

FIRST NATIONAL EQUITIES LIMITED

第一国家股权有限

2021
ANNUAL REPORT
半年报告



(Audited) For the Period Ended
June 30, 2021.

（未经审计）截至截止 2021年 6月30日。

www.fnetrade.com

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VISION

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

First Choice
for achieving their
financial aspirations"



MISSION

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

Company Information

Board of Directors:

1. Mr. Adnan Amjad	Director/Chairman
2. Mr. Muhammad Bilal	Director
3. Mr. Amir Shehzad	Director
4. Mr. Abid Yousaf	Director
5. Ms. Syeda Faaiza Akmal Tirimizi	Director
6. Mr. Fusao Yamada	Director
7. Ms. Ayesha Anum	Director

Chief Executive Officer:

Mr. Ali Aslam Malik

Audit Committee:

1. Mr. Fusao Yamada	Chairman
2. Mr. Adnan Amjad Khan	Member
3. Mr. Muhammad Bilal	Member
4. Mr. Muhammad Waleed Ahmed	Secretary

HR & Remuneration Committee:

1. Mr. Fusao Yamada	Chairman
2. Mr. Adnan Amjad Khan	Member
3. Mr. Ali A. Malik	Member
4. Ms. Syeda Faaiza Akmal Tirimizi	Secretary

Chief Financial Officer:

Ms. Ammara Zakriya

Company Secretary

Mr. Arslan Tahir

Head of Internal Audit:

Mr. Muhammad Waleed Ahmed

Auditors:

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

Legal Advisor:

Lashari & Co. Advocates

Shares Registrar:

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

Bankers:

Summit Bank Limited
Bank Alfalah Limited
Habib Metropolitan Bank Limited
The Bank of Punjab Limited
NIB Bank Limited
Soneri Bank Limited
Allied Bank Limited
Bank Al Habib Limited
MCB Limited

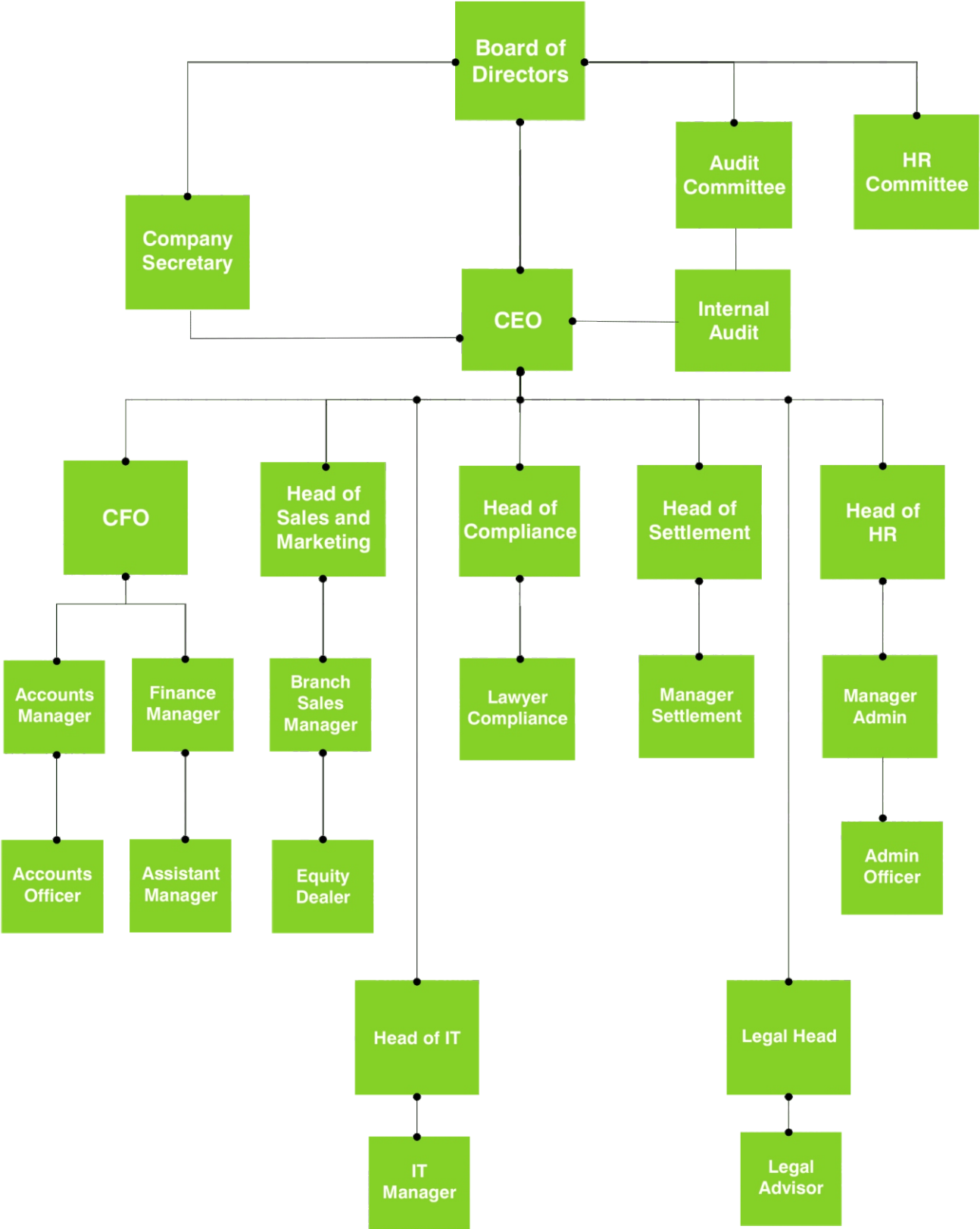
Principal Office:

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

Registered Office:

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

Organization Chart



Financial Statistical Summary

(2016 - 2021)

OPERATING RESULTS

Operating Revenues	
Gain on sale of investments	
Unrealised Gain / (Loss) on investments	
Gross Revenue	
Administrative Expenses	
Finance Cost	
Other Operating Expenses	
Other Operating income	
Change in fair value of investment	
Share of (loss)/profit from associates - net of tax	

Profit / (Loss) before Tax

Taxation (expense) / income

Profit / (Loss) after Tax

June 30, (Rupees '000)					
2021	2020	2019	2018	2017	2016
105,660	33,745	21,317	25,010	66,185	22,685
66,467	(1,042)	(7,486)	(103,523)	162,890	(3,643)
9,876	(3,074)	(7,084)	(686)	(53,231)	19,304
182,002	29,629	6,747	(79,199)	175,844	38,347
(122,627)	(60,356)	(48,857)	(41,248)	(151,075)	(52,115)
(26,617)	(22,666)	(50,111)	(24,986)	(179,245)	(49,627)
(8,520)	(4,746)	(2,720)	(5,586)	(5,790)	(12,833)
89,008	76,747	10,240	4,471	302,276	171,412
113,247	18,607	(84,701)	(155,490)	142,011	95,183
178,494	72,054	637,050	-	-	-
(597)	1,672	2,370	1,450	43	1,459
291,144	92,333	554,719	(154,040)	142,054	96,644
(106,787)	21,547	(56,815)	(20,721)	24,901	38,406
184,356	113,880	497,904	(174,761)	166,955	135,050

BALANCE SHEET SUMMARY

Non-Current Assest

Property and equipment	
Capital work in progress	
Intangible assets	
Other Recievableas	
Investment in associate	
Long term investments	
Investments - available for sale	
Long term deposits	
Deferred taxation	

Total Non-Curruent Assets

Current assets

Short term investments	
Trade debts	
Loans & advances	
Trade deposits & short term prepayments	
Other Receivables	
Advance tax	
Cash and bank balance	

Total Curruent Assets

CURRENT LIABILITIES

Trade & other payables	
Unclaimed dividend	
Current maturity of long term financing	

Total Current Liabilities

Net Current Assets

Non-current liabilities

Long Term Borrowings	
Loan from Sponsors	
Deffered liabilities	
Other Loans	
Total Non-Current Liabilities	

Net Assets

REPRESENTED BY

Issued, subscribed and paid-up capital	
Discount on issue of Right Shares	
Share Deposit Money	
Accumulated losses	
Unrealized gain/(loss) on remeasurement of investments classified as available for sale	

Total Equity

37,346	37,345	38,074	39,074	39,998	57,868
-	-	-	-	33,340	33,340
85,277	85,277	85,277	64,415	41,915	41,915
123,321	131,071	113,010	155,513	142,579	-
76,435	77,032	75,360	72,990	71,540	114,133
888,099	709,605	637,550	-	-	-
-	-	14,056	21,354	41,163	40,074
1,602	1,600	2,250	2,996	2,496	2,481
10,498	116,588	94,255	150,785	164,028	130,064
1,222,578	1,158,518	1,059,832	507,126	537,059	419,875
173,434	56,224	21,746	16,620	373,049	420,738
108,352	129,361	102,612	95,565	53,270	353,144
587	2,078	1,339	4,324	41,629	501
114,598	10,509	25,055	11,424	50,338	6,537
112,725	149,514	144,737	154,559	189,013	165,281
27,604	25,792	26,340	24,856	27,020	13,606
230,778	190,181	180,704	260,197	122,350	52,230
768,078	563,659	502,533	567,545	856,669	1,012,037
337,963	290,190	236,289	281,644	264,159	198,341
1,399	1,525	1,525	9,676	-	-
22,000	3,194	33,991	29,435	32,941	70,623
361,363	294,909	271,805	320,755	297,100	268,964
406,715	268,750	230,727	246,790	559,569	743,073
277,875	279,930	238,426	208,856	194,113	445,702
155,175	155,175	155,175	155,175	647,743	412,204
15,403	13,866	12,572	10,925	9,360	7,181
-	-	-	-	54,721	118,210
448,453	448,971	406,173	374,956	905,937	983,298
1,180,840	978,297	884,386	378,961	190,691	179,650
2,672,863	2,672,863	2,672,863	2,672,863	1,418,098	1,418,098
(1,508,754)	(1,508,754)	(1,508,754)	(1,508,754)	(630,419)	(630,419)
-	-	17,003	-	-	-
(542)	(184,899)	(298,779)	(796,683)	(621,922)	(638,518)
17,273	(912)	2,053	11,535	24,934	30,488
1,180,840	978,297	884,386	378,961	190,691	179,650

Vertical Analysis

Profit and Loss Account

Operating Revenues
Gain on sale of investments
Unrealised Gain / (Loss) on investments
Gross Revenue

Administrative Expenses
Finance Cost
Other Expenses
Other income

Change in fair value of investment
Share of profit from associates - net of tax

Profit / (Loss) before Tax

Taxation (expense) / income

Profit / (Loss) after Tax

2021	2020	2019	2018	2017	2016
.....Rupees in (000)					
105,660	33,745	21,317	25,010	66,185	22,685
66,467	(1,042)	(7,486)	(103,523)	162,890	(3,643)
9,876	(3,074)	(7,084)	(686)	(53,231)	19,304
182,002	29,629	6,747	(79,199)	175,844	38,346
(122,627)	(60,356)	(48,857)	(41,248)	(151,075)	(52,115)
(26,617)	(22,666)	(50,111)	(24,986)	(179,245)	(49,627)
(8,520)	(4,746)	(2,720)	(5,586)	(5,790)	(12,833)
89,008	76,746	10,240	(4,471)	302,276	171,412
113,247	18,607	(84,701)	(155,490)	142,011	95,182
178,494	72,054	637,050	-	-	-
(597)	1,672	2,370	1,450	43	1,459
291,144	92,333	554,719	(154,040)	142,054	96,644
(106,787)	21,547	(56,815)	(20,721)	24,901	38,406
184,356	113,880	497,903	(174,761)	166,955	135,050

2021	2020	2019	2018	2017	2016
.....Percentage.....					
58%	114%	316%	-32%	38%	59%
37%	-4%	-111%	131%	93%	-10%
5%	-10%	-105%	1%	-30%	50%
100%	100%	100%	100%	100%	100%
-67%	-204%	-724%	52%	-86%	-136%
-15%	-76%	-743%	32%	-102%	-129%
-5%	-16%	-40%	7%	-3%	-33%
49%	259%	152%	6%	172%	447%
-38%	-37%	1355%	96%	-19%	148%
98%	243%	9442%	-	-	-
0%	6%	35%	-2%	0%	4%
160%	312%	8222%	194%	81%	252%
-59%	73%	-842%	26%	14%	100%
101%	384%	7380%	221%	95%	352%

BALANCE SHEET SUMMARY

Assets

Property and equipment
Capital work in progress
Intangible assets
Other Receivables
Investment in associate
Strategic investment
Investments - available for sale
Long term deposits
Deferred taxation
Short term investments
Trade debts
Trade deposits & short term prepayments
Loans & advances
Other Receivables
Advance tax
Cash and bank balance

Total Assets

37,346	37,345	38,074	39,074	39,998	57,868
-	-	-	-	33,340	33,340
85,277	85,277	85,277	64,415	41,915	41,915
123,321	131,071	113,010	155,513	142,579	-
76,435	77,032	75,360	72,990	71,540	114,133
888,099	709,605	637,550	-	-	-
-	-	14,056	21,354	41,163	40,074
1,602	1,600	2,250	2,996	2,496	2,481
10,498	116,588	94,255	150,785	164,028	130,064
173,434	56,224	21,746	16,620	373,049	420,738
108,352	129,361	102,612	95,565	53,270	353,144
587	2,078	1,339	4,324	41,629	501
114,598	10,509	25,055	11,424	50,338	6,537
112,725	149,514	144,737	154,559	189,013	165,281
27,604	25,792	26,340	24,856	27,020	13,606
230,778	190,181	180,704	260,197	122,350	52,230
1,990,656	1,722,177	1,562,365	1,074,672	1,393,728	1,431,912

2%	2%	2%	4%	3%	4%
0%	0%	0%	0%	2%	2%
4%	5%	5%	6%	3%	3%
6%	8%	7%	14%	10%	0%
4%	4%	5%	7%	5%	8%
45%	41%	41%	0%	0%	0%
0%	0%	1%	2%	3%	3%
0%	0%	0%	0%	0%	0%
1%	7%	6%	14%	12%	9%
9%	3%	1%	2%	27%	29%
5%	8%	7%	9%	4%	25%
0%	0%	0%	0%	3%	0%
6%	1%	2%	1%	4%	0%
6%	9%	9%	14%	14%	12%
1%	1%	2%	2%	2%	1%
12%	11%	12%	24%	9%	4%
100%	100%	100%	100%	100%	100%

LIABILITIES

Trade & other payables
Unclaimed dividend
Current maturity of long term financing
Long Term Borrowings
Loan from Sponsors
Deferred liabilities
Other Loans

Total Liabilities

337,963	290,190	236,289	281,644	264,159	198,341
1,399	1,525	1,525	9,676	-	-
22,000	3,194	33,991	29,435	32,941	70,623
277,875	279,930	238,426	208,856	194,113	445,702
155,175	155,175	155,175	155,175	647,743	412,204
15,403	13,866	12,572	10,925	9,360	7,181
-	-	-	-	54,721	118,210
809,816	743,880	677,978	695,710	1,203,037	1,252,261

17%	17%	15%	26%	19%	14%
0%	0%	0%	1%	0%	0%
1%	0%	2%	3%	2%	5%
14%	16%	15%	19%	14%	31%
8%	9%	10%	14%	46%	29%
1%	1%	1%	1%	1%	1%
0%	0%	0%	0%	4%	8%
41%	43%	43%	65%	86%	87%

Net Assets

1,180,840	978,297	884,386	378,961	190,691	179,650
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59%	57%	57%	35%	14%	13%
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REPRESENTED BY

Issued, subscribed and paid-up capital
Discount on issue of Right Shares
Share Deposit Money
Accumulated losses
Unrealized gain/(loss) on remeasurement of investments
classified as available for sale

2,672,863	2,672,863	2,672,863	2,672,863	1,418,098	1,418,098
(1,508,754)	(1,508,754)	(1,508,754)	(1,508,754)	(630,419)	(630,419)
-	-	17,003	-	-	-
(542)	(184,899)	(298,779)	(796,683)	(621,922)	(638,518)
17,273	(912)	2,053	11,535	24,934	30,488

134%	155%	171%	249%	102%	99%
-76%	-88%	-97%	-140%	-45%	-44%
0%	0%	1%	0%	0%	0%
0%	-11%	-19%	-74%	-45%	-45%
1%	0%	0%	1%	2%	2%

Total Equity and Liabilities

1,180,840	978,297	884,386	378,961	190,691	179,650
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59%	57%	57%	35%	14%	13%
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Horizontal Analysis

Profit and Loss Account

Operating Revenues
Gain on sale of investments
Unrealised Gain / (Loss) on investments
Gross Revenue
Administrative Expenses
Finance Cost
Other Expenses
Other income
Share of profit from associates - net of tax
Loss on Deemed Disposal- Investment in Associate
Profit / (Loss) before Tax
Taxation (expense) / income
Profit / (Loss) after Tax

2021	2020	2019	2018	2017	2016	2021 Vs 2020	2020 Vs 2019	2019 Vs 2018	2018 Vs 2017	2017 Vs 2016
Rupees in (000)						Percentage				
105,660	33,745	21,317	25,010	66,185	22,685	213%	58%	-15%	-62%	192%
66,467	(1,042)	(7,486)	(103,523)	162,890	(3,643)	-6479%	-86%	-93%	-164%	-4571%
9,876	(3,074)	(7,084)	(686)	(53,231)	19,304	-421%	-57%	933%	-99%	-376%
182,002	29,629	6,747	(79,199)	175,844	38,347	514%	339%	-109%	-145%	359%
(122,627)	(60,356)	(48,857)	(41,248)	(151,075)	(52,115)	103%	24%	18%	-73%	190%
(26,617)	(22,666)	(50,111)	(24,986)	(179,245)	(49,627)	17%	-55%	101%	-86%	261%
(8,520)	(4,746)	(2,720)	(5,586)	(5,790)	(12,833)	80%	74%	-51%	-4%	-55%
89,008	76,746	10,240	(4,471)	302,276	171,412	16%	649%	-329%	-101%	76%
113,247	18,607	(84,701)	(155,490)	142,011	95,183	509%	-122%	-46%	-209%	49%
(597)	1,672	2,370	1,450	43	1,459	-136%	-29%	63%	3272%	-97%
178,494	72,054	637,050	-	-	-	148%	-89%	100%	0%	0%
291,144	92,333	554,719	(154,040)	142,054	96,644	215%	-83%	-460%	-208%	47%
(106,787)	21,547	(56,815)	(20,721)	24,901	38,406	-596%	-138%	174%	-183%	-35%
184,356	113,880	497,904	(174,761)	166,955	135,050	62%	-77%	-385%	-205%	24%

BALANCE SHEET SUMMARY

Assets

Property and equipment
Capital work in progress
Intangible assets
Other Receivables
Investment in associate
Strategic investment
Investments - available for sale
Long term deposits
Deferred taxation
Short term investments
Trade debts
Loans & advances
Trade deposits & short term prepayments
Other Receivables
Advance tax
Cash and bank balance
Total Assets

37,346	37,345	38,074	39,074	39,998	57,868	0%	-2%	-3%	-2%	-31%
-	-	-	-	33,340	33,340	0%	0%	0%	-100%	0%
85,277	85,277	85,277	64,415	41,915	41,915	0%	0%	32%	54%	0%
123,321	131,071	113,010	155,513	142,579	-	-6%	16%	-27%	9%	0%
76,435	77,032	75,360	72,990	71,540	114,133	-1%	2%	3%	2%	-37%
888,099	709,605	637,560	-	-	-	25%	11%	100%	0%	0%
-	-	14,056	21,354	41,163	40,074	0%	-100%	-34%	-48%	3%
1,602	1,600	2,250	2,996	2,496	2,481	0%	-29%	-25%	20%	1%
10,498	116,588	94,255	150,785	164,028	130,064	-91%	24%	-37%	-8%	26%
173,434	56,224	21,746	16,620	373,049	420,738	208%	159%	31%	-96%	-11%
108,352	129,361	102,612	95,565	53,270	353,144	-16%	26%	7%	79%	-85%
587	2,078	1,339	4,324	41,629	501	-72%	55%	-69%	-90%	8209%
114,598	10,509	25,055	11,424	50,338	6,537	990%	-58%	119%	-77%	670%
112,725	149,514	144,737	154,559	189,013	165,281	-25%	3%	-6%	-18%	14%
27,604	25,792	26,340	24,856	27,020	13,606	7%	-2%	6%	-8%	99%
230,778	190,181	180,704	260,197	122,350	52,230	21%	5%	-31%	113%	134%
1,990,656	1,722,177	1,562,365	1,074,672	1,393,728	1,431,912	16%	10%	45%	-23%	-3%

LIABILITIES

Trade & other payables
Unclaimed dividend
Current maturity of long term financing
Long Term Borrowings
Loan from Sponsors
Deferred liabilities
Other Loans
Total Liabilities

337,963	290,190	236,289	281,644	264,159	198,341	16%	23%	-16%	7%	33%
1,399	1,525	1,525	9,676	-	-	-8%	0%	0%	0%	0%
22,000	3,194	33,991	29,435	32,941	70,623	589%	-91%	15%	-11%	-53%
277,875	279,930	238,426	208,856	194,113	445,702	-1%	17%	14%	8%	-56%
155,175	155,175	155,175	155,175	647,743	412,204	0%	0%	0%	-76%	57%
15,403	13,866	12,572	10,925	9,360	7,181	11%	10%	15%	17%	30%
-	-	-	-	54,721	118,210	0%	0%	0%	-100%	-54%
809,816	743,880	677,978	695,710	1,203,037	1,252,261	9%	10%	-3%	-42%	-4%

Net Assets

1,180,840	978,297	884,386	378,961	190,691	179,650	21%	11%	133%	99%	6%
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REPRESENTED BY

Issued, subscribed and paid-up capital
Discount on issue of Right Shares
Share Deposit Money
Accumulated losses
Unrealized gain/(loss) on remeasurement of investments
classified as available for sale

2,672,863	2,672,863	2,672,863	2,672,863	1,418,098	1,418,098	0%	0%	0%	88%	0%
(1,508,754)	(1,508,754)	(1,508,754)	(1,508,754)	(630,419)	(630,419)	0%	0%	0%	139%	0%
-	-	17,003	-	-	-	100%	100%	100%	0%	0%
(542)	(184,899)	(298,779)	(796,683)	(621,922)	(638,518)	-100%	-38%	-62%	28%	-3%
17,273	(912)	2,053	11,535	24,934	30,488	-1993%	-144%	-82%	-54%	-18%

Total Equity and Liabilities

1,180,840	978,297	884,386	378,961	190,691	179,650	21%	11%	133%	99%	6%
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CHAIRMAN'S REVIEW REPORT

It gives me pleasure to present this review report to the stakeholders of **First National Equities Limited** (the "Company") on the overall performance of the Board of Directors (the "Board") and the effectiveness of its role in achieving the objectives of the Company. The Company follows the best practices relating to corporate governance and complies with all the relevant requirements of Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019 with respect to composition, meetings and procedures of the Board of Directors (the "Board") and its committees.

I extend a warm welcome to the members who joined the Board during the financial year and I look forward to endeavoring together with them to assist the Company in achieving its objectives and promoting its success. I would also like to acknowledge appreciation for the valuable contribution by the other members of the Board of Directors who resigned or completed their term during the financial year.

The COVID-19 pandemic plummeted global stock markets. Analysts feared that like previous crises, stock markets will take years to recover. Fortunately, this time around, both the decline and the rebound took place very quickly. Pakistan Stock exchange also successfully powered through initial COVID-19 induced economic downturn and earned the title of being the 'best Asian stock market and fourth best-performing market across the world.' The KSE-100 index continued to climb throughout the year. The increase in the KSE-100 Index was driven by government's large stimulus package, central bank's stable policy rate, an uptick in large scale manufacturing, improvement in external accounts and reforms introduced by the Security and Exchange Commission of Pakistan (SECP) and PSX in the wake of COVID-19. The salient feature of FY2021 was five Initial Public Offerings (IPOs) that took place in its first nine months. Such a large number of new issues and mobilization had not taken place for some years. The number of debt listings was also relatively higher this year.

The annual evaluation of the Board of Directors (the "Board") has been carried out under the Code of Corporate Governance to ensure that the Board's overall performance is in line with the objectives set for the Company. During the year under review, the Board has played an effective role in managing the affairs of the Company depicting successful operational & financial performances elaborated in the Director's Report.

In building an effective governance, risk management and control environment, the Board has put in place a transparent and robust system of compliance with best practices of corporate governance and by promoting ethical and fair behavior across the Company, which has been reinforced in the Organization's culture and values through appropriate dissemination of the Code of Conduct.

The Board shall continue to play a vital role in setting the direction of the Company, promoting its success and improving the performance while upholding the principles of good corporate governance. Despite a challenging macroeconomic environment and a tough business climate, FNEL has continued to excel. It has consolidated and developed avenues for growth and efficiency. We have no doubt that the best is yet to come for FNEL. With our excellent service quality and our emphasis on value creation, the FNEL team remains steadfast in its determination to thrive and flourish.

