

FIRST NATIONAL EQUITIES LIMITED

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第一全国证券有限公司

2024

QUARTERLY REPORT

季度报告



(Un-audited) For the Period Ended  
September 30, 2024.

(未經審計) 期末2024年9月30日

[www.fnetrade.com](http://www.fnetrade.com)

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# VISION

Connecting people ideas and capital,  
we will be our client's 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 Khan	Director/Chairman
2. Mr. Amir Shehzad	Director
3. Mr. Abid Yousaf	Director
4. Mr. Muhammad Bilal	Director
5. Ms. Ayesha Anam	Director
6. Mr. Zeeshan Tahir	Director

### Acting Chief Executive Officer:

Mr. Amir Shehzad

### Audit Committee:

Mr. Muhammad Bilal	Chairman
Mr. Abid Yousaf	Member
Mr. Adnan Amjad Khan	Member
Mr. Arslan Tahir	Secretary

### HR & Remuneration Committee:

Mr. Zeeshan Tahir	Chairman
Ms. Ayesha Anam	Member
Mr. Arslan Tahir	Secretary

### Company Secretary:

Mr. Arslan Tahir

### Acting Chief Financial Officer:

Mr. Arslan Tahir

### Auditors:

Tariq Abdul Ghani & Co.  
Chartered Accountants, Lahore.

### Legal Advisor:

Ch. Law Company

### Shares Registrar:

CorpTec Associates (Pvt.) Ltd.  
503-E, Johar Town, Lahore.  
Tel: +92 42 35170336-7  
Fax: +92 42 35170338

### Bankers:

Bank AL Habib Limited  
Bank Alfalah Limited  
Bank Makramah Limited  
( Formerly: Summit Bank Limited )  
The Bank of Punjab

### Registered Office:

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

Tel: +92 42 35170336-7

Fax: +92 42 35170338



## DIRECTORS' REPORT

Directors of First National Equities Limited (“the Company”) are pleased to present the report of the company for the period ended September 30, 2024.

### A. GENERAL MARKET REVIEW AND FUTURE PROSPECTS:

Pakistan's economy is indicating positive developments during the start of FY2025 as most of the economic indicators have shown improvement. Inflation has dropped to single digit, industrial output has increased, and large exporting sectors have witnessed growth, reflecting an optimistic outlook for exports. The current account deficit contracted, while the fiscal sector remained resilient, mainly attributed to prudent measures. This trajectory is expected to continue in the coming months.

KSE-100 showed a positive upward trend in the start of FY2025. In August 2024, the KSE-100 index hovered around 78,000 points and closed at 78,488 points at month end. While during the month of September 2024, the KSE-100 index gained 601 points, while Market Capitalization increased by Rs 117 billion and settled at Rs 10,485 billion. This positive trend of KSE-100 is expected to continue in the coming months as all the economic indicators are showcasing positive trends.

We see the current market levels a good entry point for long-term investors. Therefore, we advise investors to look beyond the short-term market investments and build positions in the market, while keeping their long-term investment objectives in mind.

### B. OPERATING FINANCIAL RESULTS:

	Three months ended	
	September 30, 2024	September 30, 2023
	Rs. in million	
<b>Revenue</b>	5,678,883	4,524,530
<b>Operating profit</b>	7,406,105	6,303,000
<b>Loss after taxation</b>	(16,393,465)	(8,629,706)
<b>Basic loss per share</b>	(0.061)	(0.032)



**C. OUTLOOK:**

The management is monitoring its resources and making earnest efforts to reap the maximum benefits from them for its worthy shareholders. This involves optimizing revenue generation by adoption of efficient and effective operating procedure/system such as EClear and further, expects significant capital gain from it's strategic investment in Kingbhai Digisol (Pvt.) Ltd as the revival and boom of IT Sector in the post covid era is substantial. In order to maximize shareholder's return in future, company is in process to diversify and invest in various other projects.

The Board of Directors also wishes to express its gratefulness to the shareholders for their continued support and to all their employees for their ongoing dedication and commitment to the company.

**D. ACKNOWLEDGEMENT:**

Directors of the company place on record their sincere appreciation for the assistance and co-operation provided by financial institutions, government authorities and other stakeholders. The directors also appreciate the committed services of the employees of the Company.

