

FIRST NATIONAL EQUITIES LIMITED

第一全国证券有限公司

2024

QUARTERLY REPORT

季度报告



(Un-audited) For the Period Ended
March 31, 2024.

(未经审计) 期末 2024 年 3 月 31 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 Khan	Director/Chairman
2. Mr. Ali A. Malik	Director
3. Mr. Amir Shehzad	Director
4. Mr. Abid Yousaf	Director
5. Mr. Muhammad Bilal	Director
6. Ms. Ayesha Anam	Director
7. Mr. Zeeshan Tahir	Director

Chief Executive Officer:

Mr. Ali A. Malik

Audit Committee:

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

HR & Remuneration Committee:

Mr. Zeeshan Tahir	Chairman
Mr. Ali A. Malik	Member
Ms. Ayesha Anam	Member
Mr. Arslan Tahir	Secretary

Company Secretary:

Mr. Arslan Tahir

Acting Chief Financial Officer:

Mr. Arslan Tahir

Auditors:

Tariq Abdul Ghani Maqbool & Co.
Chartered Accountants Lahore.

Legal Advisor:

Chaudry Law Company

Shares Registrar:

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

Bankers:

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

Registered Office:

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



DIRECTORS' REPORT

Directors of First National Equities Limited (“the Company”) are pleased to present the report of the company for the period ended March 31, 2024.

A. GENERAL MARKET REVIEW AND FUTURE PROSPECTS:

Pakistan's economic and financial position continues to improve with each passing month of the current fiscal year, attributed to prudent policy management and the resumption of inflows from multilateral and bilateral partners. Pakistan has reached a Staff-Level Agreement in its final review successfully concluding the IMF's Stand-By Arrangement (SBA) program and securing a disbursement of \$1.1 billion. The ongoing efforts in policy and reform are easing out pressures on the gross financing needs, which has been intensified by increased external and domestic financing demands and an uncertain external environment. These positive developments have led to a sustained economic recovery and an uplift in the country's overall economic confidence.

Headline inflation is on a downward trajectory; it dropped to 23.1 percent from 31.5 percent. Major drivers of inflation include Alcoholic Beverages & Tobacco, Housing, Water, Electricity, gas & Fuel, Furnishing & Household equipment maintenance, Clothing & Footwear, Perishable food items, Non-perishable food items and Transport. To reduce the inflationary impact, the Federal government has provided the Ramadan Relief Package of Rs 12.5 billion, targeting low-income groups with food subsidies through various measures. On the fiscal front, the primary surplus increased to Rs 1939 billion during Jul-Jan FY2024 from Rs 945 billion last year. The fiscal deficit during Jul-Jan FY2024, however increased to 2.6 percent of GDP as compared to 2.3 percent recorded last year. The government is putting all its efforts to ensure prudent fiscal management through cautious expenditure and effective resource mobilization.

The performance of Pakistan Stock Exchange (PSX) remained positive in this quarter owing to political and economic stability in the aftermath of General Elections. The benchmark of PSX, KSE-100 gained 2,599 points in February, 2024. Similarly, market capitalization of PSX increased by around Rs 151 billion. The performance of major world stock market indices also showing encouraging situation. During the period under-review, S&P 500 of US increased by 6.8 percent followed by CAC 40 of France (5.1 percent), KSE-100 index (3.4 percent), SSE composite of China (1.4 percent) and Sensex 30 of India (0.4 percent).

B. SEGMENT ANALYSIS:

External Risks Easing; Still High: The 'CCC' rating reflects high external funding risks amid high medium-term financing requirements, despite some stabilization and Pakistan's strong performance on its current Stand-by Arrangement (SBA) with the IMF. Standard & Poor's credit rating for Pakistan stands at CCC+ with stable outlook. Moody's credit rating for Pakistan was last set at Caa3 with stable outlook.