Adnan Amjad Khan

Chairman

چیرمین جائزہ رپورٹ

بورڈ آف ڈریکٹر کی سالانہ کارکردگی اور کردار سے وابستہ جائزہ رپورٹ پیش کرتے ہوئے میں انتہائی مسرت محسوس کر رہا ہوں۔ بورڈ آف ڈریکٹر اور اس سے ملحقہ کمیٹیوں کی ترتیب، تشکیل، میٹنگ اور مختلف مراحل کے حوالے سے کمپنی ہمیشہ تمام قوانین کو جو کہ کمپنی ایکٹ 2017 اور سلیکٹڈ ریگولیشن (کوڈ آف کارپوریٹ گورننس ریگولیشن 2019) کے تحت لاگو ہیں پر عمل پیرا ہے۔

اس مالی سال کے دوران بورڈ میں نئے آنے والے ارکان کو میں خوش آمدید کہتا ہوں اور عہد کرتا ہوں کہ ان کے ساتھ مل کر ہم کمپنی کی ترقی کے لیے کام کریں گے اور اس مالی سال کے دوران ہمارے چھوڑ جانے والے ممبران کو میں ان کی بہترین شراکت داری پر خراج تحسین پیش کرتا ہوں۔

کوڈ ۱۹ نے پوری دنیا میں شاک مارکیٹس کو انتہائی متاثر کیا ہے۔ ماہرین کا خیال تھا کہ شاک مارکیٹس بہالی میں کافی وقت لیں گی لیکن خوش قسمتی سے اس بارتنزلی اور بہالی بہت تیزی سے ہوئی۔ پاکستان شاک ایکسچینج کوڈ ۱۹ کی پستی کے ایام میں انتہائی مضبوطی سے ابھری اور ایشیاء شاک مارکیٹ میں سرفہرست اور جبکہ پوری دنیا میں بہترین کارکردگی دکھانے والی مارکیٹس میں درجہ چہارم پر براجمان رہی۔ کے ایس ای 100 انڈیکس میں پورا سال بہتری ہی نظر آئی اور اس کے ایس ای 100 انڈیکس میں بہتری کی وجہ گورنمنٹ کی کچھ نمایاں پالیسیاں رہیں جیسا کہ غیر متزلزل پالیسی ریٹ، بڑے پیمانے میں پیداوار میں بہتری بیرونی اکاؤنٹس میں بہتری اور سب سے اہم سیکورٹی اینڈ ایکسچینج کمیشن اور پاکستان شاک ایکسچینج کی طرف سے متاثرہ کردائے جانے والی اصلاحات ہیں۔ نئی کمپنیوں کا شاک ایکسچینج سے الحاق خوش آئند ہے۔

بہترین کارکردگی کے حصول کے لیے اور حادثات اور اس سے جڑے مسائل کے تدارک کے لیے بورڈ نے شفاف اور بہترین پالیسیوں کا انتخاب کیا تاکہ بہتر کام کرنے کے مواقع فراہم کیے جاسکیں۔ کمپنی کے بہترین نتائج کے لئے اور مستقبل میں اس کی کامیابی کے لئے بورڈ اپنا کردار ادا کرتا رہے گا۔ انتہائی کٹھن مقابلے کے باوجود فرسٹ نیشنل ایکویٹیز لمیٹڈ بہترین کارکردگی کا مظاہرہ کیا۔ ترقی کے بہترین مواقع فراہم کیے اور ہم برابر یقین رکھتے ہیں کہ فرسٹ نیشنل ایکویٹیز لمیٹڈ مزید ترقی کی جستجو میں گامزن رہے گی۔ بہترین کارکردگی کی طلب ہماری ٹیم کے پروان چڑھنے میں انتہائی اہم عنصر رہے گی۔

Adnan Anjum
عدنان امجد خان

چیرمین

主席的检讨报告

我很高兴向First National Equities Limited (“本公司”) 的利益相关者提交这份关于董事会 (“董事会”) 的整体表现及其在实现目标的作用的有效性的审查报告。公司。本公司遵循与公司治理相关的最佳实践，并遵守 2017 年公司法及 2019 年上市公司 (公司治理守则) 条例关于董事会 (董事会) 的组成、会议和程序的所有相关要求。 (“董事会”) 及其委员会。

本人热烈欢迎于本财政年度加入董事会的成员，并期待与他们共同努力，协助本公司实现其目标并促进其成功。我还要感谢在财政年度内辞职或完成任期的其他董事会成员的宝贵贡献。

COVID-19 大流行使全球股市暴跌。分析师担心，与之前的危机一样，股市需要数年时间才能恢复。幸运的是，这一次，下跌和反弹都发生得非常快。巴基斯坦证券交易所还成功度过了最初由COVID-19 引发的经济衰退，并赢得了“亚洲最佳股票市场和全球第四大表现市场”的称号。KSE-100指数全年指数全年继续攀升。KSE-100 指数的上涨是由政府的大规模刺激计划、中央银行的稳定政策利率、大规模制造业的增长、外部账户的改善以及巴基斯坦证券交易委员会 (SECP) 和 PSX引入的改革推动的COVID-19 的觉醒。2021 财年的显著特点是在前九个月内进行了五次首次公开募股 (IPO)。如此大量的新议题和新动员，已经有好几年没有发生了。今年债券上市的数量也相对较多。

董事会 (“董事会”) 的年度评估已根据企业管治守则进行，以确保董事会的整体表现符合本公司设定的目标。于回顾年度内，董事会在管理本公司事务方面发挥了有效作用，体现了董事报告中阐述的成功运营和财务业绩。

在建立有效的治理、风险管理和控制环境的过程中，董事会建立了一个透明和健全的制度，以遵守公司治理的最佳实践，并通过在整个公司促进道德和公平的行为，这在本组织的文化和通过适当传播行为准则来体现价值观。

董事会将继续在确立本公司的方向、促进其成功及改善业绩方面发挥重要作用，同时坚持良好的企业管治原则。尽管宏观经济环境充满挑战，商业环境严峻，FNEI 仍然表现出色。它巩固和发展了增长和效率的途径。我们毫不怀疑，最好的 FNEI 尚未到来。凭借我们卓越的服务质量和我们对价值创造的重视，FNEI 团队仍然坚定不移地发展壮大。

Adnan Anjum
阿德南·阿姆贾德·汗
主席

DIRECTORS' REPORT

Directors of First National Equities Limited ("the Company") are pleased to present the annual report of the company for the year ended June 30, 2021 along with the financial statements and auditors' report thereon.

A.Economic Review

Pakistan was implementing stabilization policy post crisis of 2017-18 and the economy was recovering from macroeconomic imbalances but COVID-19 slowed down the pace which was recovered initially but the advent of 2nd and 3rd wave brought significant challenges which were met by the timely prudent policies. Prior to COVID-19, the working population was 55.74 million. This number declined to 35.04 million which indicates people either lost their jobs or were not able to work. Due to prudent decisions by the government, working population reached 52.56 million till October, 2020. Economy has witnessed a V-shaped recovery. The policy rate remained unchanged at 7.0 percent which improved business sentiments. First nine months of FY2021 recorded highest period wise growth of 8.99 percent since FY2007. Current account posted a surplus of \$ 0.8 billion, during July-April, FY2021 for the first time in 17 years. SBP's foreign exchange reserves rose to \$16 billion, four-years high. During July-April FY2021, workers' remittances posted historically high growth of 29 percent and reached to \$ 24.2 billion. On 27th May 2021, PSX witnessed an all-time high daily trading volume with 2.21 billion shares traded in a single session. Primary balance remained in surplus at 1.0 percent of GDP, highest level through the first three quarters in 12 years.

Pakistan has entered the international capital market after a gap of over three years by successfully raising \$ 2.5 billion through Euro bonds. The Consumer Price Index (CPI) inflation for the period July-May FY2021 was recorded at 8.8 percent against 10.9 percent during last year. The other inflationary indicators like the Sensitive Price Indicator (SPI) were recorded at 13.5 percent against 14.0 percent last year. Wholesale Price Index (WPI) was recorded at 8.4 percent in July-May FY2021 compared to 11.1 percent last year.

B.Stock Market Review

During FY2021, Global equity markets, which plummeted in March 2020, rebounded when governments around the globe injected big stimulus money into their economies. Pakistan Stock Exchange (PSX) also successfully powered through the initial COVID-19 induced economic downturn and earned the title of being the 'best Asian stock market and fourth best-performing market across the world.

During July-May FY2021, the benchmark KSE-100 index improved from 34,889 points to 47,896 points, gaining 13,006 points in the said period. As of May 31, 2021, the total market capitalization of the Pakistan Stock Exchange was Rs 8,267 billion. An increase of 26.6 percent was witnessed in market capitalization, compared with the June 30, 2020 market capitalization of Rs 6,529 billion. Though the third wave of COVID-19 dragged the KSE-100 index down in March and April of FY2021, reforms introduced by the SECP and the government's pro-growth policies are helping the capital market to withstand the pressure. The distinguishing feature of this year is the significant number of IPOs that took place. Despite the COVID-19 outbreak, Pakistan Stock Exchange witnessed five IPOs between July 2020 and March 2021.

During July-March FY2021, corporations raised Rs 96.9 billion by issuing seventeen debt securities. While 93 previous corporate debt securities worth Rs 782.875 billion remain outstanding.

C. Financial Review

Particulars	2021	2020
	Rupees in million	
Operating revenue	105.660	33.744
Gain/(loss) on sale of investments	66.467	(1.042)
Other income	89.008	76.746
Profit before tax	291.144	92.333
Profit after tax	184.356	113.880
EPS (Rs.)	0.69	0.43

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

D. RISKS AND OPPORTUNITIES

First National Equities Limited takes risks and creates opportunities in the normal course of business. Taking risk is important to remain competitive and ensure sustainable success. Our risk and opportunity management encompass an effective framework to conduct business in a well-controlled environment where risk is mitigated and opportunities are availed. Each risk and opportunity are properly weighted and considered before making any choice. Decisions are formulated only if opportunities outweigh risks.

Following is the summary of risks and strategies to mitigate those risks:

Strategic Risks:

We are operating in a competitive environment where innovation, performance and effectiveness, especially, in post Covid-19 world is enhanced. This risk is mitigated through continuous research & development and persistent introduction of new techniques. Strategic risk is considered as the most crucial of all the risks. Head of all business departments meet at regular intervals to form an integrated approach towards tackling risks present both at the international and national level.

Business Risks:

The Company faces a number of following business risks:

- Financial Risks: The Board of Directors of the Company is responsible to formulate the financial risk management policies which are implemented by the Finance Department of the Company. The Company faces the following financial risks:
 - Interest rate risk: The Company's interest rate risk arises from long term financing, short term borrowings, loans and bank balances in saving accounts. Financial instruments at fixed rate expose the Company to fair value interest rate risk.
 - Credit risk: The Company's credit exposure to credit risk and impairment losses relates to its trade debts. This risk is mitigated by the fact that majority of our customers have a strong financial standing and we have a long -standing business relationship with all our customers. We do not expect nonperformance by our customers; hence, the credit risk is minimal.

- Liquidity risk: It is at the minimum due to the availability of enough funds through committed credit facilities from the Banks and Board of Directors.
- Capital risk: When managing capital, it is our objective to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits to other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company maintains low leveraged capital structure.

E.CORPORATE SOCIAL RESPONSIBILITY

The Company takes a number of initiatives regarding the discharge of its responsibility towards society. Following is the brief snapshot of Corporate Social Responsibility (CSR) activities:

Occupational Safety and Health:

Health and safety of the workers and staff is the most important thing for the Company. After the outbreak of coronavirus pandemic, the Company immediately formulated a crisis management team which implemented the directives issued by Punjab Government regarding preventing the spread of the disease. The team launched a campaign at all locations of the Company offices for the awareness of appropriate precautions which an individual should take to save himself/herself and colleagues.

Equal Opportunity Employer:

Diversity and ethics are the core value of the Company. The Company provides equal opportunity for employment and career progression to all irrespective of gender, class and religious discrimination.

F.CORPORATE GOVERNANCE

Best Corporate Practices:

Directors are committed to good corporate governance and comply with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Rule Book of Pakistan Stock Exchange. The statement of compliance with the CCG Regulations, 2019 is enclosed.

Composition of Board of Directors:

Clause 34 (2) (i, ii and iii) of Listed Companies (Code of Corporate Governance) Regulations 2019 requires the disclosure of composition of the Board and its Committees. Such disclosures are given in "Statement of Compliance" annexed to the Annual Report.

Board Committees:

Audit Committee: The audit committee is performing its duties in line with its terms of reference as determined by the Board of Directors. During the year under review, four (04) Audit Committee Meetings were held, attendance position was as under: -

Sr. No.	Name of Member	Status	No. of Meetings Attended
i.	Mr. Fusao Yamada (Independent Director)	Chairman	00
ii.	Mr. Adnan Amjad Khan (Independent Director)	Member	04
iii.	Mr. Muhammad Bilal (Non-Executive Director)	Member	04
iv.	Mr. Muhammad Waleed Ahmed	Secretary	04

- Human Resource & Remuneration (HR&R) Committee: The Human Resource & Remuneration Committee is performing its duties in line with its terms of reference as determined by the Board of Directors. During the year under review, two (02) Human Resource & Remuneration Committee Meeting was held, attendance position was as under:

Sr. No.	Name of Member	Status	No. of Meetings Attended
i.	Mr. Fusao Yamada (Independent Director)	Chairman	00
ii.	Mr. Adnan Amjad Khan (Independent Director)	Member	02
iii.	Mr. Ali A Malik (Executive Director)	Member	02
iv.	Ms. Syeda Faaiza Akmal Tirmizi	Secretary	02

- Meetings of the Board of Directors: During the year under review, Ten (10) meetings of the Board of Directors of the Company were held in Pakistan and the attendance position is as follows:

Sr. No.	Name of Member	Status	No. of Meetings Attended
i.	Mr. Adnan Amjad	Chairman/Independent Director	10
ii.	Mr. Ali A. Malik	Chief Executive Officer	09
iii.	Mr. Amir Shehzad	Executive Director	10
iv.	Mr. Abid Yousaf	Non-Executive Director	10
v.	Ms. Syeda Faiza Akmal Tirmizi	Executive Director	10
vi.	Ms. Ayesha Anum	Non-Executive Director	01
vii.	Mr. Muhammad Bilal	Non-Executive Director	04
viii.	Mr. Fusao Yamada	Independent Director	-

Mr. Fusao Yamada and Ms. Ayesha Anum joined the Board as independent and non-executive directors in place of Mr. Sami Ullah Butt and Mr. Tahir Waheed respectively.

G. Directors' Statement

Following is the Directors' statement on Corporate and Financial Reporting framework:

1. The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
2. Proper books of account of the Company have been maintained.
3. Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable and prudent judgment.
4. International Financial Reporting Standards, as applicable in Pakistan, have been followed in preparation of financial statements and any departure there from has been adequately disclosed.
5. The system of internal control is sound in design and has been effectively implemented and monitored.
6. There are no significant doubts upon the Company's ability to continue as a going concern.
7. There has been no material departure from the best practices of corporate governance, as detailed in the listing regulations.

H. Transactions with related parties

The company has fully complied with Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018. And all the transactions are carried out in the ordinary course of business at an Arm's Length Basis. Kindly refer to note-31 in the Notes to the Financial Statements for further details

I. Auditors

Financial Statement of the Company for the year ended 30 June 2021 have been audited by M/s IECnet S.K.S.S.S Chartered Accountants who have given an unqualified report. Current auditors will retire on the conclusion of Annual General Meeting of the Company. Being eligible, M/s IECnet S.K.S.S.S Chartered Accountants have offered themselves for reappointment for the year ending 30 June 2022.

J. Subsequent Events

No material changes and commitments affecting the financial position of the Company occurred between 30 June 2021 and **September 27, 2021**.

K. Future Prospects

Economic uncertainty inflicted by Covid-19 pandemic has greatly affected the future planning and current performance of the Company. Management is aware of the ensuing problems and has prepared its strategic plans accordingly.

L. Adequacy of Internal Financial Controls

The Company has established an effective and efficient system of internal and financial controls to safeguard the assets of the Company, prevent and detect fraud and ensure compliance with all statutory and legal requirements. The internal control structure is regularly reviewed and monitored by the Internal Audit function duly established by the Board. Audit Committee reviews the internal control system on quarterly basis in accordance with the term of its reference.

Directors' Remuneration

The Board of Directors has approved the amendments in Directors' Remuneration Policy. The main features of the policy are as follows:

- The Company shall not pay remuneration of its non-executive directors including independent directors except for meeting fee for attending the Board and its committees' meetings.
- The Company will reimburse or incur expenses of travelling and accommodation of Directors in relation to attending of the Board and its Committees' meetings.
- Board of Directors will keep on reviewing the Directors' Remuneration Policy from time to time.

M. Pattern of Shareholding

A statement of the pattern of shareholding as at June 30, 2021, which is required to be disclosed under the reporting framework, is annexed to this report.

N. Trading in Shares of the Company by Directors and Executives

During the year following trades in the shares of the company were carried out by the Directors, CEO, CFO, Company Secretary and their spouses and minor children:

Name of Director	Designation	Relationship	No. of Shares	Nature of Transaction	From/to whom shares acquired/given
Mr. Adnan Amjad Khan	Chairman	-	-	-	-
Mr. Ali A. Malik	Chief Executive Officer	Self	18,196,500	Sell	Ready Market
Mr. Amir Shehzad	Director	-	-	-	-
Mr. Abid Yousaf	Director	-	-	-	-
Ms. Syeda Faaiza Akmal Tirmizi	Director	-	-	-	-
Ms. Ayesha Anum	Director	-	-	-	-
Mr. Muhammad Bilal	Director	-	-	-	-
Mr. Fusao Yamada	Director	-	-	-	-
Ms. Ammara Zakriya	Chief Financial Officer	-	-	-	-
Mr. Arslan Tahir	Company Secretary	-	-	-	-
Mr. Ali A. Malik	-	Spouse	8,881,000	Sell	Ready Market
Mr. Ali A. Malik	-	Minor Children	400,000	Sell	Ready Market

O. Acknowledgement

Directors are pleased and thankful to the employees for their continued dedication and efforts for the Company.

For and on behalf of the Board of Directors.



Chief Executive Officer



Director

Lahore
September 27, 2021

ڈائریکٹر رپورٹ۔

فرسٹ نیشنل ایکویٹی لینڈ ("کمپنی") کے ڈائریکٹر 30 جون 2021 کو ختم ہونے والے سال کے لئے کمپنی کی سالانہ رپورٹ پیش کرنے پر خوش ہیں اور اس کے ساتھ مالی بیانات اور آڈیٹرز کی رپورٹ بھی پیش کرتے ہیں۔

A۔ معاشی جائزہ۔

پاکستان 2017-18 کے استحکام کی پالیسی کے بعد کے بحران پر عمل پیرا تھا اور معاشی عدم توازن سے معیشت ٹھیک ہو رہی تھی لیکن COVID-19 نے اس رفتار کو کم کر دیا جو ابتدائی طور پر بازیافت ہوا تھا لیکن دوسری اور تیسری لہر کی آمد نے اہم چیلنجوں کو جنم دیا جو بروقت حکمت عملی کے ذریعہ پورا ہوئے۔ پالیسیاں COVID-19 سے پہلے کام کرنے والی آبادی 55.74 ملین تھی۔ یہ تعداد کم ہو کر 35.04 ملین ہو گئی جو اس بات کی نشاندہی کرتی ہے کہ لوگ یا تو اپنی ملازمت سے محروم ہو گئے یا کام کرنے کے قابل نہیں تھے۔ حکومت کے دانشندانہ فیصلوں کی وجہ سے، اکتوبر 2020 تک کام کرنے والی آبادی 52.56 ملین تک پہنچ گئی۔ معیشت میں وی کے سائز کی بحالی دیکھنے میں آئی ہے۔ پالیسی کی شرح 7.0 فیصد پر کوئی تبدیلی نہیں کی گئی جس سے کاروباری جذبات میں بہتری آئی۔ مالی سال 2021 کے پہلے نو مہینوں میں مالی سال 2007 کے بعد سے 8.99 فیصد کی سب سے زیادہ مدت کی حکمت عملی میں اضافہ ریکارڈ کیا گیا۔ موجودہ اکاؤنٹ میں جولائی تا اپریل، مالی سال 2021 کے دوران 17 سالوں میں پہلی بار 0.8 ملین ڈالر کی اضافی رقم شائع ہوئی۔ ایس بی پی کے زرمبادلہ کے ذخائر بڑھ کر 16 ملین ڈالر ہو گئے، جو کے چار سال میں بلند تر ہیں۔ جولائی تا اپریل مالی سال 2021 کے دوران، کارکنوں کی ترسیلات زرتاریخی طور پر 29 فیصد کی اعلیٰ نمونہ مشتمل ہیں اور 24.2 ملین ڈالر تک پہنچ گئیں۔ 27 مئی 2021 کو، پی ایس ایکس نے ایک ہی سیشن میں 2.21 بلین حصص کی تجارت کے ساتھ ہر وقت اعلیٰ روزانہ تجارتی حجم دیکھا۔ بنیادی توازن جی ڈی پی کے 1.0 فیصد پر سربس میں رہا، جو 12 سالوں میں پہلے تین حلقوں میں سب سے زیادہ سطح ہے۔

یوروبانڈز کے ذریعے کامیابی کے ساتھ 2.5 بلین ڈالر اکٹھا کر کے پاکستان تین سالوں کے وقفے کے بعد بین الاقوامی دارالحکومت کی مارکیٹ میں داخل ہوا ہے۔ جولائی تا مئی مالی سال 2021 کی مدت کے لئے صارف قیمت اشاریہ (سی پی آئی) کی افراط زر گزشتہ سال کے دوران 10.9 فیصد کے مقابلے میں 8.8 فیصد ریکارڈ کی گئی تھی۔ حساس قیمت اشارے (ایس پی آئی) جیسے دیگر افراط زر کے اشارے گزشتہ سال 14.0 فیصد کے مقابلے میں 13.5 فیصد ریکارڈ کیے گئے تھے۔ جولائی تا مئی مالی سال 2021 میں تھوک قیمت اشاریہ (WPI) 8.4 فیصد ریکارڈ کیا گیا تھا جبکہ اس سے پچھلے سال 11.1 فیصد اضافہ ہوا تھا۔

B۔ اسٹاک مارکیٹ کا جائزہ

مالی سال 2021 کے دوران، عالمی ایکویٹی منڈیوں، جو مارچ 2020 میں گر گئیں، اس وقت باز آؤٹ ہو گئیں جب دنیا بھر کی حکومتوں نے اپنی معیشتوں میں بڑے محرک رقم کا ٹیکہ لگایا۔ پاکستان اسٹاک ایکسچینج (PSX) نے بھی ابتدائی COVID-19 کی حوصلہ افزائی کی معاشی بد حالی کے ذریعے کامیابی حاصل کی اور اسے 'ایشین اسٹاک مارکیٹ اور دنیا بھر میں چوتھی بہترین کارکردگی کا مظاہرہ کرنے والی مارکیٹ' کا اعزاز حاصل کیا۔

جولائی تا مئی مالی سال 2021 کے دوران، بیچ مارک کے ایس ای 100 انڈیکس 34,889 پوائنٹس سے بہتر ہو کر 47,896 پوائنٹس پر آ گیا، جس نے مذکورہ مدت میں 13,006 پوائنٹس حاصل کیے۔ 31 مئی 2021 تک، پاکستان اسٹاک ایکسچینج کی مارکیٹ کپٹلائزیشن 8,267 بلین روپے تھی۔ 30 جون 2020 مارکیٹ کپٹلائزیشن میں 6,529 بلین روپے کے مقابلے میں، مارکیٹ کپٹلائزیشن میں 26.6 فیصد کا اضافہ دیکھا گیا۔ اگرچہ COVID-19 کی تیسری لہر نے مارچ اور اپریل FY2021 میں کے ایس ای 100 انڈیکس کو گھسیٹا، لیکن ایس ای سی پی کی طرف سے پیش کردہ اصلاحات اور حکومت کی ترقی کی حامی پالیسیاں دباؤ کو برداشت کرنے میں دارالحکومت کی مارکیٹ کی مدد کر رہی ہیں۔ اس سال کی امتیازی خصوصیت آئی پی اوز کی نمایاں تعداد ہے جو رونما ہوئی۔ COVID-19 پھیلنے کے باوجود، پاکستان اسٹاک ایکسچینج میں جولائی 2020 اور مارچ 2021 کے درمیان پانچ آئی پی اوز دیکھنے میں آئے۔

جولائی تا مارچ مالی سال 2021 کے دوران، کارپوریٹیشنوں نے سترہ قرضوں کی سیکورٹیز جاری کر کے 96.9 بلین روپے جمع کیے۔ جبکہ 782.875 بلین روپے کی 93 سابقہ کارپوریٹ قرضوں کی سیکورٹیز باقی ہیں۔

2020	2021	تفصیلات
روپے (ملین)		
33.744	105.660	آپریٹنگ آمدنی
(1.042)	66.467	سرمایہ کاری کی فروخت پر (رقصان) حاصل کریں
76.746	89.008	دوسری آمدنی
92.333	291.144	منافع قبل از محصول
113.880	184.356	ٹیکس کے بعد منافع
0.43	0.69	نی حصص حصہ (روپے)

گذشتہ سال کے مقابلہ میں سال کے دوران آپریٹنگ آمدنی میں اضافہ ہوا ہے۔ کمپنی وسیع تحقیق، کارپوریٹ رسائی اور مشاورتی خدمات کے ذریعہ خدمات کے بہتر معیار کی فراہمی کے ذریعے بہتر حجم حاصل کرنے کی پوری کوشش کر رہی ہے۔ ہم سرمایہ کاروں کی مارکیٹ میں شرکت بڑھانے اور منافع بخش مارکیٹ کے مواقع سے فائدہ اٹھانے کے لیے اپنے کلائنٹس کو بڑھانے پر کام کر رہے ہیں۔

D- خطرات اور مواقع

فرسٹ نیشنل ایکویٹی لیمنڈ خطرات لیتا ہے اور کاروبار کے معمول کے مواقع پیدا کرتا ہے۔ مسابقت رکھنے اور پائیدار کامیابی کو یقینی بنانے کے لئے خطرہ مول لینا ضروری ہے۔ ہمارا خطرہ اور مواقع کا انتظام ایک ایسے کنٹرول ماحول میں کاروبار کرنے کے لئے ایک موثر فریم ورک کا احاطہ کرتا ہے جہاں خطرے کو کم کیا جاتا ہے اور مواقع سے فائدہ اٹھایا جاتا ہے۔ ہر خطرہ اور موقع کا مناسب وزن اور کسی بھی انتخاب سے پہلے غور کیا جاتا ہے۔ فیصلے صرف اس صورت میں مرتب کیے جاتے ہیں جب مواقع خطرات سے کہیں زیادہ ہوں۔ ان خطرات کو کم کرنے کے لئے خطرات اور حکمت عملی کا خلاصہ درج ذیل ہے۔

اسٹریٹجک خطرات:

ہم مسابقت ماحول میں کام کر رہے ہیں جہاں جدت، کارکردگی اور تاثیر، خاص طور پر، پوسٹ کوویڈ 19 دنیا میں اضافہ کیا گیا ہے۔ اس خطرے کو مستقل تحقیق اور ترقی اور نئی ٹکنیکوں کے مستقل تعارف کے ذریعے کم کیا جاتا ہے۔ اسٹریٹجک رسک کو تمام خطرات میں سب سے اہم سمجھا جاتا ہے۔ تمام کاروباری ٹیموں کے سربراہ بین الاقوامی اور قومی سطح پر موجود خطرات سے نمٹنے کے لئے ایک مربوط نقطہ نظر تشکیل دینے کے لئے باقاعدہ وقفوں سے ملتے ہیں۔

کاروباری خطرات:

کمپنی کو متعدد کاروباری خطرات کا سامنا کرنا پڑتا ہے۔ مالی خطرات: کمپنی کا بورڈ آف ڈائریکٹرز ذمہ داری عائد کرتا ہے کہ وہ مالی رسک مینجمنٹ پالیسیاں مرتب کرے جو کمپنی کے محکمہ خزانہ کے ذریعہ نافذ ہوتی ہیں۔ کمپنی کو درج ذیل مالی خطرات کا سامنا ہے۔ شرح سود کا خطرہ: کمپنی کی سود کی شرح کا خطرہ طویل مدتی مالی اعانت، قلیل مدتی قرضے، قرضوں اور اکاؤنٹ کی بچت میں بینک بیلنس سے پیدا ہوتا ہے۔ مقررہ شرح پر مالیاتی آلات کمپنی کو مناسب قیمت سود کی شرح کے خطرے سے دوچار کرتے ہیں۔

