全球经济放缓，该指数已受到压力

尽管本地股票市场在大众中的渗透率较低，但我坚信，近期和正在进行的实施新监管措施的努力将在长期取得成果，因为增加问责制将弥合市场与更广泛市场之间的信托赤字 人口，从而增加了市场参与度 就公司而言，它在合规性，客户资产保护方面继续保持领先地位，并提供高质量和熟练的服务

董事会通过维持高水平的专业和商业行为并实施有效的内部控制和审计职能，确保了良好的公司治理 董事会还按照监管义务仔细审查了与政策相关的事项，这些事项具有长期影响，这些事项也符合公司的运营要求

展望未来，按照全能者的意愿，我们充满希望并有信心贵公司将继续努力。

Shahzad Akbar

主席

## چیئر مین کی جائزہ رپورٹ

فرسٹ نیشنل ایکویٹیٹیز لمیٹڈ (FNE) کے بورڈ آف ڈائریکٹرز نے کمپنی کے حصص داران کے بہترین مفادات کو مد نظر رکھتے ہوئے اپنے فرائض دلجمعی سے سرانجام دیئے ہیں۔ اور انہوں نے کمپنی کے امور کا موثر اور بہترین انداز میں انتظام کیا ہے۔

مالیاتی سال 2019ء کے آغاز سے ہی پاکستان کو متعدد چیلنجز درپیش ہیں۔ سال بھر میں، امریکی ڈالر کے مقابلہ میں پاکستانی روپے کی قدر میں 32 فی صد کی بھاری کمی ہوئی۔ جب کہ شرح سود میں مسلسل اضافہ نے کاروباری ماحول کو بری طرح متاثر کیا ہے۔ ملک کے اقتصادی اشاروں نے ملی جلی کارکردگی دکھائی کیونکہ حکومت معاشی استحکام کے لئے کوشاں ہے اور دہرے خسارہ پر قابو پانے کے لئے SBP مانیٹری پالیسیاں سخت کر رہی ہے۔

مزید برآں، آئی ایم ایف سے کامیاب نیل آؤٹ پیکیج اور کاروبار کے لئے موافق ماحول بنانے کی غرض سے حکومت کی جانب سے اصلاحی اقدامات کی وجہ سے پاکستانی معیشت استحکام کی جانب گامزن ہے۔ مزید یہ کہ، دوست ممالک کی جانب سے قوم کی وصولی بیرونی محاذ پر پاکستان کی پوزیشن کو مزید مضبوط کرنے میں مدد دے گی۔

مالی سال 2019ء کے دوران، KSE-100 انڈیکس کی کارکردگی مجموعی منفی آمدنی کے ساتھ معیار سے کہیں کم رہی۔ جو سا لہا سال کی بنیاد پر دوسری مسلسل تنزلی ہے۔ مقامی انڈیکس کی کارکردگی عالمی بیچ مارک انڈیکس کے مقابلہ میں بھی کم رہی۔ جو عالمی معاشی سست روی کی وجہ سے پہلے ہی دباؤ میں تھا۔

لوگوں میں مقامی حصص منڈیوں کی کم دلچسپی کے باوجود مجھے قوی یقین ہے کہ حالیہ جاری ریگولیٹری اقدامات کے اطلاق سے دائمی فائدہ حاصل ہوگا۔ جاری احتساب سے منڈی اور عوام کے مابین اعتماد کا فقدان ختم کرنے میں مدد ملے گی اور نتیجتاً مارکیٹ میں تحریک پیدا ہوگی۔ کمپنی، اپنے تئیں تعمیل، کلائنٹ کے اثاثہ جات کے تحفظ اور بہترین خدمات کی فراہمی کے ذریعے غلبہ برقرار رکھے ہوئے ہے۔

بورڈ اعلیٰ سطحی پیشہ ورانہ اور کاروباری اخلاقیات کو برقرار رکھتے ہوئے اور موثر داخلی ضبط اور آڈٹ افعال کے اطلاق کے ذریعے بہتر کارپوریٹ گورننس کو یقینی بناتا ہے۔ بورڈ نے ریگولیٹری تقاضوں کے تحت پالیسی سے متعلقہ معاملات پر طویل مدتی مضمرات کے ساتھ نظر ثانی کی سے جو کمپنی کی فعال ضروریات کو بھی پورا کرتا ہے۔

مزید یہ کہ، اللہ تعالیٰ کے فضل و کرم سے ہم پر امید اور پراعتماد ہیں کہ آپ کی کمپنی عظیم کامیابی کی جانب سفر کو جاری رکھے گی۔ ہم اپنے معزز حصص داران کے لئے بہترین منافع حاصل کرنے کی غرض سے اپنی کوششیں جاری رکھیں گے۔

شہزاد اکبر

چیئر مین



## Directors' Report to the Members

### Dear Shareholders:

The Directors of The Company are pleased to present their report under section 226 of the Companies Act, 2017 together with Audited Financial Statements for the year ended June 30, 2019.

### Economic Review:

Pakistan's economic woes have been in the spotlight and impacting the market since the beginning of the current year. Twin deficits and depleting forex reserves put pressure on PKR/Dollar parity, resultant in devaluation of the PKR and an increase in the discount rate. The macroeconomic environment continued to plague the local economy and corporate earnings as a result of surging Inflation, weakening PKR, a rising trend in interest rates and a high fiscal deficit. The Government continues to undertake several corrective measures. The external account position is now progressing towards improvement as a result of the imposition of duties on import, materialization of PKR depreciation to discourage demand for imports while augmenting exports and monetary tightening with the policy rate increasing significantly to 13.25% in July 19, on the back of rising inflation.

All eyes are fixated on the IMF program and the corresponding strategies employed by the new economic managers at the helm of affairs.

### Stock Market Review:

For the year ended June 2019, the benchmark KSE-100 index performed well below par, as the Index declined by 18 percent to close at 33,901 points. This was the second successive annual decline for the first time in the last decade. The Benchmark Index attained a high of 46,580 points and also witnessed a low of 33,250 points. The investors' skepticism materialized due to rising interest rates, stringent IMF conditions for the bailout package and a decline in the corporate earnings of publicly listed companies. Also, the increased participation in Pakistan Investment Bonds Auctions was further testament to the investors' preference of parking funds in Government securities rather than in equities.

### Financial Performance:

Rupees in Millions

	2019	2018
Operating revenue	21.317	25.009
Gain on sale of investment	(7.485)	(103.522)
Dividend income	2.045	4.23
Other income	10.240	(4.470)
Profit before tax	554.719	(154.040)
Profit after tax	497.903	(174.760)
Earning per share (Rs.)	1.86	(0.88)

By the grace of God, for the year FY19, The Company posted profit after tax of Rs. 497.903 million as compared to loss after tax of Rs. 174.760 million in FY18. The profit for the year was resultant due to the revaluation gain on the company's investment in KingBhai Digisol (Private) Limited. As the stock market has been consistently declining, the volumes are also drying up. As a result, in order to protect the interests of the company's shareholders and to maintain the profitability of the company, the Board of Directors has approved the strategy of diversifying the business by investing in new ventures. The rapid advancement in technology has resulted in the E-Commerce industry being a lucrative one; experiencing steady growth. Going forward, with the significant increase in the number of smartphone and internet users in Pakistan, the Company expects to see remarkable growth in the E-





Commerce industry and has, therefore, invested in KingBhai Digisol (Private) Limited. It has recently launched a state of the art Property Portal, consisting of 50,033 Pakistani properties with a market value of Rs. 1.3 Trillion and 1,291 International properties with a value of \$2.7 Billion.

### **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 the Board of Directors, The Company has a proactive approach to generate recurrent earnings and to maximize shareholders' 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 the Vision of The Company.

### **Human Resource**

The focus of Human Resource Management at FNEL is to recruit, develop, retain and reward the 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 The management recognizes this to be a critical area, having a strong impact on performance, procedures and business ethics. All approved policies are available to employees to enhance employee awareness and participation.

### **Internal Financial 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.

The 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.

### **Environment, Health And Safety**

The Company maintains secure and safe working conditions avoiding the risk to the health of employees, customer and public at large.

### Impact of the company's business on the environment

Company's nature of business is service provider, hence its activities have a minimal impact on the environment. The Company has a policy to minimize the use of paper. All the communication between employees, departments and clients is done through emails; unless in matters of imperative necessity.

### Key Operating and Financial Data

The Key Operating and Financial Data are mentioned on pages 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 annexed financial statements, prepared by the Management of The Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
2. Proper books of accounts of The Company have been maintained by The Company.
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 estimates 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 are is significant doubt upon The Company's ability to continue as going concern.
7. There has been 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 the Chairman's Review, dealing with matters of strategic nature.

### Board and Audit Committee Meetings and Attendance

The total number of Directors is seven. The composition of Board is as follows:

- |    |                                |   |
|----|--------------------------------|---|
| a) | Independent Directors:         | 2 |
| b) | Other Non-Executive Directors: | 2 |
| c) | Executive Directors:           | 3 |

Five meetings of the Board of Directors and four meetings of the Audit Committee were held from July 1st, 2018 to June 30th, 2019. The attendance of the Board and Audit Committee members were as follows

Name of Director	Board Meeting	Audit Committee Meeting
Mr. Shahzad Akbar	5	4
Mr. Ali A. Malik	5	N/A
Mr. Amir Shehzad	5	N/A
Mr. Naveed Ishaque	5	N/A
Mr. Abid Yousaf	5	N/A
Mr. Adnan Amjad Khan	3	2
Mr. Ijaz Mahmood Chaudhary	0	0

Leave of absence was granted to the Director who could not attend the Board Meetings due to preoccupations

### Changes in the Board

During the year under review, the following changes were made in the Board of Directors:

The Board accepted appointment of Mr. Adnan Amjad Khan as a Independent Director and Mr. Abid Yousaf as a Non-Executive Director.

### Directors Training Programme:

Three Directors of the Company are certified directors and remaining will undergo Directors Training Programme within the time allowed by CCG.

### Related Party Transactions

The Company has presented all related party transactions before the Audit Committee and the 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.

### Pattern of Shareholding

The Pattern of Shareholding as at June 30, 2019, as required u/s 227 (f) 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 2020 in the forthcoming Annual General Meeting.

### 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 transaction was made during the year;

Designation	Relationship	No of shares	Nature of Transaction	From/to whom shares acquired/given
Mr. Ali A. Malik	CEO	2,760	Purchase	Market

**Appreciation and Acknowledgements**

The Board of Directors of FNE would like to thank the Government of Pakistan, the SECP, NCCPL, CDC, PSX and other regulatory bodies for their continued support, all esteemed 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**  
Director



**Ali A. Malik**  
Chief Executive Officer

Place: Lahore  
Date: September 28, 2019

## 亲爱的股东:

公司董事很高兴根据《2017年公司法》第226条提交其报告以及截至2019年6月30日止年度的经审计财务报表。

## 经济评论:

自今年年初以来，巴基斯坦的经济困难一直受到关注并影响了市场。双重赤字和外汇储备的枯竭给PKR/美元汇率造成压力，导致PKR贬值和贴现率增加。由于通货膨胀，PKR减弱，利率上升和高额财政赤字，宏观经济环境继续困扰着当地经济和企业收益。政府继续采取一些纠正措施。由于7月19日的政策利率已大幅提高至13.25%，由于对进口产品征收关税，PKR贬值的实施抑制了进口需求，同时增加了出口和货币紧缩，因此，外部账户的状况正在逐步改善。通货膨胀率上升。

所有人的目光都集中在国际货币基金组织的计划以及新经济经理掌舵的相应战略上。

## 股市评论:

截至2019年6月的一年，基准KSE-100指数的表现远低于面值，该指数下跌18%，收于33,901点。这是过去十年来首次连续第二年下降。基准指数最高达到46,580点，最低也达到33,250点。投资者的怀疑是由于利率上升，国际货币基金组织对救助计划的严格规定以及公开上市公司的企业收益下降而引起的。同样，更多参与巴基斯坦投资债券拍卖进一步证明了投资者更倾向于将政府资金而不是股票中的停车资金。

## Financial Performance:

Rupees In Millions

	2019	2018
营业收入	21.317	25.009
出售投资收益	(7.485)	(103.522)
股息收入	2.045	4.23
其他的收入	10.240	(4.470)
税前利润	554.719	(154.040)
税后利润	497.903	(174.760)
EPS (Rs.)	1.86	(0.88)

靠后上帝的恩典，该公司在FY19年度的税后利润为卢比。税后总额为4979.0百万卢比。2018财年为1747.6百万。本年度的利润是由于公司对KingBhai Digisol私人有限公司的投资。因此，由于股市一直在下降，交易量也在枯竭。因此，为了保护公司股东的利益并维持公司的盈利能力，董事会批准了通过投资新企业来实现业务多元化的战略。技术的飞速发展导致电子商务行业是一个利润丰厚的行业。稳步增长。展望未来，随着巴基斯坦智能手机和互联网用户数量的大幅增加，公司希望看到电子商务行业的长期增长，因此已投资了以电子商务为基础的KingBhai Digisol私人有限公司。它最近启动了一个最先进的“房地产门户网站”，其中包括500,033巴基斯坦市场价值为Rs的房地产。1.3万亿美元，拥有1,291位国际物业，价值270亿美元。美元。

## 风险管理

本公司董事会积极推动风险管理框架，该框架为处理影响公司财务状况的因素提供了一种积极的方法。在董事会的宝贵指导下，公司采取了积极主动的方式来产生经常性收益，并通过在风险与收益之间进行适当的权衡来最大化股东的价值。有效的风险管理框架以及稳健的风险治理结构，强大的资本和流动性头寸以及良好的投资组合质量，仍是实现公司愿景的基石。

## 人力资源

FNEL 人力资源管理的重点是招募，开发，保留和奖励最佳人才。我们努力确保我们的就业政策符合相关的社会，法律和法规条件，并继续致力于建立和维持牢固的集体关系。所有管理层的人力资源政策均已根据当今的要求和公司框架进行了审查和更新，因为管理层认识到这是至关重要的领域，对绩效，程序和商业道德具有重大影响。员工可以使用所有批准的政策，以提高员工的意识和参与度。

## 内部财务控制

第一民族股权有限公司。公司的内部控制结构包括董事会，高级管理层，内部审计和合规部。公司的内部审计与合规部负责根据董事会批准的政策建立并维持适当和有效的内部控制和程序系统。管理层还负责通过确定控制目标以及审查重要的政策和程序来评估公司内部控制系统的有效性，该系统涵盖重大事项。

公司的内部控制系统旨在识别并减轻未能实现公司整体业务目标的风险。内部控制和政策旨在为公司运营的有效性和效率，财务信息的可靠性以及是否遵守适用的法律法规提供合理的保证。但是，需要说明的是，系统旨在管理而不是消除未能实现业务目标的风险，并且只能针对重大错误陈述或损失提供合理而非绝对的保证。

## 企业社会责任

公司通过一系列举措，继续为社会责任组织对社会做出贡献。我们优先考虑为丰富我们的社区和巴基斯坦人民的生活作出贡献。公司的慈善事业和对崇高的社会事业的贡献就是实现这一目标的手段，它使我们能够回馈我们周围的人。

## 环境健康与安全

公司维护安全的工作条件，避免危害员工，客户和公众的健康。

## 公司业务对环境的影响

公司的业务性质是服务提供商，因此其活动对环境的影响最小。公司制定了减少纸张使用的政策。员工，部门和客户之间的所有通信都是通过电子邮件进行的，除非有必要，。

## 关键运营和财务数据

年度报告的第至第页提到了关键运营和财务数据。

## 公司治理守则

董事会致力于确保完全满足巴基斯坦证券交易委员会设定的公司治理要求。本公司已采取良好的企业管治常规，董事们高兴地报告：

1. 本公司管理层编制的所附财务报表公允列报了其业务状况，经营成果，现金流量和权益变动。
2. 公司保留了正确的公司账簿。
3. 在编制财务报表时，一贯采用了适当的会计政策，但最初应用准则和对现有准则的修订或解释导致的变更除外。会计估计是基于合理谨慎的判断。

4. 财务报表的编制遵循了适用于巴基斯坦的国际财务报告标准，并且任何偏离都已得到充分披露
5. 内部控制系统设计合理，已得到有效实施和监控.
6. 公司能否持续经营存在重大疑问.
7. 公司治理的最佳实践没有实质性偏离

## 公司治理守则合规声明

该年度报告附有“公司治理守则的遵守情况声明”

## 董事长的评价

公司董事赞同董事长审阅的内容，涉及战略性问题.