C. OPERATING FINANCIAL RESULTS:

Particulars	Nine months period ended		Three months period ended	
	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Operating revenue	25,909,385	16,789,853	6,137,308	3,776,580
Operating (loss)/profit	16,148,491	(3,179,638)	1,017,806	(2,231,714)
Profit/(loss) after tax	(37,683,832)	(47,909,016)	(13,039,262)	(8,251,260)
Basic earnings/(loss) per share	(0.14)	(0.18)	(0.05)	(0.03)

D. APPRECIATION AND ACKNOWLEDGEMENT:

The board of First National Equities Limited feels honored on the continued support and appreciation of SECP, PSX, NCCPL, CDC and other regulatory bodies. And of all shareholders and customers of the company for their trust, and our employees for their continuous dedication and commitment.

For and on behalf of Board of Directors

Chief Executive Officer

Director

April 29, 2024
Lahore.



ڈائریکٹرز کی رپورٹ

فرسٹ نیشنل ایکویٹیز لمیٹڈ ("کمپنی") کے ڈائریکٹرز 31 مارچ، 2024 کو ختم ہونے والی مدت کے لئے کمپنی کی رپورٹ پیش کرتے ہوئے خوش ہیں۔

ا. عام مارکیٹ کا جائزہ اور مستقبل کے امکانات:

روان مالی سال کے ہر گزرتے مہینے کے ساتھ پاکستان کی معاشی اور مالی صورتحال میں مسلسل بہتری آرہی ہے جس کی وجہ دانشمندانہ پالیسی مینجمنٹ اور کثیر الجہتی اور دوطرفہ شراکت داروں کی جانب سے سرمایہ کاری کی بحالی ہے۔ پاکستان نے اپنے حتمی جائزے میں آئی ایم ایف کے اسٹینڈ بائی انتظامات (ایس بی اے) پروگرام کو کامیابی کے ساتھ مکمل کرنے اور 1.1 بلین ڈالر کی تقسیم حاصل کرنے کے لئے اسٹاف لیول معاہدے پر پہنچ گیا ہے۔ پالیسی اور اصلاحات میں جاری کوششیں مجموعی مالیاتی ضروریات پر دباؤ کو کم کر رہی ہیں، جو بیرونی اور گھریلو مالیاتی ضروریات میں اضافے اور غیر یقینی بیرونی ماحول کی وجہ سے تیز ہو گئی ہیں۔ ان مثبت پیش رفتوں سے معیشت کی پائیدار بحالی ہوئی ہے اور ملک کے مجموعی معاشی اعتماد میں اضافہ ہوا ہے۔

ہیڈ لائن افراط زر نیچے کی طرف بڑھ رہا ہے۔ یہ 31.5 فیصد سے گھٹ کر 23.1 فیصد رہ گیا۔ افراط زر کی بڑی وجوہات میں الکحل مشروبات اور تمباکو، ہاؤسنگ، پانی، بجلی، گیس اور ایندھن، فرنیچر اور گھریلو سامان کی دیکھ بھال، کپڑے اور جوئے، خراب ہونے والی کھانے پینے کی اشیاء، خراب نہ ہونے والی غذائی اشیاء اور نقل و حمل شامل ہیں۔ افراط زر کے اثرات کو کم کرنے کے لیے وفاقی حکومت نے 12.5 ارب روپے کا رمضان ریلیف پیکیج فراہم کیا ہے جس میں مختلف اقدامات کے ذریعے غذائی سبسڈی کے ساتھ کم آمدنی والے گروہوں کو ہدف بنایا گیا ہے۔ مالی محاذ پر جولائی تا جنوری مالی سال 2024ء کے دوران پرائمری سرپلس بڑھ کر 1939 ارب روپے تک پہنچ گیا جو گزشتہ سال 945 ارب روپے تھا۔ تاہم جولائی تا جنوری مالی سال 2024ء کے دوران مالیاتی خسارہ بڑھ کر جی ڈی پی کا 2.6 فیصد ہو گیا جو گزشتہ سال 2.3 فیصد ریکارڈ کیا گیا تھا۔ حکومت محتاط اخراجات اور موثر وسائل کو متحرک کرنے کے ذریعے دانشمندانہ مالی انتظام کو یقینی بنانے کے لئے اپنی تمام تر کوششیں کر رہی ہے۔

