

FIRST NATIONAL EQUITIES LIMITED

第一国家股权有限

2018
QUARTERLY REPORT
季度报告



(Un-audited) For the Period Ended
September 30, 2018.

（未经审核）截至期末 2018年9月30日。

www.fnetrade.com

Contents

Vision	02
Mission	03
Company Information	04
Directors' Review Report	05

Financial Statements

Condensed Interim Statement of Financial Position	10
Condensed Interim Profit and Loss Account	11
Condensed Interim Statement of Comprehensive Income	12
Condensed Interim Statement of Cash Flows	13
Condensed Interim Statement of Changes in Equity	14
Notes to Condensed Interim Financial Statements	15
Branch Network	23



VISION

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

First Choice
for achieving their
financial aspirations"



MISSION

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



COMPANY INFORMATION

Board of Directors:

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

Audit Committee:

1. Mr. Ijaz Mahmood Chaudhary	Chairman
2. Mr. Shahzad Akbar	Member
3. Mr. Adnan Amjad	Member

HR & Remuneration Committee:

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

Chief Financial Officer:

Ms. Faiza Khalid

Company Secretary:

Adv. Syeda Adeela Abid

Head of Internal Audit:

Ms. Ammara Zakriya

Auditors:

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

Legal Advisor:

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

Shares Registrar:

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

Bankers:

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

Principal Office:

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

Registered Office:

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

DIRECTORS' REVIEW REPORT

Dear Shareholders:

The Directors of the Company are pleased to present their Report together with Financial Statements for the period ended on September 30, 2018.

Economy and Stock Exchange:

Economic Challenges took center stage during the Current Quarter as pressure emerged from a spiraling Current Account Deficit and widening fiscal imbalances.

The Current Account Deficit of FY'19 was recorded at USD 2.7 billion, increasing by nearly 10% as compared to the corresponding period last year. Resultantly Foreign Exchange Reserves declined. Dwindling Foreign Exchange Reserves and the expanding Twin Deficits mounted pressure on PKR/USD parity. Inflation is climbing upwards and is expected to keep increasing owing to a rise in energy tariffs, higher international oil prices and the prospect of further PKR devaluation.

Politically, Pakistan has witnessed a smooth transition between governments. Following a healthy growth of 5.8% in FY18, economic activity is likely to slowdown in FY19 as the general macroeconomic policy mix is focusing towards consolidation. The Government is also now pursuing the Fiscal Consolidation Program and has further announced regulatory measures to slow down the growing pressure on the external front.

Despite the existing difficult situation, the outlook for Pakistan's economy remains bright given the materialization and implementation of the projects and initiatives undertaken by the Government. Moreover, we expect the Foreign Portfolio Inflow to resume in the due course of time after the ongoing economic adjustment period.

The Pakistan Stock Exchange (PSX) closed Sep'18 at 40,999 points, down by 2.17% compared to the June'18 level. Foreign Portfolio investment recorded a net outflow of USD 322.4 million with the bearish trend arising as a result of strong expectations of the PKR devaluation.

During the Quarter, the PSX was clouded by political uncertainty in the run up to the elections, worsening macro economic factors as well as concerns over the deteriorating rupee exchange value.

The upside potential in the market is primarily based on the prevailing attractive valuations as the KSE-100 is trading at a low price-to-earnings ratio and at a discount to its regional peers.

**Performance Review:**

Following is the summary of comparative financial results,

	Three Months Ended	
	September 30, 2018	September 30, 2017
Operating Profit/ (loss)	4.199	(85.436)
Loss Before Tax	(11.048)	(122.418)
Loss After Tax	(7.547)	(110.926)
Basic Loss Per Share (Rs.)	(0.03)	(0.78)

During the first quarter of the year, FNEL posted Loss After Tax of Rs. 7.547 million as compared to Loss After Tax of Rs. 110.926 million in same period of last year.

The Loss after Tax is largely contributed by a decrease in the Market Traded Volumes and Stock Values due to a continuous bearish trend in the Index.

Appreciation and Acknowledgements

The Board of Directors of FNEL would like to thank the Government of Pakistan, the Securities & Exchange Commission of Pakistan, NCCPL, CDC and other Regulatory Bodies for their continued support, all shareholders and customers of the company for their trust, and our employees for their continuous dedication and commitment.

On behalf of the Board of Directors

Amir Shehzad
Executive Director

Ali A. Malik
Chief Executive Officer

Place: Lahore

Date: October 26, 2018

尊敬的股东:

公司董事乐意在 2018 年 9 月 30 日终了的期间提交报告及财务报表。

经济和证券交易所:

由于经常账户赤字不断攀升, 财政失衡加剧, 经济挑战在本季度占据了中心阶段。

FY'19 的经常账户赤字录得 27 亿美元, 比去年同期增长近 10%。经济法外汇储备下降。外汇储备日益减少, 双赤字不断扩大, 使巴基斯坦卢比兑美元平价面临压力。由于能源关税上升、国际油价上涨以及巴基斯坦卢比进一步贬值的前景, 通货膨胀率攀升, 预计将继续增长。

在政治上, 巴基斯坦目睹了各国政府之间的平稳过渡。随着 FY18 5.8% 的健康增长, FY19 的经济活动可能会放缓, 因为一般的宏观经济政策组合正集中于整合。政府目前还在推行财政整顿计划, 并进一步宣布了监管措施, 以减缓外部经济增长的压力。

尽管目前处境艰难, 但鉴于政府实施的项目和倡议的具体化和执行, 巴基斯坦经济前景依然光明。此外, 我们预计外国投资组合流入将在经济调整期过后的适当时间内恢复。

巴基斯坦证券交易所 (PSX) closed Sep'18 40999 点, 比 June'18 水平下降 2.17%。由于对巴基斯坦卢比贬值的强烈期望, 外国投资组合投资记录了 3 亿 2240 万美元的净流出和看跌趋势。

在这一季度, PSX 的政治不确定性笼罩在选举中, 宏观经济因素不断恶化, 以及对卢比汇率贬值的担忧。

市场的上行潜力主要是基于目前的诱人估值, 因为 KSE-100 的交易价格与收益率较低, 并在其区域同业中享有折扣。

绩效考核:

以下是比较财务结果的摘要,

	三月结束	
	2018 年 9 月 30 日	2017 年 9 月 30 日
营业利润/(亏损)	4.199	(85.436)
税前损失	(11.048)	(122.418)
税后损失	(7.547)	(110.926)
每股基本亏损 (Rs)	(0.03)	(0.78)

在今年第一季度, FNEL 在卢比税后公布了亏损。754.7 万与卢比税后的损失相比。去年同期的 1 亿 1092 万 6000。

税后的损失主要是由于在我指数的持续看跌趋势, 市场交易量和股票价值的下降造成的。

赞赏和致谢

FNEL 董事会希望感谢巴基斯坦政府、巴基斯坦证券 & 交易委员会、NCCPL、CDC 和其他监管机构继续支持本公司所有股东和客户的信任, 和我们的员工不断的奉献和承诺。


Amir Shehzad
执行董事

代表董事会

发布日期: 2018 年 10 月 26 日

代表董事会


Ali A. Malik
首席执行官



کارکردگی کا جائزہ

مالیاتی نتائج کے موازنہ کے مختصر مالیاتی نتائج حسب ذیل ہیں:


اختتام پذیر سہ ماہی		
30 ستمبر 2017ء	30 ستمبر 2018ء	
(85.436)	4.199	آپریٹنگ نفع/(نقصان)
(122.418)	(11.048)	خسارہ علاوہ ٹیکس
(110.926)	(7.547)	خسارہ بمعہ ٹیکس
(0.78)	(0.03)	فی حصص خسارہ (روپے)


FNEL نے گزشتہ برس اسی مدت میں 110.926 ملین روپے کے خسارہ بمعہ ٹیکس کے مقابلہ میں رواں سال کی پہلی سہ ماہی میں 7.547 ملین روپے کا خسارہ بمعہ ٹیکس درج کیا۔ انڈیکس میں مسلسل مندی کی وجہ سے مارکیٹ کے تجارتی حجم اور قدر میں کمی بھی خسارہ بمعہ ٹیکس کا باعث بنی۔

حوصلہ افزائی اور اعتراف

FNEL کے بورڈ آف ڈائریکٹرز حکومت پاکستان، سکیورٹیز اینڈ ایکسچینج کمیشن آف پاکستان، NCCPL، CDC اور دیگر ریگولیٹری اداروں کی مسلسل حمایت اور کمپنی پر تمام شیئر ہولڈرز اور صارفین کے اعتماد اور ملازمین کے مسلسل عزم اور جذبہ کے شکر گزار ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے


عامر شہزاد
ایگزیکٹو ڈائریکٹر


علی اے ملک
چیف ایگزیکٹو آفیسر

مقام: لاہور

بتاریخ: 26 اکتوبر 2018ء

ڈائریکٹرز کی جائزہ رپورٹ

معزز شیئر ہولڈرز!

30 ستمبر 2018ء کو اختتام پذیر مدت کے لئے کمپنی کے ڈائریکٹرز سہ ماہی رپورٹ کے ہمراہ مالیاتی گوشوارے پیش کرنے میں فخر محسوس کرتے ہیں۔

معیشت اور سٹاک ایکسچینج

موجودہ سہ ماہی میں بڑھتے ہوئے کرنٹ اکاؤنٹ خساروں اور معاشی اتار چڑھاؤ کی وجہ سے معاشی آزمائشوں کو مرکزی حیثیت حاصل رہی۔

مالی سال 2019 میں کرنٹ اکاؤنٹ خسارہ 2.7 بلین ڈالر رہا جس میں گزشتہ سال اسی مدت کے مقابلے میں تقریباً 10 فیصد اضافہ ہوا جس کے نتیجے میں غیر ملکی ذرمبادلہ کے ذخائر میں کمی ہوئی۔ گرتے ہوئے زرمبادلہ کے ذخائر اور بڑھتے ہوئے خساروں نے روپیہ ڈالر کی مساوات پر دباؤ بڑھا دیا ہے۔ افراد زر بڑھ رہا ہے اور توانائی کے نرخوں میں اضافے اور بڑھتی ہوئی بین الاقوامی تیل کی قیمت اور مکمل روپے کی قدر میں کمی کی وجہ سے اس میں مزید اضافہ متوقع ہے۔

سیاسی اعتبار سے پاکستان میں ایک حکومت سے دوسری حکومت کو اقتدار کی ہموار منتقلی ہوئی۔ مالی سال 2018ء میں 5.8 فیصد کی بہترین شرح نمو مالی سال 2019ء میں سست روی کا شکار دکھائی دے رہی ہے کیونکہ عمومی معاشی پالیسی کے ذریعے استحکام پر توجہ دی جا رہی ہے۔ حکومت معاشی استحکام حاصل کرنے کے لیے پروگرام ترتیب دے رہی ہے اور بیرونی محاذ پر بڑھتے ہوئے دباؤ کو کم کرنے کے لیے انضباطی اقدامات مرتب کر رہی ہے۔

موجودہ مشکل صورتحال کے باوجود حکومتی اقدامات کے ذریعے منصوبوں کے آغاز اور نفاذ کی وجہ سے پاکستان کی معیشت کا مستقبل روشن نظر آ رہا ہے اس کے علاوہ ہمیں امید ہے کہ غیر ملک سرمایہ کاری جاری اقتصادی مطابقت کی مدت کے بعد مقررہ وقت میں دوبارہ شروع ہو جائے گی۔

پاکستان اسٹاک ایکسچینج (PSX) جون 2018 کے مقابلے میں ستمبر 2018 کو 2.17 فیصد کمی کے ساتھ 40,999 پوائنٹس پر بند ہوئی، پاکستانی روپے کی متوقع بے قدری کے نتیجے میں غیر ملکی سرمایہ داروں نے اس ضمن میں 32.4 بلین ڈالر کا خالص آؤٹ فلور یکار ڈ کیا ہے۔

اس سہ ماہی کے دوران، انتخابات میں سیاسی بے یقینی، بدتر اقتصادی عوامل اور گرتی روپے کے تبادلے کی قدر کی وجہ سے PSX میں مندی کا رجحان رہا۔

چونکہ کراچی اسٹاک ایکسچینج کے انڈکس میں کم قیمت آمدنی کے تناسب اور اپنے مقامی ساتھیوں کے ساتھ رعائتی نرخوں پر تجارت ہو رہی ہے۔ اس لئے ابتدائی طور پر موجودہ پرکشش قیمتوں کی بنیاد پر مارکیٹ میں مثبت رجحان رہے گا۔



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT SEPTEMBER 30, 2018

	Note	(Un-audited) September 30, 2018	(Audited) June 30, 2018
------(Rupees)-----			
NON-CURRENT ASSETS			
Property and equipment	7	38,782,764	39,073,690
Intangible assets	8	64,415,000	64,415,000
Other receivables		154,428,827	155,512,959
Investment in associate	9	72,989,837	72,989,837
Investments - available for sale	10	17,482,907	21,353,582
Long-term deposits		3,096,000	2,996,000
Deferred taxation		154,486,439	150,785,097
		505,681,774	507,126,166
CURRENT ASSETS			
Short-term investments	11	27,079,744	16,619,935
Trade debts	12	110,926,522	95,564,701
Loans and advances		3,496,384	4,324,009
Trade deposits and short-term prepayments	13	13,815,742	11,424,336
Other receivables		159,108,932	154,558,932
Advance tax		25,247,878	24,856,344
Cash and bank balances	14	192,712,602	260,197,163
		532,387,804	567,545,421
Total Assets		1,038,069,578	1,074,671,587
NON-CURRENT LIABILITIES			
Long-term financing	15	211,952,293	208,855,923
Loan from sponsors	16	155,175,000	155,175,000
Deferred liabilities		10,924,646	10,924,646
		378,051,939	374,955,569
CURRENT LIABILITIES			
Trade and other payables	17	253,000,306	281,644,007
Unclaimed dividend		9,676,311	9,676,311
Current portion of long-term financing		30,614,711	29,434,769
		293,291,328	320,755,087
Total Liabilities		671,343,267	695,710,656
CONTINGENCIES AND COMMITMENTS			
Net Assets	18	-	-
		366,726,311	378,960,931
REPRESENTED BY:			
Authorized share capital	19	5,000,000,000	5,000,000,000
Issued, subscribed and paid-up share capital	19	2,672,863,310	2,672,863,310
Discount on right shares		(1,508,754,317)	(1,508,754,317)
Accumulated loss		(804,230,437)	(796,683,176)
		359,878,556	367,425,817
Unrealized gain on re-measurement of investments classified as available for sale		6,847,755	11,535,114
		366,726,311	378,960,931

The annexed notes 01 to 26 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2018

		Three Months Period Ended	
		September 30, 2018	September 30, 2017
Note		----- (Rupees) -----	
Operating revenue	20	5,821,951	5,745,336
Gain on sale of investments		344,124	1,886,166
Unrealized loss on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - held for trading - net	11	(1,966,661)	(93,068,018)
Operating profit / (loss)		4,199,414	(85,436,516)
Administrative expenses		11,947,306	13,866,773
Finance cost		2,884,466	11,833,669
Other operating expenses		627,203	1,033,386
Other operating income / (loss)		211,004	(10,248,281)
Loss before taxation		(11,048,557)	(122,418,625)
Taxation	22	3,501,296	11,492,618
Loss after taxation		(7,547,261)	(110,926,007)
Basic loss per share		(0.03)	(0.78)

The annexed notes 01 to 26 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Chief Financial Officer


Director



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2018

Note	Three Months Period Ended	
	September 30, 2018	September 30, 2017
	----- (Rupees) -----	
Loss after taxation	(7,547,261)	(110,926,007)
Items that will not be re-classified to profit or loss	-	-
Items that are or may be reclassified subsequently to profit or loss		
Unrealized loss during the period in the market value of investments classified as 'available for sale'	(4,782,530)	(4,648,470)
Reclassification adjustment of realized gain on sale of investments available for sale	95,171	-
Other comprehensive loss for the period	(4,687,359)	(4,648,470)
Total comprehensive loss for the period	(12,234,620)	(115,574,477)

The annexed notes 01 to 26 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Loss before taxation

Adjustments for :

Depreciation

Gain on sale of investments

Unrealized loss on re-measurement of financial assets
carried at fair value through profit or loss

Finance cost

Loss on transfer of PSX rooms license

Dividend income

Miscellaneous Income

Provision for doubtful debts

Changes in working capital

Decrease / (Increase) in current assets

Trade debts

Loans and advances

Trade deposits and short-term prepayments

Other receivables

(Decrease) / Increase in current liabilities

Trade and other payables

Finance cost paid

Income tax paid

Long term deposits paid

Net cash utilized in operating activities

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of marketable securities

Sale of investments classified as 'available-for-sale' - net

Additions of fixed assets

Transfer of Intangible assets

Net cash (utilized in)/ generated from investing activities

CASH FLOWS FROM FINANCING ACTIVITIES

Long-term loans repaid

Other Loans received

Dividend paid

Net cash (utilized in) /generated from financing activities

Net (decrease) / increase in cash and cash equivalents

Cash and cash equivalents at the beginning of the period

Cash and cash equivalents at the end of the period

Note	Three Months Period Ended	
	September 30, 2018	September 30, 2017
	------(Rupees)-----	
	(11,048,557)	(122,418,625)
	290,924	333,018
	(344,124)	(1,886,166)
	1,966,661	93,068,018
	2,884,466	11,833,669
	-	11,000,000
	(550,207)	-
	(211,004)	(751,719)
	-	2,324,985
	4,036,716	115,921,805
	(7,011,841)	(6,496,820)
	(15,361,821)	(17,969,366)
	827,625	(10,470,552)
	(2,180,402)	28,309,770
	207	(160,317)
	(16,714,391)	(290,465)
	(28,643,701)	(125,683)
	(52,369,933)	(6,912,968)
	(524,023)	(1,568,314)
	(591,575)	(2,342,525)
	(100,000)	(500,000)
	(53,585,531)	(11,323,807)
	(13,089,201)	(2,698,964)
	190,171	22,441,344
	-	(292,300)
	-	11,000,000
	(12,899,030)	30,450,080
	(1,000,000)	(2,360,412)
	-	18,519,363
	-	(43,922)
	(1,000,000)	16,115,029
	(67,484,561)	35,241,302
	260,197,163	122,349,992
	192,712,602	157,591,294

The annexed notes 01 to 26 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Chief Financial Officer


Director



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2018

	Issued, subscribed and paid-up capital	Discount on issue of right shares	Accumulated loss	Unrealized surplus / (deficit) on re- measurement of investments classified as available for	Total
----- (Rupees) -----					
Balance as at July 01, 2017	1,418,098,310	(630,418,817)	(621,922,274)	24,933,939	190,691,158
Loss after taxation for three months ended September	-	-	(110,926,007)	-	(110,926,007)
Other comprehensive loss for the period	-	-	-	(4,648,470)	(4,648,470)
Balance as at September 30, 2017 (Un-audited)	1,418,098,310	(630,418,817)	(732,848,281)	20,285,469	75,116,681
Balance as at July 01, 2018	2,672,863,310	(1,508,754,317)	(796,683,176)	11,535,114	378,960,931
Loss after taxation for three months ended September	-	-	(7,547,261)	-	(7,547,261)
Other comprehensive loss for the period	-	-	-	(4,687,359)	(4,687,359)
Balance as at September 30, 2018 (Un-audited)	2,672,863,310	(1,508,754,317)	(804,230,437)	6,847,755	366,726,311

The annexed notes 01 to 26 form an integral part of these condensed interim financial statements.

Chief Executive Officer

Chief Financial Officer

Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2018

1 THE COMPANY AND ITS OPERATIONS

First National Equities Limited ("the Company") is a limited liability company incorporated in Pakistan under the Companies Ordinance, 1984 (now the Companies Act, 2017). Shares of the 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 Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited. The principal activities of the Company include shares brokerage, consultancy services and portfolio investments.

2 STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with requirements of Companies Act, 2017 (the Act), the directives issued by Securities and Exchange Commission of Pakistan and approved financial reporting standards as applicable in Pakistan. Approved financial reporting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Act, 2017, and provisions and directives issued under the Act. In case requirements differ, the provisions or directives of the Act prevail.

3 SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of annual published financial statements of the company for the year ended June 30, 2018.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the condensed interim financial information in conformity with approved accounting standards requires management to make estimates and assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revisions to accounting estimates are recognized prospectively commencing from the period of revision.

Judgments and estimates made by management in the preparation of these condensed interim financial statements are the same as those applied to the preceding annual published financial statements of the Company for the year ended June 30, 2018.

5 FINANCIAL RISK MANAGEMENT

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the financial statements of the Company for the year ended June 30, 2018.

**6 METHOD OF ACCOUNTING**

Company adopts 'settlement date accounting' as its method of accounting.

7 PROPERTY AND EQUIPMENT

	(Un-audited) September 30, 2018	(Un-audited) September 30, 2017
Additions during the period	-	292,300
Disposals during the period	-	-

8 INTANGIBLE ASSETS

	(Un-audited) September 30, 2018	(Audited) June 30, 2018
Opening balance	64,415,000	41,915,000
License of Rooms of PSX transferred	-	(22,000,000)
Purchase of license of 10 Rooms of PSX	-	47,000,000
Less: Impairment Loss	-	(2,500,000)
	64,415,000	64,415,000

9 INVESTMENT IN ASSOCIATE

	(Un-audited) September 30, 2018	(Audited) June 30, 2018
Investment in Coastal Company Limited	72,989,837	71,540,013
Share of profits from Associate	-	1,449,824
	72,989,837	72,989,837

10 INVESTMENTS - AVAILABLE FOR SALE**Pakistan Stock Exchange Limited**

	(Un-audited) September 30, 2018	(Audited) June 30, 2018
Opening Balance	21,353,582	41,163,843
FV Loss on Investment	(3,870,675)	(5,774,944)
Transferred	-	(14,035,317)
Closing Balance	17,482,907	21,353,582

11 SHORT TERM INVESTMENTS

	(Un-audited) September 30, 2018	(Audited) June 30, 2018
Available for sale	5,481,140	6,392,824
At fair value through profit or loss - held for trading	21,598,604	10,227,111
	27,079,744	16,619,935

11.1 Available for sale

	(Un-audited) September 30, 2018	(Audited) June 30, 2018
- Average cost	4,777,059	4,872,116
- Unrealized gain on re-measurement of investments	704,081	1,520,708
- Closing carrying value	5,481,140	6,392,824

(Un-audited) September 30, 2018	(Audited) June 30, 2018
----- (Rupees) -----	

11.2 Financial assets at fair value through profit or loss - held for trading

- Average cost	23,565,265	10,913,180
- Unrealized loss on re-measurement of investments	(1,966,661)	(686,069)
- Closing carrying value	21,598,604	10,227,111

11.3 Securities having market value of Rs. 12.253 million (June 30, 2018: Rs. 8.453 million) and Rs NIL (June 30, 2018: NIL) have been pledged with Pakistan Stock Exchange and various commercial banks respectively.

Note	(Un-audited) September 30, 2018	(Audited) June 30, 2018
----- (Rupees) -----		

12 TRADE DEBTS

Considered good	12.1	110,926,522	95,564,701
Considered doubtful		379,326,402	379,326,402
		490,252,924	474,891,103
Less: Provision for doubtful debts		(379,326,402)	(379,326,402)
		110,926,522	95,564,701

12.1 Treatment of amount receivable from customer

The Company holds securities having total fair value of Rs 1,256.694 million (June 30, 2018: Rs.1,597.964 million) owned by its clients as collateral against trade debts. The Company recognizes provision for doubtful debt on accounts receivable in an amount equal to the estimated probable losses net of recoveries. The allowance is based on an analysis of historical bad debt experience, current receivables aging, and expected future write-offs, as well as an assessment of specifically identifiable customer accounts considered at risk or uncollectible.

12.2 Securities pertaining to clients amounting Rs 21.152 million (June 30, 2018: 21.913 million) and Rs NIL (June 30, 2018: NIL) have been pledged / utilized by the Company for meeting the exposure deposit requirements of the Pakistan Stock Exchange Limited and for securing financing facilities from banks, respectively, with the consent from clients.

(Un-audited) September 30, 2018	(Audited) June 30, 2018
----- (Rupees) -----	

13 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Exposure deposits	13,815,742	11,424,336
	13,815,742	11,424,336



Note	(Un-audited) September 30, 2018	(Audited) June 30, 2018
----- (Rupees) -----		

14 CASH AND BANK BALANCES

This includes customer assets amounting Rs. 60.341 million (June 30, 2018: Rs. 37.222 million).

15 LONG TERM FINANCING

From banking companies - secured

Bank Alfalah Limited	15.1	95,767,395	94,063,081
United Bank Limited	15.2	1,193,820	1,193,820
The Bank of Punjab	15.3	139,699,789	137,127,791

Overdue interest on long term financing

The Bank of Punjab	5,906,000	5,906,000
	<u>242,567,004</u>	<u>238,290,692</u>

Less: Current portion of long term financing

(30,614,711)	(29,434,769)
<u>211,952,293</u>	<u>208,855,923</u>

15.1 The Company obtained financing from Bank Alfalah Limited ("BAF") for working capital requirements and in order to improve liquidity. The liability was restructured / rescheduled vide an offer letter dated June 27, 2014 (and amended on September 08, 2014). Under the terms of the restructuring, multiple loan tranches were merged. The restructured loan liability, which is interest-free, has been recognized at the present value of future payments, discounted at the average borrowing cost of the Company. The difference between the carrying amount of the liability extinguished and the carrying value of the new liability has been recognized in profit and loss as notional income. The related notional expense is being amortized over the term of the liability (through to June 2021).

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

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

15.2 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.

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

DF-I (Serviceable) amounting 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 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 Rs 94.695 million bears no future mark up. This facility is bifurcated into Rs 36.127 million and Rs 58.568 million. Rs 36.127 million will be repaid in 9 Quarterly/Bi-annual installments from September 2022 till 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 BOP's petition, to maintain intact the existing collateral/sureties during the currency of credit lines, and the unfettered right to demand accelerated repayment with improved rate of markup depending upon the financial growth indicators of the Company by taking June 30, 2015 as base period.

Since the restructured loan is partially interest free and partially at lower interest rate (i.e. 3% quarterly/bi-annually), the present value has been assessed using estimated future cash outflows discounted to their present values @ 7.5 %, which is the market interest rate of similar loans. The difference between the liability initially recognized and the present value calculated through discounting future cash outflows has been recognized in FY2016 profit and loss account as notional income and will be amortized during the tenure of the liability, i.e. through to Dec 2025.

	Note	(Un-audited) September 30, 2018	(Audited) June 30, 2018
----- (Rupees) -----			
16 LOAN FROM SPONSORS			
Loan from sponsors - Subordinated	16.1	155,175,000	155,175,000
		155,175,000	155,175,000
Less: current portion		-	-
		155,175,000	155,175,000

- 16.1** This represents subordinated, unsecured loan received from a Director of the Company.

17 TRADE AND OTHER PAYABLES

This includes amount Rs. 60.319 Million (June 30, 2018: Rs. 37.179 Million) payable to clients of the company.

**18 CONTINGENCIES AND COMMITMENTS****18.1 Contingencies**

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.

	(Un-audited) September 30, 2018	(Audited) June 30, 2018
	----- (Rupees) -----	
18.2.1 Outstanding settlements against sale of investments in regular market	-	3,415,929
Outstanding settlements against purchase of investments in regular market	-	3,146,703

19 SHARE CAPITAL**Authorized capital**

500,000,000 (2017: 500,000,000) Ordinary shares of Rs. 10 each **5,000,000,000** 5,000,000,000

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 **1,254,765,000** 1,254,765,000

2,672,863,310 **2,672,863,310**

(Un-audited)
September
30, 2018 (Un-audited)
September
30, 2017

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

20 OPERATING REVENUE

Brokerage Income **5,271,744** 5,745,336

Dividend Income **550,207** -

5,821,951 **5,745,336**

(Un-audited) September 30, 2018	(Un-audited) September 30, 2017
----- (Rupees) -----	

21 TURNOVER BY SEGMENT

Proprietary trades	894,331	1,886,166
Retail customers	5,212,328	5,669,915
Institutional Customers	59,416	75,421
	6,166,075	7,631,502

22 TAXATION

- Current tax (expense)	(200,047)	(884,726)
- deferred tax income	3,701,343	12,377,344
	3,501,296	11,492,618

23 RELATED PARTY TRANSACTIONS

The Company has related party relationships with its associated undertakings, directors and key management personnel. The following transactions were carried out with related parties during the period:

For the Period ended September 30, 2018 (Un-audited)

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

Transactions during the period

Purchase of marketable securities for and on behalf of	2,408,175,166	1,512,963,607	2,039,994,718	5,961,133,491
Sale of marketable securities for and on behalf of	2,484,433,840	1,509,459,076	2,045,017,793	6,038,910,709
Brokerage income	655,144	13,250	199,250	867,644
Remuneration to key management personnel	4,045,417	-	-	4,045,417

For the Period ended June 30, 2018 (audited)

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

Transactions during the period

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

24 SHAREHOLDERS HOLDING 5% OR MORE

SHAREHOLDERS NAME	Un-audited September 30, 2018		Audited June 30, 2018		Change
	Shares Held	Percentage	Shares Held	Percentage	
First Florence Developers (Pvt.) Limited	104,426,150	39.07%	104,426,150	39.07%	-
Ali Aslam Malik	74,132,134	27.74%	74,129,374	27.73%	2,760



25 GENERAL

These condensed interim financial statements are presented in Pak Rupees, which is the Company's functional and presentation currency. All figures are rounded off to the nearest rupee.

26 DATE OF AUTHORISATION

These condensed interim financial statements were authorized for issue on **October 26, 2018** by the Board of Directors of the Company.

A handwritten signature in black ink, appearing to be 'M. I.', written over a horizontal line.

Chief Executive Officer

A handwritten signature in black ink, appearing to be 'J. Singh', written over a horizontal line.

Chief Financial Officer

A handwritten signature in black ink, appearing to be 'A. Khan', written over a horizontal line.

Director

Branches Network

LAHORE OFFICE

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

PESHAWAR OFFICE

Ground Floor, Bank Square,
Chowk Yadgar
Opposite Habib Bank Ltd.
Peshawar City, Peshawar
Tel: (92-91) 2570962-2580746, 49, 50

RAWALPINDI OFFICE

Office No. 329-330, Third Floor,
Rania Mall, Bank Road, Saddar,
Rawalpindi.
Tel: (92-51) 5563194-96



www.jamapunji.pk



Key features:

- 📄 Licensed Entities Verification
- 📊 Scam meter*
- 🎮 Jamapunji games*
- 📄 Tax credit calculator*
- 🏢 Company Verification
- 📄 Insurance & Investment Checklist
- ❓ FAQs Answered
- 📈 Stock trading simulator (based on live feed from KSE)
- 📖 Knowledge center
- 📊 Risk profiler*
- 📄 Financial calculator
- 📧 Subscription to Alerts (event notifications, corporate and regulatory actions)
- 📱 Jamapunji application for mobile device
- 🖥️ Online Quizzes



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

jamapunji.pk

@jamapunji_pk

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



TREC Holder: Pakistan Stock Exchange Limited

PRINCIPAL OFFICE:

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

Tel: (92-42) 35843721-27 Fax: (92-42) 35843730

REGISTERED OFFICE:

Room No. 1007, 10th Floor, New Stock Exchange Building, Karachi-Pakistan.

Tel: (92-21) 32472119, 32472014 Fax: (92-21) 32472332