For and on behalf of Board of Directors

Chief Executive Officer

Director

October 29, 2024  
Lahore



## ڈائریکٹرز کی رپورٹ

فرسٹ نیشنل ایکویٹیز لمیٹڈ ("کمپنی") کے ڈائریکٹرز 30 ستمبر، 2024 کو ختم ہونے والی مدت کے لئے کمپنی کی رپورٹ پیش کرنے پر خوش ہیں۔

### أ. عام مارکیٹ کا جائزہ اور مستقبل کے امکانات:

پاکستان کی معیشت مالی سال 2025 کے آغاز کے دوران مثبت پیش رفت کے اشارے دے رہی ہے کیونکہ زیادہ تر معاشی اشاریوں میں بہتری آئی ہے۔ افراط زر سنگل ڈیجٹ تک گر گیا ہے، صنعتی پیداوار میں اضافہ ہوا ہے، اور بڑے برآمدی شعبوں میں ترقی دیکھنے میں آئی ہے، جو برآمدات کے لئے پرامید نقطہ نظر کی عکاسی کرتی ہے۔ کرنٹ اکاؤنٹ خسارے میں کمی واقع ہوئی جبکہ مالیاتی شعبہ مستحکم رہا جس کی بنیادی وجہ دانشمندانہ اقدامات تھے۔ توقع ہے کہ آنے والے مہینوں میں بھی یہ سلسلہ جاری رہے گا۔

مالی سال 2025 کے آغاز میں کے ایس ای 100 میں مثبت اضافے کا رجحان دیکھا گیا۔ اگست 2024 میں کے ایس ای 100 انڈیکس 78 ہزار پوائنٹس کے قریب تھا اور ماہ کے اختتام پر 78 ہزار 488 پوائنٹس پر بند ہوا تھا۔ جبکہ ستمبر 2024ء کے دوران کے ایس ای 100 انڈیکس میں 601 پوائنٹس کا اضافہ ہوا جبکہ مارکیٹ کیپیٹلائزیشن 117 ارب روپے بڑھ کر 10 ہزار 485 ارب روپے پر بند ہوئی۔ کے ایس ای 100 کا یہ مثبت رجحان آنے والے مہینوں میں بھی جاری رہنے کی توقع ہے کیونکہ تمام معاشی اشارے مثبت رجحانات دکھا رہے ہیں۔

ہم موجودہ مارکیٹ کی سطح کو طویل مدتی سرمایہ کاروں کے لئے ایک اچھا انٹری پوائنٹ دیکھتے ہیں۔ لہذا، ہم سرمایہ کاروں کو مشورہ دیتے ہیں کہ وہ اپنے طویل مدتی سرمایہ کاری کے مقاصد کو ذہن میں رکھتے ہوئے، قلیل مدتی مارکیٹ کی سرمایہ کاری سے آگے دیکھیں اور مارکیٹ میں پوزیشنیں بنائیں۔

### ب. آپریٹنگ مالی نتائج:

	تین مہینے ختم ہو گئے	
	ستمبر 30, 2024	ستمبر 30, 2023
آمدنی	5,678,883	4,524,530
آپریٹنگ منافع	7,406,105	6,303,000
ٹیکس کے بعد نقصان	(16,393,465)	(8,629,706)
بنیادی نقصان فی حصص	(0.061)	(0.032)



### ت. نقطہ نظر:

انتظامیہ اپنے وسائل کی نگرانی کر رہی ہے اور اپنے قابل شیئر ہولڈرز کے لئے ان سے زیادہ سے زیادہ فوائد حاصل کرنے کے لئے سنجیدہ کوششیں کر رہی ہے۔ اس میں ای کلیئر جیسے موثر اور موثر آپریننگ طریقہ کار / نظام کو اپنا کر آمدنی پیدا کرنے کو بہتر بنانا شامل ہے اور اس کے علاوہ کنگ بھائی ڈیگیسول (پرائیویٹ) لمیٹڈ میں اس کی اسٹریٹجک سرمایہ کاری سے نمایاں سرمائے کے فوائد کی توقع ہے کیونکہ کووڈ کے بعد کے دور میں آئی ٹی سیکٹر کی بحالی اور تیزی کافی ہے۔ مستقبل میں شیئر ہولڈرز کی واپسی کو زیادہ سے زیادہ کرنے کے لئے، کمپنی مختلف دیگر منصوبوں میں تنوع اور سرمایہ کاری کرنے کے عمل میں ہے۔

بورڈ آف ڈائریکٹرز شیئر ہولڈرز کو ان کی مسلسل حمایت اور اپنے تمام ملازمین کو کمپنی کے لئے ان کی مسلسل لگن اور عزم کے لئے شکریہ ادا کرنا چاہتا ہے۔

### ث. اعتراف:

کمپنی کے ڈائریکٹرز نے مالیاتی اداروں، حکومتی حکام اور دیگر اسٹیک ہولڈرز کی جانب سے فراہم کی جانے والی معاونت اور تعاون کی تہہ دل سے تعریف کی۔ ڈائریکٹرز کمپنی کے ملازمین کی پرعزم خدمات کو بھی سراہتے ہیں۔

