

FIRST NATIONAL EQUITIES LIMITED

第一国家股权有限

2019
QUARTERLY REPORT
季度报告



(Un-audited) For the Period Ended
March 31, 2019.

（未经审核）截至2019年3月31日止的季度。

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

Chief Financial Officer:

Ms. Ammara Zakriya

Company Secretary:

Mr. Khurram Zahoor

Head of Internal Audit:

Mr. Muhammad Waleed Ahmed

Auditors:

IECNET S.K.S.S.S
Chartered Accountants
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:

On behalf of the board of directors of First National Equities Limited, I am pleased to present the quarterly financial statements of our company for the third quarter ended on March 31, 2019.

Economy and stock exchange

Going into year 2019, economic data released confirms that the stabilization measures implemented during the last couple of months have slowed down the economy. In particular, Average headline CPI inflation has reached 6.8 percent in Jul-March FY19 compared to 3.8 percent recorded in the same period last year. Further, rising input costs on the back of higher energy prices and the lagged impact of exchange rate depreciation are likely to maintain upward pressure on inflation. Despite narrowing, the current account deficit remains high, fiscal consolidation is slower than anticipated, and core inflation continues to rise.

The pickup in inflation and the continuation of economic challenges are taking their toll on economic performance. Real economic activity has witnessed a marked slowdown. Economic outlook for 2019 will be determined by the situation unfolding on the balance of payment scenario and further measures undertaken by the government on promises such as institutional reforms, ease of doing business and foreign direct investment.

The KSE-100 index witnessed another depressing quarter and posted an insubstantial return of 4.2 % in third quarter to close at 38,649 points. The index was majorly led by continued pressure on current account deficit, depleting foreign exchange reserve, increase in discount rate and depreciation of PAK rupee. While valuations remained attractive, concerns on the political and economic fronts weighted heavily on investors sentiments, resulting in reduced activity at PSX. This was also reflected in significant decrease in average daily traded volumes. Moreover, foreigners also remained net sellers.

Performance Review:

Following is the summary of comparative financial results

	Three Months Ended		Nine Months Ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Operating Profit/(Loss)	1,392,417	6,229,667	8,918,714	(87,238,103)
Loss before taxation	(12,898,109)	(2,425,134)	(30,710,945)	(149,206,136)
Loss after taxation	(11,964,446)	(902,952)	(30,493,936)	(153,464,085)
Basic Loss per share	(0.04)	(0.01)	(0.11)	(1.08)



During the third quarter, company posted loss after tax of Rs. 11.964 million as compared to loss after tax of Rs. 0.902 million in the same period last year, mainly due to decline in capital gains on disposal of investments and lower market traded volumes and values due to continuous bearish trend in the market.

Appreciation and Acknowledgement:

The board of directors of FNEL would like to thank the Government of Pakistan, SECP, PSX, 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: April 29, 2019

亲爱的股东们，

代 董事会 First National Equities Limited，我很高兴提供我们公司在 2019年3月31日结束的第三季度的季度财务报表。

经济和证券交易所

进入2019年，经济数据公布证实 过去几个月实施的稳定措施已经实施， 然而，进一步的增长前景正在消退。特别是，在2009年7月至3月期间，平均CPI通胀率达到6.8%，而去年同期为3.8%。此外，由于能源价格上涨，投入成本上升 以及汇率的滞后影响 折旧可能会维持通胀压力上升。尽管缩小了，经常账户赤字仍然很高，财政整顿较慢比预期的，核心通胀继续上升。

通货膨胀率上升 以及经济挑战的持续 正在收费 经济表现。真正的经济活动 目睹明显放缓。2019年的经济前景 将确定 通过情况如何展开 关于国际收支情景 并采取进一步措施 由政府承诺如机构改革，做生意很方便 和外国直接投资。

股市 经历了不稳定的会议 并且压力很大 在市场上。KSE-100指数开盘 积极的一面，积极的889分这不是太远了 其上一季度收于37,066点 希望获得看涨 并触及2月份的最高水平41,614但随后在红色和绿色区域之间继续振荡 具有相同的下行趋势 收盘涨4.2%至38,649。投资者情绪始终保持低迷 由于经济和政治不确定性的时期 交易量显着下降 外国人是净卖家。