## 董事会及审计委员会会议及出席情况

董事总数为七名 董事会的组成如下

- a) 独立董事: 2
- b) 其他非执行董事 2
- c) 执行董事: 3

年内，两名执行董事不再任职并成为非执行董事.

从 2018 年 7 月 1 日至 2019 年 6 月 30 日，举行了五次董事会会议和四次审计委员会会议 董事会和审计委员会成员的出席情况如下

董事姓名	董事会会议	审核委员会会议
Mr. Shahzad Akbar	5	4
Mr. Ali A. Malik	5	N/A
Mr. Amir Shehzad	5	N/A
Mr. Naveed Ishaque	5	N/A
Mr. Abid Yousaf	5	N/A
Mr. Adnan Amjad Khan	3	2
Mr. Ijaz Mahmood Chaudhary	0	0

因事不能出席董事会会议的董事获准休假

## 董事会变动

于回顾年度，董事会作出以下变动

董事会接受任命 Adnan Amjad Khan 先生为独立董事，任命 Abid Yousaf 先生为非执行董事 r.

## 董事培训计划

本公司三名董事为经认证的董事，其余将在 CCG 允许的的时间内接受董事培训计划.

### 关联交易

公司已向审计委员会和董事会提交了与关联方的所有交易，以供其审议和批准，并已在各自的会议上得到正式批准。董事会根据 2017 年《公司法》批准的交易政策，其中标明了汇率，不得低于市场汇率。

### 股权模式

截至 2019 年 6 月 30 日的持股模式，根据 2017 年《公司法》第 227(f)条和《公司治理守则》，见本年度报告附件。

### 审核员

即将退休的审计员 M/s IECnet s.K.s.s.s. Chartered Accountants，有资格连任。根据审计委员会的建议，审计委员会建议在即将举行的年度大会上任命 M/sIECnet 公司 S.K.S. S. Chartered Chartered Accountants 为该公司 2020 年 6 月 31 日终了年度的年度审计员。

### 资产负债表后日期事件/股息

在财政年度结束至报告日期之间，未发生影响公司财务状况的重大变化和承诺。

### 董事和高管买卖公司股份

年内进行了以下交易，

指定	关系	没有股份	交易性质	购自/送给谁的股份
Mr. Ali A. Malik	CEO	2,760	Purchase	Market

### 致谢与致谢

FNEL 董事会谨记巴基斯坦政府，SECP，NCCPL，CDC，PSX 和其他监管机构的一如既往的支持，感谢本公司所有尊敬的股东和客户的信任，以及我们员工的一如既往往奉献与承诺。

代表董事会

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 28, 2019





متعلقہ فریقین کے ساتھ تمام لین عمومی کاروباری امور میں سامنے آئے جنہیں کمپنیز ایکٹ 2017ء کی پیروی میں بورڈ سے منظور شدہ متعلقہ پارٹی لین دین پالیسی کے تحت عمل میں لایا گیا۔ اس پالیسی میں بیان کیا گیا ہے کہ شرح مارکیٹ ریٹ سے کم نہیں ہونی چاہئے۔

### شیر ہولڈنگ کی وضع

کمپنیز ایکٹ 2017ء کے سیکشن (f) 227 اور کوڈ آف کارپوریٹ گورننس کے تحت 30 جون 2019ء کو شیر ہولڈنگ کی وضع سالانہ رپورٹ کے ساتھ منسلک ہے۔

### آڈیٹرز

ریٹائر ہونے والے آڈیٹرز میسرز IEC نیٹ S.K.S.S.S چارٹرڈ اکاؤنٹنٹس اگلی مدت کے لئے اہل ہونے کی بنا پر اپنی دوبارہ تقرری کی پیشکش کرتے ہیں۔ آڈٹ کمیٹی کی سفارشات پر بورڈ جون 2020ء کو اختتام پذیر سال کے لئے آئندہ اجلاس عام میں میسرز IEC نیٹ S.K.S.S.S چارٹرڈ اکاؤنٹنٹس کی تقرری کی سفارش کرتا ہے۔

### پوسٹ بیلنس شیٹ ایونٹ / منافع منقسمہ کی تاریخ

مالی سال کے اختتام اور رپورٹ کی مقررہ تاریخ کے دوران کمپنی کی مالی حالت پر کسی بھی قسم کی مادی تبدیلی اور عوامل اثر انداز نہ ہوئے۔

### ڈائریکٹرز اور ایگزیکٹوز کی جانب سے کمپنی کے حصص میں تجارت

سال کے دوران مندرجہ ذیل ڈائریکٹرز کی گئیں:

عہدہ	تعلق	تعداد حصص	ٹرانزیکشن کی نوعیت	حصص کا حصول / فراہمی
محترم علی اے ملک	CEO	2,760	خرید	مارکیٹ

### حوصلہ افزائی اور اعتراف

فرسٹ نیشنل ایکویٹیٹیز لمیٹڈ کے بورڈ آف ڈائریکٹرز، حکومت پاکستان، NCCPL، CDC، PSX اور دیگر ریگولیٹری اداروں کی مسلسل حمایت، کمپنی کے تمام معزز 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: 28 ستمبر 2019ء

## چیرمین کا تجزیہ

کمپنی کے ڈائریکٹرز چیرمین کے تجزیہ کے متن کو تسلیم کرتے ہیں جو سٹریٹجک نوعیت کے معاملات کا احاطہ کرتا ہے۔

## بورڈ اور آڈٹ کمیٹی کے اجلاس اور حاضری

ڈائریکٹرز کی کل تعداد 7 ہے۔ بورڈ کی تشکیل حسب ذیل ہے:

2	آزاد ڈائریکٹرز	(a)
2	دیگر نان ایگزیکٹو ڈائریکٹرز	(b)
3	ایگزیکٹو ڈائریکٹرز	(c)

یکم جولائی 2018ء سے 30 جون 2019ء تک بورڈ آف ڈائریکٹرز کے پانچ اور آڈٹ کمیٹی کے 14 اجلاس منعقد ہوئے۔ بورڈ اور آڈٹ کمیٹی اراکین کی حاضری حسب ذیل ہے:

نام ڈائریکٹر	بورڈ کے اجلاس میں حاضری	آڈٹ کمیٹی کے اجلاس میں حاضری
محترم شہزاد اکبر	5	4
محمد علی اے ملک	5	دستیاب نہیں
محترم عامر شہزاد	5	دستیاب نہیں
محترم نوید اسحاق	5	دستیاب نہیں
محترم عابد یوسف	5	دستیاب نہیں
محترم عدنان امجد	3	2
محمد اعجاز محمود چوہدری	0	0

مصروفیت کی بنا پر بورڈ اجلاس میں شرکت نہ کرنے والے ڈائریکٹرز کو غیر حاضری کی رخصت عنایت کی گئی۔

## بورڈ میں تبدیلیاں

زیر جائزہ سال کے دوران، بورڈ آف ڈائریکٹرز میں مندرجہ ذیل تبدیلیاں عمل میں لائی گئیں:

بورڈ نے محترم عدنان امجد خان کو آزاد ڈائریکٹر اور محترم عابد یوسف کو نان ایگزیکٹو ڈائریکٹر کے طور پر تقرری کو قبول کیا۔

## ڈائریکٹرز کا تریقی پروگرام

کمپنی کے تین ڈائریکٹرز سند یافتہ ڈائریکٹرز ہیں اور بقیہ ڈائریکٹرز CCG کے مقررہ وقت کے درمیان ڈائریکٹرز ٹریننگ پروگرام میں شرکت کریں گے۔

## متعلقہ پارٹی لین دین

کمپنی نے متعلقہ پارٹیوں سے تمام لین دین پر نظر ثانی اور منظور کے لئے آڈٹ کمیٹی اور بورڈ کے سامنے رکھا۔ جنہیں ان کے متعلقہ اجلاسوں میں باضابطہ منظور کر لیا گیا۔

غلط بیانی یا نقصان کے تدارک کی مناسب اور حتمی یقینی دہانی نہیں کرا سکتا۔

### کاروباری سماجی ذمہ داری

کمپنی اقدامات کے ایک تسلسل کے ذریعے سماجی طور پر ذمہ دار ادارہ کی حیثیت سے معاشرے میں اپنا کردار ادا کر رہی ہے۔ ہم اپنی کمیونٹیز اور پاکستان کی عوام کے معیار زندگی کو بہترین بنانے کے لئے ترجیحی بنیادوں پر اپنا کردار ادا کر رہے ہیں۔ کاروباری آگاہی اور عظیم سماجی مقاصد میں شراکت داری اس کا حاصل ہیں جس کے ذریعے ہم اپنے گرد و نواح میں لوگوں کو فائدہ پہنچاتے ہیں۔

### ماحول، صحت اور حفاظت

ملازمین، صارفین اور عوام الناس کی صحت کو خطرات سے بچانے کے لئے کمپنی کام کی جگہ پر محفوظ ماحول قائم کرتی ہے۔

### کمپنی کے کاروبار کا ماحول پر اثر

کمپنی کے کاروبار کی نوعیت خدمات کی فراہمی ہے، لہذا، اس کی سرگرمیوں کا ماحول پر بہت کم اثر ہوتا ہے۔ کمپنی اپنے ملازمین، ڈیپارٹمنٹس اور کلائنٹس کو کاغذ کے استعمال میں کمی کی تلقین کرتی ہے اور آپس میں رابطہ سازی کے لئے کاغذ کی بجائے ہر ممکن حد تک ای میل کا ذریعہ استعمال کرتی ہے۔

### اہم فعالی اور مالیاتی معلومات

کمپنی کی اہم فعالی اور مالیاتی معلومات سالانہ رپورٹ کے ساتھ منسلک کی گئی ہیں۔

### کوڈ آف کارپوریٹ گورننس

سیکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی جانب سے ترتیب شدہ کارپوریٹ گورننس کے معیارات کی کلی تعمیل کو بورڈ آف ڈائریکٹرز یقینی بنانے کے لئے پرعزم ہیں۔ کمپنی نے کارپوریٹ گورننس کے قواعد کو اپنایا ہے اور ڈائریکٹرز اراہ مسرت رپورٹ کرتے ہیں کہ:

1. کمپنی کی انتظامیہ کی جانب سے تیار شدہ منسلک مالیاتی اسٹیٹمنٹس کمپنی کے کاروباری امور، آپریشنز کے نتائج، کیش فلوا اور ایکویٹی میں تبدیلی کو واضح طور پر پیش کرتی ہیں۔

2. کمپنی نے کھاتوں کی مناسب کتابیں تیار اور برقرار رکھی ہیں۔

3. مالیاتی اسٹیٹمنٹس کی تیاری میں مناسب اکاؤنٹنگ پالیسیوں کا متواتر اطلاق کیا گیا ہے جس میں معیارات اور ترامیم کے ابتدائی اطلاق پر نتائج میں تبدیلیاں یا موجودہ معیارات کی تشریحات شامل نہ ہیں۔ اکاؤنٹنگ تخمینہ جات قابل بھروسہ فیصلوں کی بنیاد پر لگائے گئے ہیں۔

4. مالیاتی اسٹیٹمنٹس کی تیاری میں پاکستان میں لاگو بین الاقوامی مالیاتی رپورٹنگ معیارات (IFRS) کی پیروی کی گئی ہے اور اس میں کسی بھی قسم کے سقم کو مناسب انداز میں ظاہر کیا گیا ہے۔

5. داخلی ضبط کا نظام انتہائی مستحکم ہے اور اس کا مؤثر انداز میں اطلاق کیا جاتا ہے اور اس کی نگرانی کی جاتی ہے۔

6. کمپنی کی کاروباری جاری رکھنے کی صلاحیت میں نمایاں شکوک و شبہات موجود ہیں۔

7. کارپوریٹ گورننس کی بہترین عمل داری میں کوئی مادی رکاوٹ نہ ہے۔

### کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان

”کوڈ آف کارپوریٹ گورننس کی تعمیل کا بیان“ اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

شکار ہے لہذا حجم بھی کم ہو رہا ہے۔ نتیجتاً کمپنی کے حصص داران کے مفادات کے تحفظ اور کمپنی کے نفع کو برقرار رکھنے کے لئے بورڈ آف ڈائریکٹرز نے نئے دستچیز میں سرمایہ داری کے ذریعے متنوع کاروبار کی حکمت عملی کو منظور کیا ہے۔ ٹیکنالوجی میں مسلسل ترقی نے ای کامرس انڈسٹری کو جلابخشی ہے جو پرکشش منافع دینے والی صنعت ہے: جس کے نتیجے میں مستحکم نمو حاصل ہوتی ہے۔ مزید برآں، پاکستان میں سمارٹ فون اور انٹرنیٹ صارفین میں نمایاں اضافہ کے ساتھ کمپنی ای کامرس انڈسٹری میں دائمی نمو کی توقع رکھتی ہے لہذا کمپنی نے ای کامرس کمپنی کنگ بھائی ڈیجیٹل سول (پرائیویٹ) لمیٹڈ میں سرمایہ داری کی ہے۔ کمپنی نے عالمی معیار کا پراپرٹی پورٹل متعارف کرایا ہے جو 1.3 ٹریلین روپے مالیت کی 50,033 پاکستانی پراپرٹیز اور 2.7 بلین ڈالر مالیت کی 1,291 بین الاقوامی پراپرٹیز پر مشتمل ہے۔

### رسک مینجمنٹ

کمپنی کا بورڈ آف ڈائریکٹرز مؤثر انداز میں رسک مینجمنٹ فریم ورک کو چلاتا ہے جس میں یہ کمپنی کی مالیاتی صورت حال پر اثر انداز ہونے والے عوامل سے نبرد آزما ہونے کے لئے ایک مؤثر طریقہ کار فراہم کرتا ہے۔ بورڈ آف ڈائریکٹرز کی گراں قدر رہنمائی کے ساتھ، کمپنی متواتر آمدنی پیدا کر کے اور خدشات اور حاصلات کے مابین موزوں توازن پیدا کر کے حصص داران کی قدر کو بڑھانے کے لئے جامع طریقہ کار اپناتا ہے۔ مستحکم رسک گورننس ڈھانچہ، بھاری سرمایہ اور لیکویڈٹی اور سرمایہ داری پورٹ فولیو کے اچھے معیار کے ہمراہ مؤثر رسک مینجمنٹ فریم ورک کمپنی کے ویژن کو پورا کرنے کے لئے سنگ بنیاد کی حیثیت رکھتا ہے۔

### کارپوریٹ سماجی ذمہ داری

کمپنی سماجی طور پر ذمہ دار ادارہ کی حیثیت سے اپنے ملازمین اور کام کی جگہ کے ارد گرد قیام پذیر افراد اور مجموعی طور پر معاشرہ کے لئے اپنے فرائض کی انجام دہی کے ذریعے معاشرے میں اپنا مثبت کردار ادا کر رہی ہے۔