بورڈ آف ڈائریکٹرز کے لئے اور ان کی طرف سے



ڈائریکٹر



چیف ایگزیکٹو آفیسر

29 اکتوبر 2024

لاہور



## 董事报告

First National Equities Limited (“公司”)的董事很高兴呈报公司截至 2024 年 9 月 30 日期间的报告。

### 一. 一般市场回顾和未来前景:

巴基斯坦经济在 2025 财年初显示出积极的发展，因为大多数经济指标都显示出改善。通货膨胀率已降至个位数，工业产出增加，大型出口部门出现增长，反映出对出口前景的乐观。经常账户赤字收缩，而财政部门保持韧性，这主要归功于审慎的措施。预计这一轨迹将在未来几个月继续。

KSE-100 在 2025 财年初呈现积极的上升趋势。2024 年 8 月，KSE-100 指数徘徊在 78,000 点附近，月底收于 78,488 点。而在 2024 年 9 月，KSE-100 指数上涨了 601 点，而市值增加了 1170 亿卢比，收于 10.485 亿卢比。KSE-100 的这种积极趋势预计将在未来几个月持续，因为所有经济指标都显示出积极趋势。

我们认为当前的市场水平是长期投资者的良好切入点。因此，我们建议投资者超越短期市场投资，在市场上建立头寸，同时牢记他们的长期投资目标。

### 二. 经营财务业绩:

	3 个月结束	
	9 月 30, 2024	9 月 30, 2023
	百万卢比	
收入	5,678,883	4,524,530
营业利润	7,406,105	6,303,000
税后亏损	(16,393,465)	(8,629,706)
每股基本亏损	(0.061)	(0.032)



### 三.展望：

管理层正在监控其资源，并认真努力为其有价值的股东从中获得最大的利益。这涉及通过采用高效和有效的操作程序/系统（如 EClear）来优化创收，此外，预计其对 Kingbhai Digisol (Pvt.) Ltd 的战略投资将获得可观的资本收益，因为 IT 行业在后 covid 时代的复兴和繁荣是巨大的。为了在未来最大限度地提高股东的回报，公司正在进行多元化发展并投资于其他各种项目。

董事会还希望感谢股东们一直以来的支持，以及全体员工对公司的持续奉献和承诺。

### 四.确认：

公司董事对金融机构、政府机构和其他利益相关者提供的协助和合作表示衷心的感谢。董事们还感谢公司员工的承诺服务。

代表董事会

首席执行官

导演

10月29日，2024

拉合尔

**FIRST NATIONAL EQUITIES LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT SEPTEMBER 30, 2024**



	Note	(Unaudited) September 30, 2024	(Audited) June 30, 2024
----- Rupees -----			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	35,299,273	35,423,755
Intangible assets	8	23,834,771	23,834,771
Long-term other receivable		31,700,518	27,399,082
Investment in associate	9	72,181,394	72,181,394
Strategic investment	10	1,069,221,476	1,069,221,476
Long-term deposits		1,602,400	1,602,400
		<b>1,233,839,832</b>	<b>1,229,662,878</b>
<b>Current assets</b>			
Short term investments	11	29,346,220	31,768,361
Trade receivables - net	12	114,945,287	148,972,633
Loans and advances		1,979,442	1,301,969
Trade deposits and short-term prepayments	13	2,769,154	7,016,256
Other receivables		134,848,627	134,685,218
Tax refunds due from government		26,387,481	26,322,296
Cash and cash equivalents	14	299,682,952	274,337,920
		<b>609,959,163</b>	<b>624,404,653</b>
		<b>1,843,798,995</b>	<b>1,854,067,531</b>
<b>Total assets</b>			
<b>Non-current liabilities</b>			
Long term financing	15	203,077,231	198,076,436
Loan from sponsor	16	-	155,175,000
Deferred tax liabilities	17	27,408,646	26,852,841
		<b>230,485,877</b>	<b>380,104,277</b>
<b>Current liabilities</b>			
Trade and other payables	18	283,508,994	283,626,763
Current portion of long term financing	15	43,580,000	42,734,000
Loan from sponsor	16	155,175,000	-
Unclaimed dividend		1,399,397	1,399,397
Payable to provident fund		394,764	544,764
		<b>484,058,155</b>	<b>328,304,924</b>
<b>Contingencies and commitments</b>			
	19	-	-
		<b>714,544,032</b>	<b>708,409,201</b>
		<b>1,129,254,963</b>	<b>1,145,658,330</b>
<b>Net assets</b>			
<b>REPRESENTED BY:</b>			
<b>Share capital and reserves</b>			
<b>Authorized share capital</b>			
<b>500,000,000 Ordinary shares of Rs. 10 each.</b>			
Issued, subscribed and paid up share capital	20	2,672,863,310	2,672,863,310
Discount on right shares		(1,508,754,317)	(1,508,754,317)
Retained earnings		(37,668,970)	(21,275,505)
		<b>1,126,440,023</b>	<b>1,142,833,488</b>
Unrealized loss on re-measurement of investments classified at fair value through OCI		2,814,940	2,824,842
		<b>1,129,254,963</b>	<b>1,145,658,330</b>
<b>Total equity and liabilities</b>			

The annexed notes from 1 to 26 form an integral part of these financial statements.