عام انتخابات کے بعد سیاسی اور معاشی استحکام کی وجہ سے پاکستان اسٹاک ایکسچینج (پی ایس ایکس) کی کارکردگی روان سہ ماہی میں مثبت رہی۔ فروری 2024ء میں پی ایس ایکس کے بینچ مارک کے ایس ای 100 میں 2,599 پوائنٹس کا اضافہ ہوا۔ اسی طرح پی ایس ایکس کے مارکیٹ کیپٹلائزیشن میں تقریباً 151 ارب روپے کا اضافہ ہوا۔ عالمی سٹاک مارکیٹ کے اہم اشاریوں کی کارکردگی بھی حوصلہ افزا صورتحال ظاہر کر رہی ہے۔ اس عرصے کے دوران امریکہ کے ایس اینڈ پی 500 میں 6.8 فیصد اضافہ ہوا، اس کے بعد فرانس کا سی ای 40 (5.1 فیصد)، کے ایس ای 100 انڈیکس (3.4 فیصد)، چین کا ایس ای ای کمپوزٹ (1.4 فیصد) اور بھارت کا سنسیکس 30 (0.4 فیصد) رہا۔

ب. سیگمنٹ تجزیہ:

بیرونی خطرات میں کمی۔ 'سی سی سی' کی درجہ بندی کچھ استحکام اور آئی ایم ایف کے ساتھ اپنے موجودہ اسٹینڈ بائی انتظامات (ایس بی اے) پر پاکستان کی مضبوط کارکردگی کے باوجود درمیانی مدت کی فنانشنگ کی اعلیٰ ضروریات کے درمیان اعلیٰ بیرونی فنڈنگ کے خطرات کی عکاسی کرتی ہے۔ پاکستان کے لیے اسٹینڈرڈ اینڈ پورز کی کریڈٹ ریٹنگ مستحکم نقطہ نظر کے ساتھ سی پلس پر ہے۔ موڈیز کی جانب سے پاکستان کے لیے کریڈٹ ریٹنگ آخری بار مستحکم نقطہ نظر کے ساتھ سی اے اے 3 پر مقرر کی گئی تھی۔



ت. آپریٹنگ مالی نتائج:

تفصیلات	نو ماہ کی مدت ختم		تین ماہ کی مدت ختم	
	مارچ 31, 2024	مارچ 31, 2023	مارچ 31, 2024	مارچ 31, 2023
آپریٹنگ آمدنی	25,909,385	16,789,853	6,137,308	3,776,580
آپریٹنگ (نقصان)/منافع	16,148,491	(3,179,638)	1,017,806	(2,231,714)
نفع / (نقصان) بعد از ٹیکس	(37,683,832)	(47,909,016)	(13,039,262)	(8,251,260)
بنیادی آمدنی / (نقصان) فی حصص	(0.14)	(0.18)	(0.05)	(0.03)

ث. تعریف اور اعتراف:

فرسٹ نیشنل ایکویٹیز لمیٹڈ کا بورڈ ایس ای سی پی، پی ایس ایکس، این سی سی پی ایل، سی ڈی سی اور دیگر ریگولیٹری اداروں کی مسلسل حمایت اور تعریف پر فخر محسوس کرتا ہے۔ اور کمپنی کے تمام شیئر ہولڈرز اور گاہکوں کو ان کے اعتماد کے لئے، اور ہمارے ملازمین کو ان کی مسلسل لگن اور عزم کے لئے۔

بورڈ آف ڈائریکٹرز کے لئے اور ان کی طرف سے

ڈائریکٹر

چیف ایگزیکٹو آفیسر

اپریل 29, 2024

لاہور .