### انسانی وسائل

FNEL میں ہیومن ریسورس مینجمنٹ کا بنیادی مقصد بہترین قابلیت کے حامل افراد کی بھرتی، ترقی، برقراری اور انعام سے نوازنا ہے۔ ہم اس بات کا یقینی بنانے کے لئے کوشاں ہیں کہ روزگار سے متعلقہ ہماری پالیسیاں متعلقہ سماجی، قانونی اور ریگولیٹری شرائط کے عین مطابق ہیں اور مضبوط اجتماعی تعلقات کو استوار اور برقرار رکھنے میں مدد فراہم کرتی ہیں۔ عصر حاضر کی ضروریات اور کمپنی کے کاروباری فریم ورک کے مطابق تمام ایچ آر پالیسیوں کی نظر ثانی کی جاتی ہے اور ان میں ترمیم لائی جاتی ہے۔ کیونکہ انتظامیہ اس شعبہ کو اہم ترین شعبہ سمجھتی ہے جس کے کارکردگی، طریقہ ہائے کار اور کاروباری اخلاقیات پر دور رس اثرات مرتب ہوتے ہیں۔ ملازمین کی آگاہی اور شراکت میں اضافہ کے لئے تمام منظور شدہ پالیسیاں ملازمین کے لئے دستیاب ہیں۔

### اندرونی مالیاتی کنٹرول

فرسٹ نیشنل ایکویٹیٹیز لمیٹڈ (کمپنی) کا داخلی ضبط کا ڈھانچہ بورڈ آف ڈائریکٹرز، سینئر مینجمنٹ، انٹرنل آڈٹ اور تعمیلی شعبہ پر مشتمل ہے۔ کمپنی کا داخلی آڈٹ اور تعمیلی شعبہ بورڈ کی منظور شدہ پالیسیوں کے تحت داخلی ضبط اور طریقہ ہائے کار کا مؤثر اور موزوں نظام قائم کرنے اور اسے برقرار رکھنے کا ذمہ دار ہے۔ کمپنی کے انٹرنل کنٹرول سسٹم کی تاثیر کا تعین کرنے کے لئے بھی انتظامیہ ذمہ دار ہے جس میں کنٹرول مقاصد کی شناخت اور نمایاں پالیسیوں اور طریقہ ہائے کار پر نظر ثانی کے ذریعے مادی معاملات کا احاطہ کیا جاتا ہے۔

کمپنی کے مجموعی کاروباری مقاصد کو حاصل کرنے میں ناکامی کے خدشات کی شناخت اور ان سے نبرد آزما ہونے کے لئے کمپنی نے داخلی ضبط کا نظام مرتب کیا ہے۔ اندرونی کنٹرولز اور پالیسیاں کمپنی کے آپریشنز کی تاثیر اور کارکردگی، مالی معلومات کی تصدیق اور لاگو قوانین و ضوابط کی تعمیل کو یقینی بنانے کے لئے انٹرنل کنٹرولز اور پالیسیاں تیار کی گئی ہیں۔ تاہم، یہ واضح رہے کہ یہ نظام کاروباری مقاصد کے حصول میں ناکامی کے خطرات کو ختم کرنے کی بجائے ان کا انتظام کرنے کے لئے مرتب کیا گیا ہے۔ یہ نظام مادی

## ڈائریکٹرز کی جائزہ رپورٹ

### معزز حصص داران

کمپنی کے ڈائریکٹرز 30 جون 2019ء کو اختتام پذیر سال کے لئے کمپنیز ایکٹ 2107ء کے سیکشن 226 کے تحت ازراہ مسرت اپنی رپورٹ اور پڑتال شدہ مالیاتی اسٹیٹمنٹس پیش کرتے ہیں۔

### اقتصادی جائزہ

پاکستان کی معاشی بد حالی ہمیشہ توجہ کا مرکز رہی ہے اور حالیہ برس کے آغاز سے ہی مارکیٹ پر اثر انداز ہو رہی ہے۔ دہرے خسارہ جات اور ختم ہونے والے غیر ملکی زرمبادلہ کے ذخائر کی وجہ سے پاکستانی روپے اور ڈالر کے مابین توازن پر گہرا اثر پڑ رہا ہے۔ نتیجتاً پاکستانی روپے میں کمی اور شرح سود میں اضافہ ہوا۔ میکرو اکنامک ماحول قومی معیشت اور کاروباری آمدنی پر مسلسل برے اثرات ڈال رہا ہے جس کی بنیادی وجہ مہنگائی میں اضافہ، کمزور پاکستانی روپیہ، شرح سود میں اضافہ اور اونچے درجے کا مالیاتی خسارہ ہے۔ حکومت متعدد اصلاحی اقدامات اٹھا رہی ہے۔ بیرونی کھاتوں کی حالت درآمدات پر ڈیوٹی کے اطلاق، پاکستانی روپے کی قدر میں کمی کے ذریعے درآمدات کی طلب میں کمی اور برآمدات کی حوصلہ افزائی اور جولائی 2019ء میں مانیٹری ٹائٹنگ کی پالیسی کی شرح کے تحت 13.25 فی صد نمایاں اضافہ سے ترقی کی جانب گامزن ہے۔ تمام لوگوں کی توجہ IMF پروگرام پر مرکوز ہے اور نئے معاشی منتظمین کی جانب سے متعلقہ حکمت عملی کا اطلاق تمام معاملات کا نچوڑ ہے۔

### سٹاک مارکیٹ کا تجزیہ

جون 2019ء کو اختتام پذیر سال کے لئے KSE-100 انڈیکس (ہینج مارک) کی کارکردگی توقع کے برعکس بہت بری رہی۔ اور انڈیکس 18 فی صد کمی کے ساتھ 33,901 پوائنٹس پر بند ہوا۔ گذشتہ دہائی میں یہ دوسری مرتبہ مسلسل سالانہ تفاوت ہے۔ ہینج مارک انڈیکس نے اعلیٰ ترین 46,580 پوائنٹس اور 33,250 پوائنٹس کی کم ترین سطح کو بھی چھوا۔ زیادہ شرح سود، ہیل آؤٹ پیکیج کے لئے IMF کی سخت شرائط اور عوامی درج کمپنیوں کی کاروباری آمدنی میں کمی سے سرمایہ داروں کے اعتماد میں کمی واقع ہوئی۔ مزید یہ کہ، پاکستان انویسٹمنٹ بانڈز نیلامی پر بھرپور توجہ سے حصص کی بجائے حکومتی سکیورٹیز میں پارکنگ فنڈز میں سرمایہ داروں کی ترجیح ایک بڑا امتحان ہے۔

### مالیاتی کارکردگی

(ملین روپوں میں)

2018ء	2019ء	
25.009	21.317	آپریٹنگ آمدنی
(103.522)	(7.485)	سرمایہ داری کی فروخت پر حاصلات
4.23	2.045	آمدنی منافع منقسمہ
(4.470)	10.240	دیگر آمدنی
(154.040)	544.719	نفع / (نقصان) علاوہ ٹیکس
(174.760)	497.903	نفع / (نقصان) بمعہ ٹیکس
(0.88)	1.86	آمدنی / (نقصان) فی حصص (روپے)

اللہ کے فضل و کرم سے مالیاتی سال 2019ء میں کمپنی نے مالی سال 2018ء میں 174.760 ملین روپے نقصان کے مقابلہ میں 497.903 ملین روپے منافع درج کیا۔ کنگ بھائی ڈبئی سول (پرائیویٹ) لمیٹڈ میں کمپنی کی سرمایہ داری سے حاصل آمدنی کی وجہ سے کمپنی منافع حاصل کرنے کے قابل ہوئی۔ چونکہ سٹاک مارکیٹ مسلسل

## Statement of Compliance with the Code of Corporate Governance

For the year ended on June 30, 2019

The company has complied with the requirements of the Regulations in the following manner:

1. The total numbers of directors are seven.
2. The composition of Board is as follows:
  - a. Independent Directors: Two  
Mr. Adnan Amjad Khan  
Mr. Ijaz Mahmood Choudhry
  - b. Other Non-Executive Directors: Two  
Mr. Abid Yousaf  
Mr. Shahzad Akbar
  - c. Executive Directors: Three  
Mr. Naveed Ishaq  
Mr. Amir Shehzad  
Mr. Ali A. Malik (CEO)
3. 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).
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 relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Board has not arranged any Directors' Training program. The newly elected Directors will complete the training in the coming session.
10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the board.
12. The board has formed committees comprising of members given below:



a) Audit Committee (Name of members and Chairman)

Mr. Ijaz Mahmood Choudhry	Chairman
Mr. Adnan Amjad Khan	Member
Mr. Shahzad Akbar	Member

b) HR and Remuneration Committee (Name of members and Chairman)

Mr. Ijaz Mahmood Choudhry	Chairman
Mr. Shahzad Akbar	Member
Mr. Ali A. Malik	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:
- |                                  |   |
|----------------------------------|---|
| a) Audit Committee               | 4 |
| b) HR and Remuneration Committee | 3 |
15. The board has set up an effective internal audit function who is considered suitably qualified and experienced for the purpose and are 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 Board of Pakistan, 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 Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of the Regulations have been complied with.

On behalf of the Board of Directors

  
Amir Shehzad  
Executive Director

  
Ali A. Malik  
Chief Executive Officer

Place: Lahore  
Date: September 28, 2019



## 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, 2019** 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, 2019.

### Emphasis of Matter

With respect to the composition of the Company's Board of Directors, we note that more than a third of the Board is composed of Executive Directors. Our opinion is not modified in respect of this matter.



**IECnet S.K.S.S.S.**  
**Chartered Accountants**

Lahore.

Dated: September 28, 2019



## 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, 2019, 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, 2019 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><b>Adoption of IFRS 9</b></p> <p>During the year, the Company adopted IFRS 9 (<i>Financial Instruments</i>), which became effective July 1, 2018. This standard replaces the provisions of IAS 39 relating to</p>	<p><b>To address this significant risk, we performed certain key audit procedures, including (but not limited to) the following:</b></p> <ul style="list-style-type: none"> <li>Obtained an understanding of Management's process to determine the potential impact of IFRS 9 adoption with respect to recognition, classification and measurement of financial</li> </ul>

	<p>the recognition, classification and measurement of financial assets and financial liabilities; derecognition of financial instruments; and impairment of financial assets.</p> <p>IFRS 9 requires the recognition of expected credit losses (“ECL”) rather than incurred credit losses, which is a fundamentally different approach. Management is required to determine expected credit losses that may occur over a 12-month period or the remaining life of the asset, depending on the categorization of the individual asset.</p> <p>The estimation of ECL requires the use of historical experience based risk parameters such as loss given default (“LGD”) and probability of default (“PD”), as well as judgment where past experience is not considered to be reflective of future outcomes.</p> <p>As the adoption of IFRS 9 has a pervasive impact on the financial statements (from a recognition, measurement and disclosure perspective), and owing to the judgments involved in developing ECL estimates, we considered this a key audit matter.</p>	<p>instruments;</p> <ul style="list-style-type: none"> <li>• Assessed the appropriateness of Management’s classification of financial assets and liabilities under IFRS 9, including an assessment of the appropriateness of Fair Value through Other Comprehensive Income (“FVOCI”) and Fair Value Through Profit or Loss (“FVTPL”) classifications;</li> <li>• Assessed Management’s impairment model for reasonableness, consistency with the requirements of IFRS 9 and accepted best practice, and arithmetical accuracy;</li> <li>• Assessed the design and tested the operating effectiveness of relevant controls over historical loss experience data used as inputs to Management’s impairment model, and tested, on a sample basis, the data for completeness and accuracy;</li> <li>• Assessed model assumptions, such as Management overlays, identification of exposures with significant credit quality deterioration and macroeconomic adjustments, for reasonableness; and</li> <li>• Evaluated the adequacy, appropriateness and completeness of disclosures made in the financial statements pertaining to IFRS 9.</li> </ul>
#2	<p><b>Strategic Investment</b></p> <p>During the year, the Company made an equity investment in Kingbhai Digisol (Private) Limited (the “investee”), a technology-based start-up. The investee and the Company are related.</p> <p>IFRS 9 (<i>Financial Instruments</i>) requires that all equity investments be measured at fair value in the Statement of Financial Position, with value changes recognized in profit or loss, unless an election is made to record such changes in other comprehensive income. Management chose to forego this</p>	<p><b>To address this significant risk, we performed certain key audit procedures, including (but not limited to) the following:</b></p> <ul style="list-style-type: none"> <li>• Evaluated the competence, capabilities and objectivity of Management’s expert;</li> <li>• Assessed the appropriateness of the valuation model employed by Management’s expert in the context of the investee’s business, the industry and the investee operates in and the availability of information / data;</li> <li>• Obtained an understanding of the various assumptions used in the valuation model (including, but not limited to, cash flow</li> </ul>

	<p>election.</p> <p>The investee is a privately-held company with unquoted equity. Owing to the nature of the investee's businesses, Management retained an expert to determine the fair value of the Company's investment as at June 30, 2019.</p> <p>The afore-noted fair value estimates carries significant estimation uncertainty due to the judgments involved and because the estimate is largely based on unobservable inputs. Owing to this estimation uncertainty and the magnitude of the estimate relative to the financial statements, we considered this a key audit matter.</p>	<p>forecasts and discount rates) and assessed these assumptions for reasonableness (including consideration of whether assumptions were interdependent and internally consistent);</p> <ul style="list-style-type: none"> <li>• Tested the theoretical soundness, mathematical accuracy, consistency, integrity and completeness of Management's expert's valuation model;</li> <li>• Independently developed an estimate range and evaluated Management's expert's estimate against this range; and</li> <li>• Evaluated the adequacy, appropriateness and completeness of disclosures made in the financial statements pursuant to multiple applicable accounting standards.</li> </ul>
#3	<p><b>Completeness &amp; Accuracy of Staff Retirement Obligations</b></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><b>To address this significant risk, we performed certain key audit procedures, including (but not limited to) the following:</b></p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the actuarial model employed in estimating the liability;</li> <li>• Requested and directly obtained a report on the valuation of the liability (and related balances) from Management's appointed actuary;</li> <li>• Evaluated the competence, capabilities and objectivity of the actuary; obtained an understanding of the actuary's work; and evaluated the appropriateness of the actuary's work as audit evidence;</li> <li>• Assessed the assumptions (including discount rates) used by the actuary for reasonableness; and</li> <li>• Performed a reconciliation of the data used by the actuary with the corresponding data maintained by the Company.</li> </ul>

### 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 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, 2019

## STATEMENT OF FINANCIAL POSITION

### AS AT JUNE 30, 2019

	Note	June 30, 2019	June 30, 2018
<b>NON CURRENT ASSETS</b>			
------(Rupees)-----			
Property and equipment	5	38,074,349	39,073,690
Intangible assets	6	85,277,000	64,415,000
Receivables	7	113,010,343	155,512,959
Investment in associates	8	75,359,726	72,989,837
Long term strategic investment	9	637,550,378	-
Long term investment	10	14,055,522	21,353,582
Long term deposits	11	2,250,000	2,996,000
Deferred taxation	12	94,255,350	150,785,097
		<b>1,059,832,668</b>	<b>507,126,166</b>
<b>CURRENT ASSETS</b>			
Short term investments	13	21,745,771	16,619,935
Trade debts	14	102,611,992	95,564,701
Loans and advances	15	1,339,299	4,324,009
Trade deposits and short term prepayments	16	25,055,025	11,424,336
Other receivables	17	144,736,656	154,558,932
Advance tax		26,339,874	24,856,344
Cash and bank balances	18	180,703,715	260,197,163
		<b>502,532,331</b>	<b>567,545,421</b>
Total Assets		<b>1,562,364,999</b>	<b>1,074,671,586</b>
<b>NON CURRENT LIABILITIES</b>			
Long term financing	19	238,426,099	208,855,923
Loan from sponsors	20	155,175,000	155,175,000
Deferred liabilities	21	12,572,088	10,924,646
		<b>406,173,187</b>	<b>374,955,569</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	22	236,289,658	281,644,007
Unclaimed dividend		1,525,272	9,676,311
Current portion of long-term financing		33,990,937	29,434,769
		<b>271,805,866</b>	<b>320,755,086</b>
<b>Total Liabilities</b>		<b>677,979,053</b>	<b>695,710,656</b>
CONTINGENCIES AND COMMITMENTS	23	-	-
<b>Net Assets</b>		<b>884,385,946</b>	<b>378,960,931</b>
<b>REPRESENTED BY:</b>			
Authorized share capital		<b>5,000,000,000</b>	<b>5,000,000,000</b>
Issued, subscribed and paid-up share capital	24	2,672,863,310	2,672,863,310
Discount on right shares		(1,508,754,317)	(1,508,754,317)
Share deposit money		17,003,000	-
Accumulated loss		(298,779,297)	(796,683,176)
		<b>882,332,696</b>	<b>367,425,817</b>
Unrealized gain on re-measurement of investments classified as fair value through OCI		2,053,251	11,535,114
		<b>884,385,946</b>	<b>378,960,931</b>