کریڈٹ رسک: کریڈٹ رسک اور خرابی کے نقصانات سے کمپنی کا کریڈٹ نمائش اس کے تجارتی قرضوں سے متعلق ہے۔ اس خطرے کو اس حقیقت سے کم کیا گیا ہے کہ ہمارے صارفین کی اکثریت مضبوط مالی حیثیت رکھتی ہے اور ہمارے تمام صارفین کے ساتھ ہمارا طویل عرصے سے کاروباری تعلق ہے۔ ہم اپنے صارفین کے ذریعہ عدم کارکردگی کی توقع نہیں کرتے ہیں۔ لہذا، کریڈٹ رسک کم ہے۔ لیکویڈیٹی رسک: بینکوں اور بورڈ آف ڈائریکٹرز کی طرف سے وابستہ کریڈٹ سہولیات کے ذریعہ کافی فنڈز کی دستیابی کی وجہ سے یہ کم سے کم ہے۔ کمپیوٹل کا خطرہ: کمپیوٹل کا انتظام کرتے وقت، ہمارا مقصد ہے کہ کمپنی کے حصص یافتگان کو منافع فراہم کرنے اور دوسرے شریکوں کو فائدہ فراہم کرنے اور سرمائے کی لاگت کو کم کرنے کے لئے ایک زیادہ سے زیادہ سرمایہ سازی کو برقرار رکھنے کے لئے جاری تشویش کی حیثیت سے جاری رکھنے کی صلاحیت کی حفاظت کریں۔ کمپنی کم فائدہ مند کمپیوٹل کا ڈھانچہ برقرار رکھتی ہے۔

E- کارپوریٹ سماجی ذمہ داری

کمپنی معاشرے کی طرف اپنی ذمہ داری نبھانے کے سلسلے میں متعدد اقدامات کرتی ہے۔ کارپوریٹ سماجی ذمہ داری (CSR) کی سرگرمیوں کا مختصر خلاصہ درج ذیل ہے۔

پیشہ ورانہ حفاظت اور صحت :

کارکنوں اور عملے کی صحت اور حفاظت کمپنی کے لئے سب سے اہم چیز ہے۔ کورونا وائرس وبائی مرض کے پھیلنے کے بعد، کمپنی نے فوری طور پر ایک بحران انتظامیہ ٹیم تشکیل دی جس نے پنجاب حکومت کی طرف سے اس بیماری کے پھیلاؤ کو روکنے کے سلسلے میں جاری کردہ ہدایتوں پر عمل درآمد کیا۔ ٹیم نے مناسب احتیاطی تدابیر سے آگاہی کے لئے کمپنی کے دفاتر کے تمام مقامات پر ایک مہم چلائی جو کسی فرد کو اپنے آپ کو اور ساتھیوں کو بچانے کے لئے بہترین اقدامات میں سے ہے۔

امساوی مواقع آج:۔

تنوع اور اخلاقیات کمپنی کی بنیادی قدر ہیں۔ کمپنی صنف، طبقاتی اور مذہبی امتیاز سے قطع نظر، سب کو روزگار اور کیریئر کی ترقی کے لئے یکساں مواقع فراہم کرتی ہے۔

F- کارپوریٹ سرپرستی۔

بہترین کارپوریٹ طرز عمل: ڈائریکٹرز اچھی کارپوریٹ گورننس کے پابند ہیں اور درج کمپنیوں (کارپوریٹ گورننس کوڈ) ریگولیشنز، 2019 اور رول بک آف پاکستان اسٹاک ایکسچینج کی ضروریات کی تعمیل کرتے ہیں۔ سی سی جی ریگولیشنز، 2019 کی تعمیل کا بیان منسلک ہے۔

بورڈ آف ڈائریکٹرز کی تشکیل: فہرست کمپنیوں کی شق 34 (2) (i، ii اور iii) (کارپوریٹ گورننس کا ضابطہ) ضابطہ 2019 بورڈ اور اس کی کمیٹیوں کی تشکیل کے انکشاف کی ضرورت ہے۔ اس طرح کے انکشافات سالانہ رپورٹ سے منسلک "تعمیل کے بیان" میں دیئے جاتے ہیں۔

بورڈ کمیٹیاں :-

آڈٹ کمیٹی: آڈٹ کمیٹی اپنے فرائض کی شرائط کے مطابق اپنے فرائض سرانجام دے رہی ہے جیسا کہ بورڈ آف ڈائریکٹرز نے طے کیا ہے۔ زیر جائزہ سال کے دوران، چار (04) آڈٹ کمیٹی اجلاس ہوئے، حاضری کی پوزیشن اس طرح تھی:-

سیریل نمبر	ممبر کا نام	حالت	اجلاسوں میں شرکت کی تعداد
i	مسٹر فوسا ویا مادا (آزاد ڈائریکٹر)	چیئر مین	00
ii	جناب عدنان امجد خان (آزاد ڈائریکٹر)	رکن	04
iii	جناب محمد بلال (نان ایگزیکٹو ڈائریکٹر)	رکن	04
iv	جناب ولید احمد	سیکرٹری	04

ہیومن ریسورس اینڈ ریمونیشن (HR&R) کمیٹی: ہیومن ریسورس اینڈ ریمونیشن کمیٹی اپنے فرائض کی شرائط کے مطابق اپنے فرائض سرانجام دے رہی ہے جیسا کہ بورڈ آف ڈائریکٹرز نے طے کیا ہے۔ زیر جائزہ سال کے دوران، دو (02) ہیومن ریسورس اینڈ ریمونیشن کمیٹی مینٹنگ ہوئی، حاضری کی پوزیشن اس طرح تھی:-

سیریل نمبر	ممبر کا نام	حالت	اجلاسوں میں شرکت کی تعداد
i	مسٹر فوسا ویا مادا (آزاد ڈائریکٹر)	چیئر مین	00
ii	جناب عدنان امجد خان (آزاد ڈائریکٹر)	رکن	02
iii	جناب علی اسلم ملک (ایگزیکٹو ڈائریکٹر)	رکن	02
iv	محترمہ سیدہ فائزہ اکمل ترمذی	سیکرٹری	02

بورڈ آف ڈائریکٹرز میٹنگ:-

اسی جائزہ سال کے دوران بورڈ آف ڈائریکٹرز کی (10) میٹنگز ہوئی۔ جن کی حاضری کی تفصیل درج ذیل ہیں۔

سیریل نمبر	ممبر کا نام	حالت	اجلاسوں میں شرکت کی تعداد
i	جناب عدنان امجد	چیرمین آزاڈ ڈائریکٹر	10
ii	جناب علی اسلم ملک	چیف ایگزیکٹو آفیسر	09
iii	جناب عامر شہزاد	ایگزیکٹو ڈائریکٹر	10
iv	جناب عابد یوسف	نان ایگزیکٹو ڈائریکٹر	10
v	مسز سیدہ فائزہ اکمل ترمذی	ایگزیکٹو ڈائریکٹر	10
vi	مسز عائشہ انعم	نان ایگزیکٹو ڈائریکٹر	01
vii	جناب محمد بلال	نان ایگزیکٹو ڈائریکٹر	04
viii	مسٹر فوساؤ یامادا	آزاڈ ڈائریکٹر	-

مسٹر فوساؤ یامادا اور مسز عائشہ انعم آزاڈ اور غیر ایگزیکٹو ڈائریکٹرز کی حیثیت سے بورڈ میں شامل ہو گئیں۔ سمیع اللہ بٹ اور مسٹر طاہر وحید کی جگہ۔

ڈائریکٹرز کا بیان۔

کارپوریٹ اور مالیاتی رپورٹنگ فریم ورک کے بارے میں ڈائریکٹرز کا بیان درج ذیل ہے۔
 کمپنی کے انتظامیہ کے ذریعہ تیار کردہ مالی بیانات، اس کی صورتحال، اس کے عمل، نقد بہاؤ اور ایکویٹی میں تبدیلی کا نتیجہ پیش کرتے ہیں۔
 کمپنی کے اکاؤنٹ کی مناسب کتابیں برقرار رکھی گئی ہیں۔
 مالی بیانات کی تیاری میں اکاؤنٹنگ کی مناسب پالیسیاں مستقل طور پر لاگو کی گئیں ہیں اور اکاؤنٹنگ کا تخمینہ معقول اور محتاط فیصلے پر مبنی ہے۔
 بین الاقوامی مالیاتی رپورٹنگ معیارات، جیسا کہ پاکستان میں قابل اطلاق ہیں، مالی بیانات کی تیاری کے بعد عمل کیا گیا ہے اور وہاں سے کسی بھی طرح کی رواں گی کا مناسب انکشاف کیا گیا ہے۔
 داخلی کنٹرول کا نظام ڈیزائن میں مستحکم ہے اور اس پر موثر انداز میں عمل درآمد اور نگرانی کی گئی ہے۔
 کمپنی کی توثیق کی حیثیت سے جاری رکھنے کی صلاحیت پر کوئی خاص شکوک و شبہات نہیں ہیں۔
 کارپوریٹ گورننس کے بہترین طریقوں سے کوئی مادی رخصتی نہیں ہوئی ہے، جیسا کہ فہرست سازی کے ضوابط میں تفصیل سے بتایا گیا ہے۔

H- متعلقہ فریقوں کے ساتھ لین دین۔

کمپنی نے کمپنیوں (متعلقہ پارٹی لین دین اور متعلقہ ریکارڈوں کی بحالی) کے ضوابط، 2018 کی مکمل تعمیل کی ہے۔ اور تمام لین دین بازو کی لمبائی کی بنیاد پر کاروبار کے عام نصاب میں کئے جاتے ہیں۔ مزید تفصیلات کے لئے مالی بیانات کو نوٹ میں برائے مہربانی نوٹ 31 کا مطالعہ کریں۔

I- آڈیٹرز

جون 2021 کو ختم ہونے والے سال کے لئے کمپنی کے مالی بیان کا آڈٹ IECnet S.K.S.S.S چارٹرڈ اکاؤنٹنٹس نے کیا ہے جنہوں نے غیر متنازع رپورٹ دی ہے۔ موجودہ آڈیٹر کمپنی کے سالانہ جنرل اجلاس کے اختتام پر ریٹائر ہو گئے۔ اہل ہونے کے ناطے، IECnet S.K.S.S.S چارٹرڈ اکاؤنٹنٹس نے 30 جون 2022 کو ختم ہونے والے سال کے لئے دوبارہ تقرری کے لئے خود کو پیش کیا ہے۔

ل۔ ضمنی واقعات

30 جون 2021 سے 27 ستمبر 2021 کے درمیان کمپنی کی مالی حیثیت کو متاثر کرنے والے مادی تبدیلیاں اور وعدے نہیں ہوئے۔

K۔ مستقبل کے امکانات

کوویڈ 19 وبائی مرض کی وجہ سے معاشی غیر یقینی صورتحال نے کمپنی کی مستقبل کی منصوبہ بندی اور موجودہ کارکردگی کو بہت متاثر کیا ہے۔ انتظامیہ آنے والے مسائل سے واقف ہے اور اس کے مطابق اپنے اسٹریٹجک منصوبے تیار کر رہی ہے۔

L۔ داخلی مالی کنٹرول کی مناسبت

کمپنی نے کمپنی کے اثاثوں کی حفاظت، دھوکہ دہی کی روک تھام اور ان کا پتہ لگانے اور تمام قانونی تقاضوں کی تعمیل کو یقینی بنانے کے لئے اندرونی اور مالی کنٹرول کا ایک موثر نظام قائم کیا ہے۔ داخلی کنٹرول ڈھانچے کا باقاعدگی سے جائزہ لیا جاتا ہے اور بورڈ کے ذریعہ قائم کردہ داخلی آڈٹ فنکشن کے ذریعہ نگرانی کی جاتی ہے۔ آڈٹ کمیٹی اپنے حوالہ کی مدت کے مطابق سہ ماہی بنیاد پر اندرونی کنٹرول سسٹم کا جائزہ لیتی ہے۔

ہدایت کاروں کی آمدن۔

بورڈ آف ڈائریکٹرز نے ڈائریکٹرز کی معاوضہ پالیسی میں ترمیم کی منظوری دے دی ہے۔ پالیسی کی اہم خصوصیات مندرجہ ذیل ہیں۔ کمپنی اپنے نان ایگزیکٹو ڈائریکٹرز بشمول آزاد ڈائریکٹرز کا معاوضہ ادا نہیں کرے گی سوائے اس کے کہ بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کی فیس ادا کی جائے گی۔ کمپنی بورڈ اور اس کی کمیٹیوں کے اجلاسوں میں شرکت کے سلسلے میں ڈائریکٹرز کے سفر اور رہائش کے اخراجات کی ادائیگی کرے گی۔ بورڈ آف ڈائریکٹرز و قفا و قفا ڈائریکٹرز کی معاوضے کی پالیسی پر نظر ثانی کرتے رہیں گے۔

M۔ پیٹرین آف شیئر ہولڈنگ

30 جون 2021 کو شیئر ہولڈنگ کے طرز کا ایک بیان، جس کو رپورٹنگ فریم ورک کے تحت ظاہر کرنا ضروری ہے، اس رپورٹ سے منسلک ہے۔

N۔ ڈائریکٹرز اور تجربات کے ذریعہ کمپنی کے حصص میں تجارت کرنا۔

اگلے سال کے دوران کمپنی کے حصص میں تجارت ڈائریکٹرز، سی ای او، سی ایف او، کمپنی سیکریٹری اور ان کے شریک حیات اور نابالغ نے کی۔

ڈائریکٹرز کا نام	عہدہ	تعلق	حصص کی تعداد	لیبن دین کی نوعیت	جن سے حصص حاصل کیے گئے روپے گئے
جناب عدنان امجد خان	چیرمین	-	-	-	-
جناب علی اسلم ملک	چیف ایگزیکٹو آفیسر	خود	18,196,500	بیچنا	ریڈی مارکیٹ
جناب عامر شہزاد	ڈائریکٹر	-	-	-	-
جناب عابد یوسف	ڈائریکٹر	-	-	-	-
مسز سیدہ فائزہ اکمل ترمذی	ڈائریکٹر	-	-	-	-
مسز عائشہ انجم	ڈائریکٹر	-	-	-	-
جناب محمد بلال	ڈائریکٹر	-	-	-	-
مسٹر فوساؤ یا مادا	ڈائریکٹر	-	-	-	-
محترمہ عمارہ زکریا	چیف فنانشل آفیسر	-	-	-	-
جناب ارسلان طاہر	کمپنی سیکریٹری	-	-	-	-
جناب علی اسلم ملک	-	شریک حیات	8,881,000	بیچنا	ریڈی مارکیٹ
جناب علی اسلم ملک	-	نابالغ بچے	400,000	بیچنا	ریڈی مارکیٹ

O۔ اعتراف

ڈائریکٹرز کمپنی کے لئے مسلسل لگن اور کوششوں پر ملازمین کو خوش اور شکرگزار ہیں۔

بورڈ آف ڈائریکٹرز کے لئے اور اس کی طرف سے۔



ڈائریکٹر



چیف ایگزیکٹو آفیسر

لاہور

ستمبر 27، 2021

董事报告

First National Equities Limited (“本公司”) 董事很高兴提交本公司截至2021年6月30日止年度的年度报告以及财务报表和审计报告。

A. 经济评论

巴基斯坦正在实施 2017-18 年危机后的稳定政策，经济正在从宏观经济失衡中复苏，但 COVID-19 减缓了最初复苏的步伐，但第二波和第三波的到来带来了重大挑战，及时的审慎政策得以应对。在 COVID-19 之前，工作人口为 5574 万。这个数字下降到 3504 万，这表明人们要么失业，要么无法工作。由于政府审慎决策，截至2020年10月，劳动人口达到5256万人，经济呈现V型复苏。

政策利率维持在7.0%不变，这改善了商业情绪。2021财年的前九个月录得自2007财年以来8.99%的最高期间明智增长。2021财年7月至4月，经常账户出现8亿美元顺差，这是17年来的首次BP的外汇储备增至160亿美元，创四年新高。2021财年7月至4月期间工人汇款创下29%的历史新高，达到242亿美元。2021年5月27日，PSX见证了历史最高的日交易量，单日交易量为22.1亿股。基本余额保持在GDP的1.0%的顺差，是12年来前三个季度的最高水平。

巴基斯坦在时隔三年多之后成功通过欧元债券筹集了25亿美元，从而进入了国际资本市场。2021财年7月至5月期间的消费者价格指数(CPI)通胀率为8.8%，而去年为10.9%。敏感价格指标(SPI)等其他通胀指标录得13.5%，而去年为14.0%。2021财年7月至5月的批发价格指数(WPI)录得8.4%，而去年为11.1%。

B. 股市回顾

在2021财年，在2020年3月暴跌的全球股市在全球各国政府向其经济注入大量刺激资金后反弹。巴基斯坦证券交易所(PSX)还成功度过了最初由COVID-19引发的经济衰退，并赢得了“亚洲最佳股票市场和全球第四大表现市场”的称号。

2021财年7-5月，基准KSE-100指数从34,889点上涨至47,896点，同期上涨13,006点。截至2021年5月31日，巴基斯坦证券交易所的总市值为82,670亿卢比。与2020年6月30日的市值65,290亿卢比相比，市值增长了26.6%。尽管第三波COVID-19在2021财年的3月和4月拖累了KSE-100指数，但SECP推出的改革和政府的支持增长政策正在帮助资本市场抵御压力。今年的显着特点是进行了大量的首次公开募股。尽管爆发了COVID-19，但巴基斯坦证交所于2020年7月至2021年3月期间见证了五次IPO。在2021财年7月至3月期间，企业通过发行17种债务证券筹集了969亿卢比。虽然之前有93笔价值7828.75亿卢比的公司债务证券仍未偿还。

C. 财务表现

细节	2021	2020
	百万卢比	
营业收入	105.660	33.744
出售投资的收益 / (损失)	66.467	(1.042)
其他的收入	89.008	76.746
税前利润	291.144	92.333
税后利润	184.356	113.880
每股收益 (卢比)	0.69	0.43

与去年相比，本年度的营业收入有所增加。该公司正在尽最大努力通过广泛的研究、企业访问和咨询服务提供更高质量的服务来提高产量。我们正在努力扩大我们的客户群，以增加投资者的市场参与度并从有利可图以增加投资者的市场参与度并从有利可图的市场机会中获益。

D. 风险和机遇

First National Equities Limited 在正常业务过程中承担风险并创造机会。冒险对于保持竞争力和确保可持续的成功很重要。我们的风险和机会管理包含一个有效的框架，可以在一个控制良好的环境中开展业务，在这个环境中风险得到缓解，机会得到利用。在做出任何选择之前，每个风险和机会都每个风险和机会都会得到适当的加权和考虑。只有当机会大于风险时，才会制定决策。

以下是风险和减轻这些风险的策略的摘要：

战略风险：

我们在竞争激烈的环境中运营，在这个环境中，创新、绩效和有效性都得到了增强，尤其是在 Covid-19 后的世界中。通过持续的研究和开发和新技术的持续引入，可以降低这种风险。战略风险被认为是所有风险中最关键的。各业务部门负责人在定期间隔形成综合方法来应对国际和国家层面存在的风险。

经营风险：

公司面临以下业务风险：

- 财务风险：公司董事会负责制定财务风险管理政策，由公司财务部执行。本公司面临以下财 本公司面临以下财务风险：
- 利率风险：公司的利率风险来自长期融资、短期借款、贷款和储蓄账户中的银行结余。固定利率的金融工具使本公司面临公允价值利率风险。信用风险：公司的信用风险和减值损失与其贸易债务有关。由于我们的大多数客户财务状况良好，并且我们与所有客户都建立了长期的业务关系，因此可以减轻这种风险。我们不期望客户不履行；因此，信用风险很小。
- 流动性风险：由于银行和董事会承诺的信贷安排有足够的资金可用，因此该风险最低。
- 资本风险：在管理资本时，我们的目标是保障公司持续经营的能力，为股东提供回报和其他利益相关者的利益，并保持最佳资本结构以降低资本成本。公司维持低杠杆资本结构。

E. 企业社会责任

公司在履行社会责任方面采取了多项举措。以下是企业社会责任(CSR)活动的简要介绍：

职业安全与健康：

员工的健康和安全是公司最重要的事情。冠状病毒大流行爆发后，公司立即组建了危机管理小组，执行旁遮普省政府发布的有关防止疾病传播的指示。该团队在公司办公室的所有地点发起了一场运动，以提高个人应采取的适当预防措施的意识，以拯救自己和同事。

平等机会雇主：

多元化和道德是公司的核心价值。公司为所有人提供平等的就业和职业发展机会，不分性别阶级和宗教歧视。

F. 公司治理

最佳企业实践：董事致力于良好的公司治理，并遵守2019年《上市公司（公司治理准则）条例》和巴基斯坦证券交易所规则手册的要求。随附符合2019年CCG法规的声明。

董事会组成：2019年上市公司（公司治理守则）条例第34（2）（i、ii 和 iii）条要求披露董事会及其委员会的组成。此类披露在年度报告附件的“合规声明”中给出。

董事委员会：

审核委员会：审核委员会根据董事会确定的职权范围履行其职责。回顾年度内，召开了四(04)次审计委员会会议，出席情况如下：-

先生	会员姓名	地位	出席会议次数
i.	山田扶雄先生（独立董事）	主席	00
ii.	阿德南·阿姆賈德·汗先生（独立董事）	成员	04
iii.	穆罕默德·比拉尔先生（非执行董事）	成员	04
iv.	<u>穆罕默德·瓦利德·艾哈邁德先生</u>	秘书	04

人力资源与薪酬(HR&R)委员会：人力资源与薪酬委员会根据董事会确定的职权范围履行其职责。回顾年度内召开了两次（02）次人力资源与薪酬委员会会议，出席情况如下：

先生	会员姓名	地位	出席会议次数
i.	山田扶雄先生（独立董事）	主席	00
ii.	阿德南·阿姆賈德·汗先生（独立董事）	成员	02
iii.	阿里·阿斯拉姆·馬利克 先生（执行董事）	成员	02
iv.	法伊扎·阿克馬爾·提爾米茲女士	秘书	02

董事会会议：回顾年度内，本公司十（10）次董事会会议在巴基斯坦召开，出席情况如下：

先生	会员姓名	地位	出席会议次数
i.	阿德南·阿姆賈德先生	董事长/独立董事	10
ii.	阿里·阿斯拉姆·馬利克先生	首席执行官	09
iii.	阿米爾·謝扎德先生	执行董事	10
iv.	阿比德·優素福先生	非执行董事	10
v.	法扎·阿克馬爾·提爾姆齊	执行董事	10
vi.	艾莎·阿努姆	非执行董事	01
vii.	穆罕默德·比拉爾先生	非执行董事	04
viii.	山田扶桑	独立董事	-

山田扶桑 先生和 艾莎·阿努姆 夫人作为独立和非执行董事加入董事会，分别代替 Sami Ullah Butt 先生和塔希爾瓦希德先生。

G. 董事声明

以下是董事关于企业和财务报告框架的声明：

1. 本公司管理层编制的财务报表公允反映了公司的经营状况、经营成果、现金流量和权益变动。
2. 公司账簿保存完好。
3. 本财务报表的编制和会计估计均以合理审慎的判断为基础，始终如一地采用了适当的会计政策。
4. 财务报在编制表时已遵循适用于巴基斯坦的国际财务报告准则，并已充分披露任何偏离该准则的情况。
5. 内部控制制度设计健全，得到有效执行和监督。
6. 公司持续经营能力不存在重大疑虑。
7. 没有重大偏离公司治理的最佳实践，详见上市规则。

H. 与关联方的交易

公司全面遵守《2018年公司（关联交易及关联记录维护）条例》，所有交易均在正常情况下进行。以公平交以公平交易为基础的业务过程。详情请参阅财务报表附注中的注释07

I. 审计员

本公司截至2021年6月30日止年度的财务报表已由M/s IECnet S.K.S.S.S 特许会计师审计，并出具了无保留意见的报告。现任审计师将在本公司年度股东大会结束时退休。符合资格的M/s IECnet S. K. S. S. S 特许会计师已表示愿意在截至2022年6月30日的年度再次获得任命。

J. 后续事件

2021年6月30日至2021年9月15日期间未发生影响公司财务状况的重大变化和承诺事项。

K. 未来前景

Covid-19大流行造成的经济性影响极大地影响了公司的未来规划和当前表现。公司本土营销的问题，并相应地制定了战略计划。

L. 内部财务控制的充分性

本公司已建立有效且高效的内部和财务控制系统，以保护本公司资产、防止和发现欺诈并确保遵守所有法定和法律要求。内部控制结构由董事会正式设立的内部审计部门定期审查和监督。审核委员会按其职权范围每季度检讨内部控制制度。

董事酬金

董事会已批准董事薪酬政策的修订。该政策的主要特点如下：

公司不支付包括独立董事在内的非执行董事的报酬，但出席董事会及其委员会会议的会议费除外。

本公司将报销或招致董事出席董事会及其委员会会议的差旅费和住宿费。

董事会将不时检讨董事薪酬政策。

M. 持股模式

报告框架下需要披露的截至2021年6月30日的持股情况说明见本报告附件。

N. 董事和执行人员买卖公司股份

在接下来的一年中，公司股票的交易由董事、首席执行官、首席财务官、公司秘书及其配偶和未成年子女进行。

董事姓名	指定	关系	股份数量	交易性质	从/向谁获得/给予股份
阿德南·阿姆贾德·汗先生	主席	-	-	-	-
阿里·阿斯拉姆·马利克先生	首席执行官	自己	18,196,500	卖	现成市场
阿米爾·謝扎德先生	导向器	-	-	-	-
阿比德·優素福先生	导向器	-	-	-	-
賽達·法伊扎·阿克馬爾·提爾米茲夫人	导向器	-	-	-	-
艾莎·阿南夫人	导向器	-	-	-	-
穆罕默德·比拉爾先生	导向器	-	-	-	-
山田扶雄先生	导向器	-	-	-	-
阿瑪拉·扎克里婭女士	首席财务官	-	-	-	-
阿爾斯蘭·塔希爾先生	公司秘书	-	-	-	-
阿里·阿斯拉姆·馬利克先生	-	伴侣	8,881,000	卖	现成市场
阿里·阿斯拉姆·馬利克先生	-	未成年子女	400,000	卖	现成市场

O. 致谢

董事对员工对公司的持续奉献和努力表示欣慰和感谢。

代表董事会。



执

拉合尔
2021 年 9 月 27 日



导

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES

(Code of Corporate Governance) Regulations, 2019.

Name of the Company: First National Equities Limited**Year ending:** 30 June 2021

Directors are committed to good corporate governance and comply with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Rule Book of Pakistan Stock Exchange.

Composition of Board of Directors: Clause 34 (2) (i, ii and iii) of Listed Companies (Code of Corporate Governance) Regulations 2019 requires the disclosure of composition of the Board and its Committees of which all details have been elaborated here.

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

1. The total number of directors are as per the following

- Male: Six
- Female: Two

2. The composition of board is as follows:

Sr. No.	Name of Member	Status
i.	Mr. Adnan Amjad	Chairman/Independent Director
ii.	Mr. Ali A. Malik	Chief Executive Officer
iii.	Mr. Amir Shehzad	Executive Director
iv.	Mr. Abid Yousaf	Non-Executive Director
v.	Ms. Syeda Faiza Akmal Tirmizi	Executive Director
vi.	Ms. Ayesha Anum	Non-Executive Director
vii.	Mr. Muhammad Bilal	Non-Executive Director
viii.	Mr. Fusao Yamada	Independent Director

Mr. Fusao Yamada and Ms. Ayesha Anum joined the Board as independent and non-executive directors in place of Mr. Sami Ullah Butt and Mr. Tahir Waheed respectively.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.

4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

5.The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. These documents have been approved by the board and record of such approvals and amendments have been maintained.