董事报告

First National Equities Limited（「本公司」）的董事欣然呈报公司截至2024年3月31日止的财报。

一. 一般市场回顾和未来展望：

巴基斯坦的经济和财政状况在本财政年度每个月都在继续改善，这归因于审慎的政策管理以及多边和双边伙伴恢复资金流入。巴基斯坦在最终审查中达成了一项工作人员层面的协议，成功完成了国际货币基金组织的备用安排（SBA）计划，并获得了11亿美元的付款。正在进行的政策和改革努力正在缓解对总融资需求的压力，而外部和国内融资需求的增加以及不确定的外部环境加剧了这种压力。这些积极的事态发展导致了经济的持续复苏和该国整体经济信心的提升。

整体通胀处于下降轨道;它从31.5%下降到23.1%。通货膨胀的主要驱动因素包括酒精饮料和烟草，住房，水，电，天然气和燃料，家具和家用设备维护，服装和鞋类，易腐食品，不易腐烂的食品和运输。为了减少通货膨胀的影响，联邦政府提供了125亿卢比的斋月救济计划，通过各种措施向低收入群体提供食品补贴。在财政方面，2024财年7月至1月期间，主要盈余从去年的9450亿卢比增加到19390亿卢比。然而，2024财年7月至1月的财政赤字从去年的2.3%增加到GDP的2.6%。政府正在尽一切努力通过谨慎的支出和有效的资源调动来确保审慎的财务管理。

由于大选后的政治和经济稳定，巴基斯坦证券交易所（PSX）在本季度的表现仍然积极。PSX 的基准 KSE-100 在 2024 年 2 月上涨了 2,599 点。同样，PSX的市值增加了约1510亿卢比。世界主要股市指数的表现也呈现出令人鼓舞的局面。在报告期内，美国标准普尔500指数上涨6.8%，其次是法国CAC40指数（5.1%）、KSE-100指数（3.4%）、中国上证综指（1.4%）和印度Sensex 30指数（0.4%）。

二. 细分市场分析：

外部风险缓解;仍然很高：“CCC”评级反映出在中期融资需求高企的情况下，外部融资风险很高，尽管巴基斯坦在与国际货币基金组织的当前备用安排（SBA）方面表现强劲，但外部融资风险很高。标准普尔对巴基斯坦的信用评级为CCC+，前景稳定。穆迪对巴基斯坦的信用评级上次定为Caa3，展望稳定。



三. 经营财务业绩：

详情	九个月期间结束		三个月期限结束	
	3月 31, 2024	3月 31, 2023	3月 31, 2024	3月 31, 2023
营业收入	25,909,385	16,789,853	6,137,308	3,776,580
营业（亏损）/利润	16,148,491	(3,179,638)	1,017,806	(2,231,714)
税后利润/（亏损）	(37,683,832)	(47,909,016)	(13,039,262)	(8,251,260)
每股基本收益/（亏损）	(0.14)	(0.18)	(0.05)	(0.03)

四. 赞赏和认可：

First National Equities Limited董事会对SECP、PSX、NCCPL、CDC和其他监管机构的持续支持和赞赏感到荣幸。感谢公司所有股东和客户的信任，感谢我们员工的持续奉献和承诺。

代表董事会

首席执行官

导演

29 四月 2024

拉合尔.