Chief Executive

Chief Financial Officer

Director

**FIRST NATIONAL EQUITIES LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024**



	Note	Three months period ended	
		(Unaudited) September 30, 2024	(Unaudited) September 30, 2023
----- Rupees -----			
Operating revenue	21	5,678,883	4,524,530
Realized loss on sale of investments		2,048,695	2,760,252
Unrealized loss on re-measurement of investments classified at fair value through profit or loss - net		(321,473)	(681,782)
<b>Operating profit</b>		<b>7,406,105</b>	<b>6,603,000</b>
Administrative expenses		(21,895,717)	(17,022,650)
Other operating expenses		(339,285)	(396,015)
Other operating income /(loss)		4,940,159	5,063,727
Finance cost		(5,869,952)	(6,031,701)
		(23,164,795)	(18,386,639)
<b>Loss before final taxes and income taxes</b>		<b>(15,758,690)</b>	<b>(11,783,639)</b>
Taxation-Final tax / Minimum tax	22	(78,970)	(67,868)
<b>Loss before income tax</b>		<b>(15,837,660)</b>	<b>(11,851,507)</b>
<b>Taxation-Income tax</b>			
Current- For the year		-	-
- Prior year		-	-
Deferred tax (expense)/income	22	(555,805)	3,221,801
<b>Loss after income tax</b>		<b>(16,393,465)</b>	<b>(8,629,706)</b>
<b>Earnings per share - basic</b>		<b>(0.061)</b>	<b>(0.032)</b>

The annexed notes from 1 to 26 form an integral part of these financial statements.

Chief Executive

Chief Financial Officer

Director

**FIRST NATIONAL EQUITIES LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024**



Three months period ended	
(Unaudited) September 30, 2024	(Unaudited) September 30, 2023
----- Rupees -----	
Loss before income tax	(15,837,660)      (8,629,706)
<b>Other comprehensive income</b>	
<i>Items that will not be subsequently reclassified to profit or loss</i>	
Unrealized (loss)/gain during the period in the market value of investments classified as fair value through OCI	(9,902)      1,167,252
	(9,902)      1,167,252
<i>Items that will not be subsequently reclassified to profit or loss</i>	-      -
	(9,902)      1,167,252
<b>Total comprehensive loss for the period</b>	<b>(15,847,562)      (7,462,454)</b>

The annexed notes from 1 to 26 form an integral part of these financial statements.

Chief Executive

Chief Financial Officer

Director

FIRST NATIONAL EQUITIES LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024



	Issued, subscribed and paid up share capital	Discount on right shares	Retained earnings	Unrealized loss on re-measurement of investments classified at fair value through OCI	Total share capital and reserves
	----- Rupees -----				
Balance as at July 01, 2023	2,672,863,310	(1,508,754,317)	27,047,597	(1,338,583)	1,189,818,007
Loss for the period	-	-	(51,472,661)	-	(51,472,661)
Other comprehensive income for the period	-	-	-	7,313,056	7,313,056
'Transfer from unrealized surplus/ (deficit) on re-measurement of investments measured at FVOCI	-	-	3,149,631	(3,149,631)	-
<b>Balance as at June 30, 2024 (Audited)</b>	<b>2,672,863,310</b>	<b>(1,508,754,317)</b>	<b>(21,275,505)</b>	<b>2,824,842</b>	<b>1,145,658,330</b>
Balance as at July 01, 2024	2,672,863,310	(1,508,754,317)	(21,275,505)	2,824,842	1,145,658,330
Loss for the period	-	-	(16,393,465)	-	(16,393,465)
Other comprehensive loss for the period	-	-	-	(9,902)	(9,902)
Transferred from unrealized surplus / (deficit) on re-measurement of investments measured at FVOCI	-	-	-	-	-
<b>Balance as at September 30, 2024 (Unaudited)</b>	<b>2,672,863,310</b>	<b>(1,508,754,317)</b>	<b>(37,668,970)</b>	<b>2,814,940</b>	<b>1,129,254,963</b>

The annexed notes from 1 to 26 form an integral part of these financial statements.