6.All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/shareholders as empowered by the relevant provisions of the Act and these Regulations.

7.The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.

8.The Board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9.The Board of Directors has arranged directors training program as a result of which four out of eight directors have attended the approved directors training program. The Board will ensure compliance of training limitations in the upcoming year.

10.Position of Company Secretary (CS) has been accomplished during the year. The Board approved appointment of Company Secretary and terms and conditions of employment, including remuneration and complied with relevant requirements of the Regulations.

11.The financial statements of the Company were duly endorsed by the CEO, a Director and CFO, before approval of the Board.

12.The board has formed committees comprising of members given below:

Audit Committee:

The audit committee is performing its duties in line with its terms of reference as determined by the Board of Directors. During the year under review, four Audit Committee Meetings were held. Audit committee comprises of following members: -

Sr. No.	Name of Member	Status
i.	Mr. Fusao Yamada (Independent Director)	Chairman
ii.	Mr. Adnan Amjad Khan (Independent Director)	Member
iii.	Mr. Muhammad Bilal (Non-Executive Director)	Member
iv.	Mr. Muhammad Waleed Ahmed	Secretary

Human Resource & Remuneration (HR&R) Committee:

The Human Resource & Remuneration Committee is performing its duties in line with its terms of reference as determined by the Board of Directors. During the year under review, two (02) Human Resource & Remuneration Committee Meeting was held. Human Resource committee comprises of following members: -

Sr. No.	Name of Member	Status
i.	Mr. Fusao Yamada (Independent Director)	Chairman
ii.	Mr. Adnan Amjad Khan (Independent Director)	Member
iii.	Mr. Ali A. Malik (Executive Director)	Member
iv.	Ms. Syeda Faaiza Akmal Tirmizi	Secretary

13. The terms of reference of the Audit and HR and Remunerations Committees have been formed, documented and advised to the committees.

14. The frequency of meetings of the committees were as per following,

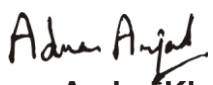
Audit Committee	Quarterly
HR and Remuneration Committee	Twice a year

15. The Board has set up an effective internal audit function with the aim to achieve efficiency by engaging suitably qualified and experienced individuals for the purpose and who are conversant with the policies and procedures of the company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with and we are in compliance with the stipulated regulations.


Adnan Amjad Khan
 Chairman

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance Regulations), 2019 (the Regulations) prepared by the Board of Directors of First National Equities Limited (the Company) for the year ended June 30, 2021 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2021.



IECnet S.K.S.S.S.

Chartered Accountants

Lahore.

Dated: September 27, 2021

INDEPENDENT AUDITORS' REPORT

To the members of First National Equities Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the annexed financial statements of First National Equities Limited (the Company), which comprise the statement of financial position as at June 30, 2021, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2021 and of the profit, other comprehensive income, the changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) as applicable in Pakistan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants as adopted by the Institute of Chartered Accountants of Pakistan (the Code) and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter(s)

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Following are the Key audit matter(s):

Sr. No	Key audit matter(s)	How the matter was addressed in our audit
#1	<p>Strategic Investment</p> <p>As stated in Note 8 to the financial statements, in fiscal year 2019, the Company made an equity investment in Kingbhai Digisol (Private) Limited (the "investee"), a technology-based start-up. The investee and the Company are related</p> <p>The investee is a privately-held company with unquoted equity. The management prepared a valuation model to determine the fair value of the Company's investment as at June 30, 2021.</p>	<p>To address this significant risk, we performed certain key audit procedures, including (but not limited to) the following:</p> <ul style="list-style-type: none"> • Obtained an understanding of the valuation exercise carried out by the management; • Assessed management's competence, capability and objectivity; • Tested the theoretical soundness, mathematical accuracy, consistency, integrity and completeness of management's valuation model; • Engaged our own independent and reputable expert to:

	The afore-noted fair value estimates carries significant estimation uncertainty due to the judgments involved and because the estimate is largely based on unobservable inputs. Owing to this estimation uncertainty and the magnitude of the estimate relative to the financial statements, we considered this a key audit matter.	<p>a) Assess the appropriateness of the valuation model prepared by the management in the context of the investee's business and the industry which the investee operates in, along with the availability of information / data; and</p> <p>b) Obtain an understanding of the various assumptions used in the valuation model (including, but not limited to, cash flow forecasts and discount rates) and assess these assumptions for reasonableness (including consideration of whether assumptions were interdependent and internally consistent);</p> <ul style="list-style-type: none"> Assessed independent auditor's expert's competence, capabilities and objectivity; Performed inquiries of the auditor's expert's and reviewed auditor's expert's working papers and report; and Evaluated the adequacy, appropriateness and completeness of disclosures made in the financial statements pursuant to multiple applicable accounting standards.
Sr. No	Key audit matter(s)	How the matter was addressed in our audit
#2	<p>Completeness & Accuracy of Staff Retirement Obligations</p> <p>As stated in Note 3.12 and Note 25 to the financial statements, the Company operates an unfunded gratuity scheme covering all eligible permanent employees. Estimation of the liability associated with this scheme is based on a number of assumptions about the future and requires professional expertise, as a result of which the completeness, accuracy and valuation of this liability was considered an area subject to significant risk.</p>	<p>To address this significant risk, we performed certain key audit procedures, including (but not limited to) the following:</p> <ul style="list-style-type: none"> Obtained an understanding of the actuarial model employed in estimating the liability; Requested and directly obtained a report on the valuation of the liability (and related balances) from Management's appointed actuary; Evaluated the competence, capabilities and objectivity of the actuary; obtained an understanding of the actuary's work; and evaluated the appropriateness of the actuary's work as audit evidence; Assessed the assumptions (including discount rates) used by the actuary for reasonableness; and Performed a reconciliation of the data used by the actuary with the corresponding data maintained by the Company.

Information Other Than The Financial Statements And Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Information Other Than The Financial Statements And Auditor's Report Thereon

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting and reporting standards as applicable in Pakistan and the requirements of the Companies Act, 2017 (XIX of 2017) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs as applicable in Pakistan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs as applicable in Pakistan, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

Based on our audit, we further report that, in our opinion:

- Proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- The statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- Investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;
- No Zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980); and
- The Company was in compliance with the requirement of section 78 of the Securities Act 2015, and the relevant requirements of Securities Brokers (Licencing and Operations) Regulations, 2016 as at the date on which the Financial Statements were prepared.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Muhammad Aslam Khan.



IECnet S.K.S.S.S.
Chartered Accountants
Lahore

Date: September 27, 2021

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2021

	Note	June 30, 2021	June 30, 2020
------(Rupees)-----			
NON CURRENT ASSETS			
Property and equipment	4	37,345,982	37,344,926
Intangible assets	5	85,277,000	85,277,000
Other receivables	6	123,321,489	131,070,869
Investment in associates	7	76,434,575	77,031,875
Strategic investment	8	888,099,467	709,605,147
Long-term deposits	9	1,602,400	1,600,000
Deferred taxation	10	10,497,513	116,588,520
		1,222,578,426	1,158,518,337
CURRENT ASSETS			
Short-term investments	11	173,434,231	56,224,122
Trade debts	12	108,352,371	129,360,737
Loans and advances	13	587,066	2,077,671
Trade deposits and short-term prepayments	14	114,597,677	10,509,493
Other receivables	15	112,725,047	149,514,257
Advance tax		27,603,706	25,791,602
Cash and bank balances	16	230,777,747	190,181,660
		768,077,845	563,659,542
Total Assets		1,990,656,271	1,722,177,879
NON CURRENT LIABILITIES			
Long-term financing	17	277,875,106	279,929,984
Loan from sponsors	18	155,175,000	155,175,000
Deferred liabilities	19	15,403,373	13,865,924
		448,453,479	448,970,908
CURRENT LIABILITIES			
Trade and other payables	20	337,963,358	290,190,414
Unclaimed dividend		1,399,397	1,525,272
Current portion of long-term financing	17	22,000,000	3,193,820
		361,362,755	294,909,505
Total Liabilities		809,816,234	743,880,413
Contingencies and Commitments	21	-	-
Net Assets		1,180,840,037	978,297,466
REPRESENTED BY:			
Authorized share capital	22	5,000,000,000	5,000,000,000
Issued, subscribed and paid-up share capital	22	2,672,863,310	2,672,863,310
Discount on right shares		(1,508,754,317)	(1,508,754,317)
Accumulated loss		(542,378)	(184,898,787)
		1,163,566,615	979,210,206
Actuarial gain from remeasurement of staff retirement benefits - net of tax		263,921	105,178
Unrealized gain / (loss) on re-measurement of investments classified as fair value through OCI		17,009,501	(1,017,918)
		1,180,840,037	978,297,466

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


Chief Executive Officer

Chief Financial Officer

Director



STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED JUNE 30, 2021

Note	June 30, 2021	June 30, 2020
----- (Rupees) -----		
Operating revenue	23 105,659,673	33,744,706
Gain/(Loss) on sale of investments	66,466,671	(1,042,239)
Unrealized gain/(loss) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - held for trading - net	9,876,097	(3,074,415)
Operating profit	182,002,441	29,628,052
Administrative expenses	24 (122,627,153)	(60,356,380)
Finance cost	26 (26,616,642)	(22,666,014)
Other operating expenses	27 (8,519,634)	(4,746,130)
Other operating income	28 89,007,612	76,746,885
Changes in fair value of investments at fair value through profit or loss	178,494,320	72,054,769
Share of (loss)/profit of associate	7 (597,300)	1,672,149
Profit before taxation	291,143,644	92,333,331
Tax (expense)/income	29 (106,787,236)	21,547,180
Profit after taxation	184,356,408	113,880,511
Basic earning per share	30 0.69	0.43

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

Chief Executive Officer

Chief Financial Officer

Director

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED JUNE 30, 2021

	June 30, 2021	June 30, 2020
	----- (Rupees) -----	
Profit after taxation	184,356,408	113,880,511
Items that will not be re-classified to profit or loss		
Actuarial gain from remeasurement of staff retirement benefits	158,743	651,861
Unrealized gain/(loss) during the period in the market value of investments classified at fair value through OCI	18,027,419	(3,617,852)
Other comprehensive income/(loss) for the period	18,186,162	(2,965,992)
Total comprehensive income for the period	202,542,570	110,914,519

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



Chief Executive Officer



Chief Financial Officer



Director

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2021

	Note	June 30, 2021	June 30, 2020
		----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before taxation		291,143,644	92,333,331
Adjustments:			
Depreciation	24.4	663,445	761,423
Share of loss/(profit) of associate - net of tax	7	597,300	(1,672,149)
(Gain)/loss on disposal of investments		(66,466,671)	1,042,239
Changes in fair value of investments at fair value through profit or loss		(178,494,320)	(72,054,769)
Unrealized (profit)/loss on re-measurement of investments at FVTPL-net		(9,876,097)	3,074,415
Finance cost		26,616,642	22,666,014
Dividend income	23	(9,651,659)	(811,500)
Provision for other receivables	24	61,115,483	-
Other operating income		(83,612,460)	(76,746,884)
Provision for gratuity	25	1,703,353	2,156,749
		(257,404,984)	(121,584,461)
		33,738,660	(29,251,131)
Changes in working capital			
Decrease / (Increase) in current assets			
Trade debts		86,370,206	(21,944,538)
Loans and advances		1,490,605	(738,372)
Trade deposits and short-term prepayments		(104,088,184)	17,891,349
Other receivables		1,673,727	11,664,587
		(14,553,646)	6,873,026
Increase in current liabilities			
Trade and other payables		47,772,944	58,900,756
Cash generated from operations	33	66,957,958	36,522,651
Finance cost paid		(6,671,525)	(71,896)
Income tax paid		(2,515,488)	(237,716)
Net cash generated from operating activities		57,770,945	36,213,039
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of equity instruments at FVTPL		(22,839,922)	(28,157,335)
Property and equipment	4	(664,500)	(32,000)
Long term deposits (paid)/received		(2,400)	650,000
Dividend received	23	9,651,659	811,500
Net cash utilized in investing activities		(13,855,163)	(26,727,835)
CASH FLOWS FROM FINANCING ACTIVITIES			
Gratuity paid	25	-	(7,258)
Loan repayment	17	(3,193,820)	-
Dividend paid		(125,875)	-
Net cash utilized in financing activities		(3,319,695)	(7,258)
Net increase in cash and cash equivalents		40,596,087	9,477,945
Cash and cash equivalents at the beginning of the year		190,181,660	180,703,715
Cash and cash equivalents at the end of the year		230,777,747	190,181,660

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


Chief Executive Officer


Chief Financial Officer


Director

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED JUNE 30, 2021

	Issued, subscribed and paid-up capital	Share deposit money	Discount on issue of right shares	Accumulated loss	Actuarial gain/(loss) from remeasurement of staff retirement benefits- net of tax	Unrealized surplus / (deficit) on re- measurement of investments measured at FVOCI	Total
	-----Rupees-----						
Balance as at July 01, 2019	2,672,863,310	17,003,000	(1,508,754,317)	(298,779,297)	(546,683)	2,599,934	884,385,947
Share deposit money	-	(17,003,000)	-	-	-	-	(17,003,000)
Profit after taxation for the year ended June 30, 2020	-	-	-	113,880,511	-	-	113,880,511
Other comprehensive loss for the period	-	-	-	-	651,861	(3,617,852)	(2,965,991)
Balance as at June 30, 2020	<u>2,672,863,310</u>	<u>-</u>	<u>(1,508,754,317)</u>	<u>(184,898,786)</u>	<u>105,178</u>	<u>(1,017,918)</u>	<u>978,297,467</u>
Balance as at July 01, 2020	2,672,863,310	-	(1,508,754,317)	(184,898,786)	105,178	(1,017,918)	978,297,467
Share deposit money	-	-	-	-	-	-	-
Profit after taxation for the year ended June 30, 2021	-	-	-	184,356,408	-	-	184,356,408
Other comprehensive income for the year	-	-	-	-	158,743	18,027,419	18,186,162
Balance as at June 30, 2021	<u>2,672,863,310</u>	<u>-</u>	<u>(1,508,754,317)</u>	<u>(542,378)</u>	<u>263,921</u>	<u>17,009,501</u>	<u>1,180,840,037</u>

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



Chief Executive Officer



Chief Financial Officer



Director

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2021

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 (now the Companies Act, 2017). Shares of the Company are quoted on the Pakistan Stock Exchange Limited ("PSX"). The registered office of the Company is situated at Room No. 1007, 10th Floor, New Stock Exchange Building, Stock Exchange Road, Karachi.

The Company is a holder of Trading Rights Entitlement Certificate ("TREC") of Pakistan Stock Exchange Limited. The principal activities of the Company include shares brokerage, consultancy services and portfolio investment.

The Company's branch network consists of the following branches:

Lahore Branches	FNE House, 179-B, Abu Bakar Block, New Garden Town, Lahore. Room No. 314 & 417 LSE Plaza, 19 Khayaban-e-Aiwan-e-Iqbal, Lahore.
Rawalpindi Branch	Office No. 329-330, third floor, Rania Mall, Saddar, Rawalpindi.

2 Accounting Convention and basis for Preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with accounting and reporting standards as applicable in Pakistan. Accounting and reporting standards applicable in Pakistan comprise of such International Financial Reporting Standards ("IFRSs") issued by the International Accounting Standards Board ("IASB") as are notified under the Companies Act, 2017 (the "Act"), and provisions of and directives issued under the Act. If and where provisions of and directives issued under the Act differ from IFRSs, the provisions of and directives issued under the Act will prevail.

2.2 Performance history, top-line enhancement and cost optimization

The Company's after-tax profit during the current year was Rs. 184.356 million. This profit includes a pre-tax fair value measurement gain of Rs. 178.494 million on a strategic investment made by the Company (see note 8 for details). Excluding this investment, the Company's after-tax profit (hereinafter referred to as "operational profit") during the year was Rs. 5.862 million (2020: Rs. 41.825 million). As at June 30, 2021, the Company's accumulated gain/(losses) are Rs. (0.542) million (2020: Rs. (184.899) million).

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

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

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

Directors / sponsors of the Company have historically provided significant financial assistance in the form of subordinated loans for the purpose of maintaining and/or increasing the net worth and liquid capital at the Company's disposal. The Company's sponsors remain committed to additional financial assistance as, when and to the extent necessary until an improvement in external / macro factors and the Company's cost optimization strategies result in improved profitability.

For a detailed review of the Company's performance, refer to the Directors' Report.

2.3 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for the following material items:

- Investments in quoted equity securities (whether measured at fair value through profit or loss, or at fair value through other comprehensive income), which are carried at fair value;
- Investments in unquoted equities, measured at fair value through profit or loss;
- Investments in associates, which are recorded in accordance with the equity method of accounting for such investments; and
- Derivative financial instruments, which are marked-to-market as appropriate under relevant accounting and reporting standards.

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

The following standards, amendments and interpretations are effective for the year ended June 30, 2021. These standards, interpretations and amendments are either not relevant to the company's operations or are not expected to have significant impact on the Company's financial statements other than certain additional disclosures:

Standards or Interpretations with no significant impact

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

Effective from annual period beginning on or after:

January 01, 2020
 January 01, 2020
 January 01, 2020
 January 01, 2020
 January 01, 2020
 January 01, 2020
 January 01, 2020
 January 01, 2020
 January 01, 2020
 January 01, 2020
 January 01, 2020
 January 01, 2020

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

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

Standards or Interpretations

Effective from annual period beginning on or after:

IAS 16 - Property plant and equipment (Amendments)	January 01, 2022
IAS 37 - Provisions, contingent liabilities and contingent assets (Amendments)	January 01, 2022
IAS 41 - Agriculture	January 01, 2022
IFRS 3 - Business combinations (Amendments)	January 01, 2022
IFRS 9 - Financial instruments: Classification and Measurement (Amendments)	January 01, 2022
IFRS 16 - Leases (Amendments)	January 01, 2022
IAS 1 - Presentation of financial statements (Amendments)	January 01, 2023
IAS 8 - Definition of accounting estimates (Amendments)	January 01, 2023
IAS 12 - Deferred tax related to assets and liabilities arising from single transaction (Amendments)	January 01, 2023
IFRS 17 - Insurance contracts	January 01, 2023

2.5 Critical accounting estimates and judgments

The preparation of financial statements in conformity with approved accounting standards requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities and income and expense. It also requires management to exercise judgment in the process of applying the Company's accounting policies.

Estimates and judgments are continually evaluated and are based on historical experience as well as expectations of future events that are believed to be reasonable under the circumstances. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are as follows:

- Useful lives and residual values of items of property and equipment (note 3.2)
- Allowance for expected credit losses (note 3.7)
- Classification, recognition, measurement / valuation of financial instruments (note 3.1)
- Fair values of unquoted equity investments (note 3.1)
- Provision for taxation (note 3.8)
- Staff retirement benefits (note 3.12).

3 Summary of Significant accounting policies

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

3.1 Financial assets and liabilities

Recognition and initial measurement

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

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

Classification and Measurement of Financial Assets

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

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

Financial assets include both debt and equity instruments.

Debt Instruments

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

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

Classification of debt instruments is determined based on:

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

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

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

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

Equity Instruments

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

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

Classification and Measurement of Financial Liabilities

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

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

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

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

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

Determination of Fair Value

The fair value of a financial asset or liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in the principal or, in its absence, the most advantageous market to which the Company has access at the measurement date. The Company values instruments carried at fair value using quoted market prices, where available. Unadjusted quoted market prices for identical instruments represent a Level 1 valuation. When quoted prices are not available, the Company maximizes the use of observable inputs within valuation models. When all significant inputs are observable, the valuation is classified as Level 2. Valuations that require the significant use of unobservable inputs are considered Level 3.

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

Derecognition of Financial Assets and Financial Liabilities

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

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

3.2 Property and equipment

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

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

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

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

3.3 Intangible assets

Intangible assets with indefinite useful lives, including Trading Right Entitlement Certificate ("TREC"), licenses and tenancy rights, are stated at cost less accumulated impairment losses, if any. An intangible asset is considered as having an indefinite useful life when, based on an analysis of all relevant factors,

there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Company. An intangible asset with an indefinite useful life is not amortized. However, it is tested for impairment at each reporting date or whenever there is an indication that the asset may be impaired. Gains or losses on disposal of intangible assets, if any, are recognized in the profit and loss account during the year in which the assets are disposed of.

3.4 Investment property

Property that is held for long-term rental yields or for capital appreciation or for both (but not for sale in the ordinary course of business), used in the supply of services or for administrative purposes is classified as investment property. Investment property is initially measured at its cost, including related transaction costs and borrowing costs, if any. Subsequent expenditure is capitalized to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

For the purpose of subsequent measurement, the Company determines with sufficient regularity the fair value of the items of investment property based on available active market prices, adjusted, if necessary, for any difference in the nature, location or condition of the specific asset. Valuations wherever needed are performed as of the reporting date by professional valuers who hold recognized and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. These valuations form the basis for the carrying amounts in the financial statements.

The fair value of investment property does not reflect future capital expenditure that will improve or enhance the property and does not reflect the related future benefits from this future expenditure other than those a rational market participant would take into account when determining the value of the property. Changes in fair values are recognized in the profit and loss account.

3.5 Offsetting of financial assets and liabilities

Financial assets and liabilities are offset (and the net amount is reported in the financial statements) when the Company has a legally enforceable right to offset the recognized amounts and the Company intends to either settle on a net basis or to realize the assets and settle the liabilities simultaneously. When financial assets and financial liabilities are offset in the statement of financial position, the related income and expense items are also offset in the statement of income, unless specifically prohibited by an applicable accounting standard.

3.6 Investment in associates

Associates are all entities over which the Company has significant influence but not control. Investments in associates where the Company has significant influence are accounted for using the equity method of accounting. Under the equity method of accounting, investments in associates are initially recognized at cost and the carrying amount of investment is increased or decreased to recognize the Company's share of the associate's post-acquisition profits or losses in income, and its share of the post-acquisition movement in reserves is recognized in other comprehensive income.

3.7 Impairment

Financial assets

The Company applies a three-stage approach to measure allowance for credit losses, using an expected credit loss approach as required under IFRS 9, for financial assets measured at amortized cost. The Company's expected credit loss impairment model reflects the present value of all cash shortfalls related to default events, either over the following twelve months, or over the expected life of a financial

instrument, depending on credit deterioration from inception. The allowance / provision for credit losses reflects an unbiased, probability-weighted outcomes which considers multiple scenarios based on reasonable and supportable forecasts.

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

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

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

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

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

Non-financial assets

The carrying amounts of non-financial assets are assessed at each reporting date to ascertain whether there is any indication of impairment. If such an indication exists, the asset's recoverable amount - defined as the higher of the asset's fair value less costs of disposal and the asset's value-in-use (present value of estimated future cash flows using a discount rate that reflects current market assessments of the time value of money and asset-specific risk) - is estimated to determine the extent of the impairment loss. For the purpose of assessing impairment, assets are grouped into cash-generating units: the lowest levels for which there are separately identifiable cash flows.

3.8 Taxation

Current

Provision for current taxation is based on taxable income for the year determined in accordance with the prevailing law for taxation of income. The charge for current tax is calculated using rates enacted or substantively enacted at the reporting date, and takes into account tax credits, exemptions and rebates available, if any. The charge for current tax also includes adjustments, where necessary, relating to prior years which arise from assessments framed / finalized during the year.

Deferred

Deferred tax is recognized using the balance sheet liability method on all temporary differences between the carrying amounts of assets and liabilities used for financial reporting purposes and amounts used for

taxation purposes. Deferred tax is calculated using rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. In this regard the effects on deferred taxation on the portion of income expected to be subject to final tax regime is adjusted in accordance with the requirements of Accounting Technical Release-27 of the Institute of Chartered Accountants of Pakistan.

Deferred tax liabilities are recognized for all taxable temporary differences. A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax asset is reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred tax is charged or credited to the income statement, except in the case of items credited or charged to comprehensive income or equity, in which case it is included in comprehensive income or equity.

3.9 Cash and cash equivalents

Cash and cash equivalents are carried at cost and include cash in hand, balances with banks in current and deposit accounts, stamps in hand, other short-term highly liquid investments with original maturities of less than three months and short-term running finances.

3.10 Trade and other payables

Trade and other payables are recognized initially at fair value plus directly attributable cost, if any, and subsequently measured at amortized cost using the effective interest method. They are classified as current if payment is due within twelve months of the reporting date, and as non-current otherwise.

3.11 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the obligation can be made. The amount recognized represents the best estimate of the expenditure required to settle the obligation at the balance sheet date. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

3.12 Staff retirement benefits

The Company operates an unfunded gratuity scheme covering all eligible permanent employees. The liability recognized in the balance sheet in respect of the defined benefit gratuity scheme is the present value of the defined benefit obligation at the balance sheet date together with the adjustments for unrecognized actuarial gains or losses and past service costs, if any. The defined benefit obligation is calculated by an independent actuary using the Projected Unit Credit Method.

3.13 Borrowings

These are recorded at the proceeds received. Finance costs are accounted for on accrual basis and are disclosed as accrued interest / mark-up to the extent of the amount unpaid at the reporting date

3.14 Proposed dividend and transfers between reserves

Dividends declared and transfers between reserves made subsequent to the balance sheet date are considered as non-adjusting events and are recognized in the financial statements in the period in which such dividends are declared / transfers are made.

3.15 Borrowing cost

Borrowing costs are recognized as an expense in the period in which these are incurred except to the extent of borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. Such borrowing costs, if any, are capitalized as part of the cost of the relevant asset.

3.16 Fiduciary assets

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

3.17 Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Company and the amount of revenue can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable, net of any direct expenses. Revenue is recognized on the following basis:

Brokerage income is recognized when brokerage services are rendered

Dividend income is recognized when the right to receive the dividend is established.

Commission income is recognized on an accrual basis.

Return on deposits is recognized using the effective interest method.

Income on fixed term investments is recognized using the effective interest method.

Gains / (losses) arising on sale of investments are included in the statement of profit or loss in the period in which they arise.

Unrealized capital gains / (losses) arising from marking to market financial assets are included in the statement of profit or loss (for assets measured at FVTPL) or OCI (for assets measured at FVOCI) during the period in which they arise.

Income / profit on exposure deposits is recognized using the effective interest rate.

3.18 Foreign currency transaction and translation

Monetary assets and liabilities in foreign currencies are translated into functional currency at the rates of exchange prevailing at the balance sheet date. Transactions in foreign currencies are translated into functional currency at the rates of exchange prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in income.

3.19 Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The financial statements are presented in Pakistani Rupee, which is the Company's functional and presentation currency.

3.20 Derivative financial instruments

Derivative financial instruments are recognized at their fair value on the date on which a derivative contract is entered into. Subsequently, any changes in fair values arising on marking to market of these instruments are taken to the profit and loss account.