FIRST NATIONAL EQUITIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2024



	Note	(Unaudited) March 31, 2024	(Audited) June 30, 2023
----- Rupees -----			
ASSETS			
Non-current assets			
Property, plant and equipment	7	35,712,575	36,325,367
Intangible assets	8	51,000,771	51,000,771
Long-term other receivable		53,752,307	49,313,148
Investment in associate	9	74,742,568	74,742,567
Long-term investment	10	-	53,880,345
Strategic investment	11	1,069,221,476	1,069,221,476
Long-term deposits		1,602,400	1,602,400
		1,286,032,097	1,336,086,074
Current assets			
Short term investments	12	25,635,359	21,911,459
Trade receivables - net	13	130,141,434	97,729,617
Loans and advances		14,629,757	1,892,727
Trade deposits and short-term prepayments	14	12,604,119	2,060,380
Other receivables		81,909,482	82,134,184
Tax refunds due from government		25,973,476	25,648,903
Cash and cash equivalents	15	285,322,078	279,093,294
		576,215,705	510,470,564
		1,862,247,802	1,846,556,638
Total assets			
Non-current liabilities			
Long term financing	16	196,253,613	191,235,837
Loan from sponsor	17	155,175,000	155,175,000
Deferred tax liabilities	18	22,268,561	26,579,790
		373,697,174	372,990,627
Current liabilities			
Trade and other payables	19	298,242,344	248,498,607
Current portion of long term financing	16	33,850,000	33,850,000
Unclaimed dividend		1,399,396	1,399,397
Payable to provident fund		320,099	-
		333,811,839	283,748,004
Contingencies and commitments			
	20	-	-
		707,509,013	656,738,631
		1,154,738,789	1,189,818,007
Net assets			
REPRESENTED BY:			
Share capital and reserves			
Authorized share capital			
500,000,000 Ordinary shares of Rs. 10 each.			
Issued, subscribed and paid up share capital	21	2,672,863,310	2,672,863,310
Discount on right shares		(1,508,754,317)	(1,508,754,317)
Retained earnings		(7,485,676)	27,047,597
		1,156,623,317	1,191,156,590
Unrealized loss on re-measurement of investments classified at fair value through OCI		(1,884,528)	(1,338,583)
		1,154,738,789	1,189,818,007

The annexed notes from 1 to 27 form an integral part of these financial statements.

Chief Executive

Chief Financial Officer

Director

FIRST NATIONAL EQUITIES LIMITED
STATEMENT OF PROFIT OR LOSS
FOR THE NINE MONTHS ENDED MARCH 31, 2024



	Note	Nine months period ended		Three months period ended	
		(Unaudited) March 31, 2024	(Unaudited) March 31, 2023	(Unaudited) March 31, 2024	(Unaudited) March 31, 2023
----- Rupees -----					
Operating revenue	22	25,909,385	16,789,853	6,137,308	3,776,580
Realized loss on sale of investments		(7,421,775)	(17,298,684)	(3,268,878)	(8,982,038)
Unrealized loss on re-measurement of investments classified at fair value through profit or loss - net		(2,339,119)	(2,670,807)	(1,850,624)	2,973,744
Operating profit / (loss)		16,148,491	(3,179,638)	1,017,806	(2,231,714)
Administrative expenses		(51,630,479)	(49,449,513)	(18,326,558)	(12,184,042)
Other operating expenses		(10,435,755)	(15,337,380)	(391,433)	(5,020,729)
Other operating income / (loss)		15,968,035	(2,020,778)	4,772,721	(443,647)
Finance cost		(11,520,714)	13,401,631	644,278	(2,855,649)
		(57,618,913)	(53,406,040)	(13,300,992)	(20,504,067)
Loss before tax		(41,470,422)	(56,585,678)	(12,283,186)	(22,735,781)
Taxation	23	3,787,590	8,676,662	(756,076)	14,484,521
Loss after tax		(37,682,832)	(47,909,016)	(13,039,262)	(8,251,260)
Earnings per share - basic		(0.14)	(0.18)	(0.05)	(0.03)

The annexed notes from 1 to 27 form an integral part of these financial statements.

Chief Executive

Chief Financial Officer

Director

FIRST NATIONAL EQUITIES LIMITED
STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE MONTHS ENDED MARCH 31, 2024



	Nine months period ended		Three months period ended	
	(Unaudited) March 31, 2024	(Unaudited) March 31, 2023	(Unaudited) March 31, 2024	(Unaudited) March 31, 2023
	----- Rupees -----			
Loss after tax	(37,682,832)	(47,909,016)	(13,039,262)	(8,251,260)
Other comprehensive income				
<i>Items that will not be subsequently reclassified to profit or loss</i>				
Unrealized (loss)/gain during the period in the market value of investments classified as fair value through OCI	(545,945)	(2,875,496)	(4,934,174)	239,283
	(545,945)	(2,875,496)	(4,934,174)	239,283
<i>Items that will not be subsequently reclassified to profit or loss</i>	-	-	-	-
	(545,945)	(2,875,496)	(4,934,174)	239,283
Total comprehensive loss for the period	(38,228,777)	(50,784,512)	(17,973,436)	(8,011,977)

The annexed notes from 1 to 27 form an integral part of these financial statements.