Chief Executive

Chief Financial Officer

Director

**FIRST NATIONAL EQUITIES LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024**



	(Unaudited) September 30, 2024	(Unaudited) September 30, 2023
	----- Rupees -----	
<b>Cash flows from operating activities</b>		
Loss before final taxes and income taxes	(15,758,690)	(11,783,639)
Adjustments for:		
Depreciation	124,482	-
Realized loss on sale of investments	(2,048,695)	(2,760,252)
Unrealized loss on re-measurement of investments classified at fair value through profit or loss - net	321,473	681,782
Provision for		
Finance cost	5,846,794	6,031,701
Other operating income	(4,301,435)	(5,063,727)
	(57,381)	(1,110,496)
Operating loss before working capital changes	(15,816,071)	(12,894,135)
Effect of working capital changes		
(Increase) / decrease in current assets		
Trade debts	34,027,346	(22,979,222)
Loans and advances	(677,473)	431,917
Trade deposits and short-term prepayments	4,247,102	(14,212,369)
Other receivables	(163,409)	1,674,342
	37,433,566	(35,085,332)
Increase / (decrease) in current liabilities		
Provident fund payable	(150,000)	84,604
Trade and other payables	(117,769)	49,413,853
	(267,769)	49,498,457
Cash generated from operations	21,349,726	69,305,942
Interest paid	-	(237,425)
Income taxes paid	(144,155)	(155,814)
	(144,155)	(393,239)
<b>Net cash inflows from operating activities</b>	<b>21,205,571</b>	<b>68,912,703</b>
<b>Cash flows from investing activities</b>		
(Purchase)/sale of marketable securities	4,139,461	1,916,983
Proceeds from sale of long term investment	-	-
Dividend received	-	-
Additions of intangible assets	-	-
<b>Net cash inflows from investing activities</b>	<b>4,139,461</b>	<b>1,916,983</b>
<b>Cash flows from financing activities</b>		
Repayment of long-term loans	-	-
<b>Net cash flows from investing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase in cash and cash equivalents</b>	<b>25,345,032</b>	<b>70,829,686</b>
Cash and cash equivalents at the beginning of the period	274,337,920	279,093,298
<b>Cash and cash equivalents at end of the period</b>	<b>299,682,952</b>	<b>349,922,984</b>

The annexed notes from 1 to 26 form an integral part of these financial statements.

Chief Executive

Chief Financial Officer

Director





**1 The company and its operations**

First National Equities Limited ("the Company") is a public listed company incorporated in Pakistan under the Companies Ordinance, 1984 (repealed with the enactment of 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 FNE House, 179-B, Abu Bakar Block, New Garden Town, Lahore.

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	Office No. 3, 179 Abu Bakar Block, New Garden Town, Lahore.
Rawalpindi Branch	Office No. 329-330, Third Floor, Rania Mall, Saddar Cantt., Rawalpindi.
Gujrat Facilitation Center	Office No. 5, Ground Floor, Raja Plaza Near Pakistan Chowk, Gujrat.

**2 Basis of preparation**

**2.1 Basis of measurement**

These condensed interim 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 associate, which are recorded in accordance with the equity method of accounting for such investments
- Derivative financial instruments, which are marked-to-market as appropriate under relevant accounting and reporting standards.

**2.2 Statement of compliance**

These condensed interim financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan for interim financial reporting. Accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard 34 - Interim Financial Reporting (IAS 34), issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and
- Provisions of and directives issued under the Companies Act, 2017.

Where provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Act will prevail.

These condensed interim financial statements does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2024.

**2.3 Functional and presentation currency**

Items included in these condensed interim financial statements are measured using the currency of the primary economic environment in which the Company operates. The condensed interim financial statements are presented in Pakistani Rupees, which is the Company's functional and presentation currency, unless otherwise stated. All the figures have been rounded off to the nearest rupee.

**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, 2024

In addition, certain amendments to existing accounting and reporting standards as well as new interpretations became effective for periods beginning on or after July 1, 2024. However, such amendments or interpretations are either not relevant to or do not have a significant impact on these condensed interim financial statements.

**4 Accounting estimates and judgements**

The preparation of these condensed interim financial statements 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, 2024.

**FIRST NATIONAL EQUITIES LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024**



**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, 2024.

**6 Method of accounting**

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

Note	(Unaudited) September 30, 2024	(Audited) June 30, 2024
----- Rupees -----		
<b>7 Property, plant and equipment</b>		
Opening book value	35,423,755	36,325,367
Additions during the period	-	-
Disposals during the period	-	-
Depreciation charged during the period	(124,482)	(901,612)
Closing book value	<u>35,299,273</u>	<u>35,423,755</u>
<b>8 Intangible assets</b>		
Trading Right Entitlement Certificate (TREC) from Pakistan Stock Exchange Limited	2,500,000	2,500,000
License to use Room at Pakistan Stock Exchange Limited	20,019,771	20,019,771
Building tenancy rights	1,315,000	1,315,000
	<u>23,834,771</u>	<u>23,834,771</u>
<b>9 Investment in associate</b>		
Investment in Coastal Company Limited	72,181,394	74,077,951
Share of loss from associate	-	(1,896,557)
	<u>72,181,394</u>	<u>72,181,394</u>
	(Unaudited) September 30, 2024	(Audited) June 30, 2024
----- Rupees -----		
<b>10 Strategic investment</b>		
Investment in KingBhai Digisol (Pvt.) Limited	10.1 1,069,221,476	1,069,221,476
	<u>1,069,221,476</u>	<u>1,069,221,476</u>

**10.1** 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.

Note	(Unaudited) September 30, 2024	(Audited) June 30, 2024
----- Rupees -----		
<b>11 Short term investments</b>		
Investment in equity investments at fair value through other comprehensive income	11.1 14,394,015	14,294,890
Investment in equity investments at fair value through profit or loss	11.2 14,952,205	17,473,471
	<u>29,346,220</u>	<u>31,768,361</u>



**11.1 Investment in equity investments at fair value through other comprehensive income**

Average cost	11,579,075	11,470,048
Unrealized loss on re-measurement of investments	2,814,940	2,824,842
<b>Closing carrying value</b>	<b>14,394,015</b>	<b>14,294,890</b>

**11.2 Investment in equity investments at fair value through profit or loss**

Average cost	15,273,678	21,858,735
Unrealized loss on re-measurement of investments	(321,473)	(4,385,264)
<b>Closing carrying value</b>	<b>14,952,205</b>	<b>17,473,471</b>

**11.3** Securities having market value of Rs. 26.50 million (June 30, 2024: Rs. 28.730 million) have been pledged with Pakistan Stock Exchange and National Clearing Company of Pakistan Limited to meet trading requirements.

<b>(Unaudited) September 30, 2024</b>	<b>(Audited) June 30, 2024</b>
---	------------------------------------

----- Rupees -----

**12 Trade receivables - net**

Considered good	114,945,287	148,972,633
Considered doubtful	218,400,607	218,400,607
	333,345,894	367,373,240
Provision for doubtful receivables	(218,400,607)	(218,400,607)
	<b>114,945,287</b>	<b>148,972,633</b>

**12.1** The Company holds securities having total fair value of Rs. 1,655.660 million (June 30 2024: Rs. 2,257.973 million) owned by its clients as collateral against trade debts.

**12.2** This includes Rs. 9.000 million (June 30 2024: Rs. 32.355 million) due from related parties and maximum aggregate amount outstanding at any time during the period from related parties was Rs. 10.199 million (June 30 2024 : Rs. 141.524 million).

<b>(Unaudited) September 30, 2024</b>	<b>(Audited) June 30, 2024</b>
---	------------------------------------

----- Rupees -----

**13 Trade deposits and short-term prepayments**

Exposure deposits	2,769,154	7,016,256
	<b>2,769,154</b>	<b>7,016,256</b>

**14 Cash and cash equivalents**

Cash in hand	-	-
Balances with banks in:		
- Proprietary accounts	137,969,214	124,570,490
- Client accounts	161,713,738	149,767,430
	299,682,952	274,337,920
	<b>299,682,952</b>	<b>274,337,920</b>

FIRST NATIONAL EQUITIES LIMITED  
 NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
 FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024



	Note	(Unaudited) September 30, 2024	(Audited) June 30, 2024
----- Rupees -----			
<b>15 Long term financing</b>			
<b>Secured</b>			
<u><i>From banking companies</i></u>			
Bank Alfalah Limited	15.1	83,053,291	79,531,850
The Bank of Punjab	15.2	148,653,839	146,328,485
		<b>231,707,130</b>	<b>225,860,335</b>
<b>Unsecured</b>			
Other loans		14,950,101	14,950,101
		<b>14,950,101</b>	<b>14,950,101</b>
		<b>246,657,231</b>	<b>240,810,436</b>
Current borrowings		43,580,000	42,734,000
Non current borrowings		203,077,231	198,076,436
		<b>246,657,231</b>	<b>240,810,436</b>

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 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 KIBOR, and the related present value gains/(losses) were recognized in the statement of profit or loss. The related notional expense is being amortized over the term of the liability (from December 2020 to June 2027). During the quarter ended September 30, 2024, the Company had made a repayment Rs. Nil (2024: Rs. 7 million). This facility is secured against pledged shares of different companies, hypothecation charge over present and future receivables of the company and personal guarantee of directors/mortgagors of the company.