绩效考核：

以下是比较财务结果的摘要

	三个月结束		九个月结束	
	2019年03月31日	2018年03月31日	2019年03月31日	2018年03月31日
营业利润/（亏损）	1,392,417	6,229,667	8,918,714	(87,238,103)
税前亏损	(12,898,109)	(2,425,134)	(30,710,945)	(149,206,136)
税后亏损	(11,964,446)	(902,952)	(30,493,936)	(153,464,085)
每股基本亏损	(0.04)	(0.01)	(0.11)	(1.08)

在第三季度，公司公布了卢比的税后亏损。1196.4万 与卢比的税后亏损相比。902万 在去年同期，主要是由于下降 处置投资的资本收益 并降低市场交易量 和值由于连续 指数看跌趋势。

感谢和肯定：

FNEL董事会 我要感谢 巴基斯坦政府， SECP, PSX, NCCPL, CDC 和其他监管机构为了他们的继续支持， 公司的所有股东和客户 为了他们的信任， 和我们的员工持续不断奉献和承诺。


Amir Shehzad
执行董事

代表董事会

发布日期: 2019年4月29日

代表董事会


Ali A. Malik
首席执行官



کارکردگی کا جائزہ

متقابل مالیاتی نتائج حسب ذیل ہیں:


اختتام پذیر نو ماہی		اختتام پذیر سہ ماہی		
31 مارچ، 2018ء	31 مارچ، 2019ء	31 مارچ، 2018ء	31 مارچ، 2019ء	
(87,238,103)	8,918,714	6,229,667	1,392,417	آپریٹنگ منافع/(خسارہ)
(149,206,136)	(30,710,945)	(2,425,134)	(12,898,109)	خسارہ قبل از ٹیکسیشن
(153,464,085)	(30,493,936)	(902,952)	(11,964,446)	خسارہ بعد از ٹیکسیشن
(1.08)	(0.11)	(0.01)	(0.04)	فی حصص بنیادی خسارہ


گزشتہ سال کی اسی مدت میں 0.902 ملین روپے خسارہ علاوہ ٹیکس کے مقابلہ میں تیسری سہ ماہی کے دوران کمپنی نے 11.964 ملین روپے خسارہ علاوہ ٹیکس درج کیا۔ خسارہ میں یہ اضافہ انڈیکس میں جاری مندی کے رجحان کی وجہ سے سرمایہ داری کی فروخت پر آمدنی میں کمی اور تجارتی حجم میں کمی کے مرہون منت ہے۔

اظہار تشکر اور حوصلہ افزائی

FNEL کے بورڈ آف ڈائریکٹرز حکومت پاکستان، SECP، PSX، NCCPL، CDC اور دیگر قانونی اداروں کی مسلسل حمایت اور کمپنی کے تمام حصص داران اور صارفین کے بھروسہ اور اپنے ملازمین کی مسلسل محنت اور جذبہ پر ان کا شکریہ ادا کرتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے


عامر شہزاد
ایگزیکٹو ڈائریکٹر


علی اے ملک
چیف ایگزیکٹو آفیسر

مقام: لاہور

تاریخ: 29 اپریل 2019ء

ڈائریکٹرز کی جائزہ رپورٹ

معزز حصص داران:

فرسٹ نیشنل ایکویٹیز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ہم 31 مارچ 2019ء کو اختتام پذیر سہ ماہی کے لئے اپنی کمپنی کی سہ ماہی مالیاتی اسٹیٹمنٹس پیش کرنے میں دلی مسرت کا اظہار کرتے ہیں۔

معیشت اور سٹاک ایکسچینج

سال 2019ء کے دوران گزشتہ چند ماہ میں کئے گئے اقدامات استحکام کا پیش خیمہ ثابت ہوں گے تاہم معاشیت سست روی کا شکار رہے گی۔ خصوصاً، مالی سال 2019ء کے جولائی۔ مارچ عرصہ کے دوران افراط زر 6.8 فی صد تک پہنچ گئی جو گزشتہ برس اسی مدت میں 3.8 فی صد تھی۔ مزید برآں، توانائی کے بڑھتے نرخوں میں اور شرح مبادلہ میں تنزلی کے اثرات کی وجہ سے لاگت میں اضافہ رہا ہے اور نتیجتاً افراط زر کا دباؤ بھی اعلیٰ سطح پر رہنے کی توقع ہے۔ محدود اقدامات کے باوجود کرنٹ اکاؤنٹ خسارہ کی سطح بھی اونچی رہی اور مالیاتی استحکام توقع کے برعکس سست رہا اور بنیادی افراط زر میں اضافہ جاری رہا۔

افراط زر میں اضافہ اور معاشی مسائل کی روانی معیشت کی کارکردگی کو متاثر کر رہی ہے اور معاشی سرگرمیاں تنزلی کا شکار ہیں۔ حقیقی معاشی سرگرمی نے نشان زدہ سست رفتاری کی گواہی دی ہے۔ 2019ء کے معاشی منظر نامے کا اندازہ اس بات سے لگایا جاسکتا ہے کہ قرضوں کی ادائیگی میں توازن اور حکومت کے مزید اقدامات جو کہ اداروں میں اصلاحات، کاروبار میں آسانی پیدا کرنا اور غیر ملکی براہ راست سرمایہ داری جیسے حکومتی وعدوں کی پاسداری سے مشروط ہے۔

KSE-100 انڈیکس نے مزید تشویش ناک سماہی کا مشاہدہ کیا اور تیسری سماہی میں 4.2% کی واپسی کے ساتھ 38,649 پوائنٹس پر بند ہوا۔ انڈیکس پر دباؤ کی وجہ مسلسل موجودہ اکاؤنٹ کا خسارہ، غیر ملکی زرمبادلہ کے ذخائر میں کمی، رعایت کی شرح میں اضافہ اور روپے کی قدر میں کمی رہی۔ جبکہ تنفیص مالیت پر کشش رہی تاہم سیاسی اور معاشی محاذ پر خدشات کی وجہ سے سرمایہ کاروں کے جذبات مجروح ہوئے جس کی نتیجہ میں PSX کی سرگرمیوں میں مندا چھایا رہا۔ یہ اوسطاً روزانہ کے حجم میں نمایاں کمی کی عکاسی تھی مزید برآں غیر ملکی سرمایہ کار فروخت کنندہ رہے۔



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2019

	Note	(Un-audited) March 31, 2019	(Audited) June 30, 2018
------(Rupees)-----			
NON-CURRENT ASSETS			
Property and equipment	7	38,254,345	39,073,690
Intangible assets	8	64,415,000	64,415,000
Other receivables		151,403,483	155,512,959
Investment in associate	9	72,989,837	72,989,837
Investments - available for sale	10	17,742,393	21,353,582
Long-term deposits		2,750,000	2,996,000
Deferred taxation		153,747,713	150,785,097
		501,302,771	507,126,166
CURRENT ASSETS			
Short-term investments	11	29,861,032	16,619,935
Trade debts	12	106,308,432	95,564,701
Loans and advances		2,480,109	4,324,009
Trade deposits and short-term prepayments	13	1,945,130	11,424,336
Other receivables		163,085,362	154,558,932
Advance tax		23,643,141	24,856,344
Cash and bank balances	14	190,666,865	260,197,163
		517,990,071	567,545,421
Total Assets		1,019,292,842	1,074,671,587
NON-CURRENT LIABILITIES			
Long-term financing	15	220,350,151	208,855,923
Loan from sponsors	16	155,175,000	155,175,000
Deferred liabilities		10,872,976	10,924,646
		386,398,127	374,955,569
CURRENT LIABILITIES			
Trade and other payables	17	237,297,362	281,644,007
Unclaimed dividend		3,050,389	9,676,311
Current portion of long-term financing		31,808,475	29,434,769
		272,156,226	320,755,087
Total Liabilities		658,554,353	695,710,656
CONTINGENCIES AND COMMITMENTS	18	-	-
Net Assets		360,738,489	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	20	(1,508,754,317)	(1,508,754,317)
Share deposit Money		17,003,000	
Accumulated loss		(827,177,112)	(796,683,176)
		353,934,881	367,425,817
Unrealized gain on re-measurement of investments classified as available for sale		6,803,608	11,535,114
		360,738,489	378,960,931

The annexed notes 01 to 27 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 MARCH 31, 2019