3.21 Related party transactions

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

4. Property and Equipment

Cost

Balance as at July 01, 2019
Additions during the year
Balance as at June 30, 2020

Balance as at July 01, 2020
Additions during the year
Balance as at June 30, 2021

Accumulated Depreciation

Balance as at July 01, 2019
Charge for the year
Balance as at June 30, 2020

Balance as at July 01, 2020
Charge for the year
Balance as at June 30, 2021

Depreciation Rate

Written down value as at June 30, 2021
Written down value as at June 30, 2020

Office Building	Residential Apartments	Furniture and Fittings	Office Equipment	Computer and Accessories	Vehicles	Total
Rupees						
36,156,614	4,260,000	13,496,841	14,481,867	18,157,288	15,118,711	101,671,321
-	-	-	-	32,000	-	32,000
36,156,614	4,260,000	13,496,841	14,481,867	18,189,288	15,118,711	101,703,321
36,156,614	4,260,000	13,496,841	14,481,867	18,189,288	15,118,711	101,703,321
-	-	96,500	64,000	504,000	-	664,500
36,156,614	4,260,000	13,593,341	14,545,867	18,693,288	15,118,711	102,367,821
2,720,885	438,009	13,407,566	13,917,728	17,994,073	15,118,711	63,596,972
388,684	106,504	31,081	96,514	138,639	-	761,422
3,109,569	544,513	13,438,647	14,014,242	18,132,712	15,118,711	64,358,394
3,109,569	544,513	13,438,647	14,014,242	18,132,712	15,118,711	64,358,394
388,684	106,504	21,256	85,729	61,272	-	663,445
3,498,253	651,017	13,459,903	14,099,971	18,193,984	15,118,711	65,021,839
1.08%	2.5%	10%	10%	33.33%	20%	
32,658,361	3,608,983	133,438	445,896	499,304	-	37,345,982
33,047,045	3,715,487	58,194	467,625	56,585	-	37,344,926

5. Intangible Assets

Particulars	Cost			
	Tenancy rights Building	License to use Room at Pakistan Stock Exchange	Trading Right Entitlement Certificate (TREC) Pakistan Stock Exchange Limited	Total
	5.1	5.2	5.3	
Rupees.....			
Balance as at July 01, 2020	14,915,000	67,862,000	2,500,000	85,277,000
Less: Impairment loss	-	-	-	-
Net Balance as at June 30, 2021	14,915,000	67,862,000	2,500,000	85,277,000
Net Balance as at June 30, 2020	14,915,000	67,862,000	2,500,000	85,277,000

5.1 Building tenancy rights represent consideration paid by the Company in connection with the transfer of tenancy rights in favor of the Company for properties situated at Bank Square, Peshawar and Mall Road, Nowshera. The ownership of these properties continues to vest with the original owner. The Company has hypothecated the tenancy rights of the Bank Square, Peshawar property in favor of a commercial bank for securing financing facilities.

5.2 During the year ended June 30, 2019, the Company has acquired four rooms of Rs. 20.862 million situated at the Lahore Stock Exchange Building from First Pakistan Securities Limited and Switch Securities (Pvt.) Limited (collectively, "the sellers") against long-standing receivables from the sellers. Under an arrangement between the Company and the sellers, the risks and rewards of ownership have been substantively transferred to the Company. The transaction has been recorded at fair value, consistent with the requirements of applicable accounting standards and the Companies Act, 2017. It also includes license of 10 Rooms of PSX, located on the 10th floor of New Pakistan Stock Exchange Building, I.I. Chundrigar Road, Karachi for lump-sum consideration of Rs. 47 million.

5.3 Pursuant to demutualization of the Pakistan Stock Exchange Limited ("PSX"), the ownership rights in the Exchange were segregated from the right to trade on an exchange. As a result of such demutualization, the Company received shares and a Trading Rights Entitlement Certificate ("TREC") from the PSX against its membership card.

An active market for TREC is currently not available. The TREC has been accounted for as intangible asset as per provisions of IAS 38. As the TREC is not a commonly tradable instrument, the value approved by the Board of Directors of PSX post-demutualization and later on has been used as its current value.

6 Long term other Receivables

	Note	June 30, 2021	June 30, 2020
		------(Rupees)-----	
Long-term receivables	6.1	169,899,282	153,070,869
Less: Current portion		(46,577,793)	(22,000,000)
		<u>123,321,489</u>	<u>131,070,869</u>

6.1 This amount pertains to a long term outstanding trade debt amounting to Rs. 230.635 million, owed by an ex-client of the Company. The debt has been reclassified, with the approval of the Board, as a long-term receivable in view of both the current legal form and the substance of the asset. The debt, which is repayable in quarterly installments up to December 2026, is considered good.

7 Investment in Associates

Coastal Company Limited (formerly National Asset Management Company Limited or "NAMCO")	7.1	76,434,575	77,031,875
		<u>76,434,575</u>	<u>77,031,875</u>

7.1 The Company holds 4,000,000 ordinary shares (2020: 4,000,000 ordinary shares), at Rs. 10 per share fully paid-up, in Coastal Company Limited incorporated in Pakistan. The shareholding represents 28.17% (2020: 28.17%) of Coastal Company Limited's total shareholding. The cost of the investment in Coastal Company Limited was Rs. 40 million (2020: Rs. 40 million).

	Note	June 30, 2021	June 30, 2020
		------(Rupees)-----	
Opening balance		77,031,875	75,359,726
Share of (loss)/profits from associate	7.1.1	(597,300)	1,672,149
Ending balance		<u>76,434,575</u>	<u>77,031,875</u>

7.1.1 The Company's investment in Coastal Company Limited (formerly National Asset Management Company Limited or "NAMCO", an associated undertaking / related party) has been accounted for under the equity method of accounting. The Company's investment has been adjusted by its share of Coastal Company Limited's profits/losses, based on Coastal Company Limited's management financial statements, in accordance with IAS 28.

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

Summarized Financial Information for Associate

Summarized Balance Sheet:

Current Assets

Cash & cash equivalents

Other current assets

Total Current Assets

Non-Current Assets

Current Liabilities

Other current liabilities

Total Current Liabilities

Closing Net Assets

Company's Share in %

Carrying Amount

Reconciliation to carrying amount:

Opening net assets

(Loss)/profit for the year

Closing Net Assets

Summarized income statement:

Revenue

Interest expense

General & admin expense

Income tax expense

Prior year adjustment

(Loss)/profit for the year

	38,798	18,801
	47,432,021	49,825,897
	47,470,819	49,844,698
	234,758,177	236,721,409
	10,895,750	13,112,523
	10,895,750	13,112,523
	271,333,246	273,453,584
	28.17%	28.17%
	76,434,575	77,031,875
	273,453,584	269,980,113
	(2,120,338)	3,473,471
	271,333,246	273,453,584
	24,712	12,817,151
	-	(189)
	(2,069,521)	(3,529,218)
	(156)	(1,922,573)
	(75,373)	(3,891,700)
	(2,120,338)	3,473,471
	888,099,467	709,605,147

8 Strategic Investment

Investment in Kingbhai Digisol (Private) Limited

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 (Private) Limited ("KingBhai"), a technology-enabled business operating in the real estate and technology services sectors. Given the growth trajectory of these sectors and the Company's assessment of the service gap in the sectors, the Company's expects the investment to yield returns through investment value appreciation as well as dividends.

The Company and KingBhai are related, as described in note 31. However, the Company holds 7.70% (2020: 9.00%) of KingBhai's voting shares and, as such, does not exert control or exercise significant influence. The Company has chosen to forego the irrevocable election available under IFRS 9 to designate the investment at FVOCI upon purchase. Instead, the investment is measured at FVTPL, with changes in fair value recognized through profit or loss. Refer to note 35.4 for additional details.

9 Long-term Deposits

Note	June 30, 2021	June 30, 2020
------(Rupees)-----		
Central Depository Company Limited	100,000	100,000
Pakistan Stock Exchange Limited	1,200,000	1,200,000
National Clearing Company of Pakistan Limited	200,000	200,000
Other security deposits	102,400	100,000
	1,602,400	1,600,000

10 Deferred Taxation

Temporary differences on:		
Provision for gratuity	657,675	3,098,697
Intangible assets	539,521	2,977,164
Short-term investments at FVOCI	(63,503)	242,453
Short-term investments at FVTPL	(426,266)	732,259
Provision for doubtful debts	14,264,833	94,281,737
Accelerated tax depreciation	179,567	1,267,821
Strategic investment	(38,310,272)	-
Other receivables	(431,617)	-
Investment in associates	(1,572,577)	(8,819,998)
	(25,162,639)	93,780,133
Effect of carried-forward tax losses/tax credits	10.1	35,660,152
	10,497,513	116,588,520

10.1 The amount of remaining unused tax losses for tax year 2016, tax year 2018, tax year 2019, tax year 2020 and tax year 2021 were Rs. 4.114 million, Rs. 5.247 million, Rs. 18.606 million, Rs. 8.015 million and Rs. 49.120 million respectively. The Company has recognized a deferred tax asset on these losses amounting to Rs. 24.680 million (2020: Rs. 8.778 million), as well as an asset relating to other carry-forward adjustable amounts allowed under section 113C of the Income Tax Ordinance, 2001 amounting to Rs. 10.980 million (2020: Rs. 9.529 million).

11. Short-term Investments

At FVOCI	11.1	32,598,506	14,571,087
At FVTPL	11.2	140,835,725	41,653,035
		173,434,231	56,224,122

11.1 At FVOCI

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

No. of Shares		Name of Scrip / Company	June 30, 2021		June 30, 2020	
June 30, 2021	June 30, 2020		Avg. Cost	Market Value	Avg. Cost	Market Value
10,000	10,000	PioneerCement Limited	201,900	1,310,700	201,900	630,400
453,525	453,525	SME Leasing Limited	2,267,625	2,018,187	2,267,625	952,352
1,311,953	1,311,953	Pakistan Stock Exchange	13,119,480	29,269,619	13,119,480	12,988,335
1,775,478	1,775,478		15,589,005	32,598,506	15,589,005	14,571,087

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

17,009,501	(1,017,918)
32,598,506	32,598,506
14,571,087	14,571,087

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

Unrealized loss on short-term investments as at June 30, 2020

(1,017,918)

Unrealized gain during the year in the market value of investments measured at FVOCI

18,027,419

Unrealized gain on short-term investments as at June 30, 2021

17,009,501

11.2 Equity investments at fair value through profit or loss

No. of Shares		Name of Scrip / Company	June 30, 2021		June 30, 2020	
June 30, 2021	June 30, 2020		Avg. Cost	Market Value	Avg. Cost	Market Value
-	1,200	Oil & Gas Marketing Companies Pakistan State Oil Company Limited	-	-	169,125	189,792
3,258,500	1,422,000	Banks The Bank of Punjab	30,008,504	27,371,400	13,987,361	11,944,800
	140,000	Investment Banks Jahangir Siddiqui & Co. Ltd	-	-	1,984,794	1,652,000
20,000	-	CYAN Limited	1,087,876	878,800	-	-
895,000		Cable and Electrical Goods Waves Singer Pakistan Limited	21,214,096	24,397,636		
	100,000	Pak Electron Limited	-	-	2,254,030	2,293,000
33,855		Technology And Communication TRG Pakistan Limited	5,614,090	5,631,102		
	319,500	HumNetwork Limited	-	-	4,592,809	4,009,725
	1,100,000	Textile Azgard 9	-	-	17,279,020	17,457,000
	63,500	Automobile Ghani Automobile Industries Limited	-	-	415,347	387,985
1,657,500		Food and Personal Care Products Treet Corporation Limited	72,781,488	82,029,675		
495		Unity Foods Limited	15,290	22,037		
	50,000	Chemicals Engro Polymer & Chemicals Limited	-	-	1,611,250	1,249,000
113,500	114,000	Leasing Companies SME Leasing Limited	238,284	505,075	233,654	239,333
	102,500	Miscellaneous EcoPack Limited	-	-	2,200,060	2,230,400
5,978,850	3,412,700		130,959,628	140,835,725	44,727,450	41,653,035

9,876,097 (3,074,415)

Unrealized gain/(loss) on remeasurement of investments classified at fair value through profit or loss net

140,835,725 140,835,725 41,653,035 41,653,035

11.3 Securities having market value of Rs. NIL (2020: Rs. NIL) have been pledged with various commercial banks for obtaining finance facilities.

12 Trade Debts

	Note	June 30, 2021	June 30, 2020
		------(Rupees)-----	
Considered good	12.1	108,352,371	129,360,737
Considered doubtful		213,824,131	395,853,766
		322,176,502	525,214,503
Less: Provision for expected credit losses	12.2	(213,824,131)	(395,853,766)
		108,352,371	129,360,737

12.1 The Company holds securities with a cumulative fair value of Rs. 3,267.567 million (2020: Rs. 3,357.485 million) owned by its clients as collateral against trade debts. Refer to note 3.7 for details around the Company's methodology for computing expected credit losses under the expected loss model under IFRS 9.

12.2 Movement in provision for expected credit losses

Opening balance		395,853,766	381,934,505
Reversal of provision expense against expected credit losses previously recognised	12.2.1	(80,061,982)	-
Reversal of provision for balances that have been written off		(101,967,653)	-
Provision expense for expected credit losses		-	13,919,261
Closing balance		<u>213,824,131</u>	<u>395,853,766</u>

12.2.1 During the year, the Company reversed Rs. 80.062 million related to expected credit losses previously recognised. Additionally, during the year, the Company has written off directly to the statement of profit or loss Rs. 14.700 million of uncollectible trade debts. The resulting net effect of Rs. 65.362 million was recognised in the statement of profit or loss.

13 Loans and Advances

Advances - unsecured, considered good

- to employees

Note	June 30, 2021	June 30, 2020
	------(Rupees)-----	
	587,066	2,077,671
	<u>587,066</u>	<u>2,077,671</u>

14 Trade Deposits and Short-term Prepayments

Exposure deposit

14.1	<u>114,597,677</u>	<u>10,509,493</u>
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14.1 This represents amounts deposited with Pakistan Stock Exchange Limited against exposure arising out of MTS transactions entered into by the Company in respect of which settlements have not taken place as at the reporting date. The Company has deposited the exposure amount in accordance with the regulations of the Pakistan Stock Exchange Limited.

15 Short term other Receivables

Mark-up on receivable from associates	15.1	127,314,257	127,314,257
Others		49,322,969	24,996,696
Provision		(63,912,179)	(2,796,696)
		<u>112,725,047</u>	<u>149,514,257</u>

During the year ended June 30, 2021, a provision expense of Rs. 61.115 million (2020: Rs. NIL) was recognized in the statement of profit or loss against mark-up on receivable balances from associates. During the year ended June 30, 2021, a provision of Rs. NIL (2020: Rs. NIL) was recognised against others balances. Provision amount of Rs. 2.797 million was recognised against others balances in prior years.

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

First Pakistan Securities Limited	63,918,859	63,918,859
Switch Securities (Private) Limited	63,395,398	63,395,398
	<u>127,314,257</u>	<u>127,314,257</u>

The maximum aggregate receivable amount outstanding at any time during the year from First Pakistan Securities Limited and Switch Securities (Private) Limited was Rs. 63.919 million (2020: Rs. 63.919 million) and Rs. 63.395 million (2020: Rs. 63.395 million), respectively. There have been no movements in these receivable balances since June 30, 2020.

16. CASH AND BANK BALANCES

		Note	June 30, 2021	June 30, 2020
			------(Rupees)-----	
Cash at bank				
	Current accounts		78,220,992	58,468,156
	Saving accounts		152,556,755	131,713,504
Cash in hand			-	-
			<u>230,777,747</u>	<u>190,181,660</u>

16.1 This includes customers' assets in the amount of Rs. 186.621 million (2020: Rs. 130.560 million) held in designated bank accounts.

17. LONG-TERM FINANCING

From banking companies - secured	Bank Alfalah Limited	17.1	93,182,869	90,591,224
	United Bank Limited	17.2	-	1,193,820
	The Bank of Punjab	17.3	181,739,136	166,385,659
	Other loans		24,953,101	24,953,101
			<u>299,875,106</u>	<u>283,123,804</u>
Less: Current portion of long-term financing			<u>(22,000,000)</u>	<u>(3,193,820)</u>
			<u>277,875,106</u>	<u>279,929,984</u>

17.1 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 (through to June 2027). During the year ended June 30, 2021, the Company made a repayment of Rs. 2 million (2020: Rs. NIL).

Reconciliation of fair value of BAF facility

Beginning of year balance	90,591,224	100,880,335
Add: Notional interest	6,794,342	11,601,239
Less: Payments made during the year	(2,000,000)	-
Add: Reversal of long outstanding payments	-	9,000,000
Less: Present value adjustment	(2,202,697)	(30,890,350)
End of year balance	<u>93,182,869</u>	<u>90,591,224</u>

17.2 The Company has negotiated a financing agreement with United Bank Limited and has finalized a restructuring agreement to settle its total outstanding liability amount. The borrowing was obtained to finance daily clearing obligations of PSX and settlement of client trades. During the year ended June 30, 2021, the Company paid the outstanding loan amount.

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

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

DF II (Unserviceable) amounting to Rs. 94.695 million bears no future mark-up. This facility is bifurcated into two tranches, equal to Rs. 36.127 million and Rs. 58.568 million, respectively. Rs. 36.127 million is to be repaid in 9 quarterly/bi-annual installments from September 2022 to December 2025. The remaining balance of Rs. 58.568 million will be waived/written off at the tail end subject to no default.

Other terms and conditions include the disposal of the lender's petition, the obligation to keep intact existing collateral/sureties, and the unfettered right to demand accelerated repayment with an improved rate of mark-up depending on financial growth indicators of the Company by taking the period ended June 30, 2015 as the base period.

The restructured loan liability, which is partially interest-free and partially at a lower interest rate (i.e. 3% quarterly/bi-annually), 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 (through to December 2025).

The Company filed a lawsuit against the lender for breach of contract, declaration, specific performance and damages. Based on the advice of the Company's counsel, the Company did not make payments against the liability in the current year. The Company's counsel is of the view that the outcome of the law suit will not be known until after June 30, 2022.

Reconciliation of fair value of BOP facility

	Note	June 30, 2021	June 30, 2020
------(Rupees)-----			
Beginning of year balance		166,385,659	155,392,775
Accrued notional interest		11,310,950	10,992,884
Present value adjustment		4,042,527	-
End of year balance		<u>181,739,136</u>	<u>166,385,659</u>

18 Loan from Sponsors

Loan from sponsors - subordinated	18.1	155,175,000	155,175,000
		<u>155,175,000</u>	<u>155,175,000</u>
Less: current portion		-	-
		<u>155,175,000</u>	<u>155,175,000</u>

18.1 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.

19 Deferred Liabilities

Gratuity payable	25	<u>15,403,373</u>	<u>13,865,924</u>
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20 Trade and other Payables

	Note	June 30, 2021	June 30, 2020
------(Rupees)-----			
Creditors		184,794,423	130,365,302
Other trade payables - net of commission and taxes		143,352,836	143,352,836
Accrued expenses		6,599,343	8,692,215
Others		3,216,756	7,780,061
		<u>337,963,358</u>	<u>290,190,414</u>

21 Contingencies and Commitments

21.1 Contingencies

Trade and Other Payables of the Company include an amount of Rs. 143.353 million payable to M/S Abandoned Properties Organization (APO) against which APO 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 APO's additional claims against the Company.

21.2 Commitments

Outstanding settlements against sale of investments in regular market	686,287	2,203,227
Outstanding settlements against purchase of investments in regular market	-	1,958,167

22 Share Capital

22.1 Authorized share capital

500,000,000 (2020: 500,000,000) Ordinary shares of Rs. 10 each	5,000,000,000	5,000,000,000
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22.2 Issued, subscribed and paid-up share capital

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

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

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

	June 30, 2021		June 30, 2020	
	Shares held	Percentage	Shares held	Percentage
First Florance Developers (Pvt.) Limited	82,972,650	31.04%	104,426,150	39.70%
Ali Aslam Malik	29,756,134	11.13%	74,132,134	27.74%
MCD Pakistan Limited	2,452,950	0.92%	2,452,950	0.92%
First Pakistan Securities Limited	9,244,308	3.46%	10,246,308	3.83%
Switch Securities (Pvt.) Limited	4,194,006	1.57%	5,319,506	1.99%
Biofert (Pvt.) Limited	348	0.00%	-	0.00%

The Company's Directors, their spouses and minor children hold 29,928,410 shares as at June 30, 2021 (2020: 83,205,109 shares).

23 Operating Revenue

Brokerage income
Dividend income

23.1 Brokerage income

Gross Sales
Less: Sales tax

Note	June 30, 2021	June 30, 2020
	------(Rupees)-----	
23.1	96,008,014	32,933,206
	9,651,659	811,500
	<u>105,659,673</u>	<u>33,744,706</u>
	108,460,542	36,975,004
	<u>12,452,528</u>	<u>4,041,798</u>
	<u>96,008,014</u>	<u>32,933,206</u>

24 Administrative Expenses

Salaries, allowances and other benefits
Rent, rates and taxes
Fuel, repairs and maintenance
Utilities
Fees and subscription
Travelling and conveyance
Depreciation
Legal and professional charges
Entertainment
Provision on other receivables
Provision expense for expected credit losses
Others

24.1	31,056,181	24,254,117
	1,354,696	891,950
	6,914,353	5,456,068
	4,989,704	2,819,987
	1,851,760	2,495,987
	226,488	935,680
	663,445	761,422
	10,804,332	1,847,111
	1,403,284	1,279,609
	61,115,483	-
	-	13,919,261
	2,247,427	5,695,188
	<u>122,627,153</u>	<u>60,356,380</u>

24.1 Salaries, allowances and other benefits include Rs. 1.703 million (2020: Rs. 2.157 million) in respect of staff retirement benefits.

25 Employee Benefits

Unfunded gratuity scheme:

As previously noted in note 3.12, the Company operates an unfunded gratuity scheme. The latest actuarial valuation of the scheme was carried out as at June 30, 2021 using the Projected Unit Credit method.

25.1 Balance sheet reconciliation

Present value of defined benefit obligation	10,736,334	9,198,885
Add: Payables	4,667,039	4,667,039
Net Liability at the end of year	<u>15,403,373</u>	<u>13,865,924</u>

25.1.1 Movement in present value of defined benefit obligation

Present value of defined benefit obligation at the beginning of the year	9,198,885	8,696,556
Current service cost	852,456	953,659
Past service cost credit	-	-
Interest cost on defined benefit obligations	850,897	1,203,090
Benefits due but not paid (payables)	-	(791,506)
Benefits paid	-	(7,259)
Actuarial gain / loss	17,796	(85,492)
Premeasurement: experience adjustments	(183,700)	(770,163)
Present value of defined benefit obligation at the end of the year	<u>10,736,334</u>	<u>9,198,885</u>

25.1.2 Expenses charged to the statement of profit or loss

Current service cost	852,456	953,659
Interest cost on defined benefit obligations	850,897	1,203,090
Expense for the year	<u>1,703,353</u>	<u>2,156,749</u>

25.1.3 Premeasurement losses/(gains) recognized in other comprehensive income

Note	June 30, 2021	June 30, 2020
	----- (Rupees) -----	
Actuarial gain / loss	17,796	(85,492)
Experience adjustments	(183,700)	(770,163)
	<u>(165,904)</u>	<u>(855,655)</u>

25.1.4 Net liability at the beginning of the year

Remeasurement losses/(gains) recognized in the statement of profit or loss	13,865,924	12,572,089
Remeasurement losses/(gains) recognized in the statement of other comprehensive income	1,703,353	2,156,749
Benefits paid	25.1.5 (165,904)	(855,655)
Net liability at the end of the year	-	(7,259)
	<u>15,403,373</u>	<u>13,865,924</u>

25.1.5 Income tax related to the actuarial gain was Rs. 7,161 (2020: Rs. 203,794).

25.2 The principal assumptions used in the actuarial valuations carried out as of June 30, 2021 using the Projected Unit Credit method are as follows:

Discount rate per annum	10.25%	9.25%
Expected per annum rate of increase in future salaries	10.25%	9.25%
Expected mortality rate	SLIC 20012005	SLIC 20012005
Expected withdrawal rate	Setback 1 Year	Setback 1 Year
	Age-based	Age-based

Sensitivity analysis for actuarial assumptions

The sensitivity of the defined benefit obligation to changes in weighted principal assumptions is as follows:

Discount Rate +100 bps	9,582,210	8,197,537
Discount Rate -100 bps	12,124,925	10,412,819
Salary Increase +100 bps	12,130,321	10,418,423
Salary Increase -100 bps	9,555,733	8,173,489

Expected benefit payments for the next 10 years and beyond

FY 2022	559,368	526,272
FY 2023	562,247	525,636
FY 2024	562,827	522,360
FY 2025	942,253	914,726
FY 2026	568,064	518,823
FY 2027	596,333	541,316
FY 2028	626,169	564,836
FY 2029	656,320	588,297
FY 2030	695,175	618,812
FY 2031	9,529,150	94,653,141
FY 2032 onwards	112,174,772	-

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

Five year data on experience adjustments

2021	2020	2019	2018	2017	2016
Rupees					

Present value of defined benefit obligation, June 30 **15,403,373** 13,865,924 12,572,088 10,924,646 9,360,117 7,181,207

Experience adjustment arising on plan liabilities gains **183,700** 770,163 46,225 142,600 1,289,431 690,402

Based on actuarial advice, the Company charged an amount of Rs. 1.537 million (2020: Rs. 1.301 million) in respect of the gratuity scheme in the financial statements for the year ending June 30, 2021 and estimated expense to be charged to the statement of profit or loss in next fiscal year would be Rs. 1.989 million.

26 Finance Cost

Mark-up on:

Margin financing

Bank and other charges

Notional expenses

Note	June 30, 2021	June 30, 2020
	----- (Rupees) -----	
	6,580,542	19,659
	90,979	52,237
	<u>6,671,521</u>	<u>71,896</u>
	19,945,121	22,594,118
	<u>26,616,642</u>	<u>22,666,014</u>

27 Other Operating Expenses

Auditors' remuneration

Others

Commission to trading agents

27.1	2,144,025	1,256,860
	7,200	10,040
	6,368,409	3,479,230
	<u>8,519,634</u>	<u>4,746,130</u>

27.1 Auditors' Remuneration

Statutory audit fee

Half yearly review fee

Other certifications and out-of-pocket expenses

500,000	500,000
700,000	200,000
944,025	556,860
<u>2,144,025</u>	<u>1,256,860</u>

28 Other Operating Income

Mark-up on:

Return on fixed deposits

Amortization income

Change in present value due to rescheduling

Reversal of provision against expected credit losses previously recognised

Others

21,906	208,818
18,250,620	38,322,988
-	31,124,203
65,361,840	-
5,373,246	7,299,694
<u>89,007,612</u>	<u>76,746,885</u>

29 Taxation

Current tax expense/(income)

for the year

prior year adjustment

Deferred tax expense/(income)

owing to temporary differences

457,809	989,784
245,580	-
106,083,847	(22,536,964)
<u>106,787,236</u>	<u>(21,547,180)</u>

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

29.1 Relationship between tax expenses and accounting profit:

Profit before taxation

Profit attributable to final / separate block income

Tax effect of amounts that are admissible for tax purposes

Tax effect of amounts that are inadmissible for tax purposes

Tax effect of unused losses

291,143,644	92,333,331
58,081,576	(9,721,744)
1,510,025	1,650,449
68,982,575	21,648,062
<u>(419,717,820)</u>	<u>(105,910,098)</u>

Taxation under final / separate block income and minimum taxation

Tax effect of prior years

Tax effect of timing differences

Tax expense/(income)

457,809	989,784
245,580	-
106,083,847	(22,536,964)
<u>106,787,236</u>	<u>(21,547,180)</u>

29.2 Income tax assessments of the Company are deemed to be finalized as per tax returns file up to tax year 2020. Tax returns are subject to further assessment under provisions of the Income Tax Ordinance, 2001 ("the Ordinance") unless selected for an audit by the taxation authorities. The Commissioner of Income Tax may, at any time during a period of five years from date of filing of return, select a deemed assessment order for audit

29.3 According to management, the tax provision made in the financial statements is sufficient. A comparison of last four years of income tax provision with tax assessed is presented below:

Tax Year	Tax Provision	Tax Assessed
2017	19,793,024	23,641,283
2018	3,607,751	3,340,887
2019	547,661	547,661
2020	989,784	744,204

29.4 Differences in amounts provided and final assessments are due to interpretational and treatment differences. In the interest of prudence, amounts provided were generally higher due to uncertainty around treatment of items such as notional income.