*Reconciliation of fair value of BAF facility*

	(Unaudited) September 30, 2024	(Audited) June 30, 2024
----- Rupees -----		
Opening balance	79,531,850	73,972,459
Accrued notional interest	3,521,440	12,559,391
Payments made during the year	-	(7,000,000)
Present value adjustment	-	-
<b>Closing balance</b>	<b>83,053,290</b>	<b>79,531,850</b>

15.2 Financing from the Bank of Punjab has been restructured/rescheduled vide an offer letter dated December 22, 2021, wherein the Bank has agreed to settle the previous running finance facility amounting Rs. 200 million through restructuring/rescheduling on the following terms and conditions:

Outstanding principle amounting to Rs. 97.504 million will be repaid in 48 quarterly installments starting from March 31, 2022 till December 2033 with a down payment of Rs. 0.850 million. Future COF bearing mark-up quarterly at the rate advised by SBP from time to time will be waived/ written off at tail end subject to regular repayment of entire outstanding principle without any default.

Outstanding past mark-up amounting to Rs. 103.198 million bears no future mark-up. This balance of Rs. 103.198 million will be waived/written off at the tail end subject to no default.

The restructured loan liability, which is interest-free, has been recognized at the present value of future payments, discounted at the cost of funds defined by Bank, and the related present value gains/(losses) were recognized in the statement of profit or loss.



	Note	(Unaudited) September 30, 2024	(Audited) June 30, 2024
----- Rupees -----			
<b><i>Reconciliation of fair value of BOP facility</i></b>			
Opening balance		146,328,485	136,163,277
Payments made during the year		-	(500,000)
Liability written off		-	-
Accrued notional interest		2,325,354	10,665,208
<b>Closing balance</b>		<b>148,653,839</b>	<b>146,328,485</b>
----- Rupees -----			
<b>(Unaudited) September 30, 2024</b>			
----- Rupees -----			
<b>16 Loan from sponsor</b>			
Loan from sponsor - subordinated	16.1	155,175,000	155,175,000
		<b>155,175,000</b>	<b>155,175,000</b>
<b>16.1</b>	The loan has been obtained for working capital purpose and utilized for the same. This loan is interest free as per the requirements of the Section 71 (1) (a) of the Securities Act, 2015.		
----- Rupees -----			
<b>(Unaudited) September 30, 2024</b>			
----- Rupees -----			
<b>17 Deferred tax liabilities</b>			
<b>Movement of deferred tax</b>			
Opening balance		27,408,646	26,852,841
		<b>27,408,646</b>	<b>26,852,841</b>
<b>17.1 Deferred tax comprises temporary differences attributable to:</b>			
<b>Taxable temporary difference</b>			
Tax depreciation		4,252,787	4,214,530
Strategic investment		154,964,614	158,063,906
Long-term investment at FVOCI		-	-
Investment in associate		4,666,302	4,759,628
		163,883,703	167,038,064
<b>Deductible temporary difference</b>			
Intangible assets		(3,298,058)	(3,364,019)
Short-term investments at FVTPL		(47,070)	(648,581)
Provision for doubtful debts		(31,668,088)	(32,301,450)
Long-term other receivable		(1,238,373)	(1,263,140)
Other receivables		(4,672,499)	(9,452,611)
Capital loss on sale of investments at FVTPL		(10,962,362)	(10,962,362)
Short term investments-OCI		752,857	-
		(51,133,594)	(57,992,163)
Effect of carried-forward tax losses/tax credits		(85,341,463)	(82,193,060)
		<b>27,408,646</b>	<b>26,852,841</b>

**FIRST NATIONAL EQUITIES LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024**



	(Unaudited) September 30, 2024	(Audited) June 30, 2024
<b>18 Trade and other payables</b>		
Trade payables	114,669,442	114,669,439
Other trade payables - net of commission and taxes	143,359,493	143,352,836
Accrued liabilities	15,355,010	13,262,021
Other payables	10,125,049	12,342,467
	<u>283,508,994</u>	<u>283,626,763</u>

**19 Contingencies and commitments**  
**Contingencies**

There are no significant changes in contingencies and commitments from those disclosed in the preceding annual financial statements of the company for the year ended June 30, 2024.

**20 Issued, subscribed and paid up share capital**

Ordinary shares of Rs. 10 each.