The annexed notes 01 to 46 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, 2019

	Note	June 30, 2019	June 30, 2018
		----- (Rupees) -----	
Operating revenue	25	21,317,507	25,009,537
(Loss) / gain on sale of investments		(7,485,834)	(103,522,805)
Unrealized loss on re-measurement of investments classified at fair value through profit or loss - net		(7,084,149)	(686,069)
<b>Operating profit / (loss)</b>		6,747,524	(79,199,337)
Administrative expenses	26	48,857,450	41,248,292
Finance cost	28	50,110,801	24,985,704
Other operating expenses	29	2,720,730	5,585,648
Other operating income /(loss)	30	10,240,273	(4,470,957)
Changes in fair value of investments at fair value through profit or loss		637,050,378	-
Share of profit of associate	8	2,369,889	1,449,824
<b>Profit/ (loss) before taxation</b>		554,719,083	(154,040,114)
Taxation	31	56,815,204	20,720,788
<b>Profit/ (loss) after taxation</b>		497,903,879	(174,760,902)
<b>Basic earnings / (loss) per share</b>		1.86	(0.88)

The annexed notes 01 to 46 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, 2019

	June 30, 2019	June 30, 2018
	------(Rupees)-----	
Profit / (loss) after taxation	497,903,879	(174,760,902)
<b>Items that will not be reclassified subsequently to profit or loss</b>		
Actuarial (loss) / gain from remeasurement of staff retirement benefits	(24,057)	(142,600)
Income tax related to actuarial loss	4,661	21,445
Unrealized (loss) / gain during the period in the market value of investments classified as available for sale	(9,462,467)	(13,277,671)
<b>Other comprehensive (loss) / income for the year</b>	(9,481,863)	(13,398,826)
<b>Total comprehensive income / (loss) for the year</b>	488,422,016	(188,159,728)

The annexed notes 01 to 46 form an integral part of these financial statements.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director



## CASH FLOW STATEMENT

### FOR THE YEAR ENDED JUNE 30, 2019

	Note	June 30, 2019	June 30, 2018
------(Rupees )-----			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated/(Used) in operations	35	(51,634,317)	67,959,380
Finance cost paid		(1,587,944)	(26,848,714)
Income tax paid		(1,768,987)	(5,313,929)
<b>Net cash generated / (utilized in) from operating activities</b>		<b>(54,991,248)</b>	<b>35,796,737</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Sale of marketable securities		(22,050,397)	253,549,166
Sale of investments classified as 'available-for-sale' - net		170,775	5,311,040
Long term investment		(500,000)	-
(Additions) / disposals of fixed assets		(42,000)	(402,341)
(Additions) / disposals of intangible assets		-	4,000,000
Long term deposits received / (paid)		746,000	(500,000)
Dividend received		2,045,035	4,239,572
<b>Net cash generated from investing activities</b>		<b>(19,630,587)</b>	<b>266,197,437</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of long term loans		(4,844,000)	(6,204,413)
Shares issued		-	63,863,000
(Repayment of) / increase in sponsor loans		-	(180,001,541)
Repayment of other loans		-	(39,770,955)
Gratuity paid		(27,613)	(61,300)
Dividend paid		-	(1,971,793)
<b>Net cash generated / (utilized in) from financing activities</b>		<b>(4,871,613)</b>	<b>(164,147,002)</b>
<b>Net increase in cash and cash equivalents</b>		<b>(79,493,448)</b>	<b>137,847,171</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>260,197,163</b>	<b>122,349,992</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>180,703,715</b>	<b>260,197,163</b>

The annexed notes 01 to 46 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, 2019

	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, 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>
<b>Balance as at July 01, 2018</b>	<b>2,672,863,310</b>	<b>(1,508,754,317)</b>	<b>(796,683,176)</b>	<b>11,535,114</b>	<b>378,960,931</b>
<b>Issue of right shares</b>	<b>17,003,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,003,000</b>
<b>Profit after taxation for the year ended June 30, 2018</b>	<b>-</b>	<b>-</b>	<b>497,903,879</b>	<b>-</b>	<b>497,903,879</b>
<b>Other comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(9,462,467)</b>	<b>(9,462,467)</b>
<b>Loss on remeasurement of staff retirement benefits</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(19,396)</b>	<b>(19,396)</b>
<b>Balance as at June 30, 2019</b>	<b><u>2,689,866,310</u></b>	<b><u>(1,508,754,317)</u></b>	<b><u>(298,779,297)</u></b>	<b><u>2,053,251</u></b>	<b><u>884,385,947</u></b>

The annexed notes 01 to 45 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, 2019

### 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.
Rawalpindi Branch	Office No. 329-330, third floor, Rania Mall, 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 profit during the current year was Rs. 497.903 million. This profit includes a pre-tax fair value measurement gain of Rs. 637.050 million on a strategic investment made by the Company (see note 9 for details). Excluding this investment, the Company's after-tax loss (hereinafter referred to as "operational losses") during the year was Rs. 139.146 million (2018: Rs. 174.761 million). As at June 30, 2019, the Company's accumulated losses decreased to Rs. 298.779 million (2018: Rs. 796.683 million).

Current year operational losses are primarily attributable to macro factors, including continuing political-economic uncertainty that has resulted in an economy-wide depression in economic activity, particularly in the capital markets. Lower brokerage income during the year was offset, in part, by significant reductions in realized losses on the Company's short-term investment portfolio, which was divested in large part in earlier fiscal periods.

Management continues to expect improvements in economic outcomes in future periods, early signs of which are visible, and has therefore continued with its plans to capitalize on such improvements. The Company continues to monitor and strategize working capital deployment (including the offloading of liabilities, where liquidity and contractual arrangements so permit). Numerous business development activities undertaken in the previous fiscal year have been formalized and continued in the current year. As well, the Company continues to strategically manage its investment portfolio.

Cost optimization strategies initiated in the previous fiscal year have yielded benefits in terms of lower administrative / operational expense, although this benefit has been offset during the current year by greater spend on business development and similar activities during the current year.

Directors / sponsors of the Company have historically 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 for the following material items:

- Investments in quoted equity securities (whether measured at fair value through profit or loss, or at fair value through other comprehensive income), which are carried at fair value;
- Investments in unquoted equities, measured at fair value through profit or loss;
- Investments in 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 New standard, 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 for new and amended standards / interpretations that became effective July 1, 2018. Refer to note 3.1 for details of these standards and of the impact on the Company of adopting these standards (including transition-related disclosures). Newly-effective standards other than those disclosed in note 3.1 are considered not to be relevant, or such standards do not have any significant effect on the Company's financial statements and, accordingly, the impact from their adoption has not been disclosed in the financial statements.

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 July 1, 2019:

#### - IFRS 9: Financial Instruments (Amendment: Prepayment Features with Negative Compensation)

For an debt instrument to be eligible for measurement at amortized cost or Fair Value through Other Comprehensive Income ("FVOCI"), IFRS 9 requires its contractual cash flows to meet the "Solely Payments of Principal and Interest" ("SPPI") test - that is, the cash flows must be solely payments of principal and interest. Some prepayment options could result in the party that triggers early termination receiving compensation from the other party (negative compensation). Alternatively put, such options may result in borrowers prepaying the instrument at an amount less than the unpaid principal and interest owed. This amendment permits financial assets containing prepayment-with-negative-compensation features to be measured at amortized cost or

FVOCI if they meet other relevant requirements of IFRS 9.

This amendment 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 28: Investment in Associates and Joint Ventures (Amendment: Long-term Interests in Associated and Joint Ventures)**

This amendment will affect companies that finance associates and/or joint ventures with preference shares or loans for which repayment is not expected in the foreseeable future (where the interests in such associates / joint ventures are referred to as Long-term Interests or "LTIs"). LTIs are in the scope of both IFRS 9 and IAS 28, and interpretative guidance provides the annual sequence in which both standards are to be applied. The amendment is effective for annual periods beginning on or after January 1, 2019. The Company is currently in the process of identifying the impact, if any, of the amendment on its 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.

#### **- IAS 1: Presentation of Financial Statements / IAS 8: Accounting Policies, Changes in Accounting Estimated and Errors**

Amendments to these standards are intended to make the definition of material in IAS 1 easier to understand and apply, and are not intended to alter the underlying concept of materiality in IFRS standards. In addition, the IASB has also issued guidance on how to make materiality judgments when preparing general purpose financial statements in accordance with IFRS.

#### **- IFRS 3: Business Combinations / IFRS 11: Joint Arrangements (Amendment: Definition of a Business)**

The International Accounting Standards Board ("IASB") has issued amendments with the objective of resolving difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The amendments clarify that to be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments include an election to use a concentration test. The amendments are effective for business combinations for which the acquisition date is on or after January 1, 2020, and therefore would not have an impact on past financial statements.

Other amendments 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 23 - which relates to uncertainty over income tax treatments - is effective for annual periods beginning on or after January 1, 2019. The amendment is not expected to materially impact the Company's financial statements upon adoption.

Finally, on March 29, 2018, the IASB issued a revised Conceptual Framework for Financial Reporting. The Conceptual Framework serves primarily as a tool for the IASB to develop standards and to assist the IFRS Interpretations Committee in interpreting them. It does not override the requirements of individual IFRSs. Any inconsistencies between the revised Framework and individual IFRSs are subject to the usual due process, meaning that the overall impact on standard setting may take some time to crystallize. In the absence of specific IFRS requirements, entities may use the Framework as a reference for selecting accounting policies.

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 3.3)
- Provision against doubtful debts (note 3.8)
- Classification, recognition, measurement / valuation of financial instruments (notes 3.2)
- Fair values of unquoted equity investments (notes 3.2)
- Provision for taxation (note 3.9)
- Staff retirement benefits (note 3.13).

### 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, except as described in notes 3.1 and 4.

#### 3.1 Changes in Significant Accounting Policies

The Company adopted IFRS 15 (Revenue from Contracts with Customers) and IFRS 9 (Financial Instruments) from July 1, 2018. The new standards are effective for annual periods beginning on or after July 1, 2018 and for reporting periods ending on or after June 30, 2019.

Details of new policies pursuant to these standards and the nature and effect of the changes in accounting policies are set out in the remainder of this note.

##### 3.1.1 IFRS 15 - Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 - *Revenue from Contracts with Customers*, which introduces a unified five-step model for determining the timing, measurement and recognition of revenue. The broad objective of the new standard is to introduce a framework whereby revenue is recognized as performance obligations are fulfilled rather than based on the transfer of risks and rewards. IFRS 15 includes a comprehensive set of disclosure requirements, including quantitative and qualitative information about contracts with customers, to help users understand the nature, amount and timing of revenue as well as uncertainty around it. The standard supersedes and replaces IAS 18 - *Revenue*, IAS 11 - *Construction Contracts* and a number of related interpretations.

Due to the nature of contractual arrangements with customers and the regulatory environment in which the Company operates, the adoption of IFRS 15 did not have a significant impact on the financial statements of the Company.

##### 3.1.2 IFRS 9 - Financial Instruments

IFRS 9 - *Financial Instruments* relates to the recognition, classification, measurement and derecognition of financial assets and liabilities, hedge accounting and the impairment of financial assets. It supersedes and replaces IAS 39 - *Financial Instruments: Recognition and Measurement*.

Changes in accounting policies, if any, resulting from the adoption of IFRS 9 have been applied retrospectively. Details of significant new accounting policies adopted are set out in note 3.2. The nature and effect of changes to previous accounting policies are set out in note 4.

#### 3.2 Financial assets and liabilities

##### *Recognition and initial measurement*

The Company, on the date of initial recognition, recognizes loans, debt securities, equity securities and deposits at the fair value of consideration paid. Regular-way purchases and sales of financial assets are recognized on the settlement date. All other financial assets and liabilities, including derivatives, are initially recognized on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The initial measurement of a financial asset or liability is at fair value plus transaction costs that are directly attributable to its purchase or issuance. For instruments measured at fair value through profit or loss, transaction costs are recognized immediately in profit or loss.



### *Classification and Measurement of Financial Assets*

IFRS 9 eliminates the IAS 39 categories for financial assets (held-to-maturity, loans and receivables, held-for-trading and available-for-sale). Instead, IFRS 9 classifies financial assets into the following categories:

- Fair value through profit or loss ("FVTPL");
- Fair value through other comprehensive income ("FVOCI");
- Amortized cost;
- Elected at fair value through other comprehensive income (equities only); or
- Designated at FVTPL

Financial assets include both debt and equity instruments.

### *Debt Instruments*

Debt instruments are classified into one of the following measurement categories:

- Amortized cost;
- FVOCI;
- FVTPL; or
- Designated at FVTPL

Classification of debt instruments is determined based on:

- (i) The business model under which the asset is held; and
- (ii) The contractual cash flow characteristics of the instrument

Debt instruments are measured at amortized cost if they are held within a business model whose objective is to hold for collection of contractual cash flows where those cash flows represent solely payments of principal and interest. After initial measurement, debt instruments in this category are carried at amortized cost. Interest income on these instruments is recognized in interest income using the effective interest method. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. Amortized cost is calculated by taking into account any discount or premium on acquisition, transaction costs and fees that are an integral part of the effective interest rate. Impairment on debt instruments measured at amortized cost is calculated using the expected credit loss approach. Loans and debt securities measured at amortized cost are presented net of the allowance for credit losses / provision for doubtful debts in the statement of financial position.

Debt instruments are measured at FVOCI if they are held within a business model whose objective is to hold for collection of contractual cash flows and for selling financial assets, where the assets' cash flows represent payments that are solely payments of principal and interest. Subsequent to initial recognition, unrealized gains and losses on debt instruments measured at FVOCI are recorded in other comprehensive income. Upon derecognition, realized gains and losses are reclassified from other comprehensive income and recorded in the statement of income. Premiums, discounts and related transaction costs are amortized over the expected life of the instrument to the income statement using the effective interest rate method.

Impairment on debt instruments measured at FVOCI is calculated using the expected credit loss approach.

Debt instruments are measured at FVTPL if assets are held for trading purposes, are held as part of a portfolio managed on a fair value basis, or whose cash flows do not represent payments that are solely payments of principal and interest. Transaction costs for such instruments are recognized immediately in profit or loss.

Finally, debt instruments in the "designated at FVTPL" category are those that have irrevocably designated by the Company upon initial recognition. This designation is available only for those debt instruments for which a



reliable estimate of fair value can be obtained. Instruments are designated at FVTPL typically if doing so eliminates or reduces accounting mismatch which would otherwise arise.

#### *Equity Instruments*

Equity instruments are measured at FVTPL, unless an election is made to designate them at FVOCI upon initial recognition, with transaction costs recognized immediately in profit or loss. Subsequent to initial recognition, changes in fair value are recognized through profit or loss.

An initial recognition, there is an irrevocable option for the Company to classify non-trading equity instruments at FVOCI. This election is typically used for equity instruments for strategic or longer-term investment purposes. The election is made on an instrument-by-instrument basis and is not available to equity instruments that are held for trading purposes. Gains and losses on these instruments are recorded in OCI and are not subsequently reclassified to profit or loss. As such, there is no specific impairment requirement. Dividends received are recorded in profit or loss. Any transaction costs incurred upon purchase are added to the cost basis of the security and are not reclassified to profit or loss upon the sale of the security.