Chief Executive

Chief Financial Officer

Director

FIRST NATIONAL EQUITIES LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED MARCH 31, 2024



	Issued, subscribed and paid up share capital	Discount on right shares	Retained earnings	Unrealized loss on re-measurement of investments classified at fair value through OCI	Total share capital and reserves
	----- Rupees -----				
Balance as at July 01, 2022	2,672,863,310	(1,508,754,317)	114,541,926	(3,048,860)	1,275,602,059
Loss for the period	-	-	(47,909,016)	-	(47,909,016)
Other comprehensive loss for the period	-	-	-	(2,875,496)	(2,875,496)
Balance as at March 31, 2023 (Unaudited)	2,672,863,310	(1,508,754,317)	66,632,910	(5,924,356)	1,224,817,547
Balance as at July 01, 2023	2,672,863,310	(1,508,754,317)	27,047,597	(1,338,583)	1,189,818,007
Loss for the period	-	-	(37,682,832)	-	(37,682,832)
Other comprehensive loss for the period	-	-	-	(545,945)	(545,945)
Transferred from unrealized surplus / (deficit) on re-measurement of investments measured at FVOCI	-	-	3,149,559	(3,149,559)	-
Balance as at March 31, 2024 (Unaudited)	2,672,863,310	(1,508,754,317)	(7,485,676)	(5,034,087)	1,151,589,230

The annexed notes from 1 to 27 form an integral part of these financial statements.

Chief Executive

Chief Financial Officer

Director

FIRST NATIONAL EQUITIES LIMITED
STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED MARCH 31, 2024



	(Unaudited) March 31, 2024	(Unaudited) March 31, 2023
----- Rupees -----		
Cash flows from operating activities		
Loss before tax	(41,470,422)	(56,585,678)
Adjustments for:		
Depreciation	612,792	462,066
Realized loss on sale of investments	7,421,775	17,298,684
Unrealized loss on re-measurement of investments classified at fair value through profit or loss - net	2,339,119	2,670,807
Finance cost	11,520,714	15,337,380
Other operating income	(4,701,013)	(13,401,631)
	17,193,387	22,367,306
Operating loss before working capital changes	(24,277,035)	(34,218,372)
Effect of working capital changes		
(Increase) / decrease in current assets		
Trade debts	(32,411,817)	54,577,323
Loans and advances	(12,737,030)	985,666
Trade deposits and short-term prepayments	(10,543,739)	28,781,209
Long-term other receivable	5,686,036	-
Other receivables	224,702	7,541,070
	(49,781,848)	91,885,268
Increase / (decrease) in current liabilities		
Provident fund payable	320,099	1,300,074
Trade and other payables	49,743,737	18,195,984
	50,063,836	19,496,058
Cash (used in) / generated from operations	(23,995,047)	69,305,942
Interest paid	(2,938)	(721,468)
Income taxes paid	(848,212)	(677,988)
	(851,150)	(1,399,456)
Net cash (outflows) / inflows from operating activities	(24,846,197)	67,906,486
Cash flows from investing activities		
(Purchase)/sale of marketable securities	(10,881,107)	(8,275,291)
Proceeds from sale of long term investment	45,519,045	-
Dividend received	2,937,041	-
Additions of intangible assets	-	2,400,000
Net cash inflows / (outflows) from investing activities	37,574,979	(5,875,291)
Cash flows from financing activities		
Repayment of long-term loans	(6,500,000)	(676,000)
Net cash outflows from financing activities	(6,500,000)	(676,000)
Net increase in cash and cash equivalents	6,228,782	61,355,195
Cash and cash equivalents at the beginning of the period	279,093,294	223,177,151
Cash and cash equivalents at end of the period	285,322,076	284,532,346

The annexed notes from 1 to 27 form an integral part of these financial statements.