30 Earnings per share-basic and Diluted

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

Note	June 30, 2021	June 30, 2020
	----- (Rupees) -----	
Profit after taxation attributable to ordinary shareholders	184,356,408	113,880,511
Weighted average number of ordinary shares in issue during the year	267,286,331	267,286,331
Earnings per share	0.69	0.43

No figure for diluted earnings per share has been presented as the Company has not issued any dilutive instruments carrying options which would have an impact on earnings per share when exercised.

31 Related Party Transactions

Related party comprise of associated companies, key management personnel and Directors of the Company as well as their close family members, and major shareholders of the company. Transaction with related parties are on arms' length basis. Remuneration and benefits to executives of the Company are in accordance with the terms of their employment while contribution to provident fund is in accordance with staff service rules.

Remuneration of the Chief Executive Officer, other senior executives and Directors of the Company is disclosed in note 32 to the financial statements. Transactions with related parties during the year, other than those disclosed elsewhere in these financial statements, are as follows.

June 30, 2021			
Key Management	Associates	Other related parties	Total
Rupees			

Transactions during the year

Purchase of marketable securities for and on behalf of	8,948,183,274	11,832,975,531	10,903,955,883	31,685,114,688
Sale of marketable securities for and on behalf of	9,103,822,243	12,425,209,811	10,920,512,297	32,449,544,351
Brokerage income	1,785,563	5,855,652	6,451,877	14,093,092
Remuneration to key management personnel	24,102,269	-	-	24,102,269
Loan repaid to sponsors	-	-	-	-
Equity contributions	-	-	-	-
Investment made during year	-	-	-	-

June 30, 2020			
Key Management	Associates	Other related parties	Total
Rupees			

Transactions during the year

Purchase of marketable securities for and on behalf of	4,327,020,039	5,172,280,610	2,036,741,202	11,536,041,851
Sale of marketable securities for and on behalf of	4,360,437,336	5,139,113,206	2,037,628,161	11,537,178,703
Brokerage income	1,139,769	3,000,930	797,830	4,938,529
Remuneration to key management personnel	16,076,987	-	-	16,076,987
Loan repaid to sponsors	-	-	-	-
Equity contributions	-	-	-	-
Investment made during year	-	-	-	-

Name and nature of relationship with related parties

Name / Description	Basis of Relationship	Aggregate percentage of holding
MCD Pakistan (Pvt.) Limited	Common Directorship	1%
First Florance Developers (Pvt.) Limited	Significant Influence	31%
Ms. Adeela Ali	Spouse of CEO	0%
Ms. Fatima Ali	Daughter of CEO	0%
Mr. Umer Malik	Son of CEO	0%
Mr. Essa Malik	Son of CEO	0%
First National Energy Limited	Son of CEO is the member of Company	0%
Biofert Pvt Limited	Son of CEO is the member of Company	0%
Kingbhai Digisol (Private) Limited	Note 31.1	7.7%

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

32 Remuneration of Chief Executive, Directors and Executives

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

June 30, 2021			June 30, 2020		
Chief Executive	Executive Directors	Executives	Chief Executive	Executive Directors	Executives
Rupees					

Managerial remuneration	6,000,000	3,780,000	9,060,000	6,000,000	2,850,000	6,000,000
Medical allowances	3,026,828	-	-	-	-	-
Utilities	1,652,749	-	8,000	19,744	-	28,000
Conveyance and traveling	214,400	282,882	77,410	790,500	167,229	211,514
Number of persons	1	2	5	1	2	5

The chief executive, executive directors and executives are provided with the free use of Company's owned and maintained cars.

Remuneration to other directors

No amount charged in the financial statements for fee to Directors for the year ended June 30, 2021 (2020: Rs. 10,000).

33 Cash Generated from Operations

Note	June 30, 2021	June 30, 2020
	----- (Rupees) -----	

Profit before taxation	291,143,644	92,333,331
Cash generated from operations	66,957,958	36,522,649

34 Financial Instruments by Category

June 30, 2021			
Amortized cost	FVOCI	FVTPL	Total
Rupees			

Assets

Non-current assets

Long-term deposits	1,602,400	-	-	1,602,400
Strategic investment	-	-	888,099,467	888,099,467
Other receivables	123,321,489	-	-	123,321,489

Current assets

Short-term investments	-	32,598,506	140,835,725	173,434,231
Trade debts - net	108,352,371	-	-	108,352,371
Loans and advances	587,066	-	-	587,066
Trade deposits	114,597,677	-	-	114,597,677
Other receivables	112,725,047	-	-	112,725,047
Cash and bank balances	230,777,747	-	-	230,777,747

Liabilities

Current liabilities

Trade and other payables	337,963,358	-	-	337,963,358
Unclaimed dividend	1,399,397	-	-	1,399,397
Current maturity of long term financing	22,000,000	-	-	22,000,000

Non-current liabilities

Long-term financing	277,875,106	-	-	277,875,106
Loan from sponsor	155,175,000	-	-	155,175,000

June 30, 2020			
Amortized cost	FVOCI	FVTPL	Total
Rupees			

Assets*Non-current assets*

Long-term deposits	1,600,000	-	-	1,600,000
Strategic investment	-	-	709,605,147	709,605,147
Other receivables	131,070,869	-	-	131,070,869

Current assets

Short-term investments	-	14,571,087	41,653,035	56,224,122
Trade debts - net	129,360,737	-	-	129,360,737
Loans and advances	2,077,671	-	-	2,077,671
Trade deposits	10,509,493	-	-	10,509,493
Other receivables	149,514,257	-	-	149,514,257
Cash and bank balances	190,181,660	-	-	190,181,660

*Liabilities**Current liabilities*

Trade and other payables	290,190,414	-	-	290,190,414
Unclaimed dividend	1,525,272	-	-	1,525,272
Current maturity of long term financing	3,193,820	-	-	3,193,820

Non-current liabilities

Long-term financing	279,929,984	-	-	279,929,984
Loan from sponsor	155,175,000	-	-	155,175,000

35 Financial Risk Management**Financial risk factors**

The Company's activities are exposed to a variety of financial risks, namely market risk, credit risk and liquidity risk. The Company has established adequate procedures to manage each of these risks as explained below.

35.1 Market risk

Market risk is the risk that the value of financial instruments may fluctuate as a result of changes in market interest rates, changes in the credit rating of the issuer of the instruments, change in market sentiments, speculative activities, supply and demand of securities and/or changes in liquidity in the market.

Market risk comprises of three types of risk: currency risk, interest rate risk and other price risk.

35.1.1 Currency risk

Currency risk mainly arises where receivables and payables exist due to transactions with foreign undertakings. The Company is not exposed to major foreign exchange risk in this respect.

35.1.2 Yield / Interest rate risk

Yield risk is the risk of decline in earnings due to adverse movements of the yield curve. Interest rate risk is the risk that the value of the financial instruments will fluctuate due to changes in market interest rates. Sensitivity to interest / mark-up rate risk arises from mismatches or gaps in the amounts of interest / mark-up based assets and liabilities that mature or reprice in a given period. The Company manages this risk by matching the maturity / repricing of financial assets and liabilities through appropriate policies.

As at June 30, 2021			
Exposed to Yield / Interest risk		Not exposed to Yield / Interest rate risk	Total
Up to one year	More than one year		
Rupees			

Financial assets**Non-current assets**

Long-term deposits	-	-	1,602,400	1,602,400
Strategic investment	-	-	888,099,467	888,099,467
Long term receivable	-	123,321,489	-	123,321,489
	-	123,321,489	889,701,867	1,013,023,356

Current assets

Short-term investments	-	-	173,434,231	173,434,231
Trade debts- net	-	-	108,352,371	108,352,371
Loans and advances	-	-	587,066	587,066
Trade deposits	114,597,677	-	-	114,597,677
Other receivables	-	-	112,725,047	112,725,047
Cash and bank balances	230,777,747	-	-	230,777,747
	345,375,424	-	395,098,715	740,474,139
Subtotal	345,375,424	123,321,489	1,284,800,582	1,753,497,495

Financial liabilities**Current liabilities**

Trade and other payables	-	-	337,963,358	337,963,358
Current maturity of long term financing	-	-	22,000,000	22,000,000
	-	-	359,963,358	359,963,358

Non current liabilities

Long term financing	-	-	277,875,106	277,875,106
Loan from sponsor	-	-	155,175,000	155,175,000
	-	-	433,050,106	433,050,106
Subtotal	-	-	793,013,464	793,013,464

On-balance sheet gap

345,375,424	123,321,489	491,787,118	960,484,031
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Off-balance financial instruments

-	-	-	-
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Off-balance sheet gap

-	-	-	-
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Total interest rate sensitivity gap

345,375,424

Cumulative interest rate sensitivity gap

345,375,424

As at June 30, 2020			
Exposed to Yield / Interest risk		Not exposed to Yield / Interest rate risk	Total
Up to one year	More than one year		
Rupees			

Financial assets**Non-current assets**

Long-term deposits	-	-	1,600,000	1,600,000
Strategic investment	-	-	709,605,147	709,605,147
Long term receivable	-	131,070,869	-	131,070,869
	-	131,070,869	711,205,147	842,276,016

Current assets

Short-term investments	-	-	56,224,122	56,224,122
Trade debts- net	-	-	129,360,737	129,360,737
Loans and advances	-	-	2,077,671	2,077,671
Trade deposits	10,509,493	-	-	10,509,493
Other receivables	-	-	149,514,257	149,514,257
Cash and bank balances	190,181,660	-	-	190,181,660
	200,691,153	-	337,176,787	537,867,940
Subtotal	200,691,153	131,070,869	1,048,381,934	1,380,143,956

Financial liabilities**Current liabilities**

Trade and other payables	-	-	290,190,414	290,190,414
Current maturity of long term financing	-	-	3,193,820	3,193,820
	-	-	293,384,234	293,384,234

Non current liabilities

Long term financing	-	-	279,929,984	279,929,984
Loan from sponsor	-	-	155,175,000	155,175,000
	-	-	435,104,984	435,104,984
Subtotal	-	-	728,489,218	728,489,218

On-balance sheet gap	200,691,153	131,070,869	319,892,716	651,654,738
Off-balance financial instruments	-	-	-	-
Off-balance sheet gap	-	-	-	-

Total interest rate sensitivity gap	200,691,153
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Cumulative interest rate sensitivity gap	200,691,153
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35.1.2.1 The mark-up rates per annum on financial assets and liabilities are as follows:

	June 30, 2021	June 30, 2020
	Percentage	Percentage
Loan from sponsors	-	-
Other loans	-	-
Trade deposits	2.00-4.00	5.56-6.50

35.1.2.2 Sensitivity analysis for variable rate instruments

In case of a 100 basis points increase / decrease in KIBOR on June 30, 2021, with all other variables held constant, the impact on statement of profit or loss will be as follows:

	Profit and loss 100 bps	
	Increase	Decrease
Cash flow sensitivity - variable rate financial liabilities	1,615,444	(1,615,444)
As at June 30, 2021	1,615,444	(1,615,444)
As at June 30, 2020	1,331,272	(1,331,272)

The sensitivity analysis prepared as of June 30, 2021 is not necessarily indicative of the impact on Company's net assets of future movements in interest rates.

35.1.3 Price Risk

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

Investments of the Company measured at fair value would normally be affected due to fluctuation of equity prices in the stock exchange. In the event of a 10% (2020: 10%) increase / decrease in the KSE 100 index on June 30, 2021, the value of securities measured at fair value through the statement of profit or loss would decrease / increase by Rs. 14.084 million (2020: Rs. 4.165 million), and net assets of the Company would increase / decrease by the same amount. In the event of a 10% (2020: 10%) increase /

decrease in the KSE 100 index on June 30, 2021, the value of securities measured at fair value through other comprehensive income would increase / decrease by Rs. 3.260 million (2020: Rs. 1.457 million), with a corresponding increase / decrease in other components of equity and net assets of the Company.

The above analysis is based on the assumption that if the equity index increases / decreases by 10% (2020: 10%) with all other variables held constant, the Company's equity instruments will move according to the historical correlation of such instruments with the index. This represents management's best estimate of a reasonable possible shift in the KSE 100 index, having considered the historical volatility of the index. The composition of the Company's investment portfolio and the correlation thereof to the KSE 100 index is expected to change over time. Accordingly, the sensitivity analysis prepared as at June 30, 2021 is not necessarily indicative of the effect on the Company's net assets of future movements in the level of KSE 100 index.

35.2 Credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counterparties fail to perform as contracted. All the financial assets of the Company are exposed to credit risk. To manage exposure to credit risk, the Company applies credit limits to its customers and, in certain cases, obtains margins and deposits in the form of cash and marketable securities. Management is confident that credit quality of debts which are not past due nor impaired remains sound at the balance sheet date.

A portion of the outstanding amounts of trade debts are secured against pledge of customers securities. The Company is entitled to sell these securities, at its own discretion, in case of default by customers.

The Company holds certain collaterals, which are permitted by the customer for repledge in the absence of default. The fair value of such collateral held as at June 30, 2021 and those which have been repledged, along with the details of the Company's obligation as to their return and the significant terms and conditions associated with their use, are given in note 36 to the financial statements.

An analysis of the significant financial assets that are individually impaired is as under. The factors in determining the impairment loss mainly comprises management's assessment of potential loss which is expected to arise on these financial assets. Such assessment is mainly based on the potential recoveries/cash flow from customers.

June 30, 2021			
Total outstanding amount	Up to one month	One to three months	More than three months
Rupees			

Financial instruments:

Trade debts	322,176,502	20,936,458	6,599,587	294,640,457
-------------	-------------	------------	-----------	-------------

June 30, 2020			
Total outstanding amount	Up to one month	One to three months	More than three months
Rupees			

Financial instruments:

Trade debts	525,214,503	26,261,430	21,482,499	477,470,574
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Although the Company has made provision against the aforementioned portfolio, the Company still holds certain collateral to be able to enforce recovery.

The credit quality of Company's liquid funds can be assessed with reference to external credit ratings as follows:

			June 30, 2021	June 30, 2020
			------(Rupees)-----	
Banks	Short term	Agency		
BANK AL FALAH	A1+	PACRA	37,787,497	20,683
MCB	A1+	PACRA	33,171	10,094
HABIB METROPOLITAN BANK	A1+	PACRA	15,368	16,855
ALLIED BANK OF PAKISTAN	A1+	PACRA	7,279	8,014
BANK OF PUNJAB	A1+	PACRA	14,466	14,466
SUMMIT BANK LIMITED	-	-	192,894,749	190,076,499
NIB BANK LIMITED	-	-	4,705	4,705
BANK AL HABIB	A1+	PACRA	20,512	30,344
			230,777,747	190,181,660

35.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company currently is not exposed to significant level of liquidity risk, keeping in view the current market situation. Negotiations are in progress with financial institutions to meet any deficit associated with short-term liquidity commitments, should such a deficit arise.

The table below classifies the Company's financial liabilities into relevant maturity groupings based on the time to contractual maturity date, as at the balance sheet date. The amounts in the table are contractual undiscounted cash flows.

June 30, 2021				
	Up to three months	More than three months and up to one year	More than one year	Total
	Rupees			
Current liabilities				
Trade and other payables	194,610,522	143,352,836	-	337,963,358
Unclaimed dividend	-	1,399,397	-	1,399,397
Current maturity of long-term financing	-	22,000,000	-	22,000,000
Non current liabilities				
Long-term financing	-	-	277,875,106	277,875,106
Loan from sponsor	-	-	155,175,000	155,175,000

June 30, 2020			
Up to three months	More than three months and up to one year	More than one year	Total
Rupees			

Current liabilities				
Trade and other payables	92,936,822	197,253,592	-	290,190,414
Unclaimed dividend	-	1,525,272	-	1,525,272
Current maturity of long term financing	-	3,193,820	-	3,193,820
Non current liabilities				
Long-term financing	-	-	279,929,984	279,929,984
Loan from sponsor	-	-	155,175,000	155,175,000

35.4 Fair value of financial assets and liabilities

Various judgments and estimates are made in determining the fair value of financial instruments that are recognized and measured at fair value in the Company's financial statements. To provide an indication about the reliability of inputs used in determining fair value, financial instruments have been classified into three levels, as prescribed under accounting standards. An explanation of each level follows the table.

Recurring Fair Value Measurement as at June 30, 2021	Level 1	Level 2	Level 3	Total
Short-term investment - at FVOCI	32,598,506	-	-	32,598,506
Short-term investment - at FVTPL	140,835,725	-	-	140,835,725
Strategic investment - at FVTPL	-	-	888,099,467	888,099,467
Recurring Fair Value Measurement as at June 30, 2020	Level 1	Level 2	Level 3	Total
Short-term investment - at FVOCI	14,571,087	-	-	14,571,087
Short-term investment - at FVTPL	41,653,035	-	-	41,653,035
Strategic investment - at FVTPL	-	-	709,605,147	709,605,147

In the fair value hierarchy in the preceding table, inputs and valuation techniques are as follows:

- Level 1: Quoted market price (unadjusted) in an active market
- Level 2: Valuation techniques based on observable inputs
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data.

Investment in Kingbhai Digisol (Private) Limited was recognized as a Level 3 instrument. As a result of the valuation of this investment, a gain of Rs. 178.494 million (2020: Rs. 72.055 million) was recognized in the statement of profit or loss, under the line item "Changes in fair value of investments at fair value through profit or loss". During the year ended June 30, 2021, there were no transfers into or out of Level 3 (2020: RS. NIL).

Strategic investment

Note	June 30, 2021	June 30, 2020
	----- (Rupees) -----	
Opening balance	709,605,147	637,550,378
Fair value gain through profit or loss	178,494,320	72,054,769
Closing balance	888,099,467	709,605,147

The table below sets out information about reconciliation of opening and closing balances and significant unobservable inputs used in measuring financial instruments categorized as Level 3 investments in the fair value hierarchy.

Description	Valuation technique	Significant unobservable inputs	Range
Investment in Kingbhai Digisol (Private) Limited	Discounted cash flows	Weighted average cost of capital	17% - 22%
		Long term revenue growth rate	1% - 3%
		Discount for lack of marketability	2% - 4%

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

36 Capital Risk Management

36.1 The objective of managing capital is to ensure the Company's ability to continue as a going concern so that it can continue to provide adequate returns to shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Company manages its capital risk by monitoring its debt levels and liquid assets, and keeping in view future investment requirements as well as shareholder expectations.

Note	June 30, 2021	June 30, 2020
	----- (Rupees) -----	
Total borrowings	455,050,106	438,298,804
Total equity	1,163,566,615	979,210,207
Total capital	<u>1,618,616,721</u>	<u>1,417,509,011</u>
Gearing Ratio	<u>28.10%</u>	<u>30.90%</u>

36.2 Statement of Net Capital Balance

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

A. <u>Description of Current Assets</u>		Basis of Accounting	Note	Amount (Rupees)
1	Cash in hand and cash at bank	As per book value.	2	230,777,747
2	Margin deposits			98,188,710
3	Trade receivables			322,176,502
	Less: Outstanding for more than 14 days	Book value less those overdue for more than 14 days.		(307,103,660)
				15,072,842
4	Investment in listed securities in the name of company	Securities on the Exposure list to Market less 15 % discount.	3	118,193,110
5	Securities purchased for client			24,766,029
				486,998,438
B. <u>Description of Current Liabilities</u>				
1	Trade payables			184,794,423
	Less: Overdue more than 30 days	Book value less those overdue for more than 30 days.		(79,559,159)
				105,235,264
2	Other liabilities		4	176,568,332
		As classified under the Generally Accepted Accounting Principles.		79,559,159
				256,127,491
	NET CAPITAL BALANCE			125,635,683

1. BASIS OF ACCOUNTING

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

2 CASH IN HAND AND CASH AT BANK

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

Cash in hand

Bank balance (s) pertaining to brokerage houses

Bank balance (s) pertaining to clients

-

44,156,335

186,621,412

230,777,747**3**

Investment in listed securities in the name of company		Holding as per CDC at June 30, 2021	Market rate as at June 30, 2021	Market value as at June 30, 2021
Security Symbol	Security Name	Position Owned	Rupees	
BOP	THE BANK OF PUNJAB	2,648,500	8.40	22,247,400
CYAN	CYAN LIMITED	20,000	43.94	878,800
SLL	SME LEASING LIMITED	113,500	4.45	505,075
TREET	TREET CORPORATION LIMITED	1,657,500	49.49	82,029,675
TRG	TRG PAKISTAN LIMITED - CLASS 'A'	33,855	166.33	5,631,102
UNITY	UNITY FOODS LIMITED	495	44.52	22,037
WAVES	WAVES SINGER PAKISTAN LIMITED	895,000	27.26	24,397,636
PIOC	PIONEER CEMENT LIMITED	10,000	131.07	1,310,700
SLL	SME LEASING LIMITED	453,525	4.45	2,018,187
PSX	PAKISTAN STOCK EXCHANGE LIMITED	453	22.31	10,106
Total value				139,050,718
Less: 15% discount				20,857,608
				118,193,110

4 OTHER LIABILITIES

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

Trade payable overdue more than 30 days

Accrued and other payables

Provision for taxation

79,559,159

176,568,332

-

256,127,491**36.3 Statement of Liquid Capital**

S.No.	Head of Account	Value in Pak Rupees	Hair Cut / Adjustments	Net Adjusted Value
1. Assets				
1.1	Property & Equipment	37,345,982	100%	-
1.2	Intangible Assets	85,277,000	100%	-
1.3	Investment in Govt. Securities (150,000*99)			
1.4	Investment in Debt. Securities			
	If listed than:			
	i. 5% of the balance sheet value in the case of tenure upto 1 year.			
	ii. 7.5% of the balance sheet value, in the case of tenure from 1 3 years.			
	iii. 10% of the balance sheet value, in the case of tenure of more than 3 years.			
	If unlisted than:			
	i. 10% of the balance sheet value in the case of tenure upto 1 year.			
	ii. 12.5% of the balance sheet value, in the case of tenure from 1 3 years.			
	iii. 15% of the balance sheet value, in the case of tenure of more than 3 years.			
	Investment in Equity Securities			
	i. If listed 15% or VaR of each securities on the cutoff date as computed by the Securities Exchange for respective securities whichever is higher.	173,434,231	28,546,299	144,887,932
	ii. If unlisted, 100% of carrying value.			
	iii. Subscription money against Investment in IPO/offer for Sale: Amount paid as subscription money provided that shares have not been allotted or are not included in the investments of securities broker			
	iv. 100% Haircut shall be applied to Value of Investment in any asset including shares of listed securities that are in Block, Freeze or Pledge status as on reporting date. (July 19, 2017) Provided that 100% haircut shall not be applied in case of investment in those securities which are Pledged in favor of Stock Exchange / Clearing House against Margin Financing requirements or pledged in favor of Banks against Short Term financing arrangements. In such cases, the haircut as provided in schedule III of the Regulations in respect of investment in securities shall be applicable (August 25, 2017)			

1.6	Investment in subsidiaries			
	Investment in associated companies/undertaking			
1.7	i. If listed 20% or VaR of each securities as computed by the Securitax Exchange for respective securities whichever is higher.			
	ii. If unlisted, 100% of net value.	964,534,042	100%	-
1.8	Statutory or regulatory deposits/basic deposits with the exchanges, clearing house or central depository or any other entity.	1,500,000	100%	-
1.9	Margin deposits with exchange and clearing house.	114,527,094	0%	114,527,094
1.10	Deposit with authorized intermediary against borrowed securities under SLB.			
1.11	Other deposits and prepayments	172,983	100%	-
1.12	Accrued interest, profit or mark up on amounts placed with financial institutions or debt securities etc.(Nil)			
	100% in respect of markup accrued on loans to directors, subsidiaries and other related parties	66,198,773	100%	-
1.13	Dividends receivables.			
1.14	Amounts receivable against Repo financing. Amount paid as purchaser under the REPO agreement. (Securities purchased under repo arrangement shall not be included in the investments.)			
1.15	i. Short Term Loan To Employees: Loans are Secured and Due for repayment within 1 2 months			
	ii. Receivables other than trade receivables	208,536,048	100%	-
	Receivables from clearing house or securities exchange(s)			
1.16	100% value of claims other than those on account of entitlements against trading of securities in all markets including MtM gains.			
	claims on account of entitlements against trading of securities in all markets including MtM gains.			
	Receivables from customers			
1.17	i. In case receivables are against margin financing, the aggregate if (i) value of securities held in the blocked account after applying VAR based Haircut, (ii) cash deposited as collateral by the finance (iii) market value of any securities deposited as collateral after applying VaR based haircut.			
	i. Lower of net balance sheet value or value determined through adjustments.			
	ii. Incase receivables are against margin trading, 5% of the net balance sheet value.			
	ii. Net amount after deducting haircut			
	iii. Incase receivables are against securities borrowings under SLB, the amount paid to NCCPL as collateral upon entering into contract,			
	iii. Net amount after deducting haircut			
	iv. Incase of other trade receivables not more than 5 days overdue, 0% of the net balance sheet value.	9,831,583	0%	9,831,583
	iv. Balance sheet value			
	v. Incase of other trade receivables are overdue, or 5 days or more, the aggregate of (i) the market value of securities purchased for customers and held in sub accounts after applying VAR based haircuts, (ii) cash deposited as collateral by the respective customer and (iii) the market value of securities held as collateral after applying VaR based haircuts.	98,520,788	70,787,877	27,732,911
	v. Lower of net balance sheet value or value determined through adjustments			
	vi. 100% haircut in the case of amount receivable form related parties.			
1.18	Cash and Bank balances			
	i. Bank Balance proprietary accounts	44,156,335	0%	44,156,335
	ii. Bank balance customer accounts	186,621,412	0%	186,621,412
	iii. Cash in hand	-	0%	-
1.19	Total Assets	1,990,656,271		527,757,267
2. Liabilities				
	Trade Payables			
2.1	i. Payable to exchanges and clearing house			
	ii. Payable against leveraged market products			
	iii. Payable to customers	184,794,423	0%	184,794,423