		Nine Months Period Ended		Three Months Period Ended	
Note		March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
----- (Rupees) -----					
Operating revenue	21	16,360,585	19,895,067	5,084,948	5,145,267
(Loss)/gain on sale of investments		(6,569,470)	(106,618,437)	(6,626,914)	35,172
Unrealized (loss)/gain on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - held for trading - net	11	(872,401)	(514,733)	2,934,383	1,049,228
Operating profit / (loss)		8,918,714	(87,238,103)	1,392,417	6,229,667
Administrative expenses		36,589,527	36,750,209	11,433,392	10,419,764
Finance cost		18,839,391	19,567,430	5,719,891	3,383,629
Other operating expenses		1,467,388	1,815,103	425,532	321,819
Other operating income / (loss)		17,266,647	(3,835,291)	3,288,289	5,470,411
Loss before taxation		(30,710,945)	(149,206,136)	(12,898,109)	(2,425,134)
Taxation	23	(217,009)	4,257,949	(933,663)	(1,522,182)
Loss after taxation		(30,493,936)	(153,464,085)	(11,964,446)	(902,952)
Basic loss per share		(0.114)	(0.574)	(0.045)	(0.003)
Diluted loss per share		(0.113)	(0.566)	(0.044)	(0.003)

The annexed notes 01 to 27 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 MARCH 31, 2019

	Nine Months Period Ended		Three Months Period Ended	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
	----- (Rupees) -----			
Loss after taxation	(30,493,936)	(153,464,085)	(11,964,446)	(902,952)
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'	(4,826,677)	(8,316)	3,178,345	5,981,286
Reclassification adjustment of realized gain on sale of investments available for sale	95,171	10,561	-	-
Other comprehensive loss for the period	(4,731,506)	(18,877)	3,178,345	5,981,286
Total comprehensive loss for the period	(35,225,442)	(153,482,962)	(8,786,101)	5,078,334

The annexed notes 01 to 27 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 MARCH 31, 2019

Note	Nine Months Period Ended	
	March 31, 2019	March 31, 2018
----- (Rupees) -----		
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	(30,710,945)	(149,206,136)
Adjustments for :		
Depreciation	861,344	1,013,228
Impairment	-	2,500,000
Loss on sale of investments	6,569,470	106,618,437
Unrealized loss on re-measurement of financial assets carried at fair value through profit or loss	872,401	514,733
Finance cost	18,839,391	19,567,430
Loss on transfer of PSX rooms license	-	11,000,000
Dividend income	(1,974,535)	(4,168,489)
Other operating income	(17,266,647)	(7,164,709)
Provision for gratuity	-	698,487
Provision for doubtful debts	2,608,103	1,357,460
	10,509,527	131,936,577
Changes in working capital	(20,201,418)	(17,269,559)
Decrease / (Increase) in current assets		
Trade debts	(7,517,851)	(14,481,892)
Loans and advances	1,843,900	(5,674,777)
Trade deposits and short-term prepayments	11,040,494	39,700,931
Other receivables	-	22,230,431
	5,366,543	41,774,693
(Decrease) / Increase in current liabilities		
Trade and other payables	(27,343,645)	5,810,726
	(42,178,520)	30,315,860
Finance cost paid	(1,549,458)	(10,681,760)
Gratuity paid	(51,670)	(36,300)
Income tax paid	(1,532,404)	(4,462,768)
	(45,312,052)	15,135,032
Net cash utilized in operating activities	(45,312,052)	15,135,032
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of marketable securities	(21,993,454)	256,215,082
Sale of investments classified as 'available-for-sale' - net	190,171	13,268
Additions of fixed assets	(42,000)	(326,202)
(Additions) / disposals of intangible assets	-	4,000,000
Long term deposits paid	246,000	(500,000)
Dividend received	803,035	4,050,841
Net cash (utilized in) / generated from investing activities	(20,796,248)	263,452,989
CASH FLOWS FROM FINANCING ACTIVITIES		
Share Deposit money	-	63,863,000
Long-term loans repaid	(3,421,998)	(4,782,412)
Sponsor Loans repaid	-	(180,001,541)
Other Loans received	-	(39,770,955)
Dividend paid	-	(409,396)
Net cash (utilized in) / generated from financing activities	(3,421,998)	(161,101,304)
Net (decrease) / increase in cash and cash equivalents	(69,530,298)	117,486,717
Cash and cash equivalents at the beginning of the period	260,197,163	122,349,992
Cash and cash equivalents at the end of the period	190,666,865	239,836,709

The annexed notes 01 to 27 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 MARCH 31, 2019

	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 classified as available for sale	Total
	(Rupees)					
Balance as at July 01, 2017	1,418,098,310	-	(630,418,817)	(621,922,274)	24,933,939	190,691,158
Share deposit money Received	-	376,429,500	-	-	-	376,429,500
Profit after taxation for the nine months	-	-	-	(153,464,085)	-	(153,464,085)
Other comprehensive income for the nine months	-	-	-	-	(18,877)	(18,877)
Balance as at March 31, 2018 (Un-audited)	1,418,098,310	376,429,500	(630,418,817)	(775,386,359)	24,915,062	413,637,696
Balance as at April 01, 2018	1,418,098,310	376,429,500	(630,418,817)	(775,386,359)	24,915,062	413,637,696
Issue of right share	1,254,765,000	-	(878,335,500)	-	-	376,429,500
Transfer to share capital	-	(376,429,500)	-	-	-	(376,429,500)
Profit after taxation for the three months ended June	-	-	-	(21,296,817)	-	(21,296,817)
Other comprehensive income for the three months	-	-	-	-	(13,258,794)	(13,258,794)
Loss on remeasurement of Staff retirement benefits	-	-	-	-	(121,154)	(121,154)
Balance as at June 30, 2018	2,672,863,310	-	(1,508,754,317)	(796,683,176)	11,535,114	378,960,931
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 Received	-	17,003,000	-	-	-	17,003,000
Profit after taxation for the nine months	-	-	-	(30,493,936)	-	(30,493,936)
Other comprehensive income for the nine months	-	-	-	-	(4,731,506)	(4,731,506)
Balance as at March 31, 2019 (Un-audited)	2,672,863,310	17,003,000	(1,508,754,317)	(827,177,112)	6,803,608	360,738,489

The annexed notes 01 to 27 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 MARCH 31, 2019

1 THE COMPANY AND ITS OPERATIONS

First National Equities Limited ("the Company") is a limited liability company incorporated in Pakistan under the Companies Ordinance, 1984 (now the Companies Act, 2017). Shares of the 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) March 31, 2019	(Un-audited) March 31, 2018
Additions during the period	42,000	332,200
Disposals during the period	-	44,500

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

8 INTANGIBLE ASSETS

	(Un-audited) March 31, 2019	(Audited) June 30, 2018
TRE Certificate	2,500,000	2,500,000
License to use rooms at PSX	47,000,000	47,000,000
Building tenancy rights	14,915,000	14,915,000
	64,415,000	64,415,000

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

9 INVESTMENT IN ASSOCIATE

	72,989,837	72,989,837
Investment in Coastal Company Limited	72,989,837	72,989,837

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

Opening Balance	21,353,582	41,163,843
Fair value Loss on investment	(3,611,189)	(5,774,944)
Transferred	-	(14,035,317)
Closing Balance	17,742,393	21,353,582

11 SHORT TERM INVESTMENTS

Available for sale	11.1 5,177,507	6,392,824
At fair value through profit or loss - held for trading	11.2 24,683,525	10,227,111
	29,861,032	16,619,935

11.1 Available for sale

- Average cost	4,777,059	4,872,116
- Unrealized gain on re-measurement of investments	400,448	1,520,708
- Closing carrying value	5,177,507	6,392,824

(Un-audited) March 31, 2019	(Audited) June 30, 2018
----- (Rupees) -----	

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

- Average cost	25,555,926	10,913,180
- Unrealized loss on re-measurement of investments	(872,401)	(686,069)
- Closing carrying value	24,683,525	10,227,111

11.3 Securities with market value of Rs. 26.919 million (June 30, 2018: Rs. 8.453 million) have been pledged with Pakistan Stock Exchange Limited and National Clearing Company of Pakistan.