- Fully paid in cash
- Allotted as bonus share
- Right shares allotted at discount
- Right shares allotted at discount
- Right shares allotted at discount

	(Unaudited) September 30, 2024	(Audited) June 30, 2024	(Unaudited) September 30, 2024	(Audited) June 30, 2024
	Number of shares		----- Rupees -----	
	50,000,000	50,000,000	500,000,000	500,000,000
	7,500,000	7,500,000	75,000,000	75,000,000
	80,500,000	80,500,000	805,000,000	805,000,000
	3,809,831	3,809,831	38,098,310	38,098,310
	125,476,500	125,476,500	1,254,765,000	1,254,765,000
	<u>267,286,331</u>	<u>267,286,331</u>	<u>2,672,863,310</u>	<u>2,672,863,310</u>

20.1 There is no agreement with shareholders for voting rights, board selection, rights of refusal, and block voting.

20.2 Following shares were held by related parties of the company:

	(Unaudited) September 30, 2024	(Audited) June 30, 2024	(Unaudited) September 30, 2024	(Audited) June 30, 2024
	Number of shares		Percentage	
First Florance Developers (Pvt.) Limited	82,972,650	82,972,650	31.04%	31.04%
Mr. Ali Aslam Malik	29,756,134	29,756,134	11.13%	11.13%
MCD Pakistan Limited	2,095,000	2,095,000	0.78%	0.78%
First Pakistan Securities Limited	8,061,308	8,061,308	3.02%	3.02%
Switch Securities (Pvt.) Limited	3,527,006	3,527,006	1.32%	1.32%
Directors	29,873,459	29,873,459	11.18%	11.18%
	<u>156,285,557</u>	<u>156,285,557</u>	<u>58.47%</u>	<u>58.47%</u>

**21 Operating revenue**

Gross brokerage income

	(Unaudited) September 30, 2024	(Unaudited) September 30, 2024
	----- Rupees -----	
	5,678,883	4,524,530
	<u>5,678,883</u>	<u>4,524,530</u>
	<u>5,678,883</u>	<u>4,524,530</u>

**FIRST NATIONAL EQUITIES LIMITED**  
**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2024**



(Unaudited) September 30, 2024	(Unaudited) September 30, 2024
----- Rupees -----	
(78,970)	(67,868)
(555,805)	3,221,801
<b>(634,775)</b>	<b>3,153,933</b>

**22 Taxation-Final tax / Minimum tax**

Current tax expense  
Deferred tax (expense) / income

**23 Transactions with related parties**

The related parties comprise of major shareholder, associated undertakings, entities under common directorship and key management personnel.

Significant transactions with related parties are as follows:

For the period ended September 30, 2024 (Un-Audited)			
Key Management	Associates	Other related parties	Total
----- Rupees -----			

Transactions during the period

Purchase of marketable securities for and on behalf of	553,712,070	-	232,250	553,944,320
Sale of marketable securities for and on behalf of	561,638,639	10,903	1,883,072	563,532,614
Brokerage income	-	-	8,370	8,370
Remuneration to key management personnel	2,845,000	-	-	2,845,000
Advance provided against purchases	-	-	-	-
Advance received back	-	-	-	-
Provident fund trust-contribution accrued to staff provident fund	-	-	-	-

For the year ended June 30, 2024 (Audited)			
Key Management	Associates	Other related parties	Total
----- Rupees -----			

Transactions during the year

Purchase of marketable securities for and on behalf of	12,580,437,927	-	15,282,374,223	27,862,812,150
Sale of marketable securities for and on behalf of	12,576,915,339	1,439,505	15,253,551,113	27,831,905,957
Brokerage income	-	-	-	-
Remuneration to key management personnel	8,400,000	-	-	8,400,000
Advance provided against purchases	-	-	17,150,000	17,150,000
Advance received back	-	-	17,800,000	17,800,000
Provident fund trust-contribution accrued to staff provident fund	-	-	345,407	345,407

*All transactions with related parties have been carried out on commercial terms and conditions.*



24 Shareholders holding 5% or more

Shareholders name	(Unaudited) September 30, 2024		(Audited) June 30, 2024	
	Shares Held	Percentage	Shares Held	Percentage
First Florance Developers (Pvt.) Limited	82,972,650	31.04%	82,972,650	31.04%
Alfalah CLSA Securities (Pvt.) Limited	23,500,000	8.79%	23,500,000	8.79%
Ali Aslam Malik	29,756,134	11.13%	29,756,134	11.13%

25 Date of authorization for issue

These condensed interim financial statements were authorized for issue on 29-October-2024 by the Board of Directors of the Company.

26 General

- Figures have been rounded off to the nearest rupee.

Chief Executive

Chief Financial Officer

Director



# Branch Network

## **REGISTERED OFFICE**

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

## **LAHORE BRANCH**

Office No. 3, 179 Abu Bakar Block,  
New Garden Town, Lahore.  
Tel: (92-336) 7358310

## **RAWALPINDI BRANCH**

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

## **GUJRAT FACILITATION CENTER**

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Raja Plaza Near Pakistan Chowk, Gujrat.  
Tel: (92-53) 3727309