2.2	Current Liabilities			
	i. Statutory and regulatory dues			
	ii. Accruals and other payables	154,568,332	0%	154,568,332
	iii. Short term borrowings			
	iv. Current portion of subordinated loans			
	v. Current portion of long term liabilities	22,000,000	0%	22,000,000
	vi. Deferred Liabilities			
	vii. Provision for bad debts			
	viii. Provision for taxation			
	ix. Other liabilities as per accounting principles and included in the financial statements			
2.3	Non Current Liabilities			
	i. Long Term financing			
	a. Long Term financing obtained from financial institution: Long term portion of financing obtained from a financial institution including amount due against finance lease	252,922,005	100%	-
	b. Other long term financing			
	ii. Staff retirement benefits	15,403,373	0%	15,403,373
	iii. Advance against shares for Increase in Capital of Securities broker: 100% haircut may be allowed in respect of advance against shares if: a. The existing authorized share capital allows the proposed enhanced share capital b. Board of Directors of the company has approved the increase in capital c. Relevant Regulatory approvals have been obtained d. There is no unreasonable delay in issue of shares against advance and all regulatory requirements relating to the increase in paid up capital have been completed. e. Auditor is satisfied that such advance is against the increase of capital.			
	iv. Other liabilities as per accounting principles and included in the financial statements	24,953,101	0%	24,953,101
2.4	Subordinated Loans			
	i. 100% of Subordinated loans which fulfill the conditions specified by SECP are allowed to be deducted: The Schedule III provides that 100% haircut will be allowed against subordinated Loans which fulfill the conditions specified by SECP. In this regard, following conditions are specified: a. Loan agreement must be executed on stamp paper and must clearly reflect the amount to be repaid after 12 months of reporting period b. No haircut will be allowed against short term portion which is repayable within next 12 months. c. In case of early repayment of loan, adjustment shall be made to the Liquid Capital and revised Liquid Capital statement must be submitted to exchange.	155,175,000	100%	-
	ii. Subordinated loans which do not fulfill the conditions specified by SECP			
2.5	Total Liabilities	809,816,234		401,719,229
3. Ranking Liabilities Relating to:				
3.1	Concentration in Margin Financing			
	The amount calculated client to client basis by which any amount receivable from any of the finances exceed 10% of the aggregate of amounts receivable from total finances.			
3.2	Concentration in securities lending and borrowing			
	The amount by which the aggregate of: (i) Amount deposited by the borrower with NCCPL (ii) Cash margins paid and (iii) The market value of securities pledged as margins exceed the 110% of the market value of shares borrowed			
3.3	Net underwriting Commitments			
	(a) in the case of right issues : if the market value of securities is less than or equal to the subscription price; the aggregate of: (i) the 50% of Haircut multiplied by the underwriting commitments and (ii) the value by which the underwriting commitments exceeds the market price of the securities. In the case of rights issues where the market price of securities is greater than the subscription price, 5% of the Haircut multiplied by the net underwriting			
	(b) in any other case : 12.5% of the net underwriting commitments			

3.4	Negative equity of subsidiary			
	The amount by which the total assets of the subsidiary (excluding any amount due from the subsidiary) exceed the total liabilities of the subsidiary			
3.5	Foreign exchange agreements and foreign currency positions			
	5% of the net position in foreign currency.Net position in foreign currency means the difference of total assets denominated in foreign currency less total liabilities denominated in foreign currency			
3.6	Amount Payable under REPO			
3.7	Repo adjustment			
	In the case of financier/purchaser the total amount receivable under Repo less the 110% of the market value of underlying securities. In the case of financee/seller the market value of underlying securities after applying haircut less the total amount received ,less value of any securities deposited as collateral by the purchaser after applying haircut less any cash deposited by the purchaser.			
3.8	Concentrated proprietary positions			
	If the market value of any security is between 25% and 51% of the total proprietary positions then 5% of the value of such security .If the market of a security exceeds 51% of the proprietary position, then 10% of the value of such security	-	4,101,484	4,101,484
3.9	Opening Positions in futures and options			
	i. In case of customer positions, the total margin requirements in respect of open positions less the amount of cash deposited by the customer and the value of securities held as collateral/ pledged with securities exchange after applying VaR haircuts			
	ii. In case of proprietary positions , the total margin requirements in respect of open positions to the extent not already met			
3.10	Short sell positions			
	i. Incase of customer positions, the market value of shares sold short in ready market on behalf of customers after increasing the same with the VaR based haircuts less the cash deposited by the customer as collateral and the value of securities held as collateral after applying VAR based Haircuts			
	ii. Incase of proprietary positions, the market value of shares sold short in ready market and not yet settled increased by the amount of VAR based haircut less the value of securities pledged as collateral after applying haircuts.			
3.11	Total Ranking Liabilities	-	4,101,484	4,101,484
		1,180,840,037		121,936,554

36.4 Capital Adequacy Level

	Note	June 30, 2021	June 30, 2020
		------(Rupees)-----	
Total assets		1,990,656,271	1,722,177,881
Less: Total liabilities		(809,816,234)	(743,880,414)
Less: Revaluation reserve		-	-
Capital Adequacy Level		1,180,840,037	978,297,467

While determining the value of the total assets of the TREC Holder, notional value of the TRE certificate held by the Company as at year ended June 30, 2021 as determined by Pakistan Stock Exchange has been considered.

37 Use of Collateral and Trading Securities

The Company utilizes customers marginable securities for meeting the exposure deposit requirements of the Pakistan Stock Exchange Limited, for meeting securities shortfall at the time of settlements on behalf of the customers and for securing financing facilities from bank. These securities are utilized by the Company with the consent of its customers. As at June 30, 2021, securities amounting to Rs. 158.309 million (2020: Rs. 14.825 million) and Rs. NIL (2020: Rs. NIL) were pledged / utilized by the Company for meeting the exposure deposit requirement of the Pakistan Stock Exchange Limited and for securing financing facilities from banks, respectively.

38 Financial Instruments with Off-Balance Sheet Risks

The Company purchases and sells securities as either principal or agent on behalf of its customers. If either the customer or a counterparty fails to perform, the Company may be required to discharge the obligation on behalf of the non-performing party. In such circumstances, the Company may sustain a loss if the market value of the security is different from the contracted value of the transaction. The Company also gives customer securities to brokers. If a broker fails to return a security on time, the Company may be obligated to purchase the securities in order to return to the owner. In such circumstances, the Company may incur a loss equal to the amount by which the market value of the security on the date of non-performance exceeds the value of the collateral received from the broker.

The majority of the Company's transactions (and, consequently, the concentration of its credit exposure) are with customers, brokers and other financial institutions. These activities primarily involve collateralized arrangements and may result in credit exposure in the event of potential outcomes mentioned above or if the counter party fails to meet its contracted obligations. The Company's exposure to credit risk can also be directly impacted by volatile securities markets, which may impair the ability of counterparties to satisfy their contractual obligations. The Company seeks to control its credit risk through a variety of reporting and controls procedures, including establishing credit limits based upon a review of the counterparties' financial condition. The Company monitors collateral levels on a regular basis and requests changes in collateral level as appropriate or if considered necessary.

39 Turnover by Segment

Note	June 30, 2021	June 30, 2020
	----- (Rupees) -----	
Retail customers	84,733,398	28,638,711
Institutional customers	11,274,616	4,294,496
	96,008,014	32,933,207

40 Shareholders Holding 5% or More

	Shares Held		Percentage	
	2021	2020	2021	2020
First Florence Developers (Pvt.) Limited	82,972,650	104,426,150	31.04%	39.70%
Mr. Ali A. Malik	29,756,134	74,132,134	11.13%	27.74%

41 Number of Employees

	June 30, 2021	June 30, 2020
Number of employees at year end	53	34
Average number of employees	42	35

42 Subsequent Events

Subsequent to year end, the Company received a payment of Rs. 28 million for a portion of the outstanding amount of current other receivables. Remaining outstanding current receivable balance expected to continue to be paid as per the payment schedule.

43 General and Corresponding Figures

Amounts have been rounded off to the nearest rupee, unless otherwise stated. Certain comparative amounts have been reclassified to conform to the current year's presentation.

44 Impact of COVID-19 on the Financial Statements

The World Health Organization (WHO) declared COVID-19 as a global pandemic on 11 March 2020. Accordingly on March 20, 2020, the Government of Pakistan announced temporary lock down as a measure to reduce the Spread of COVID-19. The outbreak of COVID-19 has had a distressing Impact on overall demand in the global economy with notable downgrade in growth forecasts. The Company's management is fully cognizant of the business challenges posed by the COVID-19 outbreak and closely monitoring the possible impacts on the Company's operations and liquidity positions and believes that its current policies for managing credit, liquidity and market risk are adequate in response to current situation.

The Company's management is fully cognizant of the business challenges posted by the COVID-19 outbreak and closely monitoring the possible impacts on the Company's operations and liquidity positions and believes that its current policies for managing credit, liquidity and market risk are adequate in response to current situation. Further, subsequent to year end, the situation is improved with the easing of lock down and re-opening of the businesses.

The management has assessed the impact of the COVID-19 on the financial statements and concluded that there is no material impact of the COVID-19 on the carrying amounts of assets, liabilities, income or expenses which required specific disclosures.

45 Date of Authorization

These financial statements have been authorized for issue on September 27, 2021 by the Board of Directors of the Company.



Chief Executive Officer



Chief Financial Officer



Director

Pattern of Shareholding

PART-I

Form - 34

1.1 Name of The Company

First National Equities Limited**PART-II**

2.1 Pattern of Holding of the Shares held by the Shareholders as at :June 30, 2021

No. of Shareholders	Shareholding		Total Shares held
	From	To	
190	1	100	4,361
412	101	500	191,052
640	501	1,000	615,296
1,695	1,001	5,000	5,310,494
829	5,001	10,000	6,958,493
349	10,001	15,000	4,603,903
277	15,001	20,000	5,172,131
168	20,001	25,000	3,976,500
142	25,001	30,000	4,070,501
86	30,001	35,000	2,871,061
63	35,001	40,000	2,470,042
39	40,001	45,000	1,697,500
97	45,001	50,000	4,802,110
33	50,001	55,000	1,767,000
33	55,001	60,000	1,948,000
19	60,001	65,000	1,216,000
24	65,001	70,000	1,654,121
21	70,001	75,000	1,552,596
23	75,001	80,000	1,806,000
8	80,001	85,000	671,600
17	85,001	90,000	1,498,000
9	90,001	95,000	838,500
51	95,001	100,000	5,082,001
9	100,001	105,000	930,000
13	105,001	110,000	1,411,400
7	110,001	115,000	791,500
5	115,001	120,000	594,500
6	120,001	125,000	739,726
11	125,001	130,000	1,420,180
8	130,001	135,000	1,070,500
9	135,001	140,000	1,252,500
3	140,001	145,000	425,500
10	145,001	150,000	1,490,000
6	150,001	155,000	921,500
4	155,001	160,000	633,500
4	165,001	170,000	668,000
2	170,001	175,000	349,500
5	175,001	180,000	888,850
1	180,001	185,000	184,500
4	185,001	190,000	757,000
2	190,001	195,000	386,500
10	195,001	200,000	2,000,000
4	200,001	205,000	816,000
3	205,001	210,000	625,000
1	210,001	215,000	211,000
3	215,001	220,000	660,000
3	220,001	225,000	675,000
1	225,001	230,000	230,000

No. of Shareholders	Shareholding		Total Shares held
	From	To	
3	230,001	235,000	697,500
3	235,001	240,000	716,000
1	240,001	245,000	242,000
3	245,001	250,000	742,000
1	250,001	255,000	250,500
1	255,001	260,000	260,000
1	260,001	265,000	265,000
1	265,001	270,000	267,000
1	280,001	285,000	283,000
1	290,001	295,000	295,000
4	295,001	300,000	1,192,500
1	300,001	305,000	300,500
1	310,001	315,000	315,000
1	315,001	320,000	320,000
2	320,001	325,000	650,000
1	330,001	335,000	335,000
1	335,001	340,000	340,000
1	340,001	345,000	345,000
3	345,001	350,000	1,050,000
1	350,001	355,000	350,500
3	355,001	360,000	1,075,950
2	360,001	365,000	724,001
1	365,001	370,000	367,500
1	380,001	385,000	383,000
1	385,001	390,000	386,500
1	390,001	395,000	395,000
2	395,001	400,000	800,000
1	405,001	410,000	410,000
1	420,001	425,000	425,000
1	435,001	440,000	439,000
3	445,001	450,000	1,347,000
1	450,001	455,000	455,000
2	460,001	465,000	923,500
1	465,001	470,000	468,000
7	495,001	500,000	3,498,500
2	510,001	515,000	1,024,500
1	515,001	520,000	518,000
2	525,001	530,000	1,056,500
3	545,001	550,000	1,646,150
1	555,001	560,000	557,000
1	570,001	575,000	575,000
1	575,001	580,000	580,000
1	600,001	605,000	600,500
1	745,001	750,000	750,000
1	750,001	755,000	755,000
1	785,001	790,000	790,000
1	850,001	855,000	854,000
1	935,001	940,000	939,500

No. of Shareholders	Shareholding		Total Shares held
	From	To	
1	995,001	1,000,000	1,000,000
1	1,335,001	1,340,000	1,340,000
1	1,340,001	1,345,000	1,345,000
1	1,370,001	1,375,000	1,375,000
1	1,445,001	1,450,000	1,445,500
1	1,750,001	1,755,000	1,751,500
1	1,825,001	1,830,000	1,829,000
1	1,840,001	1,845,000	1,840,500
1	2,090,001	2,095,000	2,095,000
1	2,475,001	2,480,000	2,476,525
1	2,485,001	2,490,000	2,490,000
1	4,190,001	4,195,000	4,194,006
1	4,765,001	4,770,000	4,765,990
1	5,785,001	5,790,000	5,786,000
1	5,995,001	6,000,000	6,000,000
1	9,240,001	9,245,000	9,240,808
1	28,285,001	28,290,000	28,289,333
1	77,150,001	77,155,000	77,152,150
5,454			267,286,331

Categories of Shareholders

As at June 30, 2021

First National Equities Limited				As On: June 30, 2021	
2.3 Categories of Shareholder	Folios	Physical	CDC	Share held	Percentage
<u>2.3.1 - Directors, CEO, Their Spouse and Minor Children</u>	14	650	29,927,760	29,928,410	11.20
<u>2.3.2 - Associated Companies, Undertakings & Related Parties</u>	9	-	98,864,262	98,864,262	36.99
<u>2.3.4 - Banks, DFIs, NBFCs</u>	2	-	185,500	185,500	0.07
<u>2.3.5 - Insurance Companies</u>	1	-	46,591	46,591	0.02
<u>2.3.8 - A. General Public (Local)</u>	5,380	31,303	127,094,908	127,126,211	47.56
<u>2.3.8 - B. General Public (Foreigner)</u>	1	-	575	575	0.00
<u>2.3.9 - A. Other Companies (Local)</u>	47	-	11,134,782	11,134,782	4.17
	5,454	31,953	267,254,378	267,286,331	100.00

Shareholders More Than 10.00%				
M/s. FIRST FLORANCE DEVELOPERS (PVT.) LIMITED	3		82,972,650	31.04
MR. A. MALIK	4		29,756,134	11.13



NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT THE ANNUAL GENERAL MEETING OF THE FIRST NATIONAL EQUITIES LIMITED WILL BE HELD ON THURSDAY, 28 OCTOBER, 2021 AT 16:00 THROUGH VIDEO CONFERENCING (“VC”) / OTHER AUDIO-VISUAL MEANS (“OAVM”) TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS:

Item No. 1 – Adoption of Financial Statement:

To consider and adopt the audited financial statements of the Company for the financial year ended June 30, 2021 and the reports of the Board of Directors ('the Board') and auditors thereon. To consider and if thought fit, to pass, with or without modification(s), the following resolution as Ordinary Resolution:

“RESOLVED THAT the audited financial statements of the Company for the financial year ended June 30, 2021 and the reports of the Board of Directors and Auditors thereon laid before this meeting, be and are hereby considered and adopted.”

Item No. 2: Appointment/Re-Appointment of Auditor

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2017, and the Rules framed there under, as amended from time to time, M/s. IECnet S.K.S.S Chartered Accountants, be and is hereby appointed/re-appointed as Auditor of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of the next AGM of the Company to be held in the year 2022, at such remuneration as may be agreed upon between the Board of Directors and Statutory Auditor.

SPECIAL BUSINESS:

Item no. 3: Investment in Associated/Subsidiary Companies and undertaking:

To consider and seek approval of the members of the company in respect of investment made by the company amounting to Rs. 200 million in Real Estate sector as approved by the Board of Directors in the meeting held on September 27, 2021, if deemed fit, as Special Resolution, with or without modification, addition(s) or deletion(s):

“RESOLVED THAT approval of the members of First National Equities Limited (the “Company”) be and is hereby accorded in terms of applicable provisions of the Companies Act, 2017 and the Company be and is hereby authorized to invest up to PKR 200 million (Rupees Two Hundred Million Only) from time to time in Real Estate Sector by investing in the proposed subsidiary (whether or not under the REIT scheme) by subscribing at Par for fully paid-up ordinary shares, as per terms and conditions disclosed to the members.

“RESOLVED FURTHER THAT this resolution shall be valid for a period of four (04) years starting from the date of approval by members and the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby singly empowered and authorized to do all acts, matters, deeds and things, take any or all necessary actions including signing and execution of agreement(s) and to complete all legal formalities including filing of applications for no objection certificate/permission from any authority / Commission as may be necessary or incidental or expedient for the purpose of implementing the aforesaid resolution.” Statement under Section 134(3) of the Companies Act, 2017 concerning special business is annexed to the notice of meeting circulated to the members of the Company.

Item no. 4: Sale of Investment in Undertaking:

To consider and seek approval of the members of the company in respect of sale of investment made by the company amounting in Kingbhai Digisol (Private) Limited in part or full disinvestment as approved by the Board of Directors in the meeting held on September 27, 2021, if deemed fit, as a Special Resolution, with or without modification, addition(s) or deletion(s):

“RESOLVED THAT approval of the members of First National Equities Limited (the “Company”) be and is hereby accorded in terms of applicable provisions of the Companies Act, 2017 and the Company be and is hereby authorized to sale investment in Kingbhai Digisol (Private) Limited in part or full at the current market rate and by adopting any manner as may be deemed appropriate in the best interest of the company.

“RESOLVED FURTHER THAT this resolution shall be valid for a period of four (04) years starting from the date of approval by members and the Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary of the Company be and are hereby singly empowered and authorized to do all acts, matters, deeds and things, take any or all necessary actions including signing and execution of agreement(s) and to complete all legal formalities including filing of applications for no objection certificate/permission from any authority / Commission as may be necessary or incidental or expedient for the purpose of implementing the aforesaid resolution.” Statement under Section 134(3) of the Companies Act, 2017 concerning special business is annexed to the notice of meeting circulated to the members of the Company.

By Order of the board

Arslan Tahir
Company Secretary

NOTES

1. In view of the continuing COVID-19 pandemic, the Securities and Exchange Commission of Pakistan ('SECP') has vide its circular dated March 03, 2021 read with circulars dated 15th February 2021, November 05, 2020 and 17th March 2020 (collectively referred to as 'SECP Circulars') permitted holding of the annual general meeting ('AGM') through VC/OAVM facility, without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2017 (the 'Act'), and SECP Circulars, the AGM of the Company is to be conducted through VC/OAVM hereinafter called as 'e-AGM'.

2. Members are requested to join this meeting by using the following credentials:

Join Zoom Meeting

<https://zoom.us/j/94429066074?pwd=SzFEOXRMc3JCcFltQmgvMjJCSHhrdz09>

Meeting ID: 944 2906 6074

Passcode: Abc123*

3. Members are requested to notify changes (if any, in their address, email i.d., nominations etc.) in their address if any to the Company.

4. Pursuant to the provisions of the Finance Act, 2019 the rates of deduction of income tax from dividend payments under the Income Tax Ordinance have been revised as follows:

-Filler 15%

-Non-Filler 30%

All shareholders are advised to check their status on Active Taxpayers List (ATL) available on FBR Website and may, if required, take necessary actions for inclusion of their name in ATL to avail the lower rate of tax deduction.

i. Deduction of Withholding Tax on Dividend in case of Joint Account Holders:

All shareholders who hold shares jointly are requested to provide following information regarding shareholding proportions of Principal Shareholder and Joint-holder(s) in respect of shares held by them

our Share Registrar Corptec Associates (Private) Limited, Lahore Office: 503, Block-E. Johar Town, Lahore, Pakistan, latest by October 20, 2021, otherwise each joint holder shall be assumed to have an equal number of shares.

Name of the Company		First National Equities Limited
Folio No. / CDS A/C No.		
No. of Shares Held		
Principal Shareholder	Name & CNIC	
	Shareholding Proportion (No. of Shares)	
Joint Shareholder(s)	Name & CNIC	
	Shareholding Proportion (No. of Shares)	

Signature of Primary Shareholder _____

ii. EXEMPTION OF WITHHOLDING TAX:

Withholding tax exemption from dividend income, shall only be allowed if copy of valid tax exemption certificate is made available to our Share Registrar Office, Share Registrar Corptec Associates (Private) Limited, Lahore Office: 503, Block-E. Johar Town, Lahore, Pakistan, up to October 20, 2021.

Zakat will be deducted from the dividends at source under the Zakat & Usher Laws and will be deposited within the prescribed period with the relevant authority. Please submit your Zakat declarations under Zakat and Usher Ordinance, 1980 & Rule 4 of Zakat (Deduction & Refund) Rules, 1981 CZ-50 Form, in case you want to claim exemption, with your brokers or the Central Depository Company of Pakistan Limited (in case the shares are held in CDC-Sub Account or CDC Investor Account) or to our Share Registrar, M/s. Corptec Associates (Private) Limited, Lahore Office: 503, Block-E. Johar Town, Lahore, Pakistan. The Shareholders while sending the Zakat Declarations, as the case may be must quote company name and their respective folio numbers.

5. The provisions of Section 242 of the Companies Act, 2017 require the listed companies that any dividend payable in cash shall only be paid through electronic mode directly into the bank account designated by the entitled shareholders. The shareholders who have not provided their bank account details so far are advised to provide their below electronic dividend mandate information to Company's Share Registrar at the address given above and update their CDC accounts/Sub accounts as the case may be, enabling the company to credit your future dividend promptly, if any.

Folio No. / Investor Account Number / CDC Sub Account No.																		
Title of Account																		
IBAN Number																		
Bank Name																		
Branch																		
Branch Address																		
Mobile Number																		
Name of Network (if ported)																		
Email Address																		

Signature of Shareholder _____

6. Shareholders should also notify our Share Registrar, Corptec Associates (Private) Limited regarding any change in their addresses.

7. In pursuance of the directions given by the Securities and Exchange Commission of Pakistan (SECP) vide SRO 787 (I) / 2014 dated September 8, 2014, those shareholders who desire to receive Annual Financial Statements in future through email instead of receiving the same by Post are advised to give their formal consent along with their valid email address on a standard request form which is available at the Company's website i.e. and send the said form duly signed by the shareholder along with copy of his/her CNIC to the Company's Share Registrar M/s Corptec Associates (Private) Limited. Please note that giving email address for receiving of Annual Financial Statements instead of receiving the same by post is optional, in case you do not wish to avail this facility please ignore this notice, Financial Statements will be sent in compact disk to the registered address of the shareholders.

8. Pursuant to the SECP's notification SRO 470 (1)/2016 dated 31st May, 2016 the Members of First National Equities Limited in AGM held on October 28, 2017 had accorded their consent for transmission of annual reports including audited annual financial statements and other information contained therein of the Company through CD/DVD/USB instead of transmitting the same in hard copies. The shareholders who wish to receive hard copies of the aforesaid documents may send to the Company Secretary/Share registrar, the standard request form available on the Company's website and the Company will provide the aforesaid documents to the shareholders on demand, free of cost, within one week of such demand.

9. The deemed venue for e-AGM shall be the Office of the Company

10. Since this AGM is being held pursuant to the SECP Circulars through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice..

11. Since the meeting will be conducted through VC/OAVM facility, the route map is not annexed to this Notice.

12. Shareholders who could not collect their dividend/physical shares are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or shares, if any.

13. All the listed companies to replace the shares issued in physical form with the shares to be issued in the Book-Entry-Form. Therefore, under guidance of the Commission, it is requested to all the members to apply for the conversion of their respective physical shares, if any, to Book-Entry-Form.

14. Members who need technical assistance before or during the e-AGM can contact at agm@fnetrade.com

15. Instructions for attending/joining the e-AGM:

- Members will be able to attend the e-AGM through VC/OAVM by following procedure:
- The link for e-AGM will be made available on the Email Id of the shareholders as registered with the company. Enter the login credentials i.e. User ID and password mentioned in your email. After entering the details appropriately, click on LOGIN.
- Members are advised that facility of joining the AGM through VC shall be kept open 15 minutes before the time scheduled for the AGM and shall not be closed till the expiry of 15 minutes after scheduled time. The video-conference shall allow for two way teleconferencing for the ease of participation of the members and the participants.
- Members are requested to cast their vote by a show of hands in the meeting unless demand for poll is made by any Member or Chairman. If demand for poll is made by Chairman or any Member, Members are requested to convey their assent or dissent on the resolution by sending emails through their registered email address on agm@fnetrade.com. The result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.
- Members are encouraged to join the meeting through Laptops for better experience.
- Further, members are advised to use internet with a good speed to avoid any disturbance during the meeting.
- While all efforts will be made to make the VC/OAVM meeting smooth, participants connecting through mobile devices, tablets, laptops, etc. may, at times, experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.

16.STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

A. The placement of amount of Rs. 200 million by the company in Real Estate sector by investing in a proposed subsidiary company. Accordingly, management has decided to take the approval from our shareholders in our forthcoming Annual General Meeting. Information required under section 134 (3) and Section 199 of Companies Act, 2017 read Regulation 3 of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017, are given below:

Name of Investee Company	Proposed New Company
Basis of Relationship	Shareholding more than 50%
Nature of the Investee Company	Real Estate Company
Amount and Extent of Investment	PKR 200 million only
Period of the investment	Not applicable
Nature of investment intended to be made	Ordinary Shares
Break-up value of the shares intended to be purchased on the basis of last published financial statement	Not applicable
Price at which shares will be purchased	At Par
Earnings per share for the last three years	Not applicable
Terms and conditions	According to the written agreement
Sources of funds from which shares will be purchased	Company's own sources / External Credit Facility
Period for which investment will be made	Long term Investment
Purpose of investment	Revenue Generation by way of Dividend/ Bonus / Capital gain
Benefits likely to accrue to the company and the shareholders from the proposed investment	Dividend/ Capital Gains
Interest of Directors, directly or indirectly	Common Directorship/Shareholding
Time and place for inspection of concerning documents	The documents relevant to such disclosure can be inspected at the principal office of the company during business hours on a written request to the company before inspection and after the communication of date and time by the Company.

B. The sale of investment at current market value by the company in Kingbhai Digisol (Private) Limited. Accordingly, management has decided to take the approval from our shareholders in our forthcoming Annual General Meeting. Information required under section 134 (3) are given below:

Name of Investee Company	Kingbhai Digisol (Private) Limited
Nature, Amount and Extent of Investment	To be calculated on the basis of Fair Market Value (FMV)
Average market price of the shares intended to be sold during preceding six months	On the basis of Fair Market Value (FMV)
Break-up value of the shares intended to be sold on the basis of last published financial statement	Rs. 710.66
Price at which shares will be sold	On the basis of Fair Market Value (FMV)
Terms and conditions	Not applicable
Benefits likely to accrue to the company and the shareholders from the proposed investment	Capital Gains
Time and place for inspection of concerning documents	The documents relevant to such disclosure can be inspected at the principal office of the company during business hours on a written request to the company before inspection and after the communication of date and time by the Company.