Note	(Un-audited) March 31, 2019	(Audited) June 30, 2018
----- (Rupees) -----		

12 TRADE DEBTS

Considered good	12.1	106,308,432	95,564,701
Considered doubtful		381,934,505	379,326,402
		488,242,937	474,891,103
Less: Provision for doubtful debts		(381,934,505)	(379,326,402)
		106,308,432	95,564,701

12.1 Treatment of amount receivable from customer

The Company holds securities having total fair value of Rs 1,283.203 million (June 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 17.179 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 requirement of the Pakistan Stock Exchange Limited and for securing financing facilities from banks, respectively, with the consent from clients.

(Un-audited) March 31, 2019	(Audited) June 30, 2018
----- (Rupees) -----	

13 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Exposure deposits	1,945,130	11,424,336
	1,945,130	11,424,336

**14 CASH AND BANK BALANCES**

This includes customer assets amounting Rs. 64.997 million (June 30, 2018: Rs. 37.222 million).

15 LONG TERM FINANCING

	Note	(Un-audited) March 31, 2019	(Audited) June 30, 2018
----- (Rupees) -----			
From banking companies - secured			
Bank Alfalah Limited	15.1	99,176,023	94,063,081
United Bank Limited	15.2	1,193,820	1,193,820
The Bank of Punjab	15.3	144,421,783	137,127,791
Overdue interest on long term financing			
The Bank of Punjab		7,367,000	5,906,000
		<u>252,158,626</u>	<u>238,290,692</u>
Less: Current portion of long term financing		<u>(31,808,475)</u>	<u>(29,434,769)</u>
		<u>220,350,151</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) March 31, 2019	(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. 64.978 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) March 31, 2019	(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**

20 SHARE DEPOSIT MONEY

Trust Investment Bank LTD	10,003,000	-
Ali Aslam Malik	7,000,000	-
	<u>17,003,000</u>	<u>-</u>

During the period, the Board of Directors of the Company resolved to issue 1.429 Million right shares to Trust Investment Bank Limited and 2.333 Million Right shares to Mr. Ali Aslam Malik against their outstanding loans of Rs. 10 Million and Rs. 7 Million, respectively.

21 OPERATING REVENUE

	(Un-audited) March 31, 2019	(Audited) June 30, 2018
Brokerage Income	14,386,050	5,745,336
Dividend Income	1,974,535	-
	16,360,585	5,745,336

22 TURNOVER BY SEGMENT

	(Un-audited) March 31, 2019	(Audited) June 30, 2018
Proprietary trades	(6,569,470)	(106,618,437)
Retail customers	16,202,865	19,455,304
Institutional Customers	157,720	439,763
	9,791,115	(86,723,370)

23 TAXATION

- Current tax expense	300,281	2,631,315
-Prior Period tax expense/(income)	2,445,327	3,848,259
- deferred tax (income)/ expense	(2,962,617)	(2,221,625)
	(217,009)	4,257,949

24 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 March 31, 2019 (Un-audited)

Key Management	Associates	Other related parties	Total
----------------	------------	-----------------------	-------

(Rupees)

Transactions during the period

Purchase of marketable securities for and on behalf of	6,730,426,440	6,472,177,885	6,235,167,754	19,437,772,079
Sale of marketable securities for and on behalf of	6,842,500,112	6,484,737,744	5,948,691,626	19,275,929,482
Brokerage income	1,186,719	59,565	311,610	1,557,894
Remuneration to key management personnel	12,329,980	-	-	12,329,980
Equity contribution	7,000,000	-	-	7,000,000

For the Period ended March 31, 2018 (Un-audited)

Key Management	Associates	Other related parties	Total
----------------	------------	-----------------------	-------

(Rupees)

Transactions during the year

Purchase of marketable securities for and on behalf of	3,137,511,830	-	3,914,414,562	7,051,926,392
Sale of marketable securities for and on behalf of	2,904,752,679	124,950,870	3,899,908,259	6,929,611,808
Brokerage income	407,935	266,850	1,242,019	1,916,804
Remuneration to key management personnel	7,629,401	-	-	7,629,401
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

**25 SHAREHOLDERS HOLDING 5% OR MORE**

SHAREHOLDERS NAME	Un-audited		Audited		Change
	March 31, 2019		June 30, 2018		
	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

26 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.

27 DATE OF AUTHORISATION

These condensed interim financial statements were authorized for issue on **April 29, 2019** by the Board of Directors of the Company.


Chief Executive Officer
Chief Financial Officer
Director

Branches Network

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