#### *Classification and Measurement of Financial Liabilities*

Financial liabilities are classified into one of the following measurement categories:

- FVTPL;
- Amortized cost; or
- Designated at FVTPL.

Financial liabilities measured at FVTPL are held principally for the purpose of repurchasing in the near term, or form part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking. Financial liabilities are recognized on a trade date basis and are accounted for at fair value, with changes in fair value and any gains or losses recognized in profit or loss. Transaction costs are expensed as incurred.

Financial liabilities may also be designated at FVTPL if a reliable estimate of fair value can be obtained and when (a) the designation eliminates or significantly reduces an accounting mismatch which would otherwise arise, (b) a group of financial liabilities are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management strategy, or (c) the financial liability contains one or more embedded derivatives which significantly modify the cash flows required. Any changes in fair value are recognized in profit or loss, except for changes in fair value arising from changes in the Company's own credit risk, which are recognized in OCI. Changes in fair value due to changes in the Company's own credit risk are not subsequently reclassified to profit or loss upon derecognition or extinguishment of liabilities.

Other financial liabilities are accounted for at amortized cost. Interest expense is calculated using the effective interest rate method.

#### *Determination of Fair Value*

The fair value of a financial asset or liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal or, in its absence, the most advantageous market to which the Company has access at the measurement date. The Company values instruments carried at fair value using quoted market prices, where available. Unadjusted quoted market prices for identical instruments represent a Level 1 valuation. When quoted prices are not available, the Company maximizes the use of observable inputs within valuation models. When all significant inputs are observable, the

valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 2.

In determining fair value for certain instruments or portfolios of instruments, valuation adjustments or reserves may be required to arrive at a more accurate representation of fair value. These adjustments may include unobservable parameters or constraints on prices in inactive or illiquid markets.

#### *Derecognition of Financial Assets and Financial Liabilities*

A financial asset is derecognized when the contractual rights to the cash flows from asset have expired, or the Company transfers the contractual rights to receive the cash flows from the financial asset, or has assumed an obligation to pay those cash flows to an independent third party, or the Company has transferred substantially all the risks and rewards of ownership of that asset to an independent third-party. Management determines whether substantially all the risks and rewards of ownership have been transferred by quantitatively comparing the variability in cash flows before and after the transfer. If the variability in cash flows remains significantly similar subsequent to the transfer, the Company has retained substantially all of the risks and rewards of ownership. On derecognition of a financial asset, the difference between the carrying amount and the sum of (a) the consideration received (including any new asset obtained less any new liability assumed) and (b) the cumulative gain or loss that had been recognized in OCI, is recognized in profit or loss.

A financial liability is derecognized when the obligation under the liability is discharged, cancelled or expires. If an existing financial liability is replaced by another from the same counterparty on substantially different terms, or the terms of the existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability at fair value. The difference in the respective carrying amount of the existing liability and the new liability is recognized as a gain/loss in profit or loss.

### **3.3 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 5 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.

### **3.4 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 reporting 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.

### 3.5 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.

### 3.6 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. When financial assets and financial liabilities are offset in the statement of financial position, the related income and expense items are also offset in the statement of income, unless specifically prohibited by an applicable accounting standard.

### 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

The Company applies a three-stage approach to measure allowance for credit losses, using an expected credit loss approach as required under IFRS 9, for financial assets measured at amortized cost. The Company's expected credit loss impairment model reflects the present value of all cash shortfalls related to default events, either over the following twelve months, or over the expected life of a financial instrument, depending on credit deterioration from inception. The allowance / provision for credit losses reflects an unbiased, probability-weighted outcomes which considers multiple scenarios based on reasonable and supportable forecasts.

Where there has not been a significant decrease in credit risk since initial recognition of a financial instrument, an amount equal to 12 months expected credit loss is recorded. The expected credit loss is computed using a probability of default occurring over the next 12 months. For those instruments with a remaining maturity of less than 12 months, a probability of default corresponding to the remaining term to maturity is used.

When a financial instrument experiences a significant increase in credit risk subsequent to origination but is not considered to be in default, or when a financial instrument is considered to be in default, expected credit loss is computed based on lifetime expected credit losses.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, and when estimating expected credit losses, the Company considers reasonable and supportable information that is relevant and available without undue effort or cost. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessments, including forward-looking information.

Forward-looking information includes reasonable and supportable forecasts of future events and economic conditions. These include macro-economic information, which may be reflected through qualitative adjustments or overlays. The estimation and application of forward-looking information may require significant judgment.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectation of recovering a financial asset in its entirety or a portion thereof. The Company makes this assessment on an individual asset basis, after consideration of multiple historical and forward-looking factors. Financial assets that are written off may still be subject to enforcement activities in order to comply with the Company's processes and procedures for recovery of amounts due.

#### 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.

### 3.9 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 are included in profit and loss (for assets measured at FVTPL) or OCI (for assets measured at FVOCI) 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 Transition to IFRS 9

The Company's transition to IFRS 9, with an effective transition date of July 1, 2018, did not result in any quantitative remeasurement or reclassification adjustments in the statement of financial position. Qualitatively, the classification of financial assets changed, as described below, whereas the classification of financial liabilities was unchanged. As well, the difference between the closing impairment allowance for financial assets in accordance with IAS 39 was not significantly different from the opening impairment allowance under IFRS 9.

The following table presents the impact from the transition to IFRS 9 on the Statement of Financial Position at transition date, July 1, 2018.

<i>As at July 1, 2018</i>					
IAS 39			IFRS 9		
<i>Financial statement line item ("FSLI")</i>	<i>Measurement basis</i>	<i>Carrying amount</i>	<i>Carrying amount</i>	<i>Measurement basis</i>	<i>FSLI</i>
Cash and bank balances	Amortized cost	260,197,163	260,197,163	Amortized cost	Cash and bank balances
Short-term investments	AFS, FVTPL	16,619,935	16,619,935	FVOCI, FVTPL	Short-term investments
Trade debts	Amortized cost	95,564,701	95,564,701	Amortized cost	Trade debts
Loans and advances	Amortized cost	4,324,009	4,324,009	Amortized cost	Loans and advances
Trade deposits and short-term prepayments	Amortized cost	11,424,336	11,424,336	Amortized cost	Trade deposits and short-term prepayments
Other receivables - short-term	Amortized cost	154,558,932	154,558,932	Amortized cost	Other receivables -
Other receivables - long-term	Amortized cost	155,512,959	155,512,959	Amortized cost	Other receivables -
Investments available-for-sale	AFS	21,353,582	21,353,582	FVOCI	Long-term investments
Long-term deposits	Amortized cost	2,996,000	2,996,000	Amortized cost	Long-term deposits



## 5 PROPERTY AND EQUIPMENT

Description	Building on Leasehold Land	Building on Freehold Land	Furniture and Fittings	Office Equipment	Computer and Accessories	Vehicles	Total
	Rupees						
<b>Cost</b>							
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
<b>Balance as at July 01, 2018</b>	<b>36,156,614</b>	<b>4,260,000</b>	<b>13,496,841</b>	<b>14,481,867</b>	<b>18,115,288</b>	<b>15,118,711</b>	<b>101,629,321</b>
<b>Additions during the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>42,000</b>	<b>-</b>	<b>42,000</b>
<b>Balance as at June 30, 2019</b>	<b>36,156,614</b>	<b>4,260,000</b>	<b>13,496,841</b>	<b>14,481,867</b>	<b>18,157,288</b>	<b>15,118,711</b>	<b>101,671,321</b>
<b>Depreciation</b>							
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)
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
<b>Balance as at July 01, 2018</b>	<b>2,332,201</b>	<b>331,505</b>	<b>13,315,579</b>	<b>13,760,746</b>	<b>17,696,879</b>	<b>15,118,720</b>	<b>62,555,631</b>
<b>Charge for the year</b>	<b>388,684</b>	<b>106,504</b>	<b>91,987</b>	<b>156,982</b>	<b>297,185</b>	<b>-</b>	<b>1,041,341</b>
<b>Balance as at June 30, 2019</b>	<b>2,720,885</b>	<b>438,009</b>	<b>13,407,566</b>	<b>13,917,728</b>	<b>17,994,064</b>	<b>15,118,720</b>	<b>63,596,972</b>
<b>Depreciation Rate</b>	<b>1.08%</b>	<b>2.5%</b>	<b>10%</b>	<b>10%</b>	<b>33.33%</b>	<b>20%</b>	
<b>Written down value as at June 30, 2019</b>	<b>33,435,729</b>	<b>3,821,991</b>	<b>89,275</b>	<b>564,139</b>	<b>163,224</b>	<b>(9)</b>	<b>38,074,349</b>
Written down value as at June 30, 2018	33,824,413	3,928,495	181,262	721,121	418,409	(9)	39,073,690

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.

## 6 INTANGIBLE ASSETS

Particulars	Cost			Total
	Tenancy rights Building	License to use Room at Pakistan Stock Exchange	Trading Right Entitlement Certificate (TREC) Pakistan Stock	
	6.1	6.2	6.3	
.....Rupees.....				
<b>Balance as at July 01, 2018</b>	14,915,000	47,000,000	2,500,000	64,415,000
License of 4 rooms of LSE transferred		20,862,000		20,862,000
Less : Impairment loss				-
<b>Net Balance as at June 30, 2019</b>	<b>14,915,000</b>	<b>67,862,000</b>	<b>2,500,000</b>	<b>85,277,000</b>
Net Balance as at June 30, 2018	14,915,000	47,000,000	2,500,000	64,415,000

**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 year, the Board of Directors resolved to acquire four rooms situated at the Lahore Stock Exchange Building from First Pakistan Securities Limited and Switch Securities (Pvt.) Limited (collectively, "the sellers") against long-standing receivables from the sellers. Under an arrangement between the Company and the sellers, the risks and rewards of ownership have been substantively transferred to the Company. The transaction has been recorded at fair value, consistent with the requirements of applicable accounting standards and the Companies Act, 2017.
- 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 and later on has been used as its current value.

	Note	June 30, 2019	June 30, 2018
<b>7 LONG TERM RECEIVABLE</b>		----- <b>(Rupees)</b> -----	
Long-term receivable at amortized cost	7.1	129,830,617	155,512,959
Less: Current maturity		<u>(16,820,274)</u>	<u>-</u>
		<u><b>113,010,343</b></u>	<u><b>155,512,959</b></u>

- 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, 2019	June 30, 2018
<b>8 INVESTMENT IN ASSOCIATE</b>		----- <b>(Rupees)</b> -----	
Coastal Company Limited [formerly National Asset Management Company Limited or "NAMCO"]	8.1	<u>75,359,726</u>	<u>72,989,837</u>
		<u><b>75,359,726</b></u>	<u><b>72,989,837</b></u>

- 8.1** The Company holds 4,000,000 ordinary shares (2018: 4,000,000 ordinary shares), at Rs. 10 per share fully paid-up, in Coastal Company Limited. The shareholding represents 28.1669% (2018: 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, 2019	June 30, 2018
		----- <b>(Rupees)</b> -----	
Investment as at July 01		72,989,837	71,540,013
Share of profits from associate	8.1.1	<u>2,369,889</u>	<u>1,449,824</u>
Balance as at June 30		<u><b>75,359,726</b></u>	<u><b>72,989,837</b></u>

- 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 Management financial statements, in accordance with IAS 28.

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

	June 30, 2019	June 30, 2018
<b>Summarized Financial Information for Associate</b>		
<b>Summarized Balance Sheet:</b>		
<b>Current Assets</b>		
Cash & cash equivalents	37,556	39,369
Other current assets	51,856,262	54,991,745
<b>Total Current Assets</b>	<b>51,893,818</b>	<b>55,031,114</b>
<b>Non-Current Assets</b>	<b>226,227,679</b>	216,383,802
<b>Current Liabilities</b>		
Other current liabilities	8,141,384	9,847,616
<b>Total Current Liabilities</b>	<b>8,141,384</b>	9,847,616
<b>Closing Net Assets</b>	<b>269,980,113</b>	261,567,300
<b>Company's Share in %</b>	<b>28.17%</b>	28.17%
<b>Carrying Amount</b>	<b>76,053,398</b>	73,683,508
<b>Reconciliation to Carrying Amount</b>		
Opening net assets	261,567,299	256,420,037
Profit for the year	8,412,811	5,147,263
<b>Closing Net Assets</b>	<b>269,980,110</b>	261,567,299
<b>Summarized Income Statement:</b>		
Revenue	12,817,251	12,884,339
Interest expense	(223)	(66)
General & admin expense	(4,403,104)	(6,682,767)
Income tax expense	(1,113)	(1,054,243)
<b>Profit for the Year</b>	<b>8,412,811</b>	5,147,263

## 9 STRATEGIC INVESTMENT

Investment in KingBhai Digisole (Pvt.) Limited

**637,550,378**

-

As part of the Company's strategy to effectively deploy capital in order to deliver returns to investors in an otherwise depressed economic environment, the Company capitalized on an opportunity to invest in KingBhai Digisol (Pvt.) Limited ("KingBhai"), a technology-enabled business operating in the real estate and technology services sectors. Given the growth trajectory of these sectors and the Company's assessment of the service gap in the sectors, the Company's expects the investment to yield returns through investment value

appreciation as well as dividends.

The Company and KingBhai are related, as described in Note 32. However, the Company holds 9% of KingBhai's voting shares and, as such, does not exert control or exercise significant influence. The Company has chosen to forego the irrevocable election available under IFRS 9 to designate the investment at FVOCI upon purchase. Instead, the investment is measured at FVTPL, with changes in fair value recognized through profit or loss. Given the complexity and unobservable inputs involved, the Company engaged an independent firm of Chartered Accountants, Rahman Sarfaraz Rahim Iqbal Rafiq (Chartered Accountants), to perform an enterprise valuation of KingBhai as at June 30, 2019, for the purposes of determining fair value for reporting purposes. Refer to note 37.4 for additional details.

Note	June 30, 2019	June 30, 2018
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-----**(Rupees)**-----

## 10 LONG-TERM INVESTMENTS

Pakistan Stock Exchange Limited - at FVOCI	<b>10.1</b>	<b>14,055,522</b>	21,353,582
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### 10.1 Reconciliation of Investments - at FVOCI

Opening balance		<b>21,353,582</b>	41,163,843
Transferred	<b>10.1.1</b>	-	(14,035,317)
Fair value (loss)/gain on investment	<b>10.1.2</b>	<b>(7,298,060)</b>	5,774,944
		<b>14,055,522</b>	21,353,582

**10.1.1** 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.

**10.1.2** As a result of the listing of PSX shares, the fair value of these shares is readily determinable by reference to quoted market prices. Under IFRS 9, the Company has elected to classify and measure the equity investment at FVOCI, which reflects the fact that these shares are a strategic investment and are not held for trading. The election yields a measurement basis broadly similar to the basis of measurement under the now-superseded IAS 39, with the exception that gains or losses can not be "recycled" from OCI to profit or loss. The shares have been marked to market, with the resulting gain recognized in other comprehensive income. As at June 30, 2019, the closing rate for PSX shares was Rs. 13 per share.

Note	June 30, 2019	June 30, 2018
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----- (Rupees) -----

**11 LONG TERM DEPOSITS**

Central Depository Company Limited	150,000	150,000
Pakistan Stock Exchange Limited	1,700,000	1,700,000
National Clearing Company of Pakistan Limited	300,000	300,000
Other security deposits	100,000	846,000
	<b>2,250,000</b>	<b>2,996,000</b>

**12 DEFERRED TAXATION - NET**

Temporary differences on:

Provision for gratuity	2,435,978	2,413,460
Intangible assets	2,422,010	1,656,891
Short-term investments	1,497,354	148,228
Provision for doubtful debts	74,003,927	83,800,342
Accelerated tax depreciation	1,228,891	1,729,822
Investment in associate	(6,851,328)	(7,288,076)
	<b>74,736,831</b>	<b>82,460,667</b>

Effect of carried-forward tax losses/tax credits	12.1	19,518,519	68,324,430
		<b>94,255,350</b>	<b>150,785,097</b>

**12.1** The amount of remaining unused tax losses for tax year 2016, tax year 2018 and tax year 2019 were Rs 7.757 million, Rs 5.247 million and Rs. 25.530 million respectively. The Company has recognized a deferred tax asset on these losses amounting to Rs 10.789 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 8.728 million.