Chief Executive

Chief Financial Officer

Director



1 The company and its operations

First National Equities Limited ("the Company") is a public listed company incorporated in Pakistan under the Companies Ordinance, 1984 (repealed with the enactment of the Companies Act, 2017). Shares of the Company are quoted on the Pakistan Stock Exchange Limited ("PSX"). The registered office of the Company is situated at FNE House, 179-B, Abu Bakar Block, New Garden Town, Lahore.

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

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

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

2 Basis of preparation

2.1 Basis of measurement

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

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

2.2 Statement of compliance

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

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

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

These condensed interim financial statements does not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended June 30, 2023.

2.3 Functional and presentation currency

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

3 Significant accounting policies

The accounting policies adopted in the preparation of these condensed interim financial statements are the same as those applied in the preparation of annual published financial statements of the company for the year ended June 30, 2023

In addition, certain amendments to existing accounting and reporting standards as well as new interpretations became effective for periods beginning on or after July 1, 2023. However, such amendments or interpretations are either not relevant to or do not have a significant impact on these condensed interim financial statements.

4 Accounting estimates and judgements

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

Judgments and estimates made by management in the preparation of these condensed interim financial statements are the same as those applied to the preceding annual published financial statements of the Company for the year ended June 30, 2023.



5 Financial risk management

The financial risk management objectives and policies adopted by the Company are consistent with those disclosed in the financial statements of the Company for the year ended June 30, 2023.

6 Method of accounting

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

	Note	(Unaudited) March 31, 2024	(Audited) June 30, 2023
----- Rupees -----			
7 Property, plant and equipment			
Opening book value		36,325,367	37,264,260
Additions during the period		-	-
Disposals during the period		-	-
Depreciation charged during the period		(612,792)	(938,893)
Closing book value		<u>35,712,575</u>	<u>36,325,367</u>
8 Intangible assets			
Trading Right Entitlement Certificate (TREC) from Pakistan Stock Exchange Limited		2,500,000	2,500,000
License to use Room at Pakistan Stock Exchange Limited		47,185,771	47,185,771
Building tenancy rights		1,315,000	1,315,000
		<u>51,000,771</u>	<u>51,000,771</u>
9 Investment in associate			
Investment in Coastal Company Limited		74,742,568	76,639,124
Share of loss from associate		-	(1,896,557)
		<u>74,742,568</u>	<u>74,742,567</u>
10 Long-term investment			
<i>At fair value through OCI</i>			
<i>Unquoted:</i>			
ISE Towers REIT Management Company	10.1	-	53,880,345
		<u>-</u>	<u>53,880,345</u>
10.1			
Company received 3,034,603 shares of ISE Towers REIT Management Company Limited as settlement of outstanding markup from Switch Securities (Pvt.) Limited (a related party). The investment was initially recognised at cost determined on the basis of break-up value per share available in the audited financial statements of the ISE Towers REIT Management Company Limited as at June 30, 2021. Subsequently this investment was measured at fair value through other comprehensive income thus gain/(loss) being charged to OCI. The whole investment was disposed off during the current financial year against a consideration to the tune of Rs. 45.52 million.			
		(Unaudited) March 31, 2024	(Audited) June 30, 2023
----- Rupees -----			
11 Strategic investment			
Investment in KingBhai Digisol (Pvt.) Limited	11.1	1,069,221,476	1,069,221,476
		<u>1,069,221,476</u>	<u>1,069,221,476</u>
11.1			
As part of the Company's strategy to effectively deploy capital in order to deliver returns to investors in an otherwise depressed economic environment, the Company capitalized on an opