

FIRST NATIONAL EQUITIES LIMITED

第一国家股权有限

**2020**  
**ANNUAL REPORT**  
年度报告



**(Audited) For the Period Ended  
June 30, 2020.**

**(已审核) 截至期末2020年6月30日**

**www.fnetrade.com**

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# VISION

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

First Choice  
for achieving their  
financial aspirations" .....



## MISSION

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

## Company Information

### Board of Directors:

1. Mr. Adnan Amjad	Director/Chairman
2. Mr. Muhammad Akhtar Choudhry	Director
3. Mr. Amir Shehzad	Director
4. Mr. Abid Yousaf	Director
5. Mrs. Syeda Faaiza Akmal Tirimzi	Director
6. Mr. Sami Ullah Butt	Director
7. Mr. Tahir Waheed	Director

### Chief Executive Officer:

Mr. Ali A. Malik

### Audit Committee:

1. Mr. Muhammad Akhtar Chaudhry	Chairman
2. Mr. Sami Ullah Butt	Member
3. Mr. Adnan Amjad Khan	Member

### HR & Remuneration Committee:

1. Mr. Adnan Amjad Khan	Chairman
2. Mr. Sami Ullah Butt	Member
3. Mr. Ali A. Malik	Member

### Chief Financial Officer:

Ms. Ammara Zakriya

### 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

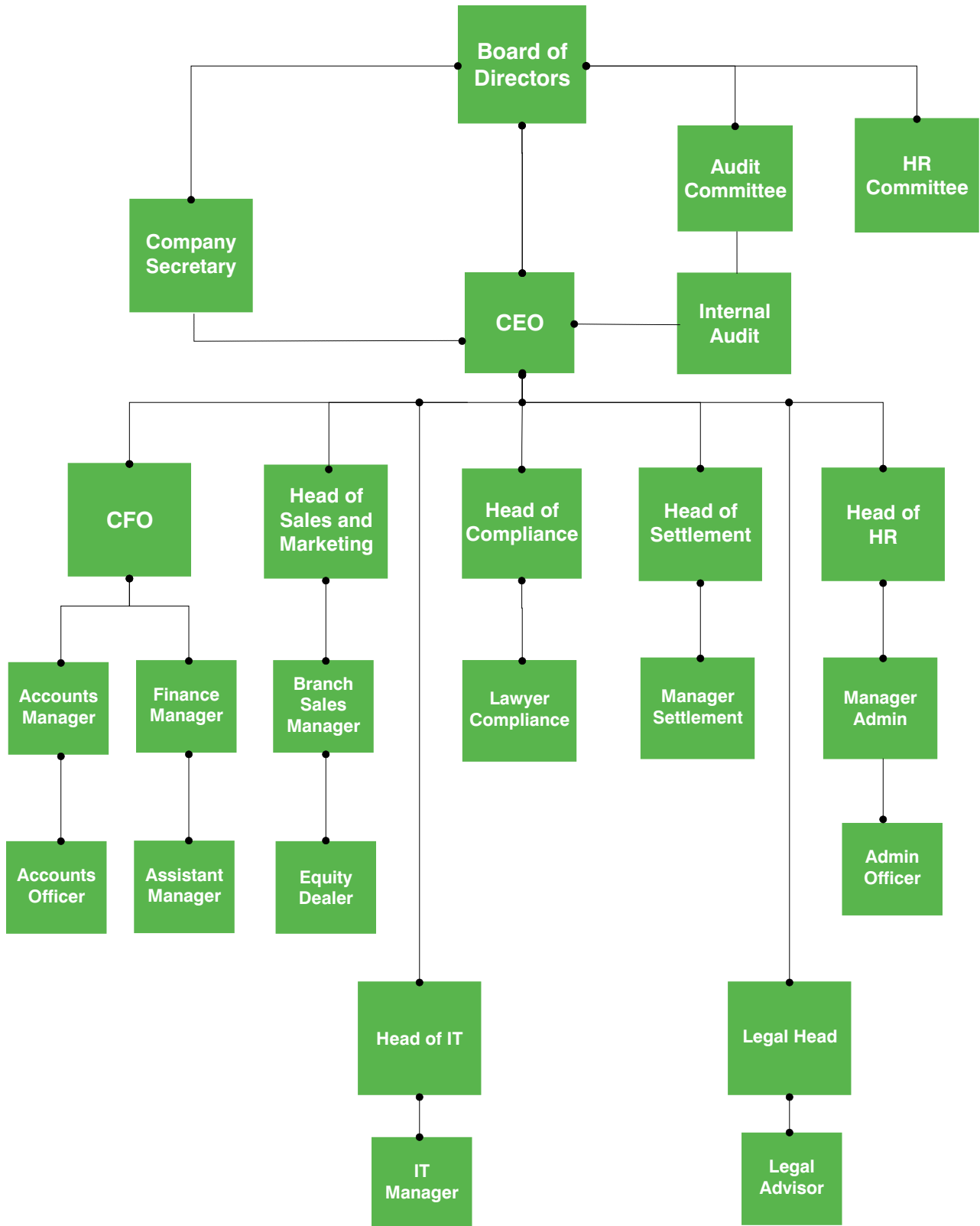
### Principal Office:

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 (2015 - 2020)

	June 30, (Rupees '000)					
	2020	2019	2018	2017	2016	2015
<b>OPERATING RESULTS</b>						
Operating Revenues	33,745	21,317	25,010	66,185	22,685	24,672
Gain on sale of investments	(1,042)	(7,486)	(103,523)	162,890	(3,643)	132,844
Unrealised Gain / (Loss) on investments	(3,074)	(7,084)	(686)	(53,231)	19,304	(8)
Gross Revenue	29,629	6,747	(79,199)	175,844	38,347	157,508
Administrative Expenses	(60,356)	(48,857)	(41,248)	(151,075)	(52,115)	(43,143)
Finance Cost	(22,666)	(50,111)	(24,986)	(179,245)	(49,627)	(44,428)
Other Expenses	(4,746)	(2,720)	(5,586)	(5,790)	(12,833)	(1,818)
Other income	76,746	10,240	(4,471)	302,276	171,412	93,662
	18,607	(84,701)	(155,490)	142,011	95,183	161,781
Share of profit from associates - net of tax	1,672	2,370	1,450	43	1,459	31,090
Change in Fair value of investment	72,054	637,050	-	-	-	-
<b>Profit / (Loss) before Tax</b>	<b>92,333</b>	<b>554,719</b>	<b>(154,040)</b>	<b>142,054</b>	<b>96,644</b>	<b>192,871</b>
Taxation (expense) / income	21,547	(56,815)	(20,721)	24,901	38,406	50,015
<b>Profit / (Loss) after Tax</b>	<b>113,880</b>	<b>497,904</b>	<b>(174,761)</b>	<b>166,955</b>	<b>135,050</b>	<b>242,885</b>

## BALANCE SHEET SUMMARY

### Non-Current Asset

Property and equipment	37,345	38,074	39,074	39,998	57,868	60,370
Capital work in progress	-	-	-	33,340	33,340	33,340
Intangible assets	85,277	85,277	64,415	41,915	41,915	51,915
Investment Property	-	-	-	-	-	106,142
Receivable from Associate	-	-	-	-	-	78,084
Other Recievables	131,071	113,010	155,513	142,579	-	-
Investment in associate	77,032	75,360	72,990	71,540	114,133	134,300
Investments - available for sale	-	14,056	21,354	41,163	40,074	40,074
Long term deposits	1,600	2,250	2,996	2,496	2,481	2,344
Deferred taxation	116,588	94,255	150,785	164,028	130,064	87,502
Long term investments	709,605	637,550	-	-	-	-
<b>Total Non-Currnet Assets</b>	<b>1,158,518</b>	<b>1,059,832</b>	<b>507,126</b>	<b>537,059</b>	<b>419,875</b>	<b>594,072</b>

### Current assets

Short term investments	56,224	21,746	16,620	373,049	420,738	1,598
Trade debts	129,361	102,612	95,565	53,270	353,144	346,273
Loans & advances	2,078	1,339	4,324	41,629	501	1,480
Trade deposits & short term prepayments	10,509	25,055	11,424	50,338	6,537	20
Other Receivables	149,514	144,737	154,559	189,013	165,281	157,642
Advance tax	25,792	26,340	24,856	27,020	13,606	15,605
Cash and bank balance	190,181	180,704	260,197	122,350	52,230	56,483
<b>Total Currnet Assets</b>	<b>563,659</b>	<b>502,533</b>	<b>567,545</b>	<b>856,669</b>	<b>1,012,037</b>	<b>579,102</b>

### CURRENT LIABILITIES

Trade & other payables	290,190	236,289	281,644	264,159	198,341	229,002
unclaimed dividend	1,525	1,525	9,676	-	-	-
Short term borrowings	-	-	-	-	-	-
Current maturity of long term financing	3,194	33,991	29,435	32,941	70,623	289,938
<b>Total Current Liabilities</b>	<b>294,909</b>	<b>271,805</b>	<b>320,755</b>	<b>297,100</b>	<b>268,964</b>	<b>518,940</b>

### Net Current Assets

	<b>268,750</b>	<b>230,727</b>	<b>246,790</b>	<b>559,569</b>	<b>743,073</b>	<b>60,162</b>
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### Non-current liabilities

Long Term Borrowings	279,930	238,426	208,856	194,113	445,702	298,861
Loan from Sponsors	155,175	155,175	155,175	647,743	412,204	26,643
Deferred liabilities	13,866	12,572	10,925	9,360	7,181	7,136
Other Loans	-	-	-	54,721	118,210	256,947
<b>Total Non-Current Liabilities</b>	<b>448,971</b>	<b>406,173</b>	<b>374,956</b>	<b>905,937</b>	<b>983,298</b>	<b>589,588</b>

### Net Assets

	<b>978,297</b>	<b>884,386</b>	<b>378,961</b>	<b>190,691</b>	<b>179,650</b>	<b>64,645</b>
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### REPRESENTED BY

Issued, subscribed and paid-up capital	2,672,863	2,672,863	2,672,863	1,418,098	1,418,098	1,418,098
Discount on issue of Right Shares	(1,508,754)	(1,508,754)	(1,508,754)	(630,419)	(630,419)	(630,418)
Share deposit Money	-	17,003	-	-	-	-
Accumulated losses	(184,899)	(298,779)	(796,683)	(621,922)	(638,518)	(774,259)
Unrealized gain/(loss) on remeasurement of investments classified as available for sale	(912)	2,053	11,535	24,934	30,488	51,225

### Total Equity

	<b>978,297</b>	<b>884,386</b>	<b>378,961</b>	<b>190,691</b>	<b>179,650</b>	<b>64,645</b>
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# Vertical Analysis

	2020	2019	2018	2017	2016	2015	2020	2019	2018	2017	2016	2015
	.....(Rupees).....						.....(Rupees).....					
<b>Profit and Loss Account</b>												
Operating Revenues	33,745	21,317	25,010	66,185	22,685	24,672	114%	316%	-32%	38%	59%	16%
Gain on sale of investments	(1,042)	(7,486)	(103,523)	162,890	(3,643)	132,844	-4%	-111%	131%	93%	-10%	84%
Unrealised Gain / (Loss) on investments	(3,074)	(7,084)	(686)	(53,231)	19,304	(8)	-10%	-105%	1%	-30%	50%	0%
<b>Gross Revenue</b>	<b>29,629</b>	<b>6,747</b>	<b>(79,199)</b>	<b>175,844</b>	<b>38,346</b>	<b>157,508</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Administrative Expenses	(60,356)	(48,857)	(41,248)	(151,075)	(52,115)	(43,143)	-204%	-724%	52%	-86%	-136%	-27%
Finance Cost	(22,666)	(50,111)	(24,986)	(179,245)	(49,627)	(44,428)	-77%	-743%	32%	-102%	-129%	-28%
Other Expenses	(4,746)	(2,720)	(5,586)	(5,790)	(12,833)	(1,818)	-16%	-40%	7%	-3%	-33%	-1%
Other income	76,746	10,240	(4,471)	302,276	171,412	93,662	259%	152%	6%	172%	447%	59%
	<b>18,607</b>	<b>(84,701)</b>	<b>(155,490)</b>	<b>142,011</b>	<b>95,182</b>	<b>161,781</b>	<b>63%</b>	<b>-1355%</b>	<b>96%</b>	<b>-19%</b>	<b>148%</b>	<b>3%</b>
Share of profit from associates - net of tax	1,672	2,370	1,450	43	1,459	31,090	6%	35%	-2%	0%	4%	20%
Change in Fair value of investment	72,054	637,050	-	-	-	-	243%	9442%	0%	0%	0%	0%
<b>Profit / (Loss) before Tax</b>	<b>92,333</b>	<b>554,719</b>	<b>(154,040)</b>	<b>142,054</b>	<b>96,644</b>	<b>192,871</b>	<b>312%</b>	<b>8222%</b>	<b>194%</b>	<b>81%</b>	<b>252%</b>	<b>122%</b>
Taxation (expense) / income	21,547	(56,815)	(20,721)	24,901	38,406	50,015	73%	-842%	26%	14%	100%	32%
<b>Profit / (Loss) after Tax</b>	<b>113,880</b>	<b>497,904</b>	<b>(174,761)</b>	<b>166,955</b>	<b>135,050</b>	<b>242,885</b>	<b>384%</b>	<b>7380%</b>	<b>221%</b>	<b>95%</b>	<b>352%</b>	<b>154%</b>
<b>BALANCE SHEET SUMMARY</b>												
<b>Assets</b>												
Property and equipment	37,345	38,074	39,074	39,998	57,868	60,370	2%	2%	4%	3%	4%	5%
Capital work in progress	-	-	-	33,340	33,340	33,340	0%	0%	0%	2%	2%	3%
Intangible assets	85,277	85,277	64,415	41,915	41,915	51,915	5%	5%	6%	3%	3%	4%
Investment Property	-	-	-	-	-	106,142	0%	0%	0%	0%	0%	9%
Receivable from Associate	-	-	-	-	-	78,084	0%	0%	0%	0%	0%	7%
Other Receivables	131,071	113,010	155,513	142,579	-	-	8%	7%	14%	10%	0%	0%
Investment in associate	77,032	75,360	72,990	71,540	114,133	134,300	4%	5%	7%	5%	8%	11%
Investments - available for sale	-	14,056	21,354	41,163	40,074	40,074	0%	1%	2%	3%	3%	3%
Long term deposits	1,600	2,250	2,996	2,496	2,481	2,344	0%	0%	0%	0%	0%	0%
Deferred taxation	116,588	94,255	150,785	164,028	130,064	87,502	7%	6%	14%	12%	9%	7%
Long term investments	709,605	637,550	-	-	-	-	41%	41%	0%	0%	0%	0%
Short term investments	56,224	21,746	16,620	373,049	420,738	1,598	3%	1%	2%	27%	29%	0%
Trade debts	129,361	102,612	95,565	53,270	353,144	346,273	8%	7%	9%	4%	25%	30%
Loans & advances	2,078	1,339	4,324	41,629	501	1,480	0%	0%	0%	3%	0%	0%
Trade deposits & short term prepayments	10,509	25,055	11,424	50,338	6,537	20	1%	2%	1%	4%	0%	0%
Other Receivables	149,514	144,737	154,559	189,013	165,281	157,642	9%	9%	14%	14%	12%	13%
Advance tax	25,792	26,340	24,856	27,020	13,606	15,605	1%	2%	2%	2%	1%	1%
Cash and bank balance	190,181	180,704	260,197	122,350	52,230	56,483	11%	12%	24%	9%	4%	5%
<b>Total Assets</b>	<b>1,722,177</b>	<b>1,562,365</b>	<b>1,074,672</b>	<b>1,393,728</b>	<b>1,431,912</b>	<b>1,173,172</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	290,190	236,289	281,644	264,159	198,341	229,002	17%	15%	26%	19%	14%	20%
Unclaimed Dividend	1,525	1,525	9,676	-	-	-	0%	0%	1%	0%	0%	0%
Short term borrowings	-	-	-	-	-	-	0%	0%	0%	0%	0%	0%
Current maturity of long term financing	3,194	33,991	29,435	32,941	70,623	289,938	0%	2%	3%	2%	5%	25%
Long Term Borrowings	279,930	238,426	208,856	194,113	445,702	298,861	16%	15%	19%	14%	31%	25%
Loan from Sponsors	155,175	155,175	155,175	647,743	412,204	26,643	9%	10%	14%	46%	29%	2%
Deferred liabilities	13,866	12,572	10,925	9,360	7,181	7,136	1%	1%	1%	1%	1%	1%
Other Loans	-	-	-	54,721	118,210	256,947	0%	0%	0%	4%	8%	22%
<b>Total Liabilities</b>	<b>743,880</b>	<b>677,978</b>	<b>695,710</b>	<b>1,203,037</b>	<b>1,252,261</b>	<b>1,108,527</b>	<b>43%</b>	<b>43%</b>	<b>65%</b>	<b>86%</b>	<b>87%</b>	<b>94%</b>
<b>Net Assets</b>	<b>978,297</b>	<b>884,386</b>	<b>378,961</b>	<b>190,691</b>	<b>179,650</b>	<b>64,645</b>	<b>57%</b>	<b>57%</b>	<b>35%</b>	<b>14%</b>	<b>13%</b>	<b>6%</b>
<b>REPRESENTED BY</b>												
Issued, subscribed and paid-up capital	2,672,863	2,672,863	2,672,863	1,418,098	1,418,098	1,418,098	155%	171%	249%	102%	99%	121%
Discount on issue of Right Shares	(1,508,754)	(1,508,754)	(1,508,754)	(630,419)	(630,419)	(630,418)	-88%	-97%	-140%	-45%	-44%	-54%
Share deposit money	-	17,003	-	-	-	-	0%	1%	-	-	-	-
Accumulated losses	(184,899)	(298,779)	(796,683)	(621,922)	(638,518)	(774,259)	-11%	-19%	-74%	-45%	-45%	-66%
Unrealized gain/(loss) on remeasurement of investments classified as available for sale	(912)	2,053	11,535	24,934	30,488	51,225	0%	0%	0%	2%	2%	4%
<b>Total Equity and Liabilities</b>	<b>978,297</b>	<b>884,386</b>	<b>378,961</b>	<b>190,691</b>	<b>179,650</b>	<b>64,645</b>	<b>57%</b>	<b>57%</b>	<b>35%</b>	<b>14%</b>	<b>13%</b>	<b>6%</b>





# Horizontal Analysis

	2020	2019	2018	2017	2016	2015	2020 Vs 2019	2019 Vs 2018	2018 Vs 2017	2017 Vs 2016	2016 Vs 2015
	(Rupees)						(Percentage)				
<b>Profit and Loss Account</b>											
Operating Revenues	33,745	21,317	25,010	66,185	22,685	24,672	58%	-15%	-62%	192%	-8%
Gain on sale of investments	(1,042)	(7,486)	(103,523)	162,890	(3,643)	132,844	-86%	-93%	-164%	-4571%	-103%
Unrealised Gain / (Loss) on investments	(3,074)	(7,084)	(686)	(53,231)	19,304	(8)	-57%	933%	-99%	-376%	-241400%
Gross Revenue	<b>29,629</b>	<b>6,747</b>	<b>(79,199)</b>	<b>175,844</b>	<b>38,347</b>	<b>157,508</b>	<b>339%</b>	<b>-109%</b>	<b>-145%</b>	<b>359%</b>	<b>-76%</b>
Administrative Expenses	(60,356)	(48,857)	(41,248)	(151,075)	(52,115)	(43,143)	24%	18%	-73%	190%	21%
Finance Cost	(22,666)	(50,111)	(24,986)	(179,245)	(49,627)	(44,428)	-55%	101%	-86%	261%	12%
Other Expenses	(4,746)	(2,720)	(5,586)	(5,790)	(12,833)	(1,818)	74%	-51%	-4%	-55%	606%
Other income	76,746	10,240	(4,471)	302,276	171,412	93,662	649%	-329%	-101%	76%	83%
	<b>18,607</b>	<b>(84,701)</b>	<b>(155,490)</b>	<b>142,011</b>	<b>95,183</b>	<b>161,781</b>	<b>-122%</b>	<b>-46%</b>	<b>-209%</b>	<b>49%</b>	<b>-41%</b>
Share of profit from associates - net of tax	1,672	2,370	1,450	43	1,459	31,090	-29%	63%	3272%	-97%	-95%
Change in Fair value of investment	72,054	637,050	-	-	-	-	-89%	100%	0%	0%	0%
<b>Profit / (Loss) before Tax</b>	<b>92,333</b>	<b>554,719</b>	<b>(154,040)</b>	<b>142,054</b>	<b>96,644</b>	<b>192,871</b>	<b>-83%</b>	<b>-460%</b>	<b>-208%</b>	<b>47%</b>	<b>-50%</b>
Taxation (expense) / income	21,547	(56,815)	(20,721)	24,901	38,406	50,015	-138%	174%	-183%	-35%	-23%
<b>Profit / (Loss) after Tax</b>	<b>113,880</b>	<b>497,904</b>	<b>(174,761)</b>	<b>166,955</b>	<b>135,050</b>	<b>242,884</b>	<b>-77%</b>	<b>-385%</b>	<b>-205%</b>	<b>24%</b>	<b>-44%</b>
<b>BALANCE SHEET SUMMARY</b>											
<b>Assets</b>											
Property and equipment	37345	38,074	39,074	39,998	57,868	60,370	-2%	-3%	-2%	-31%	-4%
Capital work in progress	-	-	-	33,340	33,340	33,340	0%	0%	-100%	0%	0%
Intangible assets	85,277	85,277	64,415	41,915	41,915	51,915	0%	32%	54%	0%	-19%
Investment Property	-	-	-	-	-	106,142	0%	0%	0%	0%	-100%
Receivable from Associate	-	-	-	-	-	78,084	0%	0%	0%	0%	-100%
Other Recievables	131,071	113,010	155,513	142,579	-	-	16%	-27%	9%	0%	0%
Investment in associate	77,032	75,360	72,990	71,540	114,133	134,300	2%	3%	2%	-37%	-15%
Investments - available for sale	-	14,056	21,354	41,163	40,074	40,074	-100%	-34%	-48%	3%	0%
Long term deposits	1,600	2,250	2,996	2,496	2,481	2,344	-29%	-25%	20%	1%	6%
Deferred taxation	116,588	94,255	150,785	164,028	130,064	87,502	24%	-37%	-8%	26%	49%
Long term investments	709,605	637,550	-	-	-	-	0%	0%	0%	0%	0%
Short term investments	56,224	21,746	16,620	373,049	420,738	1,598	159%	31%	-96%	-11%	26229%
Trade debts	129,361	102,612	95,565	53,270	353,144	346,273	26%	7%	79%	-85%	2%
Loans & advances	2,078	1,339	4,324	41,629	501	1,480	55%	-69%	-90%	8209%	-66%
Trade deposits & short term prepayments	10,509	25,055	11,424	50,338	6,537	20	-58%	119%	-77%	670%	32585%
Other Receivables	149,514	144,737	154,559	189,013	165,281	157,642	3%	-6%	-18%	14%	5%
Advance tax	25,792	26,340	24,856	27,020	13,606	15,605	-2%	6%	-8%	99%	-13%
Cash and bank balance	190,181	180,704	260,197	122,350	52,230	56,483	5%	-31%	113%	134%	-8%
<b>Total Assets</b>	<b>1,722,177</b>	<b>1,562,365</b>	<b>1,074,672</b>	<b>1,393,728</b>	<b>1,431,912</b>	<b>1,173,172</b>	<b>10%</b>	<b>45%</b>	<b>-23%</b>	<b>-3%</b>	<b>22%</b>
<b>LIABILITIES</b>											
Trade & other payables	290,190	236,289	281,644	264,159	198,341	229,002	23%	-16%	7%	33%	-13%
Unclaimed Dividend	1,525	1,525	9,676	-	-	-	0%	0%	0%	0%	0%
Short term borrowings	-	-	-	-	-	-	0%	0%	0%	0%	0%
Current maturity of long term financing	3,194	33,991	29,435	32,941	70,623	289,938	-91%	15%	-11%	-53%	-76%
Long Term Borrowings	279,930	238,426	208,856	194,113	445,702	298,861	17%	14%	8%	-56%	49%
Loan from Sponsors	155,175	155,175	155,175	647,743	412,204	26,643	0%	0%	-76%	57%	1447%
Deffered liabilities	13,866	12,572	10,925	9,360	7,181	7,136	10%	15%	17%	30%	1%
Other Loans	-	-	-	54,721	118,210	256,947	0%	0%	-100%	-54%	-54%
<b>Total Liabilities</b>	<b>743,880</b>	<b>677,978</b>	<b>695,710</b>	<b>1,203,037</b>	<b>1,252,261</b>	<b>1,108,527</b>	<b>10%</b>	<b>-3%</b>	<b>-42%</b>	<b>-4%</b>	<b>13%</b>
<b>Net Assets</b>	<b>978,297</b>	<b>884,386</b>	<b>378,961</b>	<b>190,691</b>	<b>179,650</b>	<b>64,645</b>	<b>11%</b>	<b>133%</b>	<b>99%</b>	<b>6%</b>	<b>178%</b>
<b>REPRESENTED BY</b>											
Issued, subscribed and paid-up capital	2,672,863	2,672,863	2,672,863	1,418,098	1,418,098	1,418,098	0%	0%	88%	0%	0%
Discount on issue of Right Shares	(1,508,754)	(1,508,754)	(1,508,754)	(630,419)	(630,419)	(630,418)	0%	0%	139%	0%	0%
Share deposit money	-	17,003	-	-	-	-	-	100%	-	-	-
Accumulated losses	(184,899)	(298,779)	(796,683)	(621,922)	(638,518)	(774,259)	-38%	-62%	28%	-3%	-18%
Unrealized gain/(loss) on remeasurement of investments classified as available for sale	(912)	2,053	11,535	24,934	30,488	51,225	0%	-100%	-54%	-18%	-40%
<b>Total Equity and Liabilities</b>	<b>978,297</b>	<b>884,386</b>	<b>378,961</b>	<b>190,691</b>	<b>179,650</b>	<b>64,645</b>	<b>11%</b>	<b>133%</b>	<b>99%</b>	<b>6%</b>	<b>178%</b>

## Chairman's Review

I am pleased to present this report to the shareholders of First National Equities Limited (FNEL) on the overall performance of the Board and effectiveness of the role played by the Board in achieving the Company's objectives.

The environment in which we operate is constantly evolving, and (FNEL) remains prepared to navigate through the challenges and capitalize on the opportunities either through consolidation of its position as broker of choice for our customers or to protect the interests of the company's shareholders and to maintain the profitability of the company through adopting the strategy of diversifying the business by investing in E-commerce ventures which gives lucrative returns and experience steady growth.

KSE-100 index increased by 1.45% in Jun-20, as the market continued to consolidate similar to the preceding month and traded largely in narrow range throughout the month. The month witnessed some prominent events such as announcement & passing Annual Budget FY2020-21, another surprise cut in policy rate by 1%, positive news on external side and some concerns on political front in domestic politics as well as on regional level. The market remained in slight positive territory during the first week of the month as CPI numbers for the month of May came in line with expectations while trade deficit numbers saw a hefty MoM drop for May, announced by PBS. The market in subsequent week again remained positive ahead of expectation by investors about some reduction in taxes related to stock market in the Federal Budget. However, absence of any substantial announcement for the market led to decline in market during the third week along with some political concerns. The market made a comeback in the last few days of the month due to positive macro developments which included another surprise rate cut of 100bps in policy rate, monthly current account surplus for May and news flows of around USD 3.0 billion loan received from multilateral agencies and Chinese banks. Despite uncertainty, the Federal Budget was also passed by a comfortable margin. MSCI World Index rose by a decent 2.5% in June while MSCI Emerging Market Index increased by a hefty 7.0%.

Despite limited resources the government has done well to support businesses by announcing a tax free budget while giving concession to various industries, especially construction sector. Substantial monetary easing is also expected to ease fiscal concerns as well as support businesses. The outgoing fiscal year saw the market rebound by decent level of 20% in the first half, however due to negative impact of pandemic, the market lost almost all its gain in the second half, but still managed to close at 1.5% positive return for Fy20.

Thus, given the improvement in growth prospect in the coming years, anticipated liquidity in equities from fixed income alternatives and likely tapering of foreign selling, the market is projected to give a double digit return in this fiscal year.

Despite a challenging macroeconomic environment and a tough business climate, FNEl has continued to excel. It has consolidated and developed avenues for growth and efficiency. We have no doubt that the best is yet to come for FNEl as we welcome another decade of this millennium. With our excellent service quality and our emphasis on value creation, the FNEl team remains steadfast in its determination to thrive and flourish.



**Adnan Amjad Khan**

Chairman

First National Equities Limited



## 主席审查报告

我很高兴向 (FNEL) 股东提交这份报告，介绍董事会的整体绩效以及董事会在实现公司目标方面所发挥作用的有效性

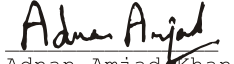
我们的经营环境在不断发展，并且 (FNEL) 仍然准备通过应对挑战来把握机遇，并通过巩固其作为我们客户的首选经纪人的地位或保护公司股东的利益来利用机遇。通过投资电子商务企业来实现业务多元化战略，从而保持公司的盈利能力，这将带来丰厚的回报并经历稳定的增长

KSE-100指数在20年6月上漲了1.45%，原因是市场继续与前一个月相似地盘整，并且在整个月内均在窄幅区间内交易。本月见证了—些重大事件，例如宣布和通过了2020-21财年年度预算，又一次意外地将政策利率下调了1%，外部利好消息以及对国内政治以及地区层面的政治忧虑。PBS宣布，由于5月份的CPI数据符合预期，市场在本月的第一周仍处于小幅积极的区域，而5月份的贸易赤字数字则环比大幅下降。随后一周的市场再次保持乐观，超出了投资者对联邦预算中与股票市场有关的税收减免的预期。但是，由于没有任何实质性的市场公告，导致市场在第三周下跌，并引发了一些政治担忧。由于宏观经济的积极发展，市场在本月的最后几天卷土重来，其中包括政策利率意外下调100个基点，5月份每月经常账户盈余以及从多边机构获得的约30亿美元贷款的新闻流。中国银行。尽管存在不确定性，但联邦预算还是勉强通过了。MSCI世界指数在6月上漲了可观的2.5%，而MSCI新兴市场指数则上漲了7.0%。

尽管资源有限，但政府在宣布免税预算的同时也对各种行业（尤其是建筑行业）给予了优惠，在支持企业方面做得很好。预计大幅宽松的货币政策也将缓解财政担忧并支持业务。即将到来的财政年度，上半年市场反弹了20%的体面水平，但是由于大流行的负面影响，下半年市场几乎失去了全部收益，但仍设法以1.5%的正收益收盘。20财年。

因此，鉴于未来几年的增长前景有所改善，固定收益替代方案带来的股票预期流动性以及海外销售可能减少的趋势，预计本财年市场将获得两位数的回报

尽管宏观经济环境充满挑战，商业环境严峻，但FNEI仍然表现出色。它巩固并开发了增长和效率的途径。我们毫不怀疑，FNEI迎来了最好的一年，因为我们欢迎本世纪的又一个十年。凭借我们卓越的服务质量和对价值创造的重视，FNEI团队坚定不移地致力于蓬勃发展。


  
Adnan Amjad Khan  
主席

## چیرمین کی جائزہ رپورٹ

میں فرسٹ نیشنل ایکویٹیٹریڈیٹرز (FNEI) کے حصص داران کو بورڈ کی مجموعی کارکردگی اور کمپنی کے مقاصد حاصل کرنے کے لئے بورڈ کے مؤثر کردار پر یہ رپورٹ ازراہ مسرت پیش کرتا ہوں۔ ہم مسلسل تغیر پذیر ماحول میں کام کر رہے ہیں اور (FNEI) مشکلات سے نپٹنے اور اپنی پوزیشن کے استحکام یا کمپنی کے حصص داران کے مفادات کے تحفظ، پرکشش نتائج اور مستقل نمو کے حامل ای کامرس ذرائع میں سرمایہ داری کے ذریعے کاروباری تنوع کی حکمت عملی اپنانا منافع کے حصول کے ذریعے صارفین کے لئے بطور بروکر اور لین انتخاب بن کر مواقع کے لئے ہمہ وقت تیار ہے۔ گذشتہ ماہ کی طرح استحکام کی جانب گامزن مارکیٹ کے KSE-100 انڈیکس میں جون 2020ء میں 1.45% فی صد اضافہ ہوا اور اس ماہ کے دوران زیادہ تر کم ریٹ پر تجارت کی گئی۔ اس ماہ کے دوران مالیاتی سال 2020-21 کے سالانہ بجٹ کے اعلان اور منظوری، پالیسی کی شرح میں مزید 1 فی صد کی کمی، بیرونی سطح پر مثبت خبروں، ملکی وغیر ملکی سیاسی محاذ پر تحفظات جیسے اہم واقعات رونما ہوئے۔ چونکہ مئی میں CPI اعداد و تو قعات کے عین مطابق تھے اور PBS اعلامیہ کے بعد مئی کے لئے تجارتی خسارہ میں ماہانہ کی بنیاد پر نمایاں کمی ہوئی لہذا اس مہینے کے پہلے ہفتہ میں منڈی میں مثبت رجحان قائم رہا۔ وفاقی بجٹ میں سٹاک مارکیٹ سے متعلقہ ٹیکسوں میں کمی کی وجہ سے بعد ازاں سرمایہ داروں کی توقعات میں بھی مثبت تبدیلی محسوس کی گئی۔ تاہم مارکیٹ کے لئے واضح اعلان کی عدم موجودگی اور سیاسی بے یقینی کی وجہ سے تیسرے ہفتے میں منڈی میں منڈی کار رجحان رہا۔ پالیسی ریٹ میں 100bps کی حیران کن کمی، مئی کے لئے کرنٹ اکاؤنٹ میں اضافہ اور بین الاقوامی اداروں اور چینی بینکوں سے حاصل 3.0 بلین ڈالر قرضہ جیسے مثبت ترقیاتی اشاریوں کی وجہ سے اس ماہ کے آخری ایام میں مارکیٹ کی سرگرمیاں بحال ہو گئیں۔ غیر یقینی کے باوجود وفاقی بجٹ انتہائی آسانی سے منظور ہو گیا۔ MSCI ورلڈ انڈیکس جون میں 2.5 فی صد تک بڑھ گیا جب کہ MSCI ایئر لائننگ مارکیٹ انڈیکس میں 7.0 فی صد کا نمایاں اضافہ ہوا۔

محدود وسائل کے باوجود خصوصاً ترقیاتی شعبہ میں متعدد صنعتوں کے لئے رعایتی پیکیج کے اعلان کے ساتھ حکومت نے کاروباری طبقہ کے لئے محصولات سے پاک بجٹ کا اعلان کیا۔ مالیاتی مشکلات میں آسانی اور کاروباری استحکام کے لئے معاشی سہولیات کی بھی توقع کی جا رہی ہے۔ رواں سال کے پہلے نصف حصہ میں مارکیٹ میں 20 فی صد اضافہ ہوا تاہم وبا کے منفی اثرات کی وجہ سے دوسرے حصے میں مارکیٹ کا منافع تقریباً ختم ہو گیا لیکن مالیاتی سال 2020ء کا اختتام مثبت 1.5 فی صد آمدنی سے ہوا۔ لہذا آئندہ برسوں میں نمو میں بہتری کے امکانات، مستقل آمدنی کے متبادل ذرائع سے ایکویٹیٹریڈیٹرز میں نئی از وقت لیکویڈٹی اور درآمدات میں کمی کی وجہ سے مارکیٹ کا منافع دو ہندسوں تک پہنچنے کی امید ہے۔

مشکل اقتصادی اور کاروباری ماحول کے باوجود FNEI ترقی کی جانب گامزن ہے۔ اس نے نموار بہترین کارکردگی کے لئے نئے مواقع پیدا کئے ہیں۔ ہمیں کوئی شک نہیں کہ FNEI مزید بہتر کارکردگی دکھا سکتا ہے کیونکہ ہم اس صدی کی ایک اور دہائی کو خوش آمدید کہنے والے ہیں۔ اپنی عمدہ خدمات کے معیار اور نفع کے لئے تک دو سے FNEI کی ٹیم ترقی کی منازل طے کرنے کے لئے عزم ہے۔

  
Adnan Amjad Khan  
چیرمین

## 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, 2020.

### Economic Review:

To cushion the blow to economy from the Covid-19, an aggressive and well-coordinated fiscal and monetary response was launched that encompassed a cumulative 6.25% reduction in the SBP Policy Rate, relaxation in loan repayments for corporates, and a Rs. 1.2 trillion stimulus package by the GoP which has received an emergency loan of USD 1.39 billion from the IMF, and USD 1.75 billion from the ADB. However, with reopening of the large part of the economy, we expect economic growth to gradually pick-up to 1.5% in FY21 on account of unleashing of pent-up demand in some sectors of the economy as a result of aggressive monetary easing, and recovery in the agriculture and services sectors. Current Account Deficit (CAD) is estimated to clock-in at USD 3.9 billion (1.5% of the GDP) for FY20.

Inflation as measured by the CPI clocked-in at 10.8% for FY2020, which is likely to drop to around 7% in FY2021 due to weak demand, measured currency devaluation, and high base effect. After peaking at 13.25%, the SBP has slashed the Policy Rate to 7% driven by benign inflation outlook, weakening demand pressure, comfortable external account position, and more importantly to stimulate the economy. We reckon that interest rates have bottomed out.

### Stock Market Review:

The Corona virus-induced panic selling gripped the market, causing the March stock market (KSE-100) crash with peak to trough decline of 37%. Despite a sharp rally from its lows, the market is still 20% down from its January 2020-peak that priced in a high degree of economic uncertainty, which would eventually decline. The stock market valuations depend on two key variables: required rate of return on equity and future corporate earnings growth. The lower discount rate and a higher rate of expected earnings growth would justify higher equity valuations. Although, economic slowdown will affect the profitability of corporate listed sector for the next few quarters, we expect robust corporate earnings growth over the next 2-3 years. To mitigate the economic fallout of the Coronavirus pandemic, the SBP has slashed the Policy Rate from 13.25% to 7%. This large reduction in the risk-free rate justifies a high stock market valuation (Price to-Earnings). Moreover, reduction in borrowing cost and decline in global oil prices are also expected to provide a boost to corporate profitability as the spread of pandemic abates. From the valuation perspective, the stock market is trading at an attractive forward Price-to-Earnings (P/E) multiple of 7x against the 10-year average of 8x. At the current levels, 14.3% earnings yield offered by the stock market along with a healthy 6% dividend yield looks appealing compared with 8.7% yield on the 10-year PIB. The market is trading at a Price-to-Book Value (P/BV) of 1x versus the 10-year average of 1.75x. The returns on alternative fixed income avenues have come down after a large 6.25% reduction in the Policy Rate that has strengthened the case for flow of funds towards equities. Historical analysis shows that the stock market performs well in a declining inflation and interest rate environment.

We believe that the stock market would increase sharply on news of the development of an effective vaccine, which is expected by December. In our view, the stock market holds potential to deliver good returns in the medium to long-term given: (i) attractive stock market valuations; (ii) benign near-term inflation outlook; (iii) barring short-term blip, a healthy corporate earnings growth over the next 2-3 years; (iv) abundant local liquidity awaiting to enter the market; and (v) manageable Current Account Deficit (CAD). We advise investors with a medium-long term investment time horizon to consider investing in our outperforming stock market.

## Financial Performance:

Rupee in Millions

	2020	2019
Operating Revenue	33.744	21.317
Loss On Sale Of Investment	(1.042)	(7.485)
Other Income	76.746	10.240
Profit Before Tax	92.333	554.719
Profit After Tax	113.880	497.903
EPS (Rs.)	0.43	1.86

The operating revenue has increased during the year as compared to the last year. The company is trying its best to yield better volumes by providing improved quality of services through extensive research, corporate access and advisory services. We are working on expanding our client base in order to increase the market participation of investors and avail benefits from lucrative market opportunities.

## 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 health of the company. 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 goals of the company.

## Human Resource

The focus of the HR department 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 by the board committee 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 06 to 08 of 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 the strategic nature.

## Changes in the Board

The election of directors of the company was held on July 01, 2019. The following directors were elected for a period of three years.

1. Mr. Shahzad Akbar	Non-Executive Director/Chairman
2. Ms. Faiza Akmal Tirmizi	Female-Executive Director
3. Mr. Amir Shehzad	Executive Director
4. Mr. Tahir Waheed	Non-Executive Director
5. Mr. M. Akhtar Choudhary	Independent Director
6. Mr. Adnan Amjad Khan	Independent Director
7. Mr. Abid Yousaf	Non-Executive Director

\*Mr. Shahzad Akbar resigned on February 29, 2020 and Mr. Sami Ullah Butt was appointed in his place as Non-Executive Director on May 28, 2020.

Mr. Ali A. Malik was reappointed as Chief Executive Officer on July 14, 2019 by the Board of Directors of the Company.

### Audit Committee

Subsequent to the election of directors, the audit committee was reconstituted as under:

Mr. M. Akhtar Choudhary	Chairman
Mr. Shahzad Akbar	Member
Mr. Adnan Amjad Khan	Member

Consequent upon the resignation of Mr. Shahzad Akbar, Mr. Sami Ullah Butt was appointed as member of the committee.

### Member Human Resource and Remuneration Committee

Subsequent to the election of directors, the HR & R Committee was reconstituted as under:

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

Consequent upon the resignation of Mr. Shahzad Akbar, Mr. Sami Ullah Butt was appointed as member of the committee.

### 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: 3
- c) Executive Directors: 2

Six meetings of the Board of Directors and four meetings of the Audit Committee were held from July 1st, 2019 to June 30th, 2020. The attendance of the Board and Audit Committee members were as follows:

Name of Director	Board Meeting	Audit Committee Meeting
Mr. Shahzad Akbar	5	3
Mr. Amir Shehzad	6	N/A
Mr. M. Akhtar Choudhary	4	3
Mr. Abid Yousaf	6	N/A
Ms. Faiza Akmal Tirmizi	6	N/A
Mr. Adnan Amjad Khan	6	4
Mr. Tahir Waheed	6	N/A

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

### Performance Evaluation of the Board

As required under the Listed Companies (Code of Corporate governance) Regulations, 2019, the Board has undertaken a formal process of self-evaluation of performance of the Board as a whole.

### Directors Training Programme:

Three Directors of the Company are certified directors and remaining will undergo Directors Training Programme within the due course of time.

## Related Party Transactions

The company has presented all related party transactions before the Audit Committee and to the members of BOD 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, 2020, 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 2021 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. Abid Yousaf	Self	10,000	Buy	Ready Market
Mr. Amir Shehzad	Self	103,000	Buy	Ready Market
Mr. Tahir Waheed	Spouse	103,000	Sell	Ready Market
Mr. Ali A. Malik	Son	100,000	Buy	Ready Market
Mr. Ali A. Malik	Daughter	100,000	Buy	Ready Market
Mr. Ali A. Malik	Self	939,500	Sell	Bank Adjustment

## Appreciation and Acknowledgements

The Board of Directors of FNEL would like to thank the GoP, the SECP, NCCPL, CDC, PSX, the bankers to the company and other regulatory bodies for their continued support, all esteemed shareholders and clients of the company for their trust, and our co-colleague's & employees of the company 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: October 07, 2020



### 尊敬的股东：

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 2020 年 6 月 30 日止年度的经审计财务报表：

### 经济评论：

为缓解 Covid19 对经济的冲击，政府采取了积极而协调良好的财政和货币应对措施，其中包括 SBP 政策利率累计下调 6.25%，放宽企业贷款偿还额和卢比。中国政府提供了 1.2 万亿美元的刺激计划，该国已从国际货币基金组织获得 13.9 亿美元的紧急贷款，并从亚行获得了 17.5 亿美元的紧急贷款。然而，随着大部分经济体的重新开放，由于积极的货币宽松政策使部分经济体释放了被压抑的需求，我们预计 21 财年经济增长将逐步回升至 1.5%。农业和服务业的复苏。到 20 财年，经常账户赤字（CAD）估计为 39 亿美元（占 GDP 的 1.5%）。

CPI 的通胀率在 2020 财年达到 10.8%，由于需求疲软，可观的货币贬值和高基数效应，到 2021 财年可能会降至 7% 左右。SBP 在达到 13.25% 的峰值后，已将政策利率下调至 7%，这主要是受通胀前景温和，需求压力减弱，外部账户状况宽松以及更重要的是刺激经济的推动。我们认为利率已经触底。

### 股市评论：

冠状病毒引起的恐慌情绪席卷了市场，导致 3 月份股市（KSE100）暴跌，最高至最低点下跌了 37%。尽管从低点开始出现了大幅反弹，但该市场仍比 2020 年 1 月的峰值低 20%，这是由高度的经济不确定性决定的，最终经济不确定性将下降。股市估值取决于两个关键变量：所需的股本回报率和未来公司收益的增长。较低的折现率和较高的预期收益增长率将证明股票估值较高。尽管经济放缓将在未来几个季度影响企业上市部门的盈利能力，但我们预计未来 23 年公司收益将强劲增长。为了减轻冠状病毒大流行的经济影响，SBP 已将政策利率从 13.25% 降至 7%。无风险利率的大幅降低证明了股票市场的高估值（价格收益）。此外，随着大流行病消退的蔓延，借贷成本的降低和全球石油价格的下降也有望提高公司的盈利能力。从估值的角度来看，股票市场的市盈率为 7 倍，而 10 年平均值为 8 倍。在目前的水平上，股票市场提供的 14.3% 的收益率以及 6% 的健康股息收益率看来颇具吸引力，而十年期 PIB 的收益率为 8.7%。市场交易的市净率（P/BV）为 1 倍，而十年平均值为 1.75 倍。在政策利率大幅度降低 6.25% 之后，另类固定收益途径的回报有所下降，这加大了资金流向股票的可能性。历史分析表明，在通货膨胀和利率下降的环境下，股市表现良好。

我们相信，随着有效疫苗研发的消息，股市将急剧增长，预计到 12 月。我们认为，鉴于以下方面，股票市场具有中长期回报的潜力：（i）有吸引力的股票市场估值；（ii）良好的近期通胀前景；（iii）除非出现短期现象，否则未来 23 年公司盈利将保持健康增长；（iv）等待进入市场的丰富本地流动资金；（v）可管理的经常账户赤字（CAD）。我们建议具有中长期投资时间的投资者考虑对我们表现出色的股票市场进行投资。

### 财务绩效：

卢比百万

	2020	2019
营业收入	33.744	21.317
出售投资损失	(1.042)	(7.485)
其他的收入	76.746	10.240
税前利润	92.333	554.719
税后利润	113.880	497.903
每股收益（卢比）	0.43	1.86

年内营业收入较去年增加。该公司正通过广泛的研究，企业访问和咨询服务，尽最大努力通过提供更好的服务质量来产生更好的销量。我们正在努力扩大客户群，以增加投资者的市场参与度并从有利可图的市场机会中受益。

### 风险管理

公司董事会积极推动风险管理框架，其中提供了一种积极的方法来处理影响公司财务状况的因素。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，仍然是实现公司目标的基石。

## 人力资源

FNEL 的人力资源部门的重点是招募，培养，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。董事会成员已审查了所有人力资源政策，并根据当今的要求和公司的公司框架进行了更新，因为管理层认识到这是至关重要的领域，会对绩效，程序和商业道德产生重大影响。员工可以使用所有批准的政策，以增强员工的意识和参与度。

## 内部财务控制

First National Equities Limited (公司) 的内部控制结构包括董事会，高级管理层，内部审计和合规部门。公司的内部审计与合规部门负责根据董事会批准的政策建立并维护适当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。

## 企业社会责任

作为一系列对社会负责的组织，公司继续为社会做出贡献。我们优先考虑为丰富我们的社区和巴基斯坦人民的生活做出贡献。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。该公司有一项政策来尽量减少纸张的使用。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，否则。

## 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。公司采用了良好的公司治理惯例，董事们高兴地报告：

1. 由公司管理层准备的所附财务报表公平地列出了公司的状况，经营成果，现金流量和权益变动。
2. 公司已妥善保管公司的账簿。
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准则，并且任何偏离均已得到充分披露。
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. 与公司治理的最佳实践没有实质性的偏离。

## 公司治理守则合规声明

本年度报告附有“《公司治理守则》的遵守情况声明”。

## 主席的评论

公司董事赞同董事长审阅的内容，涉及战略性事务。

## 董事会变动

公司董事的选举于 2019 年 7 月 1 日举行。以下董事的选举期为三年。

- |                            |          |
|----------------------------|----------|
| 1. Mr. Shahzad Akbar       | 非执行董事/主席 |
| 2. Ms. Faiza Akmal Tirmizi | 女执行董事    |
| 3. Mr. Amir Shehzad        | 执行董事     |
| 4. Mr. Tahir Waheed        | 非执行董事    |
| 5. Mr. M. Akhtar Choudhary | 独立董事     |
| 6. Mr. Adnan Amjad Khan    | 独立董事     |
| 7. Mr. Abid Yousaf         | 非执行董事    |

\*先生。Shahzad Akbar 于 2020 年 2 月 29 日辞职，SamiUllahButt 先生于 2020 年 5 月 28 日被任命为非执行董事。公司董事会于 2019 年 7 月 14 日再次任命 Ali A.Malik 先生为首席执行官。

## 审计委员会

### 选举董事后，审核委员会的组成如下：

主席. 阿德南·阿姆贾德·汗 先生

主席. 沙赫扎德·阿克巴尔会员

主席. 阿赫塔尔·乔达里会员

因此辞职主席. 沙赫扎德·阿克巴尔, 主席. 萨米·乌拉巴特被任命为委员会委员。

### 人力资源与薪酬委员会成员

选举董事后，人力资源和财务委员会的组成如下：

主席. 阿德南·阿姆贾德·汗主席

主席. 沙赫扎德·阿克巴尔会员

主席. 阿里·马利克会员

因此辞职主席. 沙赫扎德·阿克巴尔, 主席. 阿赫塔尔·乔达里被任命为委员会委员。

### 董事会和审计委员会的会议和出席

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：3
- c) 执行董事：2

从 2019 年 7 月 1 日至 2020 年 6 月 30 日举行了六次董事会会议和审核委员会四次会议。董事会和审核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
主席. 沙赫扎德·阿克巴尔	5	3
主席. 阿米尔·谢赫德	6	N/A
主席. 阿赫塔尔·乔达里	4	3
主席. 阿比德·尤萨夫	6	N/A
主席. 法伊扎·阿克马尔·提尔米兹	6	N/A
主席. 阿德南·阿姆贾德·汗	6	4
主席. 塔希尔·瓦希德	6	N/A

董事因缺勤而無法出席董事會會議，請假。

### 董事會績效評估

根據 2019 年《上市公司（公司治理守則）條例》的要求，董事會已對董事會整體績效進行了正式的自我評估。

### 董事培訓計劃

本公司三名董事均為經認證的董事，其餘將在適當的時間接受董事培訓計劃。

## 關聯交易

公司已將所有關聯交易提交審計委員會和董事會成員，以供其審核和批准，並已在各自的會議上得到正式批准。所有在正常業務過程中發生的涉及關聯方的交易均根據董事會根據 2017 年《公司法》批准的《關聯方交易政策》進行，該政策規定利率應不低於市場利。

## 股權模式

根據《2017 年公司法》第 227 (f) 條和《公司治理守則》的要求，截至 2020 年 6 月 30 日的持股方式隨附於本年度報告。

## 審核員

即將獲得下一任期的退休審計師 M / s IECnet S.K.S.S.S 特許會計師。根據審核委員會的建議，董事會建議任命 M / s IECnet S.K.S.S.S.S. 在即將舉行的年度股東大會上，特許會計師為公司截至 2021 年 6 月的年度的法定審計師。

## 資產負債表後日期事件/股息

在財政年度結束至報告日期之間，未發生影響公司財務狀況的重大變化和承諾。

## 董事和高管買賣公司股份

年內進行了以下交易：

指定	關係	股份數	交易性質	購自/送給誰的股份
主席.阿比德·尤薩夫	自	10,000	購買	現成市場
主席.阿米尔·謝赫德	自	103,000	購買	現成市場
主席.塔希爾·瓦希德	伴侶	103,000	賣	現成市場
主席.阿里·馬利克	兒子	100,000	購買	現成市場
主席.阿里·馬利克	女兒	100,000	購買	現成市場
主席.阿里·馬利克	自	939,500	賣	銀行調整

## 致謝與致謝

FNEL 的董事會要感謝 GoP, SECP, NCCPL, CDC, PSX, 公司的銀行家以及其他監管機構的一貫支持，感謝公司所有尊敬的股東和客戶的信任，以及我們的努力。公司的同事和員工不斷的奉獻和承諾。

代表董事會



阿里·馬利克  
(首席執行官)



阿米尔·謝赫德  
導向器

日期：2020 年 10 月 7 日

拉合爾

## متعلقہ پارٹی لین دین

جائزہ اور منظوری کے غرض سے کمپنی نے آڈٹ کمیٹی اور بورڈ اراکین کے روبرو متعلقہ پارٹی لین دین کی مکمل تفصیل پیش کر دی ہے اور متعلقہ اجلاس میں ان کی باضابطہ منظور کر لی گئی ہے۔ معمول کے مطابق کاروباری امور میں متعلقہ پارٹی سے متعلق تمام لین دین کمپنیز ایکٹ 2017ء کی پیروی میں بورڈ کی منظور شدہ متعلقہ پارٹی لین دین پالیسی کے تحت عمل میں لائے جاتے ہیں۔ جس سے واضح ہوتا ہے کہ شرح مارکیٹ ریٹ سے کم نہیں ہونی چاہئے۔

## شیر ہولڈنگ کی وضع

کمپنیز ایکٹ 2017ء کے سیکشن (f) 227 اور کاروباری نظم و ضبط کے قواعد کے تحت 30 جون 2020ء کو شیر ہولڈنگ کی وضع اس سالانہ رپورٹ کے ساتھ منسلک ہے۔

## آڈیٹرز

ریٹائر ہونے والے آڈیٹرز آئی ای سی نیٹ SKSS چارٹرڈ اکاؤنٹنٹس، اہلیت کی بنا پر اگلی مدت کے لئے اپنی دوبارہ تقرری کی پیشکش کرتے ہیں۔ آڈٹ کمیٹی کی سفارشات پر بورڈ نے آئندہ اجلاس میں جون 2021ء کو اختتام پذیر سال کے لئے کمپنی کے قانونی آڈیٹر کی حیثیت سے آئی ای سی نیٹ SKSS چارٹرڈ اکاؤنٹنٹس کی تقرری کی تجویز دی ہے۔

## مابعد میلنس شیٹ ایونٹ/منافع منقسمہ

مالیاتی سال کے اختتام اور رپورٹ کی مقررہ تاریخ کے دوران کمپنی کی مالیاتی حالت پر کس قسم کی تبدیلیاں اور مقاصد اثر انداز نہیں ہوئے ہیں۔

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


سال کے دوران مندرجہ ذیل ٹرنزیکشن کی گئیں:


نام/عہدہ	تعلق	تعداد حصص	ٹرانزیکشن کی نوعیت	جس سے/کو حصص حاصل/فراہم کئے گئے
مسٹر عابد یوسف	خود	10,000	خرید	ریڈی مارکیٹ
مسٹر عامر شہزاد	خود	103,000	خرید	ریڈی مارکیٹ
مسٹر طاہر وحید	اہلیہ	103,000	فروخت	ریڈی مارکیٹ
مسٹر علی اے ملک	بیٹا	100,000	خرید	ریڈی مارکیٹ
مسٹر علی اے ملک	بیٹی	100,000	خرید	ریڈی مارکیٹ
مسٹر علی اے ملک	خود	939,500	فروخت	بینک ایڈجسٹمنٹ

## حوصلہ افزائی اور اعترافات

فرسٹ نیشنل ایکویٹیز لمیٹڈ کے بورڈ آف ڈائریکٹرز حکومت پاکستان، PSX، CDC، NCCPL، SECP، کمپنی کے بینکرز اور دیگر ریگولیٹری اداروں کی مسلسل حمایت، کمپنی کے تمام حصص داران اور کلائنٹس کے ہم پر بھروسہ اور کمپنی کے ملازمین کی مسلسل معاونت اور وابستگی کے لئے شکرگزار ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے

  
عامر شہزاد  
ایگزیکٹو ڈائریکٹر

  
علی اے ملک  
چیف ایگزیکٹو آفیسر

مقام: لاہور

تاریخ: 107 اکتوبر 2020ء

**آڈٹ کمیٹی**

ڈائریکٹرز کے انتخاب کے بعد آڈٹ کمیٹی کی حسب ذیل تشکیل نو کی گئی:

1. مسٹر ایم اختر چوہدری چیئرمین
2. مسٹر شہزاد اکبر رکن
3. مسٹر عدنان امجد خان رکن

مسٹر شہزاد اکبر کے استعفی کے بعد مسٹر سمیع اللہ بٹ کو کمیٹی کا رکن منتخب کیا گیا۔

**ہیومن ریسورس اینڈ ریمونڈیشن کمیٹی**

ڈائریکٹرز کے انتخاب کے بعد HR&R کمیٹی کی حسب ذیل تشکیل نو کی گئی:

1. مسٹر عدنان امجد خان چیئرمین
2. مسٹر شہزاد اکبر رکن
3. مسٹر علی اے ملک رکن

مسٹر شہزاد اکبر کے استعفی کے بعد مسٹر سمیع اللہ بٹ کو کمیٹی کا رکن منتخب کیا گیا۔

**بورڈ اور آڈٹ کمیٹی کے اجلاس اور ڈائریکٹرز کی حاضری**

ڈائریکٹرز کی کل تعداد سات ہے۔ بورڈ کی ترکیب حسب ذیل ہے:

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

یکم جولائی 2019 سے 30 جون 2020ء کے دوران بورڈ آف ڈائریکٹرز کے چھ، آڈٹ کمیٹی کے چار اجلاس منعقد ہوئے۔ بورڈ اور آڈٹ کمیٹی اراکین کی حاضری حسب ذیل ہے۔

نام ڈائریکٹر	بورڈ کا اجلاس	آڈٹ کمیٹی کا اجلاس
مسٹر شہزاد اکبر	5	3
مسٹر عامر شہزاد	6	دستیاب نہیں
مسٹر ایم اختر چوہدری	4	3
مسٹر عابد یوسف	6	دستیاب نہیں
مس فائزہ امل ترمذی	6	دستیاب نہیں
مسٹر عدنان امجد خان	6	4
مسٹر طاہر وحید	6	دستیاب نہیں

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

**بورڈ کارکردگی کا جائزہ**

لےڈ کمیٹیز (کوڈ آف کارپوریٹ گورننس) ضوابط 2019ء کے تحت بورڈ نے مجموعی طور پر بورڈ کی کارکردگی کا خود ساختہ تجزیہ کا باقاعدہ عمل کیا ہے۔

**ڈائریکٹرز ٹریننگ پروگرام**

کمپنی تین ڈائریکٹرز تصدیق شدہ ڈائریکٹرز ہیں اور بقیہ کو مقررہ وقت کے دوران ڈائریکٹرز ٹریننگ پروگرام سے گزرنا ہوگا۔

## کمپنی کے کاروباری امور کا ماحول پر اثر

کمپنی کے کاروبار کی نوعیت خدمات کی فراہمی ہے ہماری کاروباری سرگرمیاں ماحول پر بہت کم اثر ڈالتی ہیں۔ کمپنی کاغذ کے کم استعمال کی پالیسی پر عمل پیرا ہے۔ ملازمین، شعبوں اور کلائنٹ کے درمیان رابطہ سازی ای میل کے ذریعے ہی کی جاتی ہے ماسوائے انتہائی اہمیت کے حامل امور جن کے لئے کاغذی کارروائی کی ضرورت ہو۔

## اہم فعالی و مالیاتی اعداد و شمار

اہم فعالی و مالیاتی اعداد و شمار اس سالانہ رپورٹ کے صفحہ 06 سے 08 میں بیان کئے گئے ہیں۔

## کوڈ آف کارپوریٹ گورننس

بورڈ آف ڈائریکٹرز سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کے طے شدہ نظم و ضبط کے قواعد پر مکمل عمل درآمد کو یقینی بنانے کے لئے پرعزم ہے۔ کمپنی کارپوریٹ گورننس کی سرگرمیوں پر من و عن عمل کرتی ہے اور ڈائریکٹرز رپورٹ کرنے میں مسرت کا اظہار کرتے ہیں کہ:

1. کمپنی کی انتظامیہ کی جانب سے مرتب کی گئی منسلک مالی اسٹیٹمنٹس اپنے کاروباری امور، کام کے نتائج، کیش فلوا اور ایکویٹی میں تبدیلی کو منصفانہ انداز میں پیش کرتی ہیں۔
2. کمپنی کے کھاتوں کی باضابطہ گیس تیار کی گئی ہیں۔
3. معیار کے ابتدائی اطلاق کے نتیجے میں تبدیلیوں اور حالیہ معیار کی ترامیم یا تشریح کے علاوہ مالیاتی اسٹیٹمنٹس کی تیاری میں معقول اکاؤنٹنگ پالیسیوں کا اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینہ جات موزوں اور محتاط فیصلوں کی بنیاد پر لگائے جاتے ہیں۔
4. مالیاتی اسٹیٹمنٹس کی تیاری میں پاکستان میں رائج بین الاقوامی مالیاتی رپورٹنگ معیارات کی پیروی کی گئی ہے اور کسی بھی قسم کی تبدیلی کو مناسب انداز میں ظاہر کیا گیا ہے۔
5. داخلی نظم و ضبط کا اسٹیم کا ایک مربوط اسٹیم موجود ہے اور اس کی نگرانی اور اطلاق مؤثر انداز میں کیا جاتا ہے۔
6. کمپنی کی کاروباری جاری رکھنے کی صلاحیت میں کوئی ابہام نہ ہے۔
7. کارپوریٹ گورننس کی بہترین عمل داری میں کوئی شک و شبہ کی گنجائش نہیں ہے۔

## کاروباری نظم و ضبط کے قواعد پر عمل درآمد کا بیان

”کاروباری نظم و ضبط کے قواعد پر عمل درآمد کا بیان“ اس سالانہ رپورٹ کے ساتھ منسلک کیا گیا ہے۔

## چیئر مین کا تجزیہ

تدبیری نوعیت کے معاملات پر چیئر مین کے تجزیہ کے اجزا کی کمپنی کے ڈائریکٹرز توثیق کرتے ہیں۔

## بورڈ میں تبدیلیاں

یکم جولائی 2019ء کو کمپنی کے ڈائریکٹرز کا انتخاب عمل میں لایا گیا۔ مندرجہ ذیل ڈائریکٹرز کو آئندہ تین سال کی مدت کے لئے منتخب کیا گیا ہے۔

1. مسٹر شہزاد اکبر	نان ایگزیکٹو ڈائریکٹر/چیئر مین
2. مس فائزہ اکمل ترمذی	خاتون - ایگزیکٹو ڈائریکٹر
3. مسٹر عامر شہزاد	ایگزیکٹو ڈائریکٹر
4. مسٹر طاہر وحید	نان - ایگزیکٹو ڈائریکٹر
5. مسٹر ایم اختر چوہدری	آزاد ڈائریکٹر
6. مسٹر عدنان امجد خان	آزاد ڈائریکٹر
7. مسٹر عابد یوسف	نان ایگزیکٹو ڈائریکٹر

”مسٹر شہزاد اکبر 29 فروری 2020ء کو ریٹائر ہوئے اور 28 مئی 2020ء کو مسٹر سمیع اللہ بطور نان ایگزیکٹو ڈائریکٹر مقرر ہوئے۔

کمپنی کے بورڈ آف ڈائریکٹرز نے 14 جولائی 2019ء کو مسٹر علی اے ملک کو دوبارہ چیف ایگزیکٹو آفیسر مقرر کیا۔

## مالیاتی کارکردگی

(ملین روپوں میں)

2019ء	2020ء	
21.317	33.744	آپریٹنگ آمدنی
(7.485)	(1.042)	سرمایہ داری کی فروخت پر خسارہ
10.240	76.746	دیگر آمدنی
554.719	92.33	نفع علاوہ ٹیکس
497.903	113.880	نفع بمعہ ٹیکس
1.86	0.43	آمدنی فی حصص (روپے)

گذشتہ برس کے مقابلہ میں رواں برس کے دوران آپریٹنگ آمدنی میں اضافہ ہوا۔ مربوط تحقیق، کاروباری رسائی اور ایڈوائزری سروسز کے ذریعے خدمات کے بہتر معیار کو برقرار رکھ کر کمپنی بہتر حجم حاصل کرنے کے لئے کوشاں ہے۔ ہم منڈی میں سرمایہ داروں کی کردار میں اضافہ کر کے اپنے کلائنٹس کی تعداد میں توسیع پر کشش مارکیٹ مواقع سے فائدہ حاصل کرنے پر کام کر رہے ہیں۔

## خطرات کا انتظام

کمپنی کے بورڈ آف ڈائریکٹرز خطرات کے مؤثر انتظام کا فریم ورک واضح کرتے ہیں جس میں کمپنی کی مالی حالت پر اثر انداز ہونے والے عوامل پر مؤثر کارروائی کی جاتی ہے۔ مؤثر رسک مینجمنٹ فریم ورک اور رسک گورننس کا ٹھوس ڈھانچہ، مضبوط سرمایہ اور لیکویڈٹی پوزیشن اور انویسٹمنٹ پورٹ فولیو کا اچھا معیار کمپنی کے اہداف کی تکمیل میں اہم کردار ادا کرتا ہے۔

## انسانی وسائل

FNEL کے ہیومن ریسورس ڈیپارٹمنٹ کی توجہ کا مرکز بھرتی، ترقی، بہترین قابلیت کا اعتراف اور انہیں برقرار رکھنا ہے۔ ہم یہ یقینی بنانے کے لئے کوشاں ہے کہ ہماری ملازمتی پالیسیاں متعلقہ سماجی، قانونی اور ریگولیٹری ضوابط کے عین مطابق ہوں۔ اور ہم پر عزم ہے کہ مستحکم تعلقات استوار اور برقرار رکھ سکیں۔ بورڈ کمیٹیاں تمام HR پالیسیوں پر نظر ثانی کرتی ہیں اور ان کی حالیہ دور کی ضروریات اور کمپنی کے کاروباری فریم ورک کے تحت تبدیلی کی جاتی ہے کیونکہ انتظامیہ اس اہم شعبہ کی اہمیت سے باخبر ہے۔ جس کا اس کی کارکردگی، عمل درآمد اور کاروباری اخلاقیات پر براہ راست اثر ہوتا ہے۔ تمام منظور شدہ پالیسیاں ملازمین کی رسائی میں ہیں تاکہ ملازمین کی آگاہی اور کردار کو بڑھایا جاسکے۔

## داخلی مالیاتی نظم و ضبط

فرسٹ نیشنل ایکویٹی لیمیٹڈ (کمپنی) کا داخلی نظم و ضبط کا نظام بورڈ آف ڈائریکٹرز، اعلیٰ انتظامیہ، داخلی آڈٹ اور تعمیلی شعبہ پر مشتمل ہے۔ داخلی آڈٹ اور تعمیلی شعبہ بورڈ کی منظور شدہ پالیسیوں کے تحت موزوں اور مؤثر داخلی نظم و ضبط کے سسٹم اور طریقہ ہائے کار کو قائم کرنے کا ذمہ دار ہے۔ انتظامیہ کمپنی کے داخلی نظم و ضبط کے سسٹم کی تاثیر کا تعین کرنے کی بھی ذمہ دار ہے جو نظم و ضبط کے مقاصد کی نشاندہی اور نمایاں پالیسیوں اور طریقہ ہائے کار پر نظر ثانی پر محیط ہے۔

کمپنی کے مجموعی مقاصد کے حصول میں ناکامی کے خدشات کی نشاندہی اور ان سے نپٹنے کے لئے کمپنی کا داخلی نظم و ضبط کا سسٹم مرتب کیا گیا ہے۔ کمپنی امور کی کارکردگی اور تاثیر، باوثوق مالی معلومات اور رائج قوانین و ضوابط کی تعمیل کی معقول یقینی دہانی کرانے کے لئے داخلی نظم و ضبط کا سسٹم اور پالیسیاں مرتب کی گئی ہیں۔ تاہم، یہ بیان کرنا ضروری ہے کہ کاروباری مقاصد کے حصول کے لئے ناکامی کے اندیشہ کو ختم کرنے کی بجائے نکلانے کے لئے نظام قائم کئے گئے ہیں۔ یہ نظام ٹھوس غلط بیانی اور نقصان کی معقول لیکن غیر حتمی یقین دہانی بھی کرا سکتے ہیں۔

## کاروباری و سماجی ذمہ داری

کمپنی مسلسل اقدامات کے ذریعے سماجی سطح پر ذمہ دار ادارے کی حیثیت سے معاشرے میں اپنا کردار ادا کر رہی ہے۔ ہم اپنی آبادیوں اور پاکستانی عوام کے طرز زندگی کو بہتر بنانے کے لئے ترجیحی بنیادوں پر اپنا کردار ادا کر رہے ہیں۔ کاروباری تدریس اور نیک کاموں میں ہمارا کردار ہمارے اردگرد لوگوں کو بھرپور فائدہ پہنچاتا ہے۔

## ماحولیات اور حفظانِ صحت

ملازمین، صارفین اور عوام الناس کی صحت کو نقصان سے بچا کر کمپنی کام کا محفوظ ماحول قائم کرتی ہے۔



## ڈائریکٹرز کی جائزہ رپورٹ

### معزز حصص داران!

کمپنی کے ڈائریکٹر کمیٹی نے ایکٹ 2017ء کے سیکشن 226 کے تحت 30 جون 2020ء کو اختتام پذیر سال کے لئے پڑتال شدہ مالیاتی اسٹیٹمنٹس کے ہمراہ اپنی رپورٹ ازراہ مسرت پیش کرتے ہیں۔

### اقتصادی جائزہ

COVID-19 کے معاشی دھچکے سے نکلنے کے لئے مؤثر اور انتہائی موافق مالیاتی و مانیٹری ردعمل سے SBP پالیسی ریٹ میں 6.25 فی صد کی نمایاں کمی، کاروباری اداروں کے لئے قرضوں کی ادائیگی میں رعایت اور حکومت پاکستان کی جانب سے آئی ایم ایف سے 1.39 بلین ڈالر ایمرجنسی قرضہ اور ADB سے 1.75 بلین ڈالر حاصل کرنے کے بعد 1.2 ٹریلین روپے کے پیکیج کا اعلان کیا گیا۔ تاہم معیشت کے متعدد شعبوں کو کھولنے اور مؤثر مانیٹری رعایت کے نتیجے میں معیشت کے کئی شعبوں کو کھولنے کی درخواست، زرعی اور خدمات کے شعبہ کی بحالی پر مالیاتی سال 2021 میں 1.5 فی صد ہم معاشی نمو میں 1.5 فی صد تک اضافہ کے لئے پرامید ہیں۔ مالیاتی سال 2020 کے لئے (شرح نمو 1.5 فی صد) کرنٹ اکاؤنٹ خسارہ (CAD) کا اندازہ 3.9 بلین ڈالر لگایا گیا ہے۔ مالیاتی سال 2020ء میں CPI کے مطابق افراط زر کی شرح 10.8 فی صد ہے۔ جو کم طلب، کرنسی میں محتاط کمی، ہائی بیس افیکٹ کی وجہ سے مالیاتی سال 2021 میں 7 فی صد ہونے کی توقع ہے۔ افراط زر کی شرح 13.25 فی صد کی انتہائی سطح پر پہنچنے کے بعد SBP نے مہنگائی اور طلب پر دباؤ میں کمی، خارجی اکاؤنٹ کی موافق حالت کی وجہ سے اور معیشت کو متحرک کرنے کی غرض سے پالیسی ریٹ 7 فی صد کر دیا ہے۔ ہمارے خیال میں شرح سود میں واضح تبدیلی آئی ہے۔

### سٹاک مارکیٹ کا جائزہ

کورونا وائرس کی وجہ سے منڈی میں فروخت کی سرگرمیوں کو نقصان پہنچا جس کی وجہ سے مارچ میں سٹاک مارکیٹ (KSE-100) 37 فی صد تک تنزلی کا شکار ہوئی۔ اس اتار چڑھاؤ کے باوجود مارکیٹ جنوری 2020ء میں انتہائی سطح سے 20 فی صد کم ہوئی ہے جس معاشی بے یقینی کی کیفیت پیدا ہو گئی ہے بعد ازاں جس میں کمی کی توقع ہے۔ سٹاک مارکیٹ تخمینہ جات دواہم متغیرات پر انحصار کرتے ہیں: ایکویٹی پر مطلوب منافع اور آئندہ کے لئے کاروباری آمدنی میں اضافہ۔ اگرچہ معاشی سست روی اگلے چند کوارٹرز میں لسٹڈ کاروبارہ شعبہ کے منافع پر اثر انداز ہوگی لیکن ہم اگلے 2-3 سال میں کاروباری آمدنی میں مستحکم نمو کے لئے پرامید ہیں۔ کورونا وائرس سے ابتر معاشی حالت سے نپٹنے کے لئے SBP نے پالیسی ریٹ کو 13.25 فی صد سے کم کر کے 7 فی صد کر دیا ہے۔ رسک فری شرح میں یہ واضح کمی سٹاک مارکیٹ کے بہتر تخمینہ کی طرف ایک قدم ہے۔ مزید برآں، قرضوں پر لاگت اور عالمی سطح پر تیل کی قیمتوں میں کمی اور کورونا وائرس کی شدت میں کمی کی وجہ کاروباری منافع میں اضافہ کی توقع ہے۔ تخمینہ کے تناظر میں سٹاک مارکیٹ گذشتہ دہائی میں 8 گنا پرائس ٹو ارننگ (P/E) کے مقابلہ میں انتہائی پرکشش 7 گنا پرائس ٹو ارننگ (P/E) پر تجارت کر رہی ہے۔ موجودہ حالات میں سٹاک مارکیٹ کی جانب سے 14.3 فی صد ارننگز ییلڈ کی پیشکش اور 6 فی صد بھاری منافع منقسمہ ییلڈ گذشتہ دہائی میں 8.7 فی صد ییلڈ کے مقابلہ میں پرکشش دکھائی دے رہی ہے۔ مارکیٹ پرائس ٹو بک ویلیو (P/BV) گذشتہ دس برس میں اوسطاً 1.75 گنا کے مقابلہ میں 1 گنا ہے۔ پالیسی کی شرح میں 6.25 فی صد بھاری کمی کے بعد متبادل مستقل آمدنی ذرائع پر منافع کم ہوا ہے۔ ماضی پر تجزیہ ظاہر کرتا ہے کہ گرتے ہوئے افراط زر اور شرح سود کی وجہ سے سٹاک مارکیٹ کی کارکردگی بہتر ہے۔

ہم یقین رکھتے ہیں کہ دسمبر تک مؤثر ویکسین کی متوقع تیاری کی خبر سے سٹاک مارکیٹ میں تیزی سے اضافہ ہوگا۔ ہماری نظر میں سٹاک مارکیٹ متوسط سے طویل مدت میں مندرجہ ذیل وجوہات کی بنا پر بہتر نتائج دینے کی اہلیت رکھتی ہے۔

(i) سٹاک مارکیٹ کا پرکشش تخمینہ

(ii) مستقبل قریب میں افراط زر کی شرح میں کمی

(iii) قلیل مدتی انحراف - آئندہ 2-3 سالوں میں اضافی کاروباری آمدنی

(iv) منڈی میں متوقع طور پر شامل ہونے والی وافر مقامی لیکویڈٹی

(v) قابل ضبط کرنٹ اکاؤنٹ خسارہ (CAD)

ہم متوسط - طویل مدتی سرمایہ داری کے حامل سرمایہ داروں کو تجویز دیتے ہیں کہ وہ ہماری بہتر کارکردگی دکھانے والی سٹاک مارکیٹ میں سرمایہ داری پر غور کریں۔

## Statement of Compliance with the Code of Corporate Governance

For the year ended on June 30, 2020

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

- The total numbers of directors are eight as per following.

a.	Male	7
b.	Female	1

- The composition of Board is as follows:

a.	Independent Directors: Mr. Adnan Amjad Khan Mr. Muhammad AkhtarChaudhry	Two
b.	Other Non-Executive Directors: Mr. AbidYousaf Mr. Sami Ullah Butt Mr. Tahir Waheed	Three
c.	Executive Directors: Ms. Faaiza Akmal Tirmizi Mr. Amir Shehzad Mr. Ali A. Malik	Three  (CEO)

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
- 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.
- The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company;
- 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;
- 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.
- The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- The Board has not arranged any Directors' Training program due to prevailing situation of Covid-19. The newly elected Directors will complete the training in the coming session.
- The board has approved appointment/resignation of Chief Financial Officer, Company Secretary and Head of internal audit including their terms and conditions of employment, remuneration 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. M. Akhtar Chaudhry                                       | Chairman |
|    | Mr. Sami ullah Butt  | Member   |
|    | Mr. Adnan Amjad Khan   | Member   |
| b) | HR and Remuneration Committee (Name of members and Chairman) |          |
|    | Mr. Adnan Amjad Khan   | Chairman |
|    | Mr. Sami ullah Butt  | 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 | 2 |
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 3, 6, 7, 8, 27, 32, 33 and 36 of the regulations have been complied with. However, fractional requirement for Independent directors have not been rounded up as one and that of Executive Director is rounded up to one.



**Adnan Amjad Khan**  
(Chairman)

## 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 Listed Companies (Code Of Corporate Governance Regulations), 2019 (the Regulations) prepared by the Board Of Directors of First National Equities Limited (the company) for the year ended June 30, 2020 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. 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 Regulations.

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 Regulations 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 and also ensure compliance with the requirements of Section 208 of The Companies Act. 2017. 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 assess and determine the Company's process for identification of related parties and that 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 requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2020.



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

Lahore.

Dated: October 07, 2020

# 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, 2020, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, 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, 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 and 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 the 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, 2020 and of the profit, other comprehensive income, the 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 judgement, 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>Strategic Investment</b></p> <p>As stated in note 8 to the financial statements. In fiscal year 2019, the Company made an equity</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 valuation</li> </ul>

	<p>investment in Kingbhai Digisol (Private) Limited (the “investee”), a technology-based start-up. The investee and the Company are related.</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, 2020.</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>exercise carried out by the independent external valuer engaged by the management.</p> <ul style="list-style-type: none"> <li>• Made inquiries of management’s expert in order to assess their competence, capability and objectivity.</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 forecasts and discount rates) and assessed these assumptions for reasonableness (including consideration of whether assumptions were interdependent and internally consistent).</li> <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>
Sr. No	Key audit matter(s)	How the matter was addressed in our audit
#2	<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</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</li> </ul>

	<p>expertise, as a result of which the completeness, accuracy and valuation of this liability was considered an area subject to significant risk.</p>	<p>actuary;</p> <ul style="list-style-type: none"> <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>
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**Information Other Than The Financial Statements And Auditor’s Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the Annual Report, 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) and 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, matters related to going concern 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, 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.
- Evaluate the overall presentation, structure and content of the financial statements, including disclosures, and 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.

We also provide the board of directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the board of directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.





## 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 Financial Statements 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: October 07, 2020

## STATEMENT OF FINANCIAL POSITION

### AS AT JUNE 30, 2020

	Note	June 30, 2020	June 30, 2019
------(Rupees)-----			
<b>NON CURRENT ASSETS</b>			
Property and equipment	4	37,344,926	38,074,349
Intangible assets	5	85,277,000	85,277,000
Other receivables	6	131,070,869	113,010,343
Investment in associates	7	77,031,875	75,359,726
Strategic investment	8	709,605,147	637,550,378
Long-term investments	9	-	14,055,522
Long-term deposits	10	1,600,000	2,250,000
Deferred taxation	11	116,588,520	94,255,350
		<b>1,158,518,337</b>	<b>1,059,832,668</b>
<b>CURRENT ASSETS</b>			
Short-term investments	12	56,224,122	21,745,771
Trade debts	13	129,360,737	102,611,992
Loans and advances	14	2,077,671	1,339,299
Trade deposits and short-term prepayments	15	10,509,493	25,055,025
Other receivables	16	149,514,257	144,736,656
Advance tax		25,791,602	26,339,874
Cash and bank balances	17	190,181,660	180,703,715
		<b>563,659,542</b>	<b>502,532,331</b>
<b>Total Assets</b>		<b>1,722,177,879</b>	<b>1,562,364,999</b>
<b>NON CURRENT LIABILITIES</b>			
Long-term financing	18	279,929,984	238,426,099
Loan from sponsors	19	155,175,000	155,175,000
Deferred liabilities	20	13,865,924	12,572,088
		<b>448,970,908</b>	<b>406,173,187</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	21	290,190,414	236,289,658
Unclaimed dividend		1,525,272	1,525,272
Current portion of long-term financing		3,193,820	33,990,937
		<b>294,909,505</b>	<b>271,805,866</b>
<b>Total Liabilities</b>		<b>743,880,413</b>	<b>677,979,053</b>
Contingencies and commitments	22	-	-
<b>Net Assets</b>		<b>978,297,466</b>	<b>884,385,946</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	23	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		(184,898,787)	(298,779,297)
		<b>979,210,206</b>	<b>882,332,696</b>
Unrealized gain on re-measurement of investments classified as fair value through OCI		(912,741)	2,053,251
		<b>978,297,466</b>	<b>884,385,946</b>

The annexed notes 01 to 45 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, 2020

	Note	June 30, 2020	June 30, 2019
		----- (Rupees) -----	
Operating revenue	24	33,744,706	21,317,507
Loss on sale of investments		(1,042,239)	(7,485,834)
Unrealized loss on re-measurement of investments classified at fair value through profit or loss - net		(3,074,415)	(7,084,149)
<b>Operating profit</b>		<b>29,628,052</b>	<b>6,747,524</b>
Administrative expenses	25	(60,356,380)	(48,857,450)
Finance cost	27	(22,666,014)	(50,110,801)
Other operating expenses	28	(4,746,130)	(2,720,730)
Other operating income	29	76,746,885	10,240,273
Changes in fair value of investments at fair value through profit or loss		72,054,769	637,050,378
Share of profit of associate		1,672,149	2,369,889
<b>Profit before taxation</b>		<b>92,333,331</b>	<b>554,719,083</b>
Tax income/(expense)		21,547,180	(56,815,204)
<b>Profit after taxation</b>		<b>113,880,511</b>	<b>497,903,879</b>
<b>Basic earnings / (loss) per share</b>		<b>0.43</b>	<b>1.86</b>

The annexed notes 01 to 45 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, 2020

	June 30, 2020	June 30, 2019
	------(Rupees )-----	
Profit / (loss) after taxation	113,880,511	497,903,879
<b>Items that will not be reclassified subsequently to profit or loss</b>		
Actuarial (loss) / gain from remeasurement of staff retirement benefits	855,655	(24,057)
Income tax related to actuarial loss/gain	(203,794)	4,661
Unrealized (loss) / gain during the period in the market value of investments measured at	(3,617,852)	(9,462,467)
<b>Other comprehensive loss for the year</b>	(2,965,992)	(9,481,863)
<b>Total comprehensive income for the year</b>	110,914,519	488,422,016

The annexed notes 01 to 45 form an integral part of these financial statements.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

## CASH FLOW STATEMENT

### FOR THE YEAR ENDED JUNE 30, 2020


Note	June 30, 2020	June 30, 2019
	------(Rupees )-----	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit/(Loss) before taxation	92,333,331	554,719,083
<b>Adjustments:</b>		
Depreciation	761,423	1,041,341
Share of profit of associate - net of tax	(1,672,149)	(2,369,889)
Loss on disposal of investments	1,042,239	7,485,834
Changes in fair value of investments at fair value through profit or loss	(72,054,769)	(637,050,378)
Unrealized loss on re-measurement of investments at fair value	3,074,415	7,084,149
Finance cost	22,666,014	50,110,801
Dividend income	(811,500)	(2,045,035)
Income on exposure deposits	-	-
Capital work-in-progress	-	-
Loss on disposal of intangible assets	-	-
Gain on disposal of fixed assets	-	-
Provision for other receivables	-	-
Other operating income	(76,746,884)	(10,240,273)
Allowance for credit losses	-	2,608,103
Notional Income	-	-
Provision for gratuity	2,156,749	1,675,055
	(121,584,461)	(581,700,292)
<b>Changes in working capital</b>	(29,251,131)	(26,981,209)
Decrease / (Increase) in current assets		
Trade debts	(21,944,538)	(2,169,688)
Loans and advances	(738,372)	2,984,710
Trade deposits and short-term prepayments	17,891,349	(11,856,972)
Other receivable	11,664,587	(209,910)
	6,873,026	(11,251,859)
<b>(Decrease) / Increase in current liabilities</b>		
Trade and other payables	58,900,756	(13,401,249)
	36,522,651	(51,634,317)
<b>Cash generated from / (used in) operations</b>	36,522,651	(51,634,317)
Finance cost paid	(71,896)	(1,587,944)
Income tax paid	(237,716)	(1,768,987)
Net cash generated from / (utilized in) operating activities	36,213,039	(54,991,248)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Sale / (purchase) of equity instruments at FVTPL	(28,157,335)	(22,050,396)
Sale of investments measured at FVOCI	-	170,775
Purchase of strategic investment	-	(500,000)
(Additions) / disposals of fixed assets	(32,000)	(42,000)
Long term deposits received / (paid)	650,000	746,000
Dividend received	811,500	2,045,035
Net cash generated from investing activities	(26,727,835)	(19,630,586)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of long-term loans	-	(4,844,001)
Shares issued	-	-
(Repayment of) / increase in sponsor loans	-	-
Repayment of other loans	-	-
Gratuity paid	(7,258)	(27,613)
Dividend paid	-	-
<b>Net cash generated from/ (utilized in) financing activities</b>	(7,258)	(4,871,614)
<b>Net increase/ (decrease) in cash and cash equivalents</b>	9,477,946	(79,493,449)
<b>Cash and cash equivalents at the beginning of the period</b>	180,703,715	260,197,163
<b>Cash and cash equivalents at the end of the period</b>	190,181,660	180,703,715

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The annexed notes 01 to 45 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, 2020

	Issued, subscribed and paid-up capital	Share deposit money	Discount on issue of right shares	Accumulated loss	Unrealized surplus / (deficit) on re- measurement of investments measured at FVOCI	Total
-----Rupees-----						
Balance as at July 01, 2018	2,672,863,310	-	(1,508,754,317)	(796,683,176)	11,535,114	378,960,931
Share deposit money	-	17,003,000	-	-	-	17,003,000
Profit after taxation for the year ended June 30, 2019	-	-	-	497,903,879	-	497,903,879
Other comprehensive loss for the year	-	-	-	-	(9,481,863)	(9,481,863)
<b>Balance as at June 30, 2019</b>	<b>2,672,863,310</b>	<b>17,003,000</b>	<b>(1,508,754,317)</b>	<b>(298,779,297)</b>	<b>2,053,251</b>	<b>884,385,947</b>
<b>Balance as at July 01,</b>	<b>2,672,863,310</b>	<b>17,003,000</b>	<b>(1,508,754,317)</b>	<b>(298,779,297)</b>	<b>2,053,251</b>	<b>884,385,947</b>
<b>Share deposit money</b>	<b>-</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, 2020</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>113,880,511</b>	<b>-</b>	<b>113,880,511</b>
<b>Other comprehensive loss for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,965,992)</b>	<b>(2,965,992)</b>
<b>Balance as at June 30, 2020</b>	<b>2,672,863,310</b>	<b>-</b>	<b>(1,508,754,317)</b>	<b>(184,898,786)</b>	<b>(912,740)</b>	<b>978,297,466</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, 2020

### 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 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. 113.880 million. This profit includes a pre-tax fair value measurement gain of Rs. 72.054 million on a strategic investment made by the Company (see note 9 for details). Excluding this investment, the Company's after-tax profit (hereinafter referred to as "operational profit") during the year was Rs. 41.825 million (2019: Rs. (139.146) million). As at June 30, 2020, the Company's accumulated losses decreased to Rs. 184.898 million (2019: Rs. 298.779 million).

Company operating revenue has been increased significantly during the year as compared to last year which is on the account of the Managements efforts in increasing the Company's market share and through wider participation in all business segments. The Company is trying its best to yield better volumes by providing improved quality of services through extensive research, corporate access and advisory services. We are continuously working on expanding our online and retail client base in order to increase the market participation of investors and avail benefits from lucrative market opportunities.

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 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 Standards, interpretations and amendments to accounting and reporting standards as applicable in Pakistan which are effective in current period

The following standards, amendments and interpretations are effective for the year ended June 30, 2020. These standards, interpretations and amendments are either not relevant to the Company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

#### Standards or Interpretations with no significant impact

#### Effective from annual period beginning on or after:

- |   |   |                  |
|---|---|------------------|
| - | Amendments to IAS 19 'Employee Benefits' - Amendments regarding plan amendments, curtailments or settlements.   | January 01, 2019 |
| - | Amendments to IAS 28 'Investments in Associates and Joint Ventures' Amendments regarding long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. | January 01, 2019 |
| - | IFRIC 23 'Uncertainty over Income Tax Treatments': Clarifies the accounting treatment in relation to determination of taxable profit (tax loss),  |                  |



- |  |                  |
|--|------------------|
| tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12 'Income Taxes'.                | January 01, 2019 |
| - Amendments to IFRS 9 'Financial Instruments' - Amendments regarding prepayment features with negative compensation and modifications of financial liabilities. | January 01, 2019 |
| - IFRS 14 'Regulatory deferral accounts.   | January 01, 2019 |

### **New accounting standards / amendments and IFRS interpretations that are not yet effective**

The following new accounting standards, interpretations and amendments to accounting and reporting standards are effective for accounting periods, beginning on or after the date mentioned against each of them. These amendments, interpretations and standards are, either not relevant to the Company's operations, or are not expected to have a significant impact on the Company's financial statements other than certain additional disclosures.

#### **Standards or Interpretations**

#### **Effective from annual period beginning on or after:**

- |   |                  |
|---|------------------|
| - Amendments to References to the Conceptual Framework in IFRS Standards.   | January 01, 2020 |
| - Amendments to IFRS 3 'Business Combinations' - Amendments regarding the definition of business.   | January 01, 2020 |
| - Amendments to IAS 39, IFRS 7 and IFRS 9 – The amendments will affect entities that apply the hedge accounting requirements of IFRS 9 or IAS 39 to hedging relationships directly affected by the interest rate benchmark reform.                      | January 01, 2020 |
| - Amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Amendments regarding the definition of material.   | January 01, 2020 |
| - Amendment to IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' - Amendment regarding Definition of Material.  | January 01, 2020 |
| - Amendment to IFRS 16 'Leases' - Provide lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification.  | January 01, 2020 |
| - Amendments to IAS 16 'Property, Plant and Equipment', prohibiting a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. | January 01, 2020 |
| - Classification of Liabilities as Current or Non-Current (Amendments to IAS 1).  | January 01, 2020 |
| - Amendments to IFRS 10 'Consolidated Financial Statements' and IAS 28 'Investments in Associates and Joint Ventures' - Sale or contribution of assets between an investor and its associate or joint venture.  | January 01, 2020 |
| - Amendments to IAS 37 'Provisions, Contingent Liabilities and Contingent Assets' regarding the costs to include when assessing whether a contract is onerous.  | January 01, 2020 |

- Amendments to the Conceptual Framework for Financial Reporting, including amendments to references to the Conceptual Framework in IFRS Standards.

January 01, 2020

## 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 3.2)
- Allowance for credit losses (note 3.7)
- Classification, recognition, measurement / valuation of financial instruments (notes 3.1)
- Fair values of unquoted equity investments (notes 3.1)
- Provision for taxation (note 3.8)
- Staff retirement benefits (note 3.12).

## 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

### 3.1 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 FVOI 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.

### **3.2 Property and equipment**

Items of property and equipment are stated at cost less accumulated depreciation and/or impairment losses, if any. Cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Where such subsequent costs are incurred to replace parts and are capitalized, the carrying amount of replaced parts is derecognized. All other repairs and maintenance expenditures are charged to the profit and loss account during the year in which they are incurred.

Depreciation on all items of property and equipment is calculated using the straight-line method, in accordance with the rates specified in note 4 to these financial statements and after taking into account residual value, if material. Residual values and useful lives are reviewed and adjusted, if appropriate, at each balance sheet date. Depreciation is charged on an asset from when the asset is available for use until the asset is disposed of.

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

### **3.3 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.

### 3.4 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.

### 3.5 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.

### 3.6 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.

### 3.7 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.

## **3.8 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.

### 3.9 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.

### 3.10 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.

### 3.11 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.

### 3.12 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.

### 3.13 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.



### 3.14 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.

### 3.15 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.

### 3.16 Fiduciary assets

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

### 3.17 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.

### 3.18 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.

### 3.19 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.

### 3.20 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.

### 3.21 Related party transactions

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

## 4 PROPERTY AND EQUIPMENT

### Description

	Building on Leasehold Land	Building on Freehold Land	Furniture and Fittings	Office Equipment	Computer and Accessories	Vehicles	Total
	Rupees						
<b>Cost</b>							
Balance as at July 01, 2018	36,156,614	4,260,000	13,496,841	14,481,867	18,115,288	15,118,711	101,629,321
Additions during the year	-	-	-	-	42,000	-	42,000
Balance as at June 30, 2019	36,156,614	4,260,000	13,496,841	14,481,867	18,157,288	15,118,711	101,671,321
<b>Balance as at July 01, 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>Additions during the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,000</b>	<b>-</b>	<b>32,000</b>
<b>Balance as at June 30, 2020</b>	<b>36,156,614</b>	<b>4,260,000</b>	<b>13,496,841</b>	<b>14,481,867</b>	<b>18,189,288</b>	<b>15,118,711</b>	<b>101,703,321</b>
<b>Depreciation</b>							
Balance as at July 01, 2018	2,332,201	331,505	13,315,579	13,760,746	17,696,879	15,118,720	62,555,631
Charge for the year	388,684	106,504	91,987	156,982	297,185	-	1,041,341
Balance as at June 30, 2019	2,720,885	438,009	13,407,566	13,917,728	17,994,064	15,118,720	63,596,972
<b>Balance as at July 01, 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>Charge for the year</b>	<b>388,684</b>	<b>106,504</b>	<b>31,081</b>	<b>96,514</b>	<b>138,639</b>	<b>-</b>	<b>761,423</b>
<b>Balance as at June 30, 2020</b>	<b>3,109,569</b>	<b>544,513</b>	<b>13,438,647</b>	<b>14,014,242</b>	<b>18,132,703</b>	<b>15,118,720</b>	<b>64,358,395</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,</b>	<b>33,047,045</b>	<b>3,715,487</b>	<b>58,194</b>	<b>467,625</b>	<b>56,585</b>	<b>(9)</b>	<b>37,344,926</b>
Written down value as at June 30,	33,435,729	3,821,991	89,275	564,139	163,224	(9)	38,074,349

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.

## 5 INTANGIBLE ASSETS

Particulars	Cost			Total
	Tenancy rights Building	License to use Room at Pakistan Stock Exchange	Trading Right Entitlement Certificate (TREC) Pakistan Stock	
	5.1	5.2	5.3	
.....Rupees.....				
Balance as at July 01, 2019	14,915,000	67,862,000	2,500,000	85,277,000
Less : Impairment loss	-	-	-	-
<b>Net Balance as at June 30, 2020</b>	<b>14,915,000</b>	<b>67,862,000</b>	<b>2,500,000</b>	<b>85,277,000</b>
<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>

**5.1** 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.

**5.2** Company has acquired four rooms of Rs. 20.862 million 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.

It also includes license of 10 Rooms of PSX, located on the 10th floor of New Pakistan Stock Exchange Building, I.I. Chundrigar Road, Karachi for lump-sum consideration of Rs. 47 million.

**5.3** 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, 2020	June 30, 2019
	----- (Rupees) -----	

## 6 LONG TERM RECEIVABLE

Long-term receivable at amortized cost	6.1	153,070,869	129,830,617
Less: Current maturity		(22,000,000)	(16,820,274)
		<u>131,070,869</u>	<u>113,010,343</u>

- 6.1** 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, 2020	June 30, 2019
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----- (Rupees) -----

## 7 INVESTMENT IN ASSOCIATE

Coastal Company Limited [formerly National Asset Management Company Limited or "NAMCO")

7.1	77,031,875	75,359,726
	<u>77,031,875</u>	<u>75,359,726</u>

- 7.1** The Company holds 4,000,000 ordinary shares (2019: 4,000,000 ordinary shares), at Rs. 10 per share fully paid-up, in Coastal Company Limited. The shareholding represents 28.1669% (2019: 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, 2020	June 30, 2019
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----- (Rupees) -----

Investment as at July 01	75,359,726	72,989,837
Share of profits from associate	1,672,149	2,369,889
Balance as at June 30	<u>77,031,875</u>	<u>75,359,726</u>

- 7.1.1** 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.

Note	June 30, 2020	June 30, 2019
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----- (Rupees) -----

### Summarized Financial Information for Associate

#### Summarized Balance Sheet:

##### Current Assets

Cash & cash equivalents	18,801	37,556
Other current assets	49,825,897	51,856,262
<b>Total Current Assets</b>	<u>49,844,698</u>	<u>51,893,818</u>
<b>Non-Current Assets</b>	<u>236,721,409</u>	<u>226,227,679</u>

##### Current Liabilities

Other current liabilities	13,112,523	8,141,384
<b>Total Current Liabilities</b>	<u>13,112,523</u>	<u>8,141,384</u>

	June 30, 2020	June 30, 2019
	----- <b>(Rupees)</b> -----	
<b>Closing Net Assets</b>	<b>273,453,584</b>	269,980,113
<b>Company's Share in %</b>	<b>28.17%</b>	28.17%
<b>Carrying Amount</b>	<b>77,031,875</b>	76,053,398
<b>Reconciliation to Carrying Amount</b>		
Opening net assets	<b>269,980,113</b>	261,567,299
Profit for the year	<b>3,473,471</b>	8,412,811
<b>Closing Net Assets</b>	<b>273,453,584</b>	269,980,113
<b>Summarized Income Statement:</b>		
Revenue	<b>12,817,151</b>	12,817,251
Interest expense	<b>(189)</b>	(223)
General & admin expense	<b>(3,529,218)</b>	(4,403,104)
Income Tax expense	<b>(1,922,573)</b>	-
Prior Year adjustment	<b>(3,891,700)</b>	(1,113)
<b>Profit for the Year</b>	<b>3,473,471</b>	8,412,811

## 8 STRATEGIC INVESTMENT

Investment in KingBhai Digisole (Pvt.) Limited	<b>709,605,147</b>	637,550,378
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As part of the Company's strategy to effectively deploy capital in order to deliver returns to investors in an otherwise depressed economic environment, the Company capitalized on an opportunity to invest in KingBhai Digisol (Pvt.) Limited ("KingBhai"), a technology-enabled business operating in the real estate and technology services sectors. Given the growth trajectory of these sectors and the Company's assessment of the service gap in the sectors, the Company's expects the investment to yield returns through investment value appreciation as well as dividends.

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, Reanda Haroon Zakriya & Company, to perform an enterprise valuation of KingBhai as at June 30, 2020, for the purposes of determining fair value for reporting purposes. Refer to note 36.4 for additional details.

## 9 LONG-TERM INVESTMENTS

	Note	June 30, 2020	June 30, 2019
		----- <b>(Rupees)</b> -----	
Pakistan Stock Exchange Limited - at FVOCI	<b>9.1</b>	<b>-</b>	14,055,522

Note	June 30, 2020	June 30, 2019
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----- (Rupees) -----

## 9.1 Reconciliation of Investments - at FVOCI

Opening balance		14,055,522	21,353,582
Fair value (loss)/gain on investment	9.1.1	(4,941,056)	(7,298,060)
Reclassification	9.1.2	(9,114,466)	0
Closing Balance		<u>(0)</u>	<u>14,055,522</u>

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

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

Accordingly, the investment in PSX to the extent of the afore-noted 25% has been classified as long-term. The Securities & Exchange Commission of Pakistan ("SECP"), vide its notices # SMD/SE/2(57)/2002 dated April 8, 2019 and August 21, 2019, respectively, and the Pakistan Stock Exchange Limited ("PSX") vide its notice # PSX/N-1048 dated August 23, 2019, have notified that restrictions imposed on the sale of PSX shares (obtained as a result of the corporatization / de-mutualization of stock exchanges) pursuant to sub-regulations (1), (2) and (3) of Regulation 5 of Public Offering Regulations, 2017, have now been lifted. Accordingly, these shares have been classified as short-term investments. The basis of accounting (fair value through other comprehensive income) for these investments is unchanged.

**9.1.2** As a result of the listing of PSX shares, the fair value of these shares is readily determinable by reference to quoted market prices. 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, 2020, the closing rate for PSX shares was Rs. 9.90 per share.

June 30, 2020	June 30, 2019
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----- (Rupees) -----

## 10 LONG TERM DEPOSITS

Central Depository Company Limited	100,000	150,000
Pakistan Stock Exchange Limited	1,200,000	1,700,000
National Clearing Company of Pakistan Limited	200,000	300,000
Other security deposits	100,000	100,000
	<u>1,600,000</u>	<u>2,250,000</u>

Note	June 30, 2020	June 30, 2019
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----- (Rupees) -----

## 11 DEFERRED TAXATION - NET

Temporary differences on:			
Provision for gratuity		3,098,697	2,435,978
Intangible assets		2,977,164	2,422,010
Short-term investments		974,712	1,497,354
Provision for doubtful debts		94,281,737	74,003,927
Accelerated tax depreciation		1,267,821	1,228,891
Investment in associate		(8,819,998)	(6,851,328)
		<b>93,780,133</b>	<b>74,736,831</b>
Effect of carried-forward tax losses/tax credits	11.1	<b>22,808,387</b>	19,518,519
		<b>116,588,520</b>	<b>94,255,350</b>

**11.1** The amount of remaining unused tax losses for tax year 2016, tax year 2018, tax year 2019 and tax year 2020 were Rs 4.114 million, Rs 5.247 million, Rs 18.606 million and Rs. 3.382 million respectively. The Company has recognized a deferred tax asset on these losses amounting to Rs 8.778 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 9.529 million.

Note	June 30, 2020	June 30, 2019
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----- (Rupees) -----

## 12 SHORT-TERM INVESTMENTS - NET

At FVOCI	12.1	14,571,087	4,133,417
At FVTPL	12.2	41,653,035	17,612,354
		<b>56,224,122</b>	<b>21,745,771</b>

### 12.1 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	June 30, 2020		June 30, 2019	
June 30, 2020	June 30, 2019		Avg. Cost	Market Value	Avg. Cost	Market Value
10,000	10,000	Pioneer Cement Limited	201,900	630,400	201,900	226,500
453,525	453,525	SME Leasing Limited	2,267,625	952,403	2,267,625	907,050
1,311,953	230,759	Pakistan Stock Exchange	13,119,480	12,988,335	2,307,590	2,999,867
<b>1,775,478</b>	<b>694,284</b>		<b>15,589,005</b>	<b>14,571,137</b>	<b>4,777,115</b>	<b>4,133,417</b>
Unrealized gain/(loss) on remeasurement of investments			<b>(1,017,918)</b>		<b>(643,698)</b>	
			<b>14,571,087</b>	<b>14,571,137</b>	<b>4,133,417</b>	<b>4,133,417</b>

Note

June  
30, 2020June  
30, 2019

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

**12.1.1** Unrealized gain / (loss) on equity instruments at FVOCI:

Short-term investments	(1,017,918)	(643,698)
Long-term investments	(4,941,056)	(7,298,060)
	<u>(5,958,974)</u>	<u>(7,941,758)</u>

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

No. of Shares		Name of Scrip / Company	June 30, 2020		June 30, 2019	
June 30, 2020	June 30, 2019		Avg. Cost	Market Value	Avg. Cost	Market Value
-	10,000	<b>Oil &amp; Gas Marketing Companies</b>				
1,200	-	Sui Northern Gas Pipelines Limited	169,125	189,792	761,150	694,900
		Pakistan State Oil Company Limited				
		<b>Banks</b>				
1,422,000	1,682,000	The Bank of Punjab	13,987,361	11,944,800	20,621,488	15,390,300
	6,500	Securities Investment Bank Limited			41,015	33,345
		<b>Investment Banks</b>				
140,000	-	Jahangir Siddiqui & Co. Ltd	1,984,794	1,652,000		
		<b>Cable and Electrical Goods</b>				
100,000	-	Pak Elektron Limited	2,254,030	2,293,000	-	-
		<b>Technology And Communication</b>				
319,500	-	Hum Network Limited	4,592,809	4,009,725	-	-
		<b>Textile</b>				
-	1,000	Hira Textile Mills Limited			6,300	3,670
1,100,000	-	Azgard 9	17,279,020	17,457,000		
		<b>Automobile</b>				
63,500	6,333	Ghandhara Nissan Limited			1,031,650	332,039
	-	Ghani Automobile Industries Limited	415,347	387,985		
		<b>Iron and Steel</b>				
-	60,000	Aisha Steel Mills Limited			946,200	552,000
-	10,000	International Steel Limited			1,017,000	397,100
		<b>Chemicals</b>				
50,000	-	Engro Polymer & Chemicals Limited	1,611,250	1,249,000		
		<b>Leasing Companies</b>				
114,000	104,500	SME Leasing Limited	233,654	239,400	271,700	209,000
		<b>Miscellaneous</b>				
102,500	-	EcoPack Limited	2,200,060	2,230,400		
<b>3,412,700</b>	<b>1,880,333</b>		<b>44,727,451</b>	<b>41,653,102</b>	<b>24,696,503</b>	<b>17,612,354</b>
		Unrealized loss on re-measurement of investments classified at fair value	(3,074,415)		(7,084,149)	
			<b>41,653,036</b>	<b>41,653,102</b>	<b>17,612,354</b>	<b>17,612,354</b>

**12.3** Securities having market value of Rs. NIL (2019: Rs. NIL) have been pledged with various commercial banks for obtaining finance facilities.



	Note	June 30, 2020	June 30, 2019
----- <b>(Rupees)</b> -----			
<b>13 TRADE DEBTS</b>			
Considered good	13.1	129,360,737	102,611,992
Considered doubtful		<u>395,853,766</u>	<u>381,934,505</u>
		<u>525,214,503</u>	<u>484,546,497</u>
Less: Provision for doubtful debts	13.2	<u>(395,853,766)</u>	<u>(381,934,505)</u>
		<u>129,360,737</u>	<u>102,611,992</u>

**13.1** The Company holds securities with a cumulative fair value of Rs 3,357.485 million (2019: Rs.653.616 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.

	Note	June 30, 2020	June 30, 2019
----- <b>(Rupees)</b> -----			
<b>13.2 Movement in provision against trade debts</b>			
Opening balance		381,934,505	379,326,402
Provision made during the year		<u>13,919,261</u>	<u>2,608,103</u>
Closing balance		<u>395,853,766</u>	<u>381,934,505</u>

## 14 LOANS AND ADVANCES

### Advances - unsecured, considered good

- to employees		<u>2,077,671</u>	<u>1,339,299</u>
		<u>2,077,671</u>	<u>1,339,299</u>

## 15 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Exposure deposit	15.1	<u>10,509,493</u>	<u>25,055,025</u>
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**15.1** This represents amounts deposited with Pakistan Stock Exchange Limited against exposure arising out of MTS transactions entered into by the Company in respect of which settlements have not taken place as at the reporting date. The Company has deposited the exposure amount in accordance with the regulations of the Pakistan Stock Exchange Limited.

	Note	June 30, 2020	June 30, 2019
----- <b>(Rupees)</b> -----			
<b>16 OTHER RECEIVABLES</b>			
Mark-up on receivable from associates	16.1	127,314,256	127,314,256
Others		<u>22,200,000</u>	<u>17,422,399</u>
		<u>149,514,257</u>	<u>144,736,656</u>

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

	June 30, 2020	June 30, 2019
	----- <b>(Rupees)</b> -----	
First Pakistan Securities Limited	<b>63,918,858</b>	63,918,858
Switch Securities (Private) Limited	<b>63,395,398</b>	63,395,398
	<b>127,314,256</b>	127,314,256

## 17 CASH AND BANK BALANCES

### Cash at bank

Current accounts	<b>58,468,156</b>	100,376,907
Saving accounts	<b>131,713,504</b>	80,326,556
<b>Cash in hand</b>	<b>-</b>	252

	<b>190,181,660</b>	180,703,715
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**17.1** This includes customers' assets in the amount of Rs. 130.560 million (2019: Rs. 83.846 million) held in designated bank accounts.

## 18 LONG-TERM FINANCING

	Note	June 30, 2020	June 30, 2019
		----- <b>(Rupees)</b> -----	
From banking companies - secured	Bank Alfalah Limited	<b>90,591,224</b>	100,880,336
	United Bank Limited	<b>1,193,820</b>	1,193,820
	The Bank of Punjab	<b>157,564,659</b>	146,571,779
Interest on long-term financing	The Bank of Punjab	<b>8,821,000</b>	8,821,000
	Other Loans	<b>24,953,101</b>	14,950,101
		<b>283,123,804</b>	272,417,036
<b>Less: Current portion of long-term financing</b>		<b>(3,193,820)</b>	(33,990,937)
		<b>279,929,984</b>	238,426,099

**18.1** The Company obtained financing from Bank Alfalah Limited ("BAF") for working capital requirements and in order to improve liquidity. The liability was restructured / rescheduled vide an agreement dated June 08, 2020. Under the terms of the restructuring, multiple loan tranches were merged. The restructured loan liability, which is interest-free, has been recognized at the present value of future payments, discounted at the 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 2027).

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 agreement, 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 biannual installments of Rs. 1 million, Rs. 5 million, Rs. 8 million and Rs. 12 million from December 2020 to December 2023, June 2024 to December 2024, June 2025 to December 2025 and June 2026 to December 2026 respectively. Whereas balance payment will be made in June 2027.

Note	June 30, 2020	June 30, 2019
<b>Reconciliation of fair value of BAF facility</b>		
----- <b>(Rupees)</b> -----		
Liability - beginning of year	<b>100,880,336</b>	94,063,081
Notional interest	<b>11,601,239</b>	10,817,255
Less: Payments made during the period	<b>(3,000,000)</b>	(4,000,000)
Add: Reversal of long outstanding Payments	<b>12,000,000</b>	-
Less: Notional income	<b>(30,890,350)</b>	-
	<b>90,591,224</b>	100,880,336
<hr/>		
<b>Unamortized notional interest - BAF</b>		
As at the beginning of the year	<b>24,076,616</b>	34,893,871
Arising during the year	<b>30,890,350</b>	-
Amortized for the year	<b>(11,601,239)</b>	(10,817,255)
As at the end of the year	<b>43,385,775</b>	24,076,616
	<hr/>	<hr/>

**18.2** The company has negotiated a financing agreement with United Bank Limited and has finalized a restructuring agreement to settle its total outstanding liability of amount of Rs.7,333,321 (inclusive of any mark-up). The borrowing was obtained to finance daily clearing obligations of PSX and settlement of client trades.

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

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

DF II (Unserviceable) amounting to Rs 94.695 million bears no future mark-up. This facility is bifurcated into 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.

During the period, the Company filed a lawsuit against the lender for breach of contract, declaration, specific performance and damages. Based on the advice of the Company's counsel, the Company did not make payments against the liability in the current period. The Company's counsel is of the view that a favorable decision is likely, and further that the likelihood of the liability coming due in the next 12 months is remote.

Note	June 30, 2020	June 30, 2019
------(Rupees)-----		
<b>Reconciliation of fair value of BOP facility</b>		
Liability - beginning of year	146,571,779	137,127,791
Less: Payments made during the year	-	(844,000)
Add: Amortized notional interest	10,992,884	10,287,988
	<b>157,564,662</b>	<b>146,571,779</b>
<b>Unamortized notional interest - BOP</b>		
As at the beginning of the year	55,842,751	45,554,763
Arising during the year	10,992,884	10,287,988
As at the end of the year	<b>66,835,634</b>	<b>55,842,751</b>
<b>19 LOAN FROM SPONSORS</b>		
Loan from sponsors - Subordinated	155,175,000	155,175,000
	<b>155,175,000</b>	<b>155,175,000</b>
Less: current portion	-	-
	<b>155,175,000</b>	<b>155,175,000</b>
<b>20 DEFERRED LIABILITIES</b>		
Gratuity payable	26 13,865,924	12,572,088
<b>21 TRADE AND OTHER PAYABLES</b>		
Creditors	130,365,302	83,787,213
Other trade payables - net of comm. & taxes	143,352,836	143,352,836
Accrued expenses	8,692,215	8,649,444
Others	7,780,060	500,164
	<b>290,190,414</b>	<b>236,289,658</b>
<b>22 CONTINGENCIES AND COMMITMENTS</b>		
<b>22.1 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, 2020	June 30, 2019
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----- (Rupees) -----

## 22.2 Commitments

22.2.1 Outstanding settlements against sale of investments in regular market	2,203,227	694,804
Outstanding settlements against purchase of investments in regular market	1,958,167	-

## 23 SHARE CAPITAL

### 23.1 Authorized capital

500,000,000 (2019: 500,000,000) Ordinary shares of Rs. 10 each	<u>5,000,000,000</u>	<u>5,000,000,000</u>
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### 23.2 Issued, subscribed and paid-up share capital

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

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

	2020		2019	
	Shares held	Percentage	Shares held	Percentage
First Florance Developers (Pvt.) Limited	104,426,150	39.70%	104,426,150	39.70%
MCD Pakistan Limited	2,452,950	0.92%	2,452,950	0.92%
First Pakistan Securities Limited	10,246,308	3.83%	10,396,308	3.89%
Switch Securities (Pvt.) Limited	5,319,506	1.99%	5,684,506	2.13%

23.4 The Company's Directors, their spouses and minor children hold 83,205,109 shares as at June 30, 2020 (2019: 83,232,790 shares).

June 30, 2020	June 30, 2019
------------------	------------------

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

## 24 OPERATING REVENUE

Brokerage income	32,933,206	19,272,472
Dividend income	811,500	2,045,035
	<u>33,744,706</u>	<u>21,317,507</u>

	Note	June 30, 2020	June 30, 2019
----- (Rupees) -----			
<b>25 ADMINISTRATIVE EXPENSES</b>			
Salaries, allowances and other benefits	25.1	24,254,117	26,173,467
Rent, rates and taxes		891,950	1,084,666
Fuel, repairs and maintenance		5,456,068	5,487,006
Utilities		2,819,987	2,702,998
Fees and subscription		2,495,987	2,661,439
KSE, clearing house and CDC charges		1,907,287	625,506
Travelling and conveyance		935,680	1,133,418
Depreciation		761,423	1,041,341
Communication, printing and stationery		2,062,070	1,625,239
Legal and professional charges		1,847,111	1,701,420
Entertainment		1,279,609	989,595
Provisions		13,919,261	-
Others		1,725,831	3,631,355
		<b>60,356,380</b>	<b>48,857,450</b>

**25.1** Salaries, allowances and other benefits include Rs.2,156,749 (2019: Rs. 1,675,055) in respect of staff retirement benefits.

## 26 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, 2020 using the Projected Unit Credit method.

	June 30, 2020	June 30, 2019
----- (Rupees) -----		
<b>26.1 Balance sheet reconciliation</b>		
Present value of defined benefit obligation	9,198,885	8,696,556
Add: Payables	4,667,039	3,875,532
Net Liability at the end of year	<b>13,865,924</b>	<b>12,572,088</b>

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

Present value of defined benefit obligation at the beginning of the year	8,696,556	7,870,074
Current service cost	953,659	931,679
Past service cost credit	-	-
Interest cost on defined benefit obligations	1,203,090	743,376
Benefits due but not paid (payables)	(791,507)	(820,960)
Benefits paid	(7,258)	(51,670)
Actuarial gain / loss	(85,492)	70,282
Premeasurement: experience adjustments	(770,163)	(46,225)
Present value of defined benefit obligation at the end of the year	<b>9,198,885</b>	<b>8,696,556</b>

Note	June 30, 2020	June 30, 2019
----- <b>(Rupees)</b> -----		
<b>26.1.2 Expenses to be charged to profit and loss account</b>		
Current service cost	<b>953,659</b>	931,679
Interest cost on defined benefit obligations	<b>1,203,090</b>	743,376
Expense for the year	<b>2,156,749</b>	1,675,055
<b>26.1.3 Premeasurement losses/(gains) recognized in other comprehensive income</b>		
Actuarial gain / loss	<b>(85,492)</b>	70,282
Experience adjustments	<b>(770,163)</b>	(46,225)
	<b>(855,655)</b>	24,057
<b>26.1.4 Net recognized liability</b>		
Net liability at the beginning of the year	<b>12,572,088</b>	10,924,646
Remeasurement losses/(gains) recognized in Profit & Loss	<b>2,156,749</b>	1,675,055
Remeasurement losses/(gains) recognized in Other Comprehensive Income	<b>(855,655)</b>	24,057
Benefits paid	<b>(7,258)</b>	(51,670)
Net liability at the end of the year	<b>13,865,924</b>	12,572,088

**26.2** The principal assumptions used in the actuarial valuations carried out as of June 30, 2020 using the 'Projected Unit Credit' method are as follows:

Discount rate per annum	14.50%
Expected per annum rate of increase in future salaries	9.25%
Expected mortality rate	<b>SLIC 2001-2005</b>
Expected withdrawal rate	Setback 1 Year 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	8,197,537
Discount Rate -100 bps	10,412,819
Salary Increase +100 bps	10,418,423
Salary Increase -100 bps	8,173,489

The average duration of the defined benefit obligation is 12 years.

### Five year data on experience adjustments

	2020	2019	2018	2017	2016	2015
	Rupees					
<b>Present value of defined benefit obligation, June 30</b>	13,865,924	12,572,088	10,924,646	9,360,117	7,181,207	7,136,796
<b>Experience adjustment arising on plan liabilities gains</b>	770,163	46,225	142,600	1,289,431	690,402	342,386

Based on actuarial advice, the Company charged an amount of approximately Rs. 1,301,094 (2019: 1,699,112) in respect of the gratuity scheme in the financial statements for the year ending June 30, 2020.

Note	June 30, 2020	June 30, 2019
----- <b>(Rupees)</b> -----		
<b>27 FINANCE COST</b>		
<b>Mark-up on:</b>		
Long-term financing		
Commercial banks	-	2,915,000
Sponsor loans	-	-
Margin financing	<b>19,659</b>	1,479,442
Bank and other charges	<b>52,237</b>	108,502
	<b>71,896</b>	4,502,944
Notional expenses		
Commercial banks	<b>22,594,118</b>	21,105,243
Other	-	24,502,614
	<b>22,666,014</b>	50,110,801
<b>28 OTHER CHARGES</b>		
Auditors' remuneration	<b>28.1 1,256,860</b>	750,800
Impairment loss on intangible assets	-	-
AGM Expense	<b>10,040</b>	20,000
Commission to trading agents	<b>3,479,230</b>	1,949,930
	<b>4,746,130</b>	2,720,730
<b>28.1 Auditors' remuneration</b>		
Statutory audit fee	<b>500,000</b>	500,000
Half yearly review fee	<b>200,000</b>	200,000
Other certifications and out-of-pocket expenses	<b>556,860</b>	50,800
	<b>1,256,860</b>	750,800
<b>29 OTHER INCOME</b>		
<b>Income from financial assets</b>		
<b>Mark-up on:</b>		
Return on fixed deposits	<b>208,818</b>	161,911
	<b>208,818</b>	161,911
<b>Income from non-financial assets/liabilities</b>		
Amortization Income	38,322,988	-
Change in PV due to rescheduling	31,124,203	-
Others 7,299,694	10,078,362	-
	<b>76,746,885</b>	10,240,273



June 30, 2020	June 30, 2019
------------------	------------------

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

### 30 TAXATION

Current tax expense / (income)			
	for the year	<b>989,784</b>	547,661
	prior years	-	(266,864)
Deferred tax expense/(income)			
	owing to change in tax rate	-	5,301,645
	owing to temporary differences	<b>(22,536,964)</b>	51,232,762
		<u><b>(21,547,180)</b></u>	<u>56,815,204</u>

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

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

<b>Profit before taxation</b>	<b>92,333,331</b>	554,719,083
Profit attributable to final / separate block Income	<b>(9,721,744)</b>	10,868,332
Tax effect of amounts that are admissible for tax purposes	<b>1,650,449</b>	2,001,149
Tax effect of amounts that are inadmissible for tax purposes	<b>21,648,062</b>	47,985,294
Tax effect of unused losses	<b>(105,910,097)</b>	(615,573,858)
Taxation under final / separate block income and minimum taxation	<b>989,784</b>	547,661
Tax effect of prior years	-	(266,864)
Tax effect of timing differences	<b>(22,536,964)</b>	56,534,407
	<u><b>(21,547,180)</b></u>	<u>56,815,204</u>

**30.2** Income tax assessments of the Company are deemed to be finalized as per tax returns file up to tax year 2019. 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

**30.3** According to management, the tax provision made in the financial statements is sufficient. A comparison of last four 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
2019	547,661	547,661

**30.4** 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.

### 31 EARNINGS PER SHARE - BASIC AND DILUTED

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

	June 30, 2020	June 30, 2019
----- (Rupees) -----		
Profit/(Loss) after taxation attributable to ordinary shareholders	<b>113,880,511</b>	497,903,879
Weighted average number of ordinary shares in issue during the year	<b>267,286,331</b>	267,286,331
Earnings per share	<b>0.43</b>	1.86

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.

### 32 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 33 to the financial statements. Transactions with related parties during the year, other than those disclosed elsewhere in these financial statements, are as follows.

	June 30, 2020			
	Key Management	Associates	Other related parties	Total
Rupees				
<b>Transactions during the year</b>				
Purchase of marketable securities for and on behalf of	4,327,020,039	5,172,280,610	2,036,741,202	11,536,041,851
Sale of marketable securities for and on behalf of	4,360,437,336	5,139,113,206	2,037,628,161	11,537,178,703
Brokerage income	1,139,769	3,000,930	797,830	4,938,529
Loan from sponsors	16,076,987	-	-	16,076,987
Loan repaid to sponsors	-	-	-	-
Equity contributions	-	-	-	-
Investment made during year	-	-	-	-

	June 30, 2019			
	Key Management	Associates	Other related parties	Total
Rupees				
<b>Transactions during the year</b>				
Purchase of marketable securities for and on behalf of	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

### 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%
First National Energy Limited	Son of CEO is the member of Company	0%
Biofert Pvt Limited	Son of CEO is the member of Company	0%
KingBhai Digisole (Pvt.) Limited	Note 32.1	9%

**32.1** 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.

### 33 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

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

	June 30, 2020			June 30, 2019		
	Chief Executive	Executive Directors	Executives	Chief Executive	Executive Directors	Executives
Rupees						
Managerial remuneration	6,000,000	2,850,000	6,000,000	6,000,000	2,850,000	6,575,000
Utilities	19,744	-	28,000	20,756	-	44,000
Conveyance and traveling	790,500	167,229	211,514	929,560	221,202	174,959
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 10,000 for the year ended June 30, 2020 (year ended June 30, 2019: Nil).

June  
30, 2020June  
30, 2019

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

**34 CASH GENERATED FROM OPERATIONS****Profit before taxation  
Adjustment**

	<b>92,333,331</b>	554,719,083
Depreciation	<b>761,423</b>	1,041,341
Loss on disposal of investments	<b>1,042,239</b>	7,485,834
Share of profit of associate - net of tax	<b>(1,672,149)</b>	(2,369,889)
Changes in fair value of investments at fair value through profit or loss	<b>(72,054,769)</b>	(637,050,378)
Unrealized loss on remeasurement of investments classified at fair value through profit & loss- net	<b>3,074,415</b>	7,084,149
Impairment loss on intangible asset	-	-
Provision for doubtful debts	-	2,608,103
Provision for gratuity	<b>2,156,749</b>	1,675,055
Finance cost	<b>22,666,014</b>	50,110,801
Dividend income	<b>(811,500)</b>	(2,045,035)
Income on exposure deposits	-	-
Capital work-in-progress	-	-
Provision for other receivables	-	-
Other operating income	<b>(76,746,884)</b>	(10,240,273)
Loss on disposal of intangible assets	-	-
Gain on disposal of fixed assets	-	-

<b>(121,584,461)</b>	(581,700,292)
<b>(29,251,131)</b>	(26,981,209)

**Operating loss before working capital changes  
Changes in working capital:****Decrease / (increase) in current assets**

Trade debts	<b>(21,944,538)</b>	(2,169,688)
Loans and advances	<b>(738,372)</b>	2,984,710
Trade deposits and short-term prepayments	<b>17,891,349</b>	(11,856,972)
Other receivables	<b>11,664,587</b>	(209,910)

**Increase / (decrease) in current liabilities**

Trade and other payables	<b>58,900,756</b>	(13,401,249)
	<b>65,773,782</b>	(24,653,108)

**Cash generated from/ (used) in operations**

<b>36,522,651</b>	(51,634,317)
-------------------	--------------

**35 FINANCIAL INSTRUMENTS BY CATEGORY**

June 30, 2019				
	Amortized cost	FVOCI	FVTPL	Total
Rupees				
<b>Assets</b>				
<b>Non-current assets</b>				
Long-term deposits	1,600,000	-	-	1,600,000
Strategic investment	-	-	709,605,147	709,605,147
Long-term investment	-	-	-	-
Other receivables	131,070,869	-	-	131,070,869
<b>Current assets</b>				
Short-term investments	-	14,571,087	41,653,035	56,224,122
Trade debts - net	129,360,737	-	-	129,360,737
Loans and advances	2,077,671	-	-	2,077,671
Trade deposits	10,509,493	-	-	10,509,493
Other receivables	149,514,257	-	-	149,514,257
Cash and bank balances	190,181,660	-	-	190,181,660
<b>Liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	290,190,414	-	-	290,190,414
Unclaimed dividend	1,525,272	-	-	1,525,272
Current maturity of long term financing	3,193,820	-	-	3,193,820
<b>Non-current liabilities</b>				
Long-term financing	279,929,984	-	-	279,929,984
Loan from sponsor	155,175,000	-	-	155,175,000

June 30, 2019				
	Amortized cost	FVOCI	FVTPL	Total
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

## 36 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.

#### 36.1 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.

##### 36.1.1 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.

##### 36.1.2 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, 2020			
	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	-	-	1,600,000	1,600,000
Strategic investment	-	-	709,605,147	709,605,147
Long term receivable	-	131,070,869	-	131,070,869
	-	131,070,869	711,205,147	842,276,016
<b>Current assets</b>				
Short-term investments	-	-	56,224,122	56,224,122
Trade debts - net	-	-	129,360,737	129,360,737
Loans and advances	-	-	2,077,671	2,077,671
Trade deposits	10,509,493	-	-	10,509,493
Other receivables	-	-	149,514,257	149,514,257
Cash and bank balances	190,181,660	-	-	190,181,660
	200,691,153	-	337,176,787	537,867,940
<b>Subtotal</b>	<b>200,691,153</b>	-	<b>1,048,381,934</b>	<b>1,380,143,956</b>
<b>Financial liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	-	-	290,190,414	290,190,414
Current maturity of long term financing	-	-	3,193,820	3,193,820
	-	-	293,384,234	293,384,234
<b>Non current liabilities</b>				
Long term financing	-	-	279,929,984	279,929,984
Loan from sponsor	-	-	155,175,000	155,175,000
	-	-	435,104,984	435,104,984
<b>Subtotal</b>	-	-	<b>728,489,217</b>	<b>728,489,217</b>
<b>On-balance sheet gap</b>	<b>200,691,153</b>	-	<b>319,892,716</b>	<b>651,654,739</b>
<b>Off-balance financial instruments</b>	-	-	-	-
<b>Off-balance sheet gap</b>	-	-	-	-
<b>Total interest rate sensitivity gap</b>	<b>200,691,153</b>			
<b>Cumulative interest rate sensitivity gap</b>	<b>200,691,153</b>			

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>				
<i>Non-current assets</i>				
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
	-	113,010,343.08	639,800,378.00	752,810,721.08
<i>Current assets</i>				
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	476,192,457
Subtotal	205,758,740	-	910,234,095	1,229,003,178
<i>Financial liabilities</i>				
<i>Current liabilities</i>				
Trade and other payables	-	-	236,289,658	236,289,658
Current maturity of long term financing	-	-	33,990,937	33,990,937
	-	-	270,280,595	270,280,595
<i>Non current liabilities</i>				
Long term financing	-	-	238,426,099	238,426,099
Loan from sponsor	-	-	155,175,000	155,175,000
	-	-	393,601,099	393,601,099
Subtotal	-	-	663,881,693	663,881,693
On-balance sheet gap	205,758,740	-	246,352,402	452,111,142
Off-balance financial instruments	-	-	-	-
Off-balance sheet gap	-	-	-	-
Total interest rate sensitivity gap	205,758,740	-	-	-
Cumulative interest rate sensitivity gap	205,758,740	-	-	-

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

	June 30, 2020 Percentage	June 30, 2019 Percentage
Loan from sponsors	0	0
Other loans	0	0
Trade deposits	5.56-6.5	5.56-6.5

### 36.1.2.2 Sensitivity analysis for variable rate instruments

In case of a 100 basis points increase / decrease in KIBOR on June 30, 2020, with all other variables held constant, the impact on profit and loss will be as follows:

	Profit and loss 100 bps	
	Increase	Decrease
Cash flow sensitivity - variable rate financial liabilities	1,331,272	(1,331,272)
As at June 30, 2020	1,331,272	(1,331,272)
As at June 30, 2019	1,264,926	(1,264,926)

The sensitivity analysis prepared as of June 30, 2020 is not necessarily indicative of the impact on Company's net assets of future movements in interest rates.

### 36.1.3 Price Risk

The Company is exposed to equity price risk in respect of investments measured at fair value (whether through other comprehensive income or profit or loss). To manage price risk arising from these equity investments, the Company applies appropriate internal policies.

Investments of the Company measured at fair value would normally be affected due to fluctuation of equity prices in the stock exchange. In the event of a 10% (2019: 10%) increase / decrease in the KSE 100 index on June 30, 2020, the value of securities measured at fair value through profit and loss would decrease / increase by Rs 4,165,303 (2019: 1,761,235), and net assets of the Company would increase / decrease by the same amount. In the event of a 10% (2019: 10%) increase / decrease in the KSE 100 index on June 30, 2020, the value of securities measured at fair value through other comprehensive income would increase / decrease by Rs. 1,457,108 (2019: Rs. 413,336), 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% (2019; 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, 2020 is not necessarily indicative of the effect on the Company's net assets of future movements in the level of KSE 100 index.

### 36.2 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, 2020 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 37 to the financial statements.



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

	June 30, 2020		June 30, 2019	
	Total outstanding amount	Payment overdue (in days)	Total outstanding amount	Payment overdue (in days)
	Rupees		Rupees	
Financial instruments:				
Trade debts - net	<b>129,360,737</b>	<b>1 - 5</b>	102,611,992	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 flow from customers.

	June 30, 2020			
	Total outstanding amount	Up to one month	One to three months	More than three months
	Rupees			
Financial instruments:				
Trade debts	<b>525,214,502</b>	<b>26,261,430</b>	<b>21,482,499</b>	<b>477,470,573</b>

	June 30, 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

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

### 36.3 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.

June 30, 2020				
	Up to three months	More than three months and up to one year	More than one year	Total
Rupees				
<b>Current liabilities</b>				
Trade and other payables	146,837,578	143,352,836	-	290,190,414
Unclaimed dividend	-	1,525,272		1,525,272
Current maturity of long-term financing	-	33,990,937		3,193,820
<b>Non current liabilities</b>				
Long-term financing			279,929,984	279,929,984
Loan from sponsor			155,175,000	155,175,000

June 30, 2019				
	Up to three months	More than three months and up to one year	More than one year	Total
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

### 36.4 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, 2020	Level 1	Level 2	Level 3	Total
Long-term investment - at FVOCI	-	-	-	-
Short-term investment - at FVOCI	14,571,087	-	-	14,571,087
Short-term investment - at FVTPL	41,653,035	-	-	41,653,035
Strategic investment - at FVTPL	-	-	709,605,147	709,605,147
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

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. 72.054 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.

### 37 CAPITAL RISK MANAGEMENT

37.1 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, 2020	June 30, 2019
	----- (Rupees) -----	
Total borrowings	438,298,804	427,592,036
Total equity	979,210,206	882,332,696
Total capital	<b>1,417,509,010</b>	1,309,924,731
Gearing ratio	<b>30.92%</b>	32.64%

**37.2 STATEMENT OF NET CAPITAL BALANCE**

Net capital requirements of the Company are set and regulated by Pakistan Stock Exchange Limited. These requirements are put in place to ensure sufficient solvency margins and are based on excess of current assets over current liabilities. The Net Capital Balance as required under Third Schedule of Securities and Exchange Rules, 1971 read with the SECP guidelines is calculated as follows:

<b>A. <u>Description of Current Assets</u></b>	<b>Basis of Accounting</b>	<b>Note</b>	<b>Amount (Rupees)</b>
<b>1 Cash in hand &amp; Cash at bank</b>	As per book value.	2	
Cash in hand			-
Cash at bank - House account			59,620,954
Cash at bank - Client account			130,560,707
			<b>190,181,660</b>
<b>2 Margin deposits</b>			<b>10,509,493</b>
<b>3 Trade receivables</b>	Book value less those		525,214,503
<b>Less:</b> Outstanding for more than 14 days	overdue for more than		(510,398,495)
			<b>14,816,008</b>
<b>4 Investment in listed securities in the name of company</b>	Securities on the Exposure list to Market	3	<b>47,790,504</b>
<b>5 Securities purchased for client</b>			<b>109,389,522</b>
			-
			<b>372,687,187</b>
<b>B. <u>Description of Current Liabilities</u></b>			
<b>1 Trade payables</b>	Book value less those		130,365,302
<b>Less:</b> Overdue more than 30 days	overdue for more than		(62,582,486)
			<b>67,782,816</b>
<b>2 Other liabilities</b>	As classified under the Generally Accepted	4	227,126,689
			<b>294,909,505</b>
<b>NET CAPITAL BALANCE</b>			<b>77,777,682</b>

**1 BASIS OF ACCOUNTING**

This statement of Net Capital Balance has been prepared in accordance with the requirements of the Third Schedule read with rule 2(d) of the Securities and Exchange Commission (SEC) Rules 1971, clauses 6(3) and 6(4) of the Securities Brokers (Licensing and Operations) Regulations 2016, and related clarifications / guidelines issued by the Securities and Exchange Commission of Pakistan.

## 2 CASH IN HAND & CASH AT BANK

	<b>TOTAL (Rupees)</b>
Cash in hand	-
Bank balance(s) pertaining to Brokerage House	59,620,954
Bank balance(s) pertaining to Clients	130,560,707
	<b>190,181,660</b>

Investment in Listed Securities in the name of Company		Holding as per CDC As at June 30, 2020	Market Rate as at June 30, 2020	Market Value as at June 30, 2020
Security Symbol	Security Name	Position Owned	Rupees	
PSX	Pakistan Stock Exchange Limited	1,311,953	9.90	12,988,335
SLL	SME Leasing Limited	453,525	2.10	952,403
PIOC	Pioneer Cement Limited	10,000	63.04	630,400
ANL	Azgard Nine Ltd	1,100,000	15.87	17,457,000
BOP	THE BANK OF PUNJAB	1,422,000	8.40	11,944,800
ECOP	EcoPack Ltd	102,500	21.76	2,230,400
EPCL	Engro Polymer & Chemicals NC	50,000	24.98	1,249,000
GAIL	Ghani Automobile Industries NC	63,500	6.11	387,985
HUMNL	Hum Network Ltd	319,500	12.55	4,009,725
JSCL	Jahangir Siddiqui & Co. Ltd	140,000	11.80	1,652,000
PAEL	Pak Elektron Ltd	100,000	22.93	2,293,000
PSO	Pakistan State Oil Co. Ltd	1,200	158.16	189,792
SLL	SME Leasing Ltd	114,000	2.10	239,400
<b>Total Value</b>				<b>56,224,122</b>
Less: 15 % Discount				(8,433,618)
				<b>47,790,504</b>

## 4 OTHER LIABILITIES

Trade payable overdue more than 30 days	62,582,486
Accrued and Other Payables	164,544,203
Provision for taxation	-
	<b>227,126,689</b>

**37.3 STATEMENT OF LIQUID CAPITAL**

S.-No.	Head-of-Account	Value-in Pak-Rupees	Hair-Cut/ Adjustments	Net-Adjusted Value
<b>1.-Assets</b>				
1.1	Property-&-Equipment	37,344,926	100%	-
1.2	Intangible-Assets	85,277,000	100%	-
1.3	Investment-in-Govt.-Securities-(150,000*99)			
1.4	<b>Investment-in-Debt.-Securities</b>			
	<b>If-listed-than:</b>			
	i.-5%-of-the-balance-sheet-value-in-the-case-of-tenure-upto-1-year.			
	ii.-7.5%-of-the-balance-sheet-value,-in-the-case-of-tenure-from-1-3-years.			
	iii.-10%-of-the-balance-sheet-value,-in-the-case-of-tenure-of-more-than-3-years.			
	<b>If-unlisted-than:</b>			
	i.-10%-of-the-balance-sheet-value-in-the-case-of-tenure-upto-1-year.			
	<b>Investment-in-Equity-Securities</b>			
	i.-If-listed-15%-or-VaR-of-each-securities-on-the-cutoff-date-as-computed-by-the-Securities-Exchange-for-respective-securities-whichever-is-higher.	56,224,122	13,315,116	42,909,006
	ii.-If-unlisted,-100%-of-carrying-value.			-
	iii.Subscription-money-against-Investment-in-IPO/offer-for-Sale:-Amount-paid-as-subscription-money-provided-that-shares-have-not-been-allotted-or-are-not-included-in-the-investments-of-securities-broker.			
	iv.100%-Haircut-shall-be-applied-to-Value-of-Investment-in-any-asset-including-shares-of-listed-securities that-are-in-Block,-Freeze-or-Pledge-status-as-on-reporting-date.-(July-19,-2017) Provided-that-100%-haircut-shall-not-be-applied-in-case-of-investment-in-those-securities-which-are Pledged-in-favor-of-Stock-Exchange/-Clearing-House-against-Margin-Financing-requirements-or-pledged in-favor-of-Banks-against-Short-Term-financing-arrangements.-In-such-cases,-the-haircut-as-provided-in schedule-III-of-the-Regulations-in-respect-of-investment-in-securities-shall-be-applicable-(August-25,-2017)			
1.6	Investment-in-subsidaries			
1.7	<b>Investment-in-associated-companies/undertaking</b>			
	i.-If-listed-20%-or-VaR-of-each-securities-as-computed-by-the-Securities-Exchange-for-respective-securities-whichever-is-higher.			
	ii.-If-unlisted,-100%-of-net-value.	786,637,022	100%	-
1.8	Statutory-or-regulatory-deposits/basic-deposits-with-the-exchanges,-clearing-house-or-central-depository-or-any-other-entity.	1,500,000	100%	-
1.9	Margin-deposits-with-exchange-and-clearing-house.	10,509,493	0%	10,509,493
1.10	Deposit-with-authorized-intermediary-against-borrowed-securities-under-SLB.			
1.11	Other-deposits-and-prepayments	100,000	100%	-
1.12	Accrued-interest,-profit-or-mark-up-on-amounts-placed-with-financial-institutions-or-debt-securities-etc.(Nil)			
	100%-in-respect-of-markup-accrued-on-loans-to-directors,-subsidiaries-and-other-related-parties	127,314,256		
1.13	Dividends-receivables.	-		-
1.14	Amounts-receivable-against-Repo-financing.			
	Amount-paid-as-purchaser-under-the-REPO-agreement.-(Securities-purchased-under-repo-arrangement-shall-not-be-included-in-the-investments.)			
1.15	i.-Short-Term-Loan-To-Employees:-Loans-are-Secured-and-Due-for-repayment-within-12-months-	-		-
	ii.-Receivables-other-than-trade-receivables	297,728,662	100%	-



1.16	<b>Receivables-from-clearing-house-or-securities-exchange(s)</b>			
	100%-value-of-claims-other-than-those-on-account-of-entitlements-against-trading-of-securities-in-all-markets-including-MtM-gains.			
	claims-on-account-of-entitlements-against-trading-of-securities-in-all-markets-including-MtM-gains.			
	<b>Receivables-from-customers</b>			
1.17	i.-In-case-receivables-are-against-margin-financing,-the-aggregate-if-(i)-value-of-securities-held-in-the-blocked-account-after-applying-VAR-based-Haircut,-(ii)-cash-deposited-as-collateral-by-the-finance-(iii)-market-value-of-any-securities-deposited-as-collateral-after-applying-VaR-based-haircut.			
	i.-Lower-of-net-balance-sheet-value-or-value-determined-through-adjustments.			
	ii.-Incase-receivables-are-against-margin-trading,-5%-of-the-net-balance-sheet-value.			
	ii.-Net-amount-after-deducting-haircut			
	iii.-Incase-receivables-are-against-securities-borrowings-under-SLB,-the-amount-paid-to-NCCPL-as-collateral-upon-entering-into-contract,			
	iii.-Net-amount-after-deducting-haircut			
	iv.-Incase-of-other-trade-receivables-not-more-than-5-days-overdue,-0%-of-the-net-balance-sheet-value.	7,733,967		7,733,967
	iv.-Balance-sheet-value			
	v.-Incase-of-other-trade-receivables-are-overdue,-or-5-days-or-more,-the-aggregate-of-(i)-the-market-value-of-securities-purchased-for-customers-and-held-in-sub-accounts-after-applying-VAR-based-haircuts,-(ii)-cash-deposited-as-collateral-by-the-respective-customer-and-(iii)-the-market-value-of-securities-held-as-collateral-after-applying-VaR-based-haircuts.	121,626,769	7,545,339	114,081,431
	v.-Lower-of-net-balance-sheet-value-or-value-determined-through-adjustments			
	<b>vi.-100%-haircut-in-the-case-of-amount-receivable-form-related-parties.</b>			
1.18	<b>Cash-and-Bank-balances</b>			
	i.-Bank-Balance-proprietary-accounts	59,620,954	0%	59,620,954
	ii.-Bank-balance-customer-accounts	130,560,707	0%	130,560,707
	iii.-Cash-in-hand	-	0%	-
1.19	<b>Total-Assets</b>	<b>1,722,177,879</b>		<b>365,415,557</b>
<b>2.-Liabilities</b>				
2.1	<b>Trade-Payables</b>			
	i.-Payable-to-exchanges-and-clearing-house-			
	ii.-Payable-against-leveraged-market-products			
	iii.-Payable-to-customers	130,365,302	0%	130,365,302
2.2	<b>Current-Liabilities</b>			
	i.-Statutory-and-regulatory-dues-			
	ii.-Accruals-and-other-payables-	161,350,383	0%	161,350,383
	iii.-Short-term-borrowings			
	iv.-Current-portion-of-subordinated-loans			
	v.-Current-portion-of-long-term-liabilities	3,193,820	0%	3,193,820
	vi.-Deferred-Liabilities			
	vii.-Provision-for-bad-debts			
	viii.-Provision-for-taxation			
	ix.-Other-liabilities-as-per-accounting-principles-and-included-in-the-financial-statements			
	<b>Non-Current-Liabilities</b>			
	i.-Long-Term-financing			
	a.-Long-Term-financing-obtained-from-financial-institution:-Long-term-portion-of-financing-obtained-from-a-financial-institution-including-amount-due-against-finance-lease	254,976,883	100%	-
	b.-Other-long-term-financing-	-		
	ii.-Staff-retirement-benefits-	13,865,924	0%	13,865,924

2.3	<p>iii.-Advance-against-shares-for-Increase-in-Capital-of-Securities-broker:- 100%-haircut-may-be-allowed-in-respect-of-advance-against-shares-if: a.-The-existing-authorized-share-capital-allows-the-proposed-enhanced-share-capital- b.-Board-of-Directors-of-the-company-has-approved-the-increase-in-capital- c.-Relevant-Regulatory-approvals-have-been-obtained- d.-There-is-no-unreasonable-delay-in-issue-of-shares-against-advance-and-all-regulatory--requirements-relating-to-the-increase-in-paid-up-capital-have-been-completed. e.-Auditor-is-satisfied-that-such-advance-is-against-the-increase-of-capital.-</p>			
	iv.-Other-liabilities-as-per-accounting-principles-and-included-in-the-financial-statements	24,953,101	0%	24,953,101
2.4	<p><b>Subordinated-Loans</b></p> <p>i.-100%-of-Subordinated-loans-which-fulfill-the-conditions-specified-by-SECP-are-allowed-to-be-deducted:- The-Schedule-III-provides-that-100%-haircut-will-be-allowed-against-subordinated-Loans-which-fulfill-the-conditions-specified-by-SECP.-In-this-regard,-following-conditions-are-specified: a.-Loan-agreement-must-be-executed-on-stamp-paper-and-must-clearly-reflect-the-amount-to-be-repaid-after-12-months-of-reporting-period b.-No-haircut-will-be-allowed-against-short-term-portion-which-is-repayable-within-next-12-months. c.-In-case-of-early-repayment-of-loan,-adjustment-shall-be-made-to-the-Liquid-Capital-and-revised-Liquid-Capital-statement-must-be-submitted-to-exchange.-</p> <p>ii.-Subordinated-loans-which-do-not-fulfill-the-conditions-specified-by-SECP</p>	155,175,000	100%	-
2.5	<b>Total-Liabilities-</b>	<b>743,880,413</b>		<b>333,728,530</b>
<b>3.--Ranking-Liabilities-Relating-to:-</b>				
3.1	<p><b>Concentration-in-Margin-Financing</b> The-amount-calculated-client-to--client-basis--by-which-any-amount-receivable-from-any-of-the-finances-exceed-10%-of-the-aggregate-of-amounts-receivable-from-total-finances.</p>			
3.2	<p><b>Concentration-in-securities-lending-and-borrowing</b> The-amount-by-which-the-aggregate-of: (i)-Amount-deposited-by-the-borrower-with-NCCPL (ii)-Cash-margins-paid-and (iii)-The-market-value-of-securities-pledged-as-margins-exceed-the-110%-of-the-market-value-of-shares-borrowed</p>			
<b>Net-underwriting-Commitments</b>				
3.3	<p><b>(a)-in-the-case-of-right-issues--:-if-the-market-value-of-securities-is-less-than-or-equal-to-the-subscription-price; the-aggregate-of: (i)-the-50%-of-Haircut-multiplied-by-the-underwriting-commitments--and (ii)-the-value-by-which-the-underwriting-commitments-exceeds-the-market-price-of-the-securities. In-the-case-of-rights-issues-where-the-market-price-of-securities-is-greater-than-the-subscription-price,-5%-of-the-Haircut-multiplied-by-the-net-underwriting</b></p>			
	<b>(b)-in-any-other-case--:-12.5%-of-the-net-underwriting-commitments</b>			
3.4	<p><b>Negative-equity-of-subsiary</b> The-amount-by-which-the-total-assets-of-the-subsiary-(-excluding-any-amount-due-from-the-subsiary)-exceed-the-total-liabilities-of-the-subsiary</p>			



<b>Foreign-exchange-agreements-and-foreign-currency-positions</b>				
3.5	5%-of-the-net-position-in-foreign-currency.Net-position-in-foreign-currency-means-the-difference-of-total-assets-denominated-in-foreign-currency-less-total-liabilities-denominated-in-foreign-currency			
3.6	Amount-Payable-under-REPO			
<b>Repo-adjustment</b>				
3.7	In-the-case-of-financier/purchaser-the-total-amount-receivable-under-Repo-less-the-110%-of-the-market-value-of-underlying-securities. In-the-case-of-financee/seller-the-market-value-of-underlying-securities--after-applying-haircut-less-the-total-amount--received-,less-value-of-any-securities-deposited-as-collateral-by-the-purchaser-after-applying-haircut-less-any-cash-deposited-by-the-purchaser.			
<b>Concentrated-proprietary-positions</b>				
3.8	If-the-market-value-of-any-security-is-between-25%-and-51%-of-the-total-proprietary-positions-then-5%-of-the-value-of-such-security-.If-the-market-of-a-security-exceeds-51%-of-the-proprietary-position,-then-10%-of-the-value-of-such-security	-	872,850	872,850
<b>Opening-Positions-in-futures-and-options-</b>				
3.9	i.-In-case-of-customer-positions,-the-total-margin-requirements-in-respect-of-open-positions-less-the-amount-of-cash-deposited-by-the-customer-and-the-value-of-securities-held-as-collateral/-pledged-with-securities-exchange-after-applying-VaR-haircuts			
	ii.-In-case--of-proprietary-positions,-the-total-margin-requirements-in-respect-of-open-positions-to-the-extent-not-already-met			
<b>Short-sell-positions</b>				
3.10	i.-Incase-of-customer-positions,-the-market-value-of-shares-sold-short-in-ready-market-on-behalf-of-customers-after-increasing-the-same-with-the-VaR-based-haircuts-less-the-cash-deposited-by-the-customer-as-collateral-and-the-value-of-securities-held-as-collateral-after-applying-VAR-based-Haircuts			
	ii.-Incase-of-proprietary-positions,-the-market-value-of-shares-sold-short-in-ready-market-and-not-yet-settled-increased-by-the-amount-of-VAR-based-haircut-less-the-value-of-securities-pledged-as-collateral-after-applying-haircuts.			
3.11	<b>Total-Ranking-Liabilities</b>	-	872,850	872,850
		<b>978,297,467</b>		<b>30,814,178</b>

### Calculations-Summary-of-Liquid-Capital

- (i)-Adjusted-value-of-Assets-(serial-number-1.19)
- (ii)-Less:-Adjusted-value-of-liabilities-(serial-number-2.5)
- (iii)-Less:-Total-ranking-liabilities-(series-number-3.11)

Note:-Commission-may-issue-guidelines-and-clarifications-in-respect-of-the-treatment-of-any-component-of-Liquid-Capital-including-any-modification,-deletion-and-inclusion-in-the-calculation-of-Adjusted-value-of-assets-and-liabilities-to-address-any-practical-difficulty.

## 38 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, 2020, securities amounting to Rs. 14.825 million (2019: Rs 13.115 million) and Rs. NIL (2019: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.

## 39 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, 2020	June 30, 2019
----- (Rupees) -----		
Retail customers	28,638,711	18,265,157
Institutional customers	4,294,496	1,007,315
	<u>32,933,206</u>	<u>19,272,472</u>

#### 40 TURNOVER BY SEGMENT

Retail customers  
Institutional customers

Retail customers	28,638,711	18,265,157
Institutional customers	4,294,496	1,007,315
	<u>32,933,206</u>	<u>19,272,472</u>

#### 41 SHAREHOLDERS HOLDING 5% OR MORE

	Shares Held		Percentage	
	2020	2019	2020	2019
First Florence Developers (Pvt.) Limited	104,426,150	104,426,150	39.07%	39.07%
Ali Aslam Malik	74,132,134	74,129,374	27.74%	27.73%

#### 42 NUMBER OF EMPLOYEES

Number of employees at year end  
Average number of employees

	June 30, 2020	June 30, 2019
Number of employees at year end	34	37
Average number of employees	34.5	40

#### 43 EVENTS AFTER REPORTING PERIOD

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

#### 44 GENERAL AND CORRESPONDING FIGURES

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

#### 45 DATE OF AUTHORIZATION

These financial statements have been authorized for issue on **October 7, 2020** by the Board of Directors of the Company.

  
Chief Executive Officer

  
Chief Financial Officer

  
Director

## Pattern of Shareholding

### PART-I

**Form - 34**

1.1 Name of The Company **First National Equities Limited**

### PART-II

2.1 Pattern of Holding of the Shares held by the Shareholders as at :June 30, 2020

2.2 No. of Shareholders Shareholding Total Shares held

No. of Shareholders	Shareholding		Total Shares held
	From	To	
185	1	100	3,627
150	101	500	60,244
159	501	1,000	138,926
256	1,001	5,000	706,955
81	5,001	10,000	660,661
25	10,001	15,000	311,000
30	15,001	20,000	555,570
17	20,001	25,000	397,600
9	25,001	30,000	255,500
8	30,001	35,000	255,960
13	35,001	40,000	504,412
6	40,001	45,000	263,000
13	45,001	50,000	630,211
4	50,001	55,000	216,000
4	55,001	60,000	238,000
4	60,001	65,000	256,000
4	65,001	70,000	275,000
4	70,001	75,000	291,596
1	75,001	80,000	80,000
1	80,001	85,000	84,500
4	85,001	90,000	348,500
7	95,001	100,000	695,500
4	100,001	105,000	412,000
4	105,001	110,000	429,400
2	110,001	115,000	227,500
2	115,001	120,000	236,000
2	120,001	125,000	242,726
3	125,001	130,000	384,000
2	130,001	135,000	264,000
1	135,001	140,000	140,000

No. of Shareholders	Shareholding		Total Shares held
	From	To	
2	140,001	145,000	288,000
1	145,001	150,000	150,000
2	150,001	155,000	304,000
1	155,001	160,000	159,500
1	160,001	165,000	165,000
1	170,001	175,000	175,000
2	175,001	180,000	354,850
3	195,001	200,000	600,000
2	200,001	205,000	405,001
2	225,001	230,000	451,032
2	245,001	250,000	500,000
2	260,001	265,000	527,000
1	265,001	270,000	268,400
1	280,001	285,000	280,500
1	285,001	290,000	285,500
2	295,001	300,000	600,000
1	300,001	305,000	300,500
1	330,001	335,000	335,000
1	335,001	340,000	336,000
1	345,001	350,000	348,000
1	355,001	360,000	357,950
1	400,001	405,000	403,500
1	415,001	420,000	419,500
1	450,001	455,000	455,000
1	485,001	490,000	488,500
2	545,001	550,000	1,092,150
1	555,001	560,000	559,500
1	570,001	575,000	575,000
1	600,001	605,000	600,500
1	745,001	750,000	750,000
1	785,001	790,000	790,000
1	930,001	935,000	930,800
1	1,220,001	1,225,000	1,220,500
1	1,335,001	1,340,000	1,340,000
2	1,340,001	1,345,000	2,690,000
1	1,840,001	1,845,000	1,840,500
1	1,855,001	1,860,000	1,859,500
1	1,955,001	1,960,000	1,958,000

No. of Shareholders	Shareholding		Total Shares held
	From	To	
1	1,995,001	2,000,000	2,000,000
1	2,090,001	2,095,000	2,095,000
1	2,435,001	2,440,000	2,439,000
1	2,475,001	2,480,000	2,476,525
1	2,485,001	2,490,000	2,490,000
1	4,765,001	4,770,000	4,765,990
1	5,051,001	5,056,000	5,051,106
1	5,785,001	5,790,000	5,786,000
1	8,880,001	8,885,000	8,881,000
1	10,240,001	10,245,000	10,242,808
1	15,260,001	15,265,000	15,264,848
1	72,425,001	72,430,000	72,425,333
1	98,640,001	98,645,000	98,640,150
<b>1,068</b>			<b>267,286,331</b>

## Categories of Shareholders

As at June 30, 2020

First National Equities Limited	As On: June 30, 2020				
2.3 Categories of Shareholder	Folios	Physical	CDC	Share held	Percentage
<u>2.3.1 - Directors, CEO, Their Spouse and Minor Children</u>	14	650	83,204,459	83,205,109	31.13
<u>2.3.2 - Associated Companies, Undertakings &amp; Related Parties</u>	8	-	122,444,914	122,444,914	45.81
<u>2.3.4 - Banks, DFIs, NBFCs</u>	2	-	185,500	185,500	0.07
<u>2.3.5 - Insurance Companies</u>	1	-	46,591	46,591	0.02
<u>2.3.8 - A. General Public (Local)</u>	1,011	31,303	43,262,543	43,293,846	16.20
<u>2.3.8 - B. General Public (Foreigner)</u>	1	-	575	575	0.00
<u>2.3.9 - A. Other Companies (Local)</u>	31	-	18,109,796	18,109,796	6.78
	<b>1,068</b>	<b>31,953</b>	<b>267,254,378</b>	<b>267,286,331</b>	<b>100.00</b>
<b>Shareholders More Than 10.00%</b>					
FIRST FLORANCE DEVELOPERS (PVT.) LIMITED	1			98,640,150	36.90
ALI ASLAM MALIK	3			72,547,134	27.14

## 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, 10<sup>th</sup> Floor, New Stock Exchange Building, Karachi on Wednesday, **October 28, 2020 at 11:15 A.M** to transact the following business:-

### **ORDINARY BUSINESS:**

1. To confirm the minutes of the last Annual General Meeting held on **October 28, 2019**.
2. To receive, consider and adopt the Audited Annual Financial Statements of the company for the year ended June 30, 2020 together with the Directors' and Auditors' reports thereon.
3. To appoint external auditors of the company for the year ending on June 30, 2021 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, 2020

### **A BOOK CLOSURE:**

1. The Shares Transfer Books will remain closed from **21-10-2020 to 28-10-2020** (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 **20-10-2020** 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, 2020 effective July 1, 2020 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: 30%

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 30% 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, 2020, 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 Annual General Meeting held on October 28, 2017. Accordingly, the Annual Report of FNEL for the year which ended on June 30, 2020 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; margin-top: 20px;">_____ Signature of Shareholder</p>
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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. CorpTec 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 (IBAN) "Mandatory"	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	

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.

**H. 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.

#### **I. 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, 2020, 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 Annual General Meeting held on October 28, 2017. Accordingly, the Annual Report of FNEI for the year which ended on June 30, 2020 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.

#### **J. Unclaimed Dividend**

Pursuant to Section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company, which remain unclaimed or unpaid for a period of three years from the date it become due payable shall vest with the Federal Government after compliance of procedures prescribed under the Companies Act, 2017. Section 244(I)(a) of the Act requires the Company to give a 90 days' notice to the members to file their claims with the Company. Further SECP vide Direction No. 16 of 2017 issued on July 07, 2017 directed all listed Companies to issue notice to such members and submit statement of unclaimed shares or dividend or any other instruments which remain unclaimed or unpaid for a period of three years from the date it is due and payable as of May 30, 2017.

#### **K. Details of Beneficial Ownership**

Attention of corporate entities / legal persons is also invited towards SECP Circular No. 16 and 20 of 2018. Respective shareholders (corporate entities / legal persons) are advised to provide the information pertaining to ultimate beneficial owners and / or other information as prescribed in the subject SECP Circulars to the Share Registrar of the Company.

#### **L. Deposit of Physical Shares in CDC Accounts**

As per Section 72 of the Companies Act, 2017 every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by SECP, within a period of four years from commencement of the Companies Act, 2017.

The members having physical shareholding may please open CDC-sub account with any of the brokers or investor's account directly with CDC to replace their physical shares into scrip less form.

1. اجلاس میں شرکت اور رائے شماری کرنے کے اہل CDC کے انفرادی بنی فیشل اونرز کے لئے اجلاس کے موقع پر اپنی شناخت ثابت کرنے کی غرض سے شراکت آئی ڈی اور اکاؤنٹ/ذیلی اکاؤنٹ نمبر بمعہ جائز اصل CNIC یا جائز اصل پاسپورٹ پیش کرنا ہوگا۔
2. کاروباری ادارہ کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ نامزد شخص کے نمونہ کے دستخط اجلاس کے موقع پر پیش کرنا ہوگا (اگر یہ پہلے فراہم نہ کیا گیا ہو)۔
- H. پراسیسز کی تقرری کے لئے
1. CDC کے انفرادی بنی فیشل اونرز کو مذکورہ بالا معیار کے مطابق پراسیسز فارم بمعہ شراکت آئی ڈی اور اکاؤنٹ/ذیلی اکاؤنٹ نمبر اور CNIC یا پاسپورٹ کی مصدقہ نقل جمع کرانا ہوگا۔
2. دو افراد پراسیسز کی گواہی دیں گے جن کے نام، پتے اور CNIC نمبر فارم میں درج ہوں گے۔
3. کاروباری ادارہ کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمعہ پراسیسز کے نمونہ کے دستخط کے ساتھ پراسیسز فارم جمع کرانا ہوگا۔
4. پراسیسز کو اجلاس کے موقع پر اپنا جائز اصل CNIC یا جائز اصل پاسپورٹ پیش کرنا ہوگا۔
- AGM نوٹس کی نقول، تازہ ترین پڑتال شدہ/سہ ماہی مالیاتی اسٹیٹمنٹس اور کمپنی کے موجودہ میمورنڈم اور آرٹیکلز آف ایسوسی ایشن کمپنی کے رجسٹرڈ دفتر میں رکھ دیئے گئے ہیں۔ جنہیں اجلاس میں شرکت کے اہل اراکین اور دیگر افراد اس نوٹس کی تاریخ اجرا سے سالانہ اجلاس عام کے اختتام تک کام کے دنوں میں دفتری اوقات کار کے دوران حاصل اور/یا چیک کیا جاسکتا ہے۔ AGM نوٹس اور تازہ ترین سالانہ/سہ ماہی مالیاتی اسٹیٹمنٹس کمپنی کی ویب سائٹ پر بھی شائع کر دی گئی ہیں۔
- I. سالانہ پڑتال شدہ مالیاتی اسٹیٹمنٹس کی دستیابی
1. کمپنیز ایکٹ 2017 کے سیکشن 223 اور 237 کے قواعد کے تحت 30 جون 2020ء کو اختتام پذیر سال کے لئے کمپنی کی پڑتال شدہ مالیاتی اسٹیٹمنٹس کمپنی کی ویب سائٹ (<http://www.fnetrade.com>) پر دستیاب ہے۔
2. SECP کے مراسلہ نمبر 2016 (I) 470 کے تحت کمپنیوں کو سالانہ پڑتال شدہ کھاتوں کی کاغذی صورت میں فراہمی کی بجائے اپنے اراکین کو بذریعہ USB/DVD/CD ان کے رجسٹرڈ پتے پر ترسیل کا پابند کیا گیا ہے۔ کمپنی نے 28 اکتوبر 2017 کو منعقدہ سالانہ اجلاس عام میں حصص داران سے منظوری حاصل کی ہے۔ لہذا، 30 جون 2020ء کو اختتام پذیر سال کے لئے FNEL کی سالانہ رپورٹ DVD کی صورت میں حصص داران کو ارسال کر دی گئی ہے۔ تاہم، کمپنی شیئر ہولڈرز کو مطالبہ پر سالانہ پڑتال شدہ کھاتوں کی کاغذات کی صورت میں حصول کے لئے درخواست موصول ہونے کے ایک ہفتہ کے اندر بالکل مفت ارسال کی جائے گی۔
3. حصص داران کی سہولت کے لئے سالانہ پڑتال شدہ مالیاتی کھاتوں کو حاصل کرنے کے لئے ایک ”معیاری درخواست فارم“ کمپنی کی ویب سائٹ پر دستیاب ہے۔
- J. لادعویٰ منافع منقسمہ
- کمپنیز ایکٹ 2017ء کے سیکشن 244 کی پیروی میں کمپنی کے جاری کردہ حصص یا اعلان کردہ منافع منقسمہ جو وصولی کی مقررہ تاریخ سے تین سال کی مدت کے لئے لادعویٰ یا غیر ادا شدہ رہ جائیں تو کمپنیز ایکٹ 2017 کے تحت بیان کردہ طریقہ کار پر عمل درآمد کے بعد وفاقی حکومت کی ملکیت بن جاتے ہیں۔ ایکٹ کے سیکشن (I) 244 کے تحت کمپنی کے لئے لازم ہے کہ وہ اراکین کو اپنا لادعویٰ دائر کرنے کے لئے 90 یوم کا نوٹس بھیجیں۔ مزید برآں 07 جولائی 2017ء کو جاری کردہ مراسلہ نمبر 16/2017 کے تحت SECP تمام لسٹڈ کمپنیوں کو نوٹس جاری کرنے اور 30 مئی 2017ء سے عرصہ تین سال تک کے لئے واجب الادا لادعویٰ حصص یا منافع منقسمہ کی تفصیل یا دیگر لادعویٰ یا غیر ادا شدہ انسٹرومنٹس کی تفصیلات جمع کرانے کی ہدایت کرتا ہے۔
- K. بنی فیشیل اونرز شپ کی تفصیلات
- کاروباری اداروں/قانونی افراد کی توجہ SECP کے مراسلہ نمبر 16/2018 اور 20/2018 کی طرف مبذول کرائی جاتی ہے۔ متعلقہ حصص داران (کاروباری ادارے/قانونی افراد) کو تجویز دی جاتی ہے کہ وہ SECP مراسلہ جات کے مضمون میں بیان کردہ حتمی بنی فیشیل اونرز سے متعلقہ معلومات اور/یا دیگر معلومات کمپنی کے شیئر رجسٹر کو جمع فراہم کریں۔
- L. CDC اکاؤنٹس میں فزیکل شیئرز کو جمع کرانا
- کمپنیز ایکٹ 2017ء کے سیکشن 72 کے تحت کمپنیز ایکٹ 2017ء کے اطلاق سے چار سال کے عرصہ میں ہر موجودہ کمپنی کے لئے SECP کی مقررہ تاریخ کو طے شدہ وضع کی صورت میں اپنے فزیکل شیئرز کو بک ایسٹری فارم میں تبدیل کرنا لازمی ہے۔
- براہ کرم فزیکل شیئر ہولڈنگ کے حامل اراکین کسی بھی بروکر یا انویسٹر کے اکاؤنٹ کے ساتھ CDC ذیلی اکاؤنٹ کھولیں۔ یہ اکاؤنٹ CDC میں براہ راست کھولے جائیں گے تاکہ ان کے فزیکل شیئرز سکرپ لیس فارم میں تبدیل ہو جائیں۔
- مزید معلومات کے لئے انویسٹرز کمپنی کے شیئر رجسٹرار سے رابطہ کر سکتے ہیں۔

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

### (فارم کی وضع)

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

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

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

✓ مطلوبہ معلومات اس نوٹس کی فراہمی کے 10 روز کے اندر کمپنی کے شیئر رجسٹر اراکوپہنچ جانی چاہئیں بصورت دیگر یہ تصور کیا جائے گا کہ پرنسپل شیئر ہولڈر اور مشترکہ مالک (مالکان) مساوی حصص کے مالک ہیں۔

✓ CDC اکاؤنٹس کے حامل کاروباری حصص داران کے لئے اپنے متعلقہ شرکاء کو اپنے NTN سے متعلق آگاہ کرنا ضروری ہے جب کہ کاروباری فزیکل حصص داران سے درخواست ہے کہ وہ کمپنی کے شیئر رجسٹر اراکوپہنچ اپنے NTN کی نقل ارسال کریں۔ NTN، NTN، ٹیکسٹ کیٹ، کوئی بھی معاملہ ہو، ارسال کرتے ہوئے حصص داران کو اپنا کمپنی کا نام اور متعلقہ فولیو نمبر درج کرنا ہوگا۔

### E. سالانہ پڑتال شدہ مالی اسٹیٹمنٹ کی دستیابی

1. کمپنیز ایکٹ 2017ء کے سیکشن 223 اور 237 کے قواعد کے مطابق 30 جون 2020ء 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 2020ء کو اختتام پذیر سال کے لئے FNEL کی سالانہ رپورٹ حصص داران کو بذریعہ DVD فراہم کی جا رہی ہے۔ تاہم، اگر کوئی شیئر ہولڈر، سالانہ پڑتال شدہ مالی اسٹیٹمنٹس کو کاغذات کی صورت میں حاصل کرنے کا خواہش مند ہے تو درخواست موصول ہونے پر 7 کام کے ایام کے دوران بالکل مفت فراہم کی جائے۔

3. سالانہ پڑتال شدہ مالی کھاتوں کے حصول کی غرض سے حصص داران کی سہولت کے لئے، ”معیاری درخواست فارم“، کمپنی کی ویب سائٹ پر دستیاب ہے۔

### F. ویڈیو کانفرنسنگ

کمپنیز ایکٹ 2017ء کے سیکشن 132 اور 134 کے قواعد کے تحت اراکین ویڈیو کانفرنس کی سہولت بھی حاصل کر سکتے ہیں۔ اس کے تناظر میں، برائے مہربانی مندرجہ ذیل فارم پر کر کے کمپنی کے رجسٹرڈ پتہ پر سالانہ اجلاس عام کے انعقاد سے 7 یوم قبل جمع کرائیں۔

اگر کمپنی 10 فی صد یا اس سے زائد حصص کے مالک، جو دور دراز مقام پر ہو، کی جانب سے اجلاس کے انعقاد سے 7 یوم قبل ویڈیو کانفرنس کے ذریعے اجلاس میں شرکت کی رضامندی وصول کرتی ہے تو کمپنی اس شہر میں سہولت دستیاب ہونے پر ویڈیو کانفرنس کا انتظام کرے گی۔

<p>میں/ہم،..... فرسٹ نیشنل ایکویٹی لمیٹڈ کے رکن اور رجسٹرڈ فولیو نمبر..... کے تحت</p> <p>..... عمومی حصص کے مالک ہونے پر..... پروویڈیو کانفرنس کی سہولت کا/کے خواہش مند ہوں/ہیں۔</p> <p>دستخط شیئر ہولڈر</p>
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کمپنی سالانہ اجلاس عام کی مقررہ تاریخ سے کم از کم پانچ یوم قبل ویڈیو کانفرنس کی سہولت کے مقام اور سہولت حاصل کرنے کے لئے مکمل ضروری معلومات سے متعلق اراکین کو مطلع کرے گی۔

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

4. سنٹرل ڈیپازٹری اکاؤنٹ ہولڈرز کو 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 پراسسز کی تقرری کے لئے

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

2. پراسسز 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 پراسسز کے نمونہ کے دستخط پراسسز فارم کے ہمراہ (اگر پہلے جمع نہیں کرائے گئے ہیں) جمع کرانا ہوگا۔

4. پراسسز 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 30 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 30 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 ٹیکس اسٹیٹ 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 بدھ مورخہ 28 اکتوبر 2020ء بوقت 11:15 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. 28 اکتوبر 2019ء کو منعقدہ اجلاس عام کی روئیداد کی توثیق کرنا۔
2. 30 جون 2020ء 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، 2021ء کو اختتام پذیر سال کے لئے بحیثیت بیرونی آڈیٹرز ICE نیٹ S.K.S.S.S. چارٹر اکاؤنٹنٹس کی دوبارہ تقرری کی تجویز دی ہے۔

### کمپنی کے دیگر امور

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

بحکم بورڈ

عمارہ زکریا  
(CFO)

کراچی

مورخہ: 07 اکتوبر 2020ء

### مندرجات:

#### A. کتاب کی بندش

1. شیئرز ٹرانسفر بک 21 اکتوبر 2020ء سے 28 اکتوبر 2020ء تک (بشمول دونوں ایام) بند رہے گی تاکہ کمپنی اجلاس میں شرکت کے لئے اراکین کی اہلیت کا تعین کر سکے۔
2. 20 اکتوبر 2020ء کو کاروباری اوقات کا ختم ہونے تک کمپنی کے شیئرز رجسٹر کے دفتر کارپ ٹیک ایسوسی ایٹس (پرائیویٹ) لمیٹڈ، E-503 جو ہر ٹاؤن، لاہور میں موصول ٹرانسفر 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 ایکویٹیور لمیٹڈ

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

میں / ہم ----- ساکن -----  
 فرسٹ نیشنل ایکویٹیور لمیٹڈ کا ممبر ہوں / ہیں اور میرے / ہمارے -----  
 پاس ----- نمبر کے آرڈری شمیرز 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 2020ء بروز پیر شام 16:45 بجے واقع رجسٹرڈ آفس کرہ 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 ----- 2020ء -----  
 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)۔









TREC Holder: Pakistan Stock Exchange Limited

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