Note	June 30, 2019	June 30, 2018
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----- (Rupees) -----

**13 SHORT-TERM INVESTMENTS - NET**

At FVOCI	13.1	4,133,417	6,392,824
At FVTPL	13.2	17,612,354	10,227,111
		<b>21,745,771</b>	<b>16,619,935</b>

**13.1 At FVOCI**

The below-noted investments are strategic, long-term investments made by the Company to achieve objectives other than short-term profit-taking. Consistent with the Company's strategy, its historical treatment of these investments and the fact that these equity investments are neither held for trading nor are they contingent consideration recognized pursuant to an acquisition in a business combination to which IFRS 3 (*Business Combinations*) applies, it has elected to account for these equity investments at FVOCI.

No. of Shares		Name of Scrip / Company	2019		2018	
19-Jun	18-Jun		Avg. Cost	Market Value	Avg. Cost	Market Value
10,000	10,000	Pioneer Cement Limited	201,900	226,500	201,900	468,600
453,525	453,525	SME Leasing Limited	2,267,625	907,050	2,267,626	1,179,165
230,759	240,259	Pakistan Stock Exchange	2,307,590	2,999,867	2,402,590	4,745,059
<b>694,284</b>	<b>703,784</b>		<b>4,777,115</b>	<b>4,133,417</b>	<b>4,872,116</b>	<b>6,392,824</b>

Unrealized gain/(loss) on remeasurement of investments measured at FVOCI

(643,698)

1,520,708

<b>4,133,417</b>	<b>4,133,417</b>	<b>6,392,824</b>	<b>6,392,824</b>
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Note

June  
30, 2019June  
30, 2018

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

### 13.1.1 Unrealized gain / (loss) on equity instruments at FVOCI:

Short-term investments  
Long-term investments

(643,698)

1,520,708

(7,298,060)

5,774,944

(7,941,758)

7,295,652

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

No. of Shares		Name of Scrip / Company	2019		2018	
19-Jun	18-Jun		Avg. Cost	Market Value	Avg. Cost	Market Value
10,000	-	<b>Oil &amp; Gas Marketing Companies</b> Sui Northern Gas Pipelines Limited	761,150	694,900	-	-
1,682,000	388,000	<b>Banks</b> The Bank of Punjab	20,621,488	15,390,300	3,901,495	4,683,160
6,500	25,000	Securities Investment Bank Limited	41,015	33,345	237,075	157,750
-	50,366	<b>Cement</b> Pioneer Cement Limited	-	-	2,352,268	2,360,151
-	15,000	Maple Leaf Cement Factory	-	-	1,355,399	761,100
-	2,500	<b>Technology And Communication</b> TRG Pakistan Limited	-	-	93,108	71,600
1,000	1,000	<b>Textile</b> Hira Textile Mills Limited	6,300	3,670	8,970	6,300
6,333	5,000	<b>Automobile</b> Ghandhara Nissan Limited	1,031,650	332,039	1,319,700	898,350
60,000	-	<b>Iron and Steel</b> Aisha Steel Mills Limited	946,200	552,000	-	-
10,000	10,000	International Steel Limited	1,017,000	397,100	1,334,016	1,017,000
104,500	104,500	<b>Leasing Companies</b> SME Leasing Limited	271,700	209,000	311,149	271,700
<b>1,880,333</b>	<b>601,366</b>		<b>24,696,503</b>	<b>17,612,354</b>	<b>10,913,180</b>	<b>10,227,111</b>

Unrealized loss on re-measurement of investments classified at fair value through profit or loss - net

(7,084,149)

(686,069)

<b>17,612,354</b>	<b>17,612,354</b>	<b>10,227,111</b>	<b>10,227,111</b>
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### 13.3 Securities having market value of Rs. NIL (2018: Rs. NIL ) have been pledged with various commercial banks for obtaining finance facilities.

	Note	June 30, 2019	June 30, 2018
----- (Rupees) -----			
<b>14 TRADE DEBTS</b>			
Considered good	14.1	102,611,992	95,564,701
Considered doubtful		<u>381,934,505</u>	<u>379,326,402</u>
		<u>484,546,497</u>	<u>474,891,103</u>
Less: Provision for doubtful debts	14.2	<u>(381,934,505)</u>	<u>(379,326,402)</u>
		<u>102,611,992</u>	<u>95,564,701</u>

**14.1** The Company holds securities with a cumulative fair value of Rs 653.616 million (2018: Rs.1,597.964 million) owned by its clients as collateral against trade debts. Refer to note 3.8 for details around the Company's methodology for computing estimated credit losses under the expected loss model under IFRS 9.

#### 14.2 Movement in provision against trade debts

	Note	June 30, 2019	June 30, 2018
----- (Rupees) -----			
Opening balance		379,326,402	416,066,852
Charged during the year		2,608,103	(36,740,450)
Closing balance		<u>381,934,505</u>	<u>379,326,402</u>

## 15 LOANS AND ADVANCES

### Advances - unsecured, considered good

- to employees	1,339,299	824,009
- against property	-	3,500,000
	<u>1,339,299</u>	<u>4,324,009</u>

## 16 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Exposure deposit	16.1	<u>25,055,025</u>	<u>11,424,336</u>
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**16.1** 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.

## 17 OTHER RECEIVABLES

	Note	June 30, 2019	June 30, 2018
----- (Rupees) -----			
Mark-up on receivable from associates	17.1	127,314,256	154,166,717
Others		<u>17,422,399</u>	<u>392,215</u>
		<u>144,736,656</u>	<u>154,558,932</u>

**17.1** 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.

Note	June 30, 2019	June 30, 2018
	----- <b>(Rupees)</b> -----	
First Pakistan Securities Limited	<b>63,918,858</b>	74,884,319
Switch Securities (Private) Limited	<b>63,395,398</b>	79,282,398
	<b>127,314,256</b>	154,166,717

## 18 CASH AND BANK BALANCES

### Cash at bank

Current accounts

**100,376,907**      193,914,973

Saving accounts

**80,326,556**      66,279,246

### Cash in hand

**252**      2,944

**180,703,715**      260,197,163

**18.1** This includes customers' assets in the amount of Rs. 83.843 million (2018: Rs. 37.222 million) held in designated bank accounts.

Note	June 30, 2019	June 30, 2018
	----- <b>(Rupees)</b> -----	

## 19 LONG-TERM FINANCING

From banking companies - secured

Bank Alfalah Limited

**19.1**      **100,880,336**      94,063,081

United Bank Limited

**19.2**      **1,193,820**      1,193,820

The Bank of Punjab

**19.3**      **146,571,779**      137,127,791

Interest on long-term financing

The Bank of Punjab

**8,821,000**      5,906,000

Other Loans

**14,950,101**      -

**272,417,036**      238,290,692

### Less: Current portion of long-term financing

**(33,990,937)**      (29,434,769)

**238,426,099**      208,855,923

**19.1** 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. A Aslam 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.

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.

Note	June 30, 2019	June 30, 2018
<b>Reconciliation of fair value of BAF facility</b>		
	----- <b>(Rupees)</b> -----	
Liability - beginning of year	<b>94,063,081</b>	94,613,285
Notional interest	<b>10,817,255</b>	4,449,796
Less: Payments made during the period	<b>(4,000,000)</b>	(5,000,000)
	<b>100,880,336</b>	94,063,081
<hr/>		
<b>Unamortized notional interest - BAF</b>		
As at the beginning of the year	<b>34,893,871</b>	39,343,667
Arising during the year	<b>(10,817,255)</b>	(11,069,756)
Amortized for the year	-	6,619,960
As at the end of the year	<b>24,076,616</b>	34,893,871

**19.2** 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.

**19.3** 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:

**19.3.1** 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 two tranches, equal to Rs 36.127 million and Rs 58.568 million, respectively. 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/sureties, 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 prevailing interest rates. 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, 2019	June 30, 2018
	----- <b>(Rupees)</b> -----	
<b>Reconciliation of fair value of BOP facility</b>		
Liability - beginning of year	<b>137,127,791</b>	128,342,911
Less: Payments made during the year	<b>(844,000)</b>	(844,000)
Add: Amortized notional interest	<b>10,287,988</b>	9,628,880
	<b>146,571,779</b>	137,127,791
<b>Unamortized notional interest - BOP</b>		
As at the beginning of the year	<b>45,554,763</b>	35,925,883
Arising during the year	<b>10,287,988</b>	9,628,880
As at the end of the year	<b>55,842,751</b>	45,554,763
<b>20 LOAN FROM SPONSORS</b>		
Loan from sponsors - Subordinated	<b>155,175,000</b>	155,175,000
	<b>155,175,000</b>	155,175,000
Less: current portion	<b>-</b>	-
	<b>155,175,000</b>	155,175,000
<b>21 DEFERRED LIABILITIES</b>		
Gratuity payable	<b>27 12,572,088</b>	10,924,646
<b>22 TRADE AND OTHER PAYABLES</b>		
Creditors	<b>83,787,213</b>	37,179,662
Other trade payables - net of comm. & taxes	<b>143,352,836</b>	143,352,836
Accrued expenses	<b>8,649,444</b>	7,504,084
Others	<b>500,164</b>	93,607,425
	<b>236,289,658</b>	281,644,007
<b>23 CONTINGENCIES AND COMMITMENTS</b>		
<b>23.1 Contingencies</b>		

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.

June 30, 2019	June 30, 2018
----- (Rupees) -----	

## 23.2 Commitments

<b>23.2.1</b> Outstanding settlements against sale of investments in regular market	<b>694,804</b>	3,415,929
Outstanding settlements against purchase of investments in regular market	-	3,146,703

## 24 SHARE CAPITAL

### 24.1 Authorized capital

500,000,000 (2016: 500,000,000) Ordinary shares of Rs. 10 each	<b>5,000,000,000</b>	<b>5,000,000,000</b>
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### 24.2 Issued, subscribed and paid-up share capital

50,000,000 Ordinary shares of Rs. 10 each issued for cash	<b>500,000,000</b>	500,000,000
7,500,000 Ordinary shares of Rs. 10 each issued as fully paid bonus shares	<b>75,000,000</b>	75,000,000
80,500,000 Ordinary shares of Rs. 10 each issued fully paid in cash as right shares at discount	<b>805,000,000</b>	805,000,000
3,809,831 Ordinary shares of Rs. 10 each issued fully paid in cash as right shares at discount	<b>38,098,310</b>	38,098,310
125,476,500 Ordinary shares of Rs. 10 each issued fully paid in cash as right shares at discount	<b>1,254,765,000</b>	1,254,765,000
	<b>2,672,863,310</b>	2,672,863,310

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

	2019		2018	
	Shares held	Percentage	Shares held	Percentage
First Florance Developers (Pvt.) Limited	<b>104,426,150</b>	<b>39.70%</b>	104,426,150	39.70%
MCD Pakistan Limited	<b>2,452,950</b>	<b>0.92%</b>	2,452,950	0.92%
First Pakistan Securities Limited	<b>10,396,308</b>	<b>3.89%</b>	10,396,308	3.89%
Switch Securities (Pvt.) Limited	<b>5,684,506</b>	<b>2.13%</b>	5,684,506	2.13%

**24.4** The Company's Directors, their spouses and minor children hold 83,232,790 shares as at June 30, 2019 (2018: 83,279,530 shares).

June 30, 2019	June 30, 2018
----- (Rupees) -----	

## 25 OPERATING REVENUE

Brokerage income	<b>19,272,472</b>	20,769,965
Dividend income	<b>2,045,035</b>	4,239,572
	<b>21,317,507</b>	25,009,537

June 30, 2019	June 30, 2018
------------------	------------------

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

## 26 ADMINISTRATIVE EXPENSES

Salaries, allowances and other benefits	26,173,467	22,379,916
Rent, rates and taxes	1,084,666	2,807,095
Fuel, repairs and maintenance	5,487,006	4,379,221
Utilities	2,702,998	2,492,460
Fees and subscription	2,661,439	2,331,381
KSE, clearing house and CDC charges	625,506	946,456
Travelling and conveyance	1,133,418	931,467
Depreciation	1,041,341	1,323,010
Communication, printing and stationery	1,625,239	2,413,987
Legal and professional charges	1,701,420	1,380,567
Entertainment	989,595	679,074
Provisions	-	(1,047,488)
Others	3,631,355	231,146
	<b>48,857,450</b>	<b>41,248,292</b>

**26.1** Salaries, allowances and other benefits include Rs. 1,675,055 (2018: Rs. 1,483,229) 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, 2019 using the Projected Unit Credit method.

June 30, 2019	June 30, 2018
------------------	------------------

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

### 27.1 Balance sheet reconciliation

Present value of defined benefit obligation	8,696,556	7,870,074
Add: Payables	3,875,532	3,054,572
Net Liability at the end of year	<b>12,572,088</b>	<b>10,924,646</b>

#### 27.1.1 Movement in present value of defined benefit obligation

Present value of defined benefit obligation at the beginning of the year	7,870,074	6,305,545
Current service cost	931,679	900,350
Past service cost credit	-	-
Interest cost on defined benefit obligations	743,376	582,879
Benefits due but not paid (payables)	(820,960)	-
Benefits paid	(51,670)	(61,300)
Actuarial gain / loss	70,282	-
Premeasurement: experience adjustments	(46,225)	142,600
Present value of defined benefit obligation at the end of the year	<b>8,696,556</b>	<b>7,870,074</b>

Note	June 30, 2019	June 30, 2018
	----- <b>(Rupees)</b> -----	
<b>27.1.2 Expenses to be charged to profit and loss account</b>		
Current service cost	<b>931,679</b>	900,350
Interest cost on defined benefit obligations	<b>743,376</b>	582,879
Expense for the year	<b>1,675,055</b>	1,483,229
<b>27.1.3 Premeasurement losses/(gains) recognized in other comprehensive income</b>		
Actuarial gain / loss	<b>70,282</b>	-
Experience adjustments	<b>(46,225)</b>	142,600
	<b>24,057</b>	142,600
<b>27.1.4 Net recognized liability</b>		
Net liability at the beginning of the year	<b>10,924,646</b>	9,360,117
Remeasurement losses/(gains) recognized in profit & loss	<b>1,675,055</b>	1,483,229
Remeasurement losses/(gains) recognized in other comprehensive Income	<b>24,057</b>	142,600
Benefits paid	<b>(51,670)</b>	(61,300)
Net liability at the end of the year	<b>12,572,088</b>	10,924,646

**27.2** The principal assumptions used in the actuarial valuations carried out as of June 30, 2019 using the 'Projected Unit Credit' method are as follows:

Discount rate per annum	10.00%
Expected per annum rate of increase in future salaries	14.50%
<b>SLIC 2001-2005</b>	
Expected mortality 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	7,793,887
Discount Rate -100 bps	9,782,623
Salary Increase +100 bps	9,788,886
Salary Increase -100 bps	7,771,902

The average duration of the defined benefit obligation is 11 years.

## Five year data on experience adjustments

	2019	2018	2017	2016	2015	2014
	Rupees					
Present value of defined benefit obligation, June 30	12,572,088	10,924,646	9,360,117	7,181,207	7,136,796	6,231,249
Experience adjustment arising on plan liabilities gains	46,225	142,600	1,289,431	690,402	342,386	282,815

Based on the 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.