جنرل میننگ نوٹس۔

نوٹس دیا جاتا ہے کہ سالانہ جنرل میننگ 28 اکتوبر 2021 شام 4 بجے، ویڈیو کانفرنسنگ ("VC")، ریگڈ آڈیو ویڈیو ذرائع ("OAVM") کے ذریعہ ہوگی۔

روایتی معاملات:

1۔ مالی بیانات کا اپناؤ:-

30 جون 2021 کو ختم ہونے والے مالی سال اور اس پر بورڈ آف ڈائریکٹرز (بورڈ) اور آڈیٹرز کی رپورٹوں کے لئے کمپنی کے آڈٹ شدہ مالی بیانات پر غور اور اپنایت کرنے کے لئے اور اگر مناسب سمجھا جاتا ہے تو، ترمیم کے ساتھ یا اس کے بغیر، عام قرارداد کے طور پر درج ذیل قرارداد کو منظور کیا جائے۔

"تجویز کیا گیا کہ 30 جون، 2021 کو ختم ہونے والے مالی سال کے لئے کمپنی کے آڈٹ شدہ مالی بیانات اور اس اجلاس سے پہلے بورڈ آف ڈائریکٹرز اور آڈیٹرز کی رپورٹس پیش کی گئیں، اور اس پر غور کیا گیا اور اپنا گیا۔"

2۔ آڈیٹرز کی تقرری ردوبارہ تقرری:-

غور کرنے کے لئے اور اگر مناسب سمجھا جاتا ہے تو، ترمیم کے ساتھ یا اس کے بغیر، عام قرارداد کے طور پر درج ذیل قرارداد کو منظور کیا جائے۔

"حل کیا گیا کہ کمپنی کے ایکٹ، 2017 کی قابل اطلاق دفعات کے مطابق، اور وہاں قواعد وضع کیے گئے، جیسا کہ وقتاً فوقتاً ترمیم کی جاتی ہے، ایم۔ ایس۔ آئی ای سی نیٹ ایس کے ایس ایس ایس چارٹرڈ اکاؤنٹنٹس اس سالانہ جنرل اجلاس کے اختتام سے عہدہ سنبھالنے کے لئے کمپنی کے آڈیٹرز کی حیثیت سے تقرری ردوبارہ تقرری کی گئی ہے۔ (اے جی ایم) سال 2022 میں ہونے والی کمپنی کے اگلے AGM کے اختتام تک اس طرح کے معاوضے پر جو بورڈ آف ڈائریکٹرز اور قانونی آڈیٹرز کے مابین اتفاق رائے ہو سکتا ہے۔

خصوصی معاملات:

3۔ ایسوی ایٹ / سبسڈیری کمپنیوں میں سرمایہ کاری:

کمپنی کے ذریعہ کی جانے والی سرمایہ کاری کے سلسلے میں کمپنی کے ممبروں کے غور اور منظوری حاصل کرنا۔ ریکل اسٹیٹ شعبے میں 200 ملین، جیسا کہ بورڈ آف ڈائریکٹرز نے 27 ستمبر 2021 کو منعقدہ اجلاس میں منظوری دی تھی، اگر مناسب سمجھا جاتا ہے، خصوصی قرارداد کے طور پر، ترمیم، اضافے یا حذف کے ساتھ یا اس کے بغیر درج ذیل منظوری دی جائے۔

"اس بات کا ازالہ کیا کہ فرسٹ نیشنل ایکویٹی لمیٹڈ کے ممبروں کی منظوری۔ ("کمپنی") اور اس کے تحت کمپنی ایکٹ کی قابل اطلاق دفعات کے مطابق معاہدہ کیا گیا ہے۔ اور اس کے تحت 200 ملین تک کی سرمایہ کاری کرنے کا مجاز ہے۔ (صرف دو سو ملین روپے) مجوزہ ماتحت ادارہ میں سرمایہ کاری وقتاً فوقتاً ریکل اسٹیٹ سیکٹر میں سرمایہ کاری کریں گے (چاہے REIT اسکیم کے تحت ہو) اور مکمل طور پر ادائیگی کر کے عام حصص پار میں سبسکرائب کئے جائیں گے۔

"مزید یہ کہ یہ قرارداد چار (04) سال کی مدت کے لئے موزوں ہوگی جو ممبروں اور چیف ایگزیکٹو آفیسر اور ریجنل مینیجرز کے ذریعہ منظوری کی تاریخ سے شروع ہوگی اور اس کے تحت اس کو مکمل طور پر اختیار دیا گیا ہے۔ اور سب کرنے کا مجاز ہے۔ جیسا کہ معاملات، کام اور چیزیں، معاہدے پر دستخط اور عمل درآمد سمیت کسی بھی یا تمام ضروری اقدامات اور مذکورہ قرارداد پر عمل درآمد کے مقصد کے لئے کسی بھی اتھارٹی / کمیشن کی طرف سے کسی اعتراض / ٹھیکیت / اجازت کے لئے درخواستوں کو داخل کرنا سمیت تمام قانونی رسمی کارروائیوں کو مکمل کرنا۔ خصوصی کاروبار کے متعلق کمپنی ایکٹ، 2017 کے سیکشن 134 (3) کے تحت بیان کمپنی کے ممبروں کو بھیجے جانے والے اجلاس کے نوٹس سے منسلک ہے۔

4۔ انڈر ٹیکنگ میں سرمایہ کاری کی فروخت:-

Kingbhai Digisol (Private) Limited میں کمپنی کی طرف سے کی جانے والی سرمایہ کاری کی فروخت کے سلسلے میں کمپنی کے ممبروں پر غور اور منظوری حاصل کرنا۔ 27 ستمبر 2021 کو ہونے والے اجلاس میں بورڈ آف ڈائریکٹرز کے ذریعہ منظور شدہ جزوی یا مکمل طور پر فروخت ہونے تک محدود ہے اگر مناسب سمجھا جائے۔ بطور خصوصی قرارداد ترمیم کے ساتھ یا بغیر شامل یا حذف کرنا۔

اس بات کا ازالہ کیا کہ فرسٹ نیشنل ایکویٹی لمیٹڈ کے ممبروں کی منظوری سے ("کمپنی") اور اس کے تحت کمپنی ایکٹ کی قابل اطلاق دفعات کے مطابق معاہدہ کیا گیا ہے۔ Kingbhai Digisol (Private) Limited میں سرمایہ کاری فروخت کرنے کا مجاز ہے اور اس کے تحت ہے۔ (نجی) موجودہ مارکیٹ ریٹ پر جزوی طور پر یا مکمل طور پر محدود اور کسی بھی طرح کو اپنانے سے جو کمپنی کے بہترین مفاد میں مناسب سمجھا جاسکتا ہے۔

مزید یہ کہ یہ قرارداد چار (04) سال کی مدت کے لئے موزوں ہوگی جو ممبروں اور چیف ایگزیکٹو آفیسر اور / یا چیف فنانس آفیسر اور / یا کمپنی کے سکرٹری کے ذریعہ منظوری کی تاریخ سے شروع ہوگی اور اس کے تحت اس کو مکمل طور پر اختیار دیا گیا ہے۔ اور سب کرنے کا مجاز ہے۔ جیسا کہ معاملات، کام اور چیزیں۔ معاہدے پر دستخط اور عمل درآمد سمیت کسی بھی یا تمام ضروری اقدامات اور مذکورہ قرارداد پر عمل درآمد کے مقصد کے لئے کسی بھی اتھارٹی / کمیشن کی طرف سے کسی اعتراض / ٹھیکیت / اجازت کے لئے درخواستوں کو داخل کرنا سمیت تمام قانونی رسمی کارروائیوں کو مکمل کرنا۔ خصوصی کاروبار کے متعلق کمپنی ایکٹ، 2017 کے سیکشن 134 (3) کے تحت بیان کمپنی کے ممبروں کو بھیجے جانے والے اجلاس کے نوٹس سے منسلک ہے۔

ارسلان طاہر

کمپنی سیکرٹری

نوٹ:

1۔ جاری COVID-19 وبائی امراض کے پیش نظر۔ پاکستان سکیورٹیز اینڈ ایکسچینج کمیشن۔ (ایس ای سی پی) اس کے سرکلر کی تاریخ 03 مارچ 2021 کو دی گئی ہے۔ 15 فروری 2021 کو سرکلر کے ساتھ پڑھا گیا۔ 05 نومبر 2020، اور 17 مارچ 2020۔ (اجتماعی طور پر SECP "سرکلر" کہا جاتا ہے) سالانہ عام اجلاس کی VC / OAVM سہولت کے ذریعے انعقاد کی اجازت ہے (بشرطیکہ مشترکہ مقام پر ممبروں کی جسمانی موجودگی کے بغیر)۔ کمپنی ایکٹ، 2017 (ایکٹ)، اور ایس ای سی پی سرکلر کی دفعات کی تعمیل میں، کمپنی کا اے جی ایم VC / OAVM کے ذریعہ کرایا جاتا ہے۔

2۔ ممبروں سے درخواست کی جاتی ہے کہ وہ مندرجہ ذیل اسناد کا استعمال کر کے اس مینٹگ میں شامل ہوں۔

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ممبروں سے درخواست کی جاتی ہے کہ وہ تبدیلیوں کو مطلع کریں (اگر کوئی ہے تو، ان کے پتے میں، ای میل کریں i.d، نامزدگی وغیرہ) کمپنی کو اگر کوئی ہے تو۔
4۔ فنانس ایکٹ، 2019 کی دفعات کے مطابق انکم ٹیکس آرڈیننس کے تحت منافع کی ادائیگی سے انکم ٹیکس میں کٹوتی کی شرحوں میں ترمیم کی گئی ہے۔

- فائلر 15 فیصد۔

- غیر فائلر 30 فیصد۔

تمام حصص یافتگان کو مشورہ دیا جاتا ہے کہ وہ ایف بی آرویو سائٹ پر دستیاب ایکٹو ہندگان کی فہرست (اے ٹی ایل) پر اپنی حیثیت کی جانچ کریں اور اگر ضرورت ہو تو، ٹیکس میں کٹوتی کی کم شرح حاصل کرنے کے لئے ان کا نام اے ٹی ایل میں شامل کرنے کے لئے ضروری اقدامات کر سکتے ہیں۔

ا۔ جوائنٹ اکاؤنٹ ہولڈرز کے معاملے میں منافع پر دہ ہولڈنگ ٹیکس کی کٹوتی:-

مشترکہ طور پر حصص رکھنے والے تمام حصص یافتگان سے درخواست کی جاتی ہے کہ وہ پرنسپل شیئر ہولڈر اور جوائنٹ ہولڈر کے شیئر ہولڈنگ تناسب سے متعلق درج ذیل معلومات فراہم کریں۔ ہمارے شیئر رجسٹرار کارپنک ایسوسی ایٹس کے پاس ان کے حصص کے سلسلے میں تفصیلات تازہ ترین 20 اکتوبر 2021 تک لاہور آفس 503 :-، بلاک ای۔ جوہر ٹاؤن، لاہور، پاکستان۔ پہنچ جانی چاہیے بصورت دیگر ہر مشترکہ ہولڈر کے برابر حصص کی تعداد فرض کی جائے گی۔

کمپنی کا نام	فرسٹ نیشنل ایکویٹی لمیٹڈ
فولیو نمبر / سی ڈی ایس اکاؤنٹ نمبر	
رکھے گئے حصص کی تعداد	
پرنسپل شیئر ہولڈر	نام اور سی این آئی سی
	شیئر ہولڈنگ تناسب (حصص کی تعداد)
مشترکہ شیئر ہولڈر	نام اور سی این آئی سی
	شیئر ہولڈنگ تناسب (حصص کی تعداد)

پرائمری شیئر دارک کے دستخط _____

ii۔ ٹیکس میں چھوٹ:

منافع بخش آمدنی سے ٹیکس چھوٹ روکنے کی اجازت صرف اس صورت میں ہوگی جب ہمارے حصص رجسٹر آف فزیشنل رجسٹر کارپوریک ایسوسی ایٹس (نجی) لمیٹڈ، لاہور آفس 503، بلاک ای کو جائز ٹیکس چھوٹ کے سرٹیفیکیٹ کی کاپی 20 اکتوبر 2021 تک فراہم کی جائے گی۔

زکوٰۃ اور عشر قوانین کے تحت ماخذ کے منافع میں سے کوئی کی جائے گی اور متعلقہ اتھارٹی کے پاس مقررہ مدت میں جمع ہو جائے گی۔ براہ کرم زکوٰۃ اور عشر آرڈیننس 1980 اور رول نمبر 04، زکوٰۃ (کوئی اور واپسی) رول 1981 فارم CZ-50 کے تحت اپنے زکوٰۃ اعلانیہ پیش کریں، اگر آپ اسٹیفنی کا دعویٰ کرنا چاہتے ہیں۔ (اپنے بروکرز یا سینٹرل ڈپازٹری کمپنی آف پاکستان لمیٹڈ کے ساتھ۔) (اگر حصص سی ڈی سی سب اکاؤنٹ یا سی ڈی سی انویسٹر اکاؤنٹ میں رکھے جائیں۔) یا ہمارے شیئر رجسٹر اکو۔ ایم رالیں۔ کارپوریک ایسوسی ایٹس (نجی) لمیٹڈ، لاہور آفس 503، بلاک ای۔ جوہر ٹاؤن، لاہور، پاکستان کو نوٹ کروائیں اور اعلانیہ بھیجے وقت، معاملہ کمپنی کے نام اور ان کے متعلقہ فولیو نمبروں کا حوالہ دینا ضروری ہے۔)

5. کمپنی ایکٹ، 2017 کی دفعہ 242 کی دفعات کے تحت درج کمپنیوں کا تقاضا ہے کہ نقد ادائیگی کرنے والے کسی بھی منافع کو صرف الیکٹرانک موڈ کے ذریعہ براہ راست بینک اکاؤنٹ میں ادا کیا جائے گا جو حقدار حصص یافتگان کے ذریعہ نامزد کیا گیا ہے۔ حصص یافتگان جنہوں نے ابھی تک اپنے بینک اکاؤنٹ کی تفصیلات فراہم نہیں کیں ان کو مشورہ دیا جاتا ہے کہ وہ اپنے نیچے دیئے گئے الیکٹرانک ڈیویڈنڈ مینڈیٹ کی معلومات کمپنی کے شیئر رجسٹر اکو نوڈ پر فراہم کریں اور اپنے سی ڈی سی اکاؤنٹس / سب اکاؤنٹس کو اپ ڈیٹ کریں جیسا کہ معاملہ ہو سکتا ہے۔ کمپنی کو آپ کے مستقبل کے منافع کو فوری طور پر کریڈٹ کرنے کے قابل بنانا ہم ہے۔

فولیو نمبر / سرمایہ کار اکاؤنٹ نمبر	
سی ڈی سی سب اکاؤنٹ نمبر	
اکاؤنٹ کا عنوان	
IBAN نمبر	
بینک کا نام	
برانچ	
برانچ کا پتہ	
موبائل نمبر	
نیٹ ورک کا نام (اگر پورٹ کیا گیا ہو)	
ای میل ایڈریس	

- 6۔ حصص یافتگان کو اپنے پتے میں کسی تبدیلی کے بارے میں ہمارے شیئر رجسٹرار، کارپنٹک ایسوسی ایٹس (نجی) لمیٹڈ کو بھی مطلع کرنا ہے۔
- 7۔ پاکستان سکیورٹیز اینڈ ایکسچینج کمیشن کی طرف سے دی گئی ہدایات کے تعاقب میں۔ (ایس ای سی پی)۔ ویڈیو ایس آر 787 - (میں) 2014/ مورخہ 8 ستمبر 2014، - وہ حصص یافتگان جو مستقبل میں سالانہ مالی بیانات وصول کرنے کے خواہاں ہیں ان کو پوسٹ کے ذریعہ وہی وصول کرنے کی بجائے ای میل کے ذریعہ ان کی باضابطہ رضامندی کے ساتھ معیاری درخواست فارم پر ان کے درست ای میل ایڈریس کے ساتھ مشورہ دیا جاتا ہے جو کمپنی کی ویب سائٹ پر دستیاب ہے۔ www.fnetrade.com۔ اور اس کے حصص یافتگان کے ذریعہ دستخط شدہ فارم کو اس کے اس کے CNIC کی کاپی کے ساتھ کمپنی کے شیئر رجسٹرار کارپنٹک ایسوسی ایٹس (نجی) لمیٹڈ کو بھیجیں۔ براہ کرم نوٹ کریں کہ سالانہ مالی بیانات وصول کرنے کے لئے ای میل ایڈریس دینا پوسٹ کے ذریعہ وصول کرنے کے بجائے اختیاری ہے، اگر آپ اس سہولت سے فائدہ اٹھانا نہیں چاہتے ہیں تو براہ کرم اس نوٹس کو نظر انداز کریں، مالی بیانات کمپیکٹ ڈسک میں حصص یافتگان کے رجسٹرڈ پتے پر بھیجے جائیں گے۔
- 8۔ SECP کے نوٹیفکیشن SRO 470 کے مطابق۔ (1)۔ 2016/ مورخہ 31 مئی۔ 2016، میں فرسٹ نیشنل ایکویٹی لمیٹڈ کے ممبران کا انعقاد 28 اکتوبر 2017 کو ہوا۔ جس میں سالانہ رپورٹس کی ترسیل کے لئے اپنی رضامندی ظاہر کی تھی جس میں آڈٹ شدہ سالانہ مالی بیانات اور کمپنی میں شامل دیگر معلومات بشمول سی ڈی، وی ڈی، وی ڈی، وی ڈی، وی ڈی کے ذریعہ پرنٹڈ کاپیاں میں منتقل کرنے کی بجائے شامل ہیں۔ مذکورہ دستاویزات کی پرنٹڈ کاپیاں وصول کرنے کے خواہشمند حصص یافتگان کمپنی سکریٹری، شیئر رجسٹرار کو بھیج سکتے ہیں، کمپنی کی ویب سائٹ پر دستیاب معیاری درخواست فارم حصص یافتگان کو مطالبہ پر مذکورہ دستاویزات فراہم کرے گا، بلا معاوضہ، ایسی مانگ کے ایک ہفتہ کے اندر۔
- 9۔ ای۔ اے۔ جی ایم کے لئے سمجھا ہوا مقام کمپنی کا دفتر ہوگا۔
- 10۔ چونکہ اس AGM کو OAVM / VC سہولت کے ذریعہ SECP سرکلر کے مطابق رکھا جا رہا ہے، لہذا ممبروں کی جسمانی حاضری ختم کر دی گئی ہے۔ اس کے مطابق، ممبروں کے ذریعہ پراسسی کی تقرری کی سہولت ای۔ اے۔ جی ایم کے لئے دستیاب نہیں ہوگی اور اسی وجہ سے پراسسی فارم اور حاضری پرچی اس نوٹس سے منسلک نہیں ہے۔
- 11۔ چونکہ یہ اجلاس OAVM / VC سہولت کے ذریعہ کیا جائے گا، لہذا اس نوٹس سے روٹ کا نقشہ منسلک نہیں ہے۔
- 12۔ حصص یافتگان جو اپنا منافع / جسمانی حصص جمع نہیں کر سکتے ہیں انہیں مشورہ دیا جاتا ہے کہ وہ ہمارے حصص کیلئے رجسٹر سے رابطہ کریں تاکہ وہ اپنے دعویدار منافع یا حصص کے بارے میں پوچھ گچھ کریں، اگر کوئی ہے تو۔
- 13۔ کاغذی شکل میں جاری کردہ حصص کی جگہ لینے والی تمام درج کمپنیوں کو ای انٹری فارم میں جاری کیے جانے والے حصص کے ساتھ تبدیل کرنا ہے۔ لہذا، کمیشن کی رہنمائی میں، تمام ممبروں سے درخواست کی گئی ہے کہ وہ اپنے متعلقہ کاغذی حصص، اگر کوئی ہو تو، کتاب انٹری فارم میں تبدیل کرنے کے لئے درخواست دیں۔
- 14۔ ای۔ اے۔ جی ایم سے پہلے یا اس کے دوران تکنیکی مدد کی ضرورت والے ممبران agm@fnetrade.com پر رابطہ کر سکتے ہیں۔
- 15۔ ای۔ اے۔ جی ایم میں شرکت / شامل ہونے کے لئے ہدایات:-
- "ممبران مندرجہ ذیل طریقہ کار کے ذریعہ OAVM / VC کے ذریعے ای۔ اے۔ جی ایم میں شرکت کر سکیں گے۔
- ای۔ اے۔ جی ایم کے لئے لنک کمپنی کے ساتھ رجسٹرڈ حصص یافتگان کے ای میل آئی ڈی پر دستیاب ہوگا۔ لاگ ان کی سندیں درج کریں یعنی۔ آپ کے ای میل میں صارف کی شناخت اور پاس ورڈ کا ذکر ہے۔ تفصیلات مناسب طریقے سے داخل کرنے کے بعد، لاگ ان پر کلک کریں۔
- "ممبروں کو مشورہ دیا جاتا ہے کہ وہ ای۔ اے۔ جی ایم میں شامل ہونے کی سہولت کو ای۔ اے۔ جی ایم کے لئے طے شدہ وقت سے 15 منٹ پہلے کھلا رکھا جائے گا اور مقررہ وقت کے بعد 15 منٹ کی میعاد ختم ہونے تک اسے بند نہیں کیا جائے گا۔ ویڈیو کانفرنس میں ممبروں اور شرکاء کی شرکت میں آسانی کے لئے دو طرفہ ٹیلی مواصلات کی اجازت ہوگی۔
- "ممبروں سے درخواست کی جاتی ہے کہ وہ اجلاس میں ہاتھ دکھا کر اپنا ووٹ کاسٹ کریں جب تک کہ کسی ممبر یا چیئر مین کے ذریعہ رائے شماری کا مطالبہ نہ کیا جائے۔
- اراکین کو بہتر تجربہ کے لیے لیپ ٹاپ کے ذریعے مینٹگ میں شامل ہونے کی ترغیب دی جاتی ہے۔
- مزید یہ کہ ممبران کو مشورہ دیا جاتا ہے کہ وہ مینٹگ کے دوران کسی بھی پریشانی سے بچنے کے لیے اچھی رفتار کے ساتھ انٹرنیٹ استعمال کریں۔

اگرچہ وی سی اے وی ایم میٹنگ کو ہموار بنانے کے لیے تمام کوششیں کی جائیں گی، شرکاء جو موبائل ڈیوائسز، ٹیبلٹس، لیپ ٹاپ وغیرہ کے ذریعے جڑ رہے ہیں، بعض اوقات اپنے متعلقہ نیٹ ورکس میں اتار چڑھاؤ کی وجہ سے آڈیو ویڈیو نقصان کا سامنا کر سکتے ہیں۔ مستحکم وائی فائی یا LAN کنکشن کا استعمال کچھ تکنیکی خرابیوں کو کم کر سکتا ہے۔

16۔ کمپنیز ایکٹ، 2017 کے سیکشن 134 (3) کے تحت بیان۔

200 ملین روپے کوئی کمپنی جو کہ ریئل اسٹیت کے شعبہ سے منسلک ہوگی میں لگایا جائے گا اور اس کی منظوری ہمارے ممبران آنے والی جنرل میٹنگ میں دیں گے۔ اور لاگو قوانین کے تحت درج ذیل تفصیلات دی جارہی ہیں:

سرماہ کار کمپنی کا نام	تجویز کردہ نئی کمپنی
تعلق کی بنیاد	50 فیصد سے زیادہ شیئر ہولڈنگ
سرماہ کار کمپنی کی نوعیت	ریئل اسٹیٹ کمپنی
سرماہ کاری کی مقدار اور وسعت	صرف 200 ملین روپے
سرماہ کاری کی مدت	قابل اطلاق نہیں
سرماہ کاری کی نوعیت جس کا مقصد بنایا گیا ہے	عام حصص
آخری شائع شدہ مالیاتی بیان کی بنیاد پر خریدے جانے والے حصص کی تقسیم کی قیمت	قابل اطلاق نہیں
جس قیمت پر حصص خریدے جائیں گے	برابر ہیں
پچھلے تین سالوں سے فی حصص آمدنی	قابل اطلاق نہیں
شرائط و ضوابط	تحریری معاہدے کے مطابق
فیڈز کے ذرائع جن سے حصص خریدے جائیں گے	کمپنی کے اپنے ذرائع ریرونی قرضہ جات
وہ مدت جس کے لیے سرماہ کاری کی جائے گی	طویل مدتی سرماہ کاری
سرماہ کاری کا مقصد	منافع ربونس کے ذریعے آمدنی کی پیداوار
مجوزہ سرماہ کاری سے کمپنی اور حصص یافتگان کو حاصل ہونے والے فوائد	منافع سرماہ فائدہ حصص پر منافع
براہ راست یا بالواسطہ ڈائریکٹرز کی دلچسپی	مشترکہ ڈائریکٹر شپ شیئر ہولڈنگ
دستاویزات کے معائنے کے لیے وقت اور جگہ	اس طرح کے انکشاف سے متعلقہ دستاویزات کمپنی کے پرنسپل آفس میں کاروباری اوقات کے دوران کمپنی کو تحریری درخواست پر معائنہ سے پہلے اور کمپنی کی طرف سے تاریخ اور وقت کے رابطے کے بعد معائنہ کی جاسکتی ہیں۔

Kingbhai Digisol (Private) Limited - B میں اپنی سرماہ کاری کی فروخت کی منظوری موجودہ مارکیٹ ریٹ پر ممبران کی منظوری سے شرط لگی گئی ہے اور اس کی تفصیلات درج ذیل ہیں:

سرماہ کار کمپنی کا نام	کنگ بھائی ڈیگسول (پرائیویٹ) لمیٹڈ
فطرت، رقم اور سرماہ کاری کی وسعت	فینر مارکیٹ ویلیو (FMV) کی بنیاد پر حساب کیا جائے
حصص کی اوسط مارکیٹ قیمت جو پچھلے چھ ماہ کے دوران فروخت کی جائے	فینر مارکیٹ ویلیو (FMV) کی بنیاد پر
آخری شائع شدہ مالی بیان کی بنیاد پر فروخت کیے جانے والے حصص کی بریک اپ ویلیو	710.66 روپے
جس قیمت پر حصص فروخت کیے جائیں گے	فینر مارکیٹ ویلیو (FMV) کی بنیاد پر
شرائط و ضوابط	قابل اطلاق نہیں
مجوزہ سرماہ کاری سے کمپنی اور حصص یافتگان کو حاصل ہونے والے فوائد	کیپیٹل گینز
دستاویزات کے معائنے کے لیے وقت اور جگہ	اس طرح کے انکشاف سے متعلقہ دستاویزات کمپنی کے پرنسپل آفس میں کاروباری اوقات کے دوران کمپنی کو تحریری درخواست پر معائنہ سے پہلے اور کمپنی کی طرف سے تاریخ اور وقت کے رابطے کے بعد معائنہ کی جاسکتی ہیں۔

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
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