Note	June 30, 2019	June 30, 2018
	----- (Rupees) -----	

## 28 FINANCE COST

## Mark-up on:

Long-term financing		
Commercial banks	2,915,000	2,940,000
Sponsor loans	-	8,035,000
Margin financing	1,479,442	1,420,993
Bank and other charges	108,502	1,720,996
	<b>4,502,944</b>	14,116,989
Notional expenses		
Commercial banks	21,105,243	14,500,676
Other	24,502,614	(3,631,961)
	<b>50,110,801</b>	24,985,704

## 29 OTHER CHARGES

Auditors' remuneration	29.1	750,800	928,300
Impairment loss on intangible assets		-	2,500,000
AGM Expense		20,000	
Commission to trading agents		1,949,930	2,157,348
		<b>2,720,730</b>	5,585,648

## 29.1 Auditors' remuneration

Statutory audit fee	500,000	500,000
Half yearly review fee	200,000	200,000
Other certifications and out-of-pocket expenses	50,800	228,300
	<b>750,800</b>	928,300

## 30 OTHER INCOME

## Income from financial assets

## Mark-up on:

Exposure deposits	-	145,656
Return on fixed deposits	161,911	785,687
	<b>161,911</b>	931,343

Note	June 30, 2019	June 30, 2018
	----- <b>(Rupees)</b> -----	
<b>Income from non-financial assets/liabilities</b>		
(Loss) / gain on sale of fixed assets	-	(11,000,000)
Other income	<b>10,078,362</b>	5,597,700
	<b>10,240,273</b>	<b>(4,470,957)</b>
<b>31 TAXATION</b>		
Current tax expense / (income)		
for the year	<b>547,661</b>	3,607,751
prior years	<b>(266,864)</b>	3,848,259
Deferred tax expense		
owing to change in tax rate	<b>5,301,645</b>	5,541,668
owing to temporary differences	<b>51,232,762</b>	7,723,109
	<b>56,815,204</b>	<b>20,720,787</b>

The tax provision made in the financial statements is considered sufficient.

### 31.1 Relationship between tax expenses and accounting profit:

<b>Profit before taxation</b>	<b>554,719,083</b>	(154,040,114)
Profit attributable to final / separate block Income	<b>10,868,332</b>	117,405,992
Tax effect of amounts that are admissible for tax purposes	<b>2,001,149</b>	971,173
Tax effect of amounts that are inadmissible for tax purposes	<b>47,985,294</b>	9,415,057
Tax effect of unused losses	<b>(615,573,858)</b>	26,247,892
Taxation under final / separate block income and minimum taxation	<b>547,661</b>	3,607,751
Tax effect of prior years	<b>(266,864)</b>	3,848,259
Tax effect of timing differences	<b>56,534,407</b>	13,264,777
	<b>56,815,204</b>	<b>20,720,787</b>

**31.2** Income tax assessments of the Company are deemed to be finalized as per tax returns file up to tax year 2018. 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
2016	12,866,972	226,854
2017	19,793,024	23,641,283
2018	3,607,751	3,340,887

**31.4** Differences in amounts provided and final assessments are due to interpretational and treatment differences. In the interest of prudence, amounts provided were generally 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:

Note	June 30, 2019	June 30, 2018
	----- <b>(Rupees)</b> -----	
Profit/(Loss) after taxation attributable to ordinary shareholders	<b>497,903,879</b>	(174,760,902)
Weighted average number of ordinary shares in issue during the year	<b>267,286,331</b>	197,648,705
Earnings per share	<b>1.86</b>	(0.88)

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.

2019				
	Key Management	Associates	Other related parties	Total
Rupees				
<b>Transactions during the year</b>				
Purchase of marketable securities for and on behalf of	33.1 8,106,694,609	3,140,345,874	7,922,384,185	19,169,424,668
Sale of marketable securities for and on behalf of	8,216,583,088	3,144,688,488	7,949,628,322	19,310,899,898
Brokerage income	1,394,344	298,925	727,270	2,420,539
Loan from sponsors	-	-	-	-
Loan repaid to sponsors	-	-	-	-
Equity contributions	-	-	-	-
Investment made during year			500,000	500,000

2018				
	Key Management	Associates	Other related parties	Total
Rupees				
<b>Transactions during the year</b>				
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

**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

Name / Description	Basis of Relationship	Aggregate percentage of holding
MCD Pakistan (Pvt.) Limited	Common Directorship	1%
First Florance Developers (Pvt.) Limited	Significant Influence	39%
Ms. Adeela Ali	Spouse of CEO	3%
Ms. Fatima Ali	Daughter of CEO	0%
Mr. Umer Malik	Son of CEO	0%
Mr. Essa Malik	Son of CEO	0%
KingBhai Digisole (Pvt.) Limited	Note 33.2	9%

**33.2** Lineal descendants of the Chief Executive Officer of the Company control KingBhai Digisole (Pvt.) Limited ("KingBhai") and are related to the Company by virtue of their relationship with the Chief Executive Officer of the Company. Accordingly, KingBhai and the Company are related under prevalent law and under applicable accounting standards. As well, shareholding figures presented reflect shareholding in KingBhai's ordinary, voting shares only.

### 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:

	2019			2018		
	Chief Executive	Executive Directors	Executives	Chief Executive	Executive Directors	Executives
	Rupees					
Managerial remuneration	6,000,000	2,850,000	6,575,000	2,500,000	2,295,000	6,840,000
Utilities	20,756	-	44,000	90,622	-	44,000
Conveyance and traveling	929,560	221,202	174,959	747,357	191,990	205,553
Number of persons	1	2	5	1	2	5

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, 2019 (year ended June 30, 2018: Nil).



Note	June 30, 2019	June 30, 2018
	----- <b>(Rupees)</b> -----	
<b>35 CASH GENERATED FROM OPERATIONS</b>		
<b>Profit before taxation</b>	<b>554,719,083</b>	<b>(154,040,114)</b>
<b>Adjustment for non cash items</b>		
Depreciation	<b>1,041,341</b>	1,327,648
Loss / gain on disposal of investments	<b>7,485,834</b>	103,522,805
Share of profit of associate - net of tax	<b>(2,369,889)</b>	(1,449,824)
Changes in fair value of investments at fair value through profit or loss	<b>(637,050,378)</b>	-
Unrealized loss on remeasurement of investments at fair value	<b>7,084,149</b>	686,069
Impairment loss on intangible asset	-	2,500,000
Provision for doubtful debts	<b>2,608,103</b>	(36,740,450)
Provision for gratuity	<b>1,675,055</b>	1,396,974
Finance cost	<b>50,110,801</b>	24,985,704
Dividend income	<b>(2,045,035)</b>	(4,239,572)
Income on exposure deposits	-	145,656
Capital work-in-progress	-	33,340,000
Provision for other receivables	-	2,352,962
Other operating income	<b>(10,240,273)</b>	(6,673,483)
Loss on disposal of intangible assets	-	11,000,000
Gain on disposal of fixed assets	-	(1,216)
	<b>(581,700,292)</b>	132,153,273
<b>Operating loss before working capital changes</b>	<b>(26,981,209)</b>	<b>(21,886,841)</b>
<b>Changes in working capital:</b>		
<b>Decrease / (increase) in current assets</b>		
Trade debts	<b>(2,169,688)</b>	(1,262,287)
Loans and advances	<b>2,984,710</b>	(2,695,200)
Trade deposits and short-term prepayments	<b>(11,856,972)</b>	40,119,463
Other receivables	<b>(209,910)</b>	22,798,980
<b>Increase / (decrease) in current liabilities</b>		
Trade and other payables	<b>(13,401,249)</b>	30,885,265
	<b>(24,653,108)</b>	89,846,221
<b>Cash (used) / generated in operations</b>	<b>(51,634,317)</b>	<b>67,959,380</b>

## 36 FINANCIAL INSTRUMENTS BY CATEGORY

	2019			Total
	Amortized cost	FVOCI	FVTPL	
Rupees				
<b>Assets</b>				
<b>Non-current assets</b>				
Long-term deposits	2,250,000	-	-	2,250,000
Strategic investment	-	-	637,550,378	637,550,378
Long-term investment	-	14,055,522	-	14,055,522
Other receivables	113,010,343	-	-	113,010,343
<b>Current assets</b>				
Short-term investments	-	4,133,417	17,612,354	21,745,771
Trade debts - net	102,611,992	-	-	102,611,992
Loans and advances	1,339,299	-	-	1,339,299
Trade deposits	25,055,025	-	-	25,055,025
Other receivables	144,736,656	-	-	144,736,656
Cash and bank balances	180,703,715	-	-	180,703,715
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	236,289,658	-	-	236,289,658
Unclaimed dividend	1,525,272	-	-	1,525,272
Current maturity of long term financing	33,990,937	-	-	33,990,937
<b>Non-current liabilities</b>				
Long-term financing	238,426,099	-	-	238,426,099
Loan from sponsor	155,175,000	-	-	155,175,000

	2018			Total
	Amortized cost	FVOCI	FVTPL	
Rupees				
<b>Assets</b>				
<b>Non-current assets</b>				
Long-term deposits	2,996,000	-	-	2,996,000
Long-term investment	-	21,353,582	-	21,353,582
Other receivables	155,512,959	-	-	155,512,959
<b>Current assets</b>				
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
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	281,644,007	-	-	281,644,007
Unclaimed dividend	9,676,311	-	-	9,676,311
Current maturity of long term financing	29,434,769	-	-	29,434,769
<b>Non-current liabilities</b>				
Long-term financing	208,855,923	-	-	208,855,923
Loan from sponsor	155,175,000	-	-	155,175,000

## 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, 2019				
Exposed to Yield / Interest risk		Not exposed to Yield / Interest rate risk		Total
Up to one year	More than one year			
Rupee				
<b>Financial assets</b>				
<b>Non-current assets</b>				
Long-term deposits	-	-	2,250,000	2,250,000
Strategic investment	-	-	637,550,378	637,550,378
Long term receivable	-	113,010,343	-	113,010,343
	-	113,010,343	-	639,800,378
<b>Current assets</b>				
Short-term investments	-	-	21,745,771	21,745,771
Trade debts - net	-	-	102,611,992	102,611,992
Loans and advances	-	-	1,339,299	1,339,299
Trade deposits	25,055,025	-	-	25,055,025
Other receivables	-	-	144,736,656	144,736,656
Cash and bank balances	180,703,715	-	-	180,703,715
	205,758,740	-	-	270,433,717
<b>Subtotal</b>	<b>205,758,740</b>	-	-	<b>910,234,095</b>
<b>Financial liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	-	-	236,289,658	236,289,658
Current maturity of long term financing	-	-	33,990,937	33,990,937
	-	113,010,343	-	270,280,595

As at June 30, 2019				
Exposed to Yield / Interest risk		Not exposed to Yield / Interest rate risk		Total
Up to one year	More than one year			
Rupee				
<b>Non current liabilities</b>				
Long term financing	-	-	238,426,099	238,426,099
Loan from sponsor	-	-	155,175,000	155,175,000
	-	-	393,601,099	393,601,099
<b>Subtotal</b>	-	-	<b>663,881,693</b>	<b>663,881,693</b>
<b>On-balance sheet gap</b>	<b>205,758,740</b>	-	<b>246,352,402</b>	<b>452,111,142</b>
<b>Off-balance financial instruments</b>	-	-	-	-
<b>Off-balance sheet gap</b>	-	-	-	-
<b>Total interest rate sensitivity gap</b>	<b>205,758,740</b>	-		
<b>Cumulative interest rate sensitivity gap</b>	<b>205,758,740</b>	-		
<b>As at June 30, 2018</b>				
Exposed to Yield / Interest risk		Not exposed to Yield / Interest rate risk		Total
Up to one year	More than one year			
Rupee				
<b>Financial assets</b>				
<b>Non-current assets</b>				
Long-term deposits			2,996,000	2,996,000
Long term receivable	-	-	155,512,959	155,512,959
	-	-	158,508,959	158,508,959
<b>Current assets</b>				
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	542,689,077
<b>Subtotal</b>	<b>271,621,499</b>	-	<b>429,576,537</b>	<b>701,198,036</b>
<b>Financial liabilities</b>				
<b>Current liabilities</b>				
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
<b>Non current liabilities</b>				
Long term financing			114,792,842	114,792,842
Loan from sponsor			155,175,000	155,175,000
	-	-	269,967,842	269,967,842
<b>Subtotal</b>	-	-	<b>581,046,618</b>	<b>581,046,618</b>
<b>On-balance sheet gap</b>	<b>271,621,499</b>	-	<b>(151,470,081)</b>	<b>120,151,418</b>
<b>Off-balance financial instruments</b>	-	-	-	-
<b>Off-balance sheet gap</b>	-	-	-	-
<b>Total interest rate sensitivity gap</b>	<b>271,621,499</b>	-		
<b>Cumulative interest rate sensitivity gap</b>	<b>271,621,499</b>	-		
<b>Cumulative interest rate sensitivity gap</b>	<b>271,621,499</b>	-		

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

	2019	2018
	Percentage	Percentage
Loan from sponsors	0	0
Other loans	0	0
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, 2019, with all other variables held constant, the impact on profit and loss will be as follows:

	Profit & loss 100 bps	
	Increase	Decrease
Cash flow sensitivity - variable rate financial liabilities	<b>1,264,926</b>	<b>(1,264,926)</b>
As at June 30, 2019	<b>1,264,926</b>	<b>(1,264,926)</b>
As at June 30, 2018	<b>1,821,380</b>	<b>(1,821,380)</b>

The sensitivity analysis prepared as of June 30, 2019 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 fair value through other comprehensive income 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 fair value through other comprehensive income 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% (2018: 10%) increase / decrease in the KSE 100 index on June 30, 2019, the value of securities classified at fair value through profit and loss would decrease / increase by Rs 1,761,235 (2018: 1,022,711), and net assets of the Company would increase / decrease by the same amount. In the event of a 10% (2018: 10%) increase / decrease in the KSE 100 index on June 30, 2019, the value of securities classified as fair value through other comprehensive income would increase / decrease by Rs 413,336 (2018: Rs. 639,282), 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% (2018; 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, 2019 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, 2019 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 39 to the financial statements.

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

	2019		2018	
	Total outstanding amount	Payment overdue (in days)	Total outstanding amount	Payment overdue (in days)
	Rupees		Rupees	
Financial instruments:				
Trade debts - net	102,611,992	1 - 5	95,564,701	1-5

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.

	2019			
	Total outstanding amount	Up to one month	One to three months	More than three months
	Rupees			
Financial instruments:				
Trade debts	484,546,497	18,553,499	4,764,805	461,228,192

	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

Financial instruments:  
Trade debts

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.

	2019			Total
	Up to three months	More than three months and up to one year	More than one year	
Rupees				
<b>Current liabilities</b>				
Trade and other payables	92,936,822	143,352,836	-	236,289,658
Unclaimed dividend	-	1,525,272	-	1,525,272
Current maturity of long-term financing	-	33,990,937	-	33,990,937
<b>Non current liabilities</b>				
Long-term financing			238,426,099	238,426,099
Loan from sponsor			155,175,000	155,175,000

	2018			Total
	Up to three months	More than three months and up to one year	More than one year	
Rupees				
<b>Current liabilities</b>				
Trade and other payables	113,338,070	153,355,836	14,950,101	281,644,007
Unclaimed dividend	-	9,676,311	-	11,648,103
Current maturity of long term financing	-	29,434,769	-	32,941,547
				-
<b>Non current liabilities</b>				
Long-term financing	-	-	208,855,923	194,112,882
Loan from sponsor	-	-	155,175,000	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, 2019	Level 1	Level 2	Level 3	Total
Long-term investment - at FVOCI	14,055,522	-	-	14,055,522
Short-term investment - at FVOCI	4,133,417	-	-	4,133,417
Short-term investment - at FVTPL	17,612,354	-	-	17,612,354
Strategic investment - at FVTPL	-	-	637,550,378	637,550,378
Recurring Fair Value Measurement as at June 30, 2018	Level 1	Level 2	Level 3	Total
Long-term investment - at FVOCI	21,353,582	-	-	21,353,582
Short-term investment - at FVOCI	6,392,824	-	-	6,392,824
Short-term investment - at FVTPL	10,227,111	-	-	10,227,111



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.

As Level 3 instruments were recognized in the current year, disclosures pertaining to opening and closing balance reconciliations were deemed unnecessary. As a result of the valuation of Level 3 instruments, a gain of Rs. 637.050 million was recognized in profit or loss, under the line item "Changes in fair value of investments at fair value through profit or loss". Other than the initial recognition of Level 3 instruments, there were no transfers into or out of Level 3.

The table below sets out information about significant unobservable inputs used in measuring financial instruments categorized as Level 3 in the fair value hierarchy.

Description	Valuation technique	Significant unobservable inputs	Range
Investment in KingBhai Digisol (Pvt.) Limited	Discounted cash flow	Weighred-average cost of capital	22% - 28%
		Long-term revenue growth rate	3% - 5%
		Discount for lack of marketability	2% - 4%

Significant unobservable inputs used in the fair value measurement of the investment in Kingbhai Digisol (Pvt.) Limited include the weighted-average cost of capital or equity, the terminal revenue growth rate and a discount for lack of marketability. Significant increases or decreases in any of these inputs in isolation will result in significantly different fair values. An increase in the cost of capital or discount for lack of marketability will result in a lower fair value measurement, whereas an increase in the long-term revenue growth rate will result in a higher fair value measurement. As well, there is an interdependency between the discount for lack of marketability and the cost of capital - an increase in the former will result in a directionally consistent movement in the latter.

### 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, 2019	June 30, 2018
	----- (Rupees) -----	
Total borrowings	427,592,036	393,465,692
Total equity	882,332,696	367,425,817
Total capital	1,309,924,731	760,891,510
Gearing ratio	32.64%	51.71%

### 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, 2019, securities amounting to Rs 13.115 million (2018: Rs 21.913 million) and Rs. NIL (2018: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.

	June 30, 2019	June 30, 2018
	----- (Rupees) -----	

### 41 TURNOVER BY SEGMENT

Retail customers	<b>18,265,157</b>	18,828,790
Institutional customers	<b>1,007,315</b>	1,941,176
	<b>19,272,472</b>	(20,769,966)

### 42 SHAREHOLDERS HOLDING 5% OR MORE

	Shares Held		Percentage	
	2019	2018	2019	2018
First Florence Developers (Pvt.) Limited	<b>104,426,150</b>	104,426,150	<b>39.07%</b>	39.07%
Ali Aslam Malik	<b>74,132,134</b>	74,129,374	<b>27.74%</b>	27.73%

**43 NUMBER OF EMPLOYEES**

	2019	2018
Number of employees at year end	37	50
Average number of employees	40	44

**44 EVENTS AFTER REPORTING PERIOD**

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

**45 GENERAL AND CORRESPONDING FIGURES**

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

**46 DATE OF AUTHORIZATION**

These financial statements have been authorized for issue on **September 28, 2019** by the Board of Directors of the Company.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

## Pattern of Shareholding

As at June 30, 2019

No. of Shareholders	Shareholding		Total Shares held
	From	To	
167	1	100	2,971
114	101	500	43,298
127	501	1,000	106,097
228	1,001	5,000	637,421
74	5,001	10,000	609,148
27	10,001	15,000	351,975
14	15,001	20,000	253,180
13	20,001	25,000	302,600
8	25,001	30,000	227,500
7	30,001	35,000	230,960
4	35,001	40,000	149,500
6	40,001	45,000	260,000
13	45,001	50,000	642,091
3	50,001	55,000	158,000
4	55,001	60,000	230,640
7	60,001	65,000	436,500
2	65,001	70,000	136,500
2	70,001	75,000	142,551
1	80,001	85,000	85,000
4	85,001	90,000	349,000
11	95,001	100,000	1,098,500
6	100,001	105,000	616,001
3	105,001	110,000	322,000
2	110,001	115,000	225,500
3	115,001	120,000	356,500
3	120,001	125,000	364,271
1	125,001	130,000	127,125
1	140,001	145,000	143,500
1	150,001	155,000	154,500
1	165,001	170,000	168,000
1	175,001	180,000	175,350

No. of Shareholders	Shareholding		Total Shares held
	From	To	
1	185,001	190,000	189,500
4	195,001	200,000	795,500
1	200,001	205,000	202,500
1	225,001	230,000	225,032
1	230,001	235,000	233,500
1	235,001	240,000	240,000
2	260,001	265,000	525,000
1	290,001	295,000	295,000
2	295,001	300,000	600,000
1	330,001	335,000	335,000
1	350,001	355,000	350,500
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	565,001	570,000	568,500
1	570,001	575,000	575,000
1	600,001	605,000	600,500
1	630,001	635,000	633,400
1	745,001	750,000	750,000
1	795,001	800,000	800,000
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	1,425,001	1,430,000	1,430,000
1	1,715,001	1,720,000	1,720,000
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	2,310,001	2,315,000	2,311,000
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	4,170,001	4,175,000	4,172,000
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	10,390,001	10,395,000	10,392,808
1	11,780,001	11,785,000	11,782,408
1	15,100,001	15,105,000	15,101,000
1	72,665,001	72,670,000	72,665,333
1	89,325,001	89,330,000	89,325,150
<b>909</b>			<b>267,286,331</b>

## Categories of Shareholders

As at June 30, 2019

Categories of Shareholder	Folio	Physical	CDC	Total	% age
<b>1 - Directors, Chief Executive Officer, Their Spouses and Minor Children</b>					
<b>1.1 - Chief Executive</b>					
Mr. Ali Aslam Malik	4	575	74,131,559	74,132,134	27.74
<b>1.2 - Directors</b>					
Mr. SHAHZAD AKBAR	1	-	15,180	15,180	0.01
Mr. ABID YOUSAF	1	-	500	500	-
Mr. ADNAN AMJAD KHAN	1	-	500	500	-
Mr. NAVEED ISHAQUE	1	-	500	500	-
Mr. IJAZ MAHMOOD CHOUDHARY	1	-	500	500	-
Mr. AMIR SHEHZAD	1	-	2,400	2,400	-
<b>1.3 - Director's Spouses</b>					
Mrs. Adeela Ali	2	75	8,881,000	8,881,075	3.32
<b>1.4 - Director's Minor Children</b>					
Miss FATIMA ALI MALIK (M) THROUGH GARDIAN ALI ASLAM MALIK (G)	1	-	100,001	100,001	0.04
Mr. ESSA ALI MALIK (M) THROUGH GARDIAN ALI ASLAM MALIK (G)	1	-	100,000	100,000	0.04
	14	650	83,232,140	83,232,790	31.14
<b>3 - Associated Companies, Undertakings &amp; Related Parties</b>					
M/s. SWITCH SECURITIES (PVT) LIMITED	2	-	5,684,506	5,684,506	2.13
M/s. FIRST PAKISTAN SECURITIES LIMITED	2	-	10,396,308	10,396,308	3.89
M/s. MCD PAKISTAN LIMITED	2	-	2,452,950	2,452,950	0.92
M/s. FIRST FLORANCE DEVELOPERS (PVT.) LIMITED	2	-	104,426,150	104,426,150	39.07
	8	-	122,959,914	122,959,914	46.00
<b>6 - Banks, NBFCs, DFIs, Takaful, Pension Funds</b>					
<b>Banks</b>					
	2	-	185,500	185,500	0.07
	2	-	185,500	185,500	0.07
<b>6 - Insurance Companies</b>					
<b>Insurance Companies</b>					
	1	-	46,591	46,591	0.02
	1	-	46,591	46,591	0.02
<b>7 - Other Companies, Corporate Bodies, Trust etc.</b>					
<b>A. Other Companies, Corporate Bodies (Local)</b>	22	-	13,515,710	13,515,710	5.06
<b>B. Other Companies, Corporate Bodies (Foreigner)</b>	1	-	200,000	200,000	0.07
	23	-	13,715,710	13,715,710	5.13
<b>9 - General Public</b>					
<b>A. General Public (Local)</b>	860	31,303	47,113,948	47,145,251	17.64
<b>B. General Public (Foreigner)</b>	1	-	575	575	-
	861	31,303	47,114,523	47,145,826	17.64
	909	31,953	267,254,378	267,286,331	100.00
<b>Shareholders More Than 5.00%</b>					
FIRST FLORANCE DEVELOPERS (PVT.) LIMITED		2	104,426,150	39.07	
ALI ASLAM MALIK		4	74,132,134	27.74	

## 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 Registered Office Room # 1007, 10th Floor, New Stock Exchange Building, Karachi, on Monday, **Oct 28, 2019 at 16:45** to transact the following business:-

### ORDINARY BUSINESS:

1. To confirm the minutes of the last Extra Ordinary General Meeting held on **July 01, 2019**.
2. To receive, consider and adopt the Audited Annual Financial Statements of the company for the year ended June 30, 2019 together with the Board of Directors' and Auditors' reports thereon.
3. To appoint external auditors of the company for the year ending on June 30, 2020 and fix their remuneration.

### 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**



**Ammara Zakriya**  
Chief Financial Officer

Karachi  
Dated: October 07, 2019

### **A BOOK CLOSURE:**

1. The Shares Transfer Books will remain closed from **Oct 21, 2019 to Oct 28, 2019** (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 20, 2019** 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.

Copies of the notice of the AGM, the latest annual audited/quarterly financial statements and the existing memorandum and articles of association of the company have been kept at the registered office of the company which can be obtained and/or inspected during the business hours on any working day from the date of publications of this notice till the conclusion of AGM by the members and other persons entitled to attend the meeting. Notice of AGM and latest annual/quarterly financial statements have also been placed on website of the company.

**D. Withholding Tax on Dividend**

Pursuant to the provisions of the Finance Act, 2019 effective July 1, 2019 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, 2019, 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, 2019 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

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کمپنیز ایکٹ 2017ء کے سیکشن 242 کے قواعد کے تحت لسٹڈ کمپنی کے لئے نقد منافع منقسمہ کی اہل شیئر ہولڈرز 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/CDC انویسٹرا کاؤنٹ سرومز (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 ہولڈرز 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 رجسٹرار 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 رجسٹرار کو اپنے NTN، ٹیکس کی نقل ارسال کریں۔ NTN، ٹیکس کی نقل 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 2019ء 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 2019ء 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 کانفرنسنگ 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 کانفرنسنگ کے ذریعے اجلاس میں شرکت کی رضامندی وصول کرتی ہے تو کمپنی اس شہر میں سہولت دستیاب ہونے پر ویڈیو کانفرنسنگ 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 کانفرنسنگ کی سہولت کا/ کے خواہش مند ہوں/ ہیں۔</p> <p>دستخط شیئر ہولڈر</p>
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کمپنی سالانہ اجلاس عام کی مقررہ تاریخ سے کم از کم پانچ یوم قبل ویڈیو کانفرنسنگ 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 یکٹیو ریٹیز اینڈ ایکٹیو 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 بنی فیشنل 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 پراسیز کی تقرری کے لئے

1. CDC کے فرد واحد بنی فیشنل مالکان کو مذکورہ بالا معیارات کے مطابق پراسیز فارم بمعہ شناختی نمبر اور اکاؤنٹ/ذیلی اکاؤنٹ نمبر بشمول جائز CNIC یا پاسپورٹ کی مصدقہ نقل جمع کرانی ہوگی۔

2. پراسیز کی توثیق دوا فراد 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 پراسیز کے نمونہ کے دستخط پراسیز فارم کے ہمراہ (اگر پہلے جمع نہیں کرائے گئے ہیں) جمع کرانا ہوگا۔

4. پراسیز کو اجلاس کے انعقاد کے موقع پر جائز اصل شناختی کارڈ یا پاسپورٹ پیش کرنا ہوگا۔

سالانہ عام اجلاس کا نوٹس تازہ ترین سالانہ اسہ ماہی کے مالیاتی گوشوارے اور MOA اور AOA کی کاپیاں کمپنی کے رجسٹرڈ آفس میں دستیاب ہیں۔ اس نوٹس سے سالانہ عام اجلاس کے اختتام تک ہر فرد جو اس اجلاس میں شرکت کا حق رکھتا ہے ان کاغذات کو حاصل یا ان کا معائنہ دوران دفتری اوقات کر سکتا ہے۔ سالانہ عام اجلاس کا نوٹس اور تازہ ترین سالانہ اسہ ماہی مالیاتی گوشوارے بھی کمپنی ویب سائٹ پر رکھے گئے ہیں۔

### .D منافع منقسمہ پر وہ ہولڈنگ ٹیکس

یکم جولائی 2019ء سے مؤثر فائننس ایکٹ 2019ء 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 پر وہ 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 وہ ہولڈنگ ٹیکس کی چھوٹ اسی صورت میں دی جائے گی اگر کتب کی بندش سے قبل کمپنی کے شیئر رجسٹرار کو ٹیکس اسٹیٹس 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 وہ 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 رجسٹرار کو تحریری طور پر حسب ذیل طریقہ سے فراہم کریں:

## نوٹس | سالانہ اجلاس عام

فرسٹ نیشنل ایکویٹی لمیٹڈ ("کمپنی") کے اراکین کا سالانہ اجلاس عام بروز پیر مورخہ 28 اکتوبر 2019ء بوقت 16:45 بجے رجسٹرڈ آفس کمرہ 1007، 10th فلور، نیواسٹاک ایکسچینج بلڈنگ کراچی میں مندرجہ ذیل امور پر بحث کے لئے منعقد کیا جائے گا۔

### عمومی امور

1. 01 جولائی 2019ء کو منعقدہ اجلاس عام کی روئیداد کی توثیق کرنا۔
2. 30 جون 2019ء کو اختتام پذیر سال کے لئے کمپنی کی پڑتال شدہ سالانہ مالی اسٹیٹمنٹس بعد آڈیٹ 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، 2020ء کو اختتام پذیر سال کے لئے بحیثیت بیرونی آڈیٹرز ICE نیٹ S.K.S.S.S. چارٹرڈ اکاؤنٹنٹس کی دوبارہ تقرری کی تجویز دی ہے۔

### کمپنی کے دیگر امور

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

بحکم بورڈ

  
عمارہ زکریا  
(CFO)

کراچی

مورخہ: 07 اکتوبر 2019ء

### مندرجات:

#### A. کتاب کی بندش

1. شیئرز ٹرانسفرنگ 21 اکتوبر 2019ء سے 28 اکتوبر 2019ء تک (بشمول دونوں ایام) بند رہے گی تاکہ کمپنی اجلاس میں شرکت کے لئے اراکین کی اہلیت کا تعین کر سکے۔
2. 20 اکتوبر 2019ء کو کاروباری اوقات کا ختم ہونے تک کمپنی کے شیئرز رجسٹر کے دفتر کارپ ٹیک ایبوسٹی ایٹس (پرائیویٹ) لمیٹڈ، E-503 جو ہر 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 پتہ میں تبدیلی کی صورت میں فوراً کمپنی کے شیئرز رجسٹر 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 لیمیٹڈ

کمرہ نمبر 10، 1007، فلور، نیو اسٹاک ایکسچینج بلڈنگ، اسٹاک ایکسچینج روڈ، کراچی۔

میں / ہم ..... ساکن .....  
 فرسٹ نیشنل ایکویٹی لیمیٹڈ کا ممبر ہوں / ہیں اور میرے / ہمارے .....  
 پاس ..... نمبر کے آرڈری شیئر 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 28 اکتوبر 2019ء بروز پیر شام 16:45 بجے واقع رجسٹرڈ آفس کمرہ نمبر 10th، 1007، فلور، نیو اسٹاک ایکسچینج بلڈنگ، اسٹاک ایکسچینج روڈ، 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 ..... 2019ء .....  
 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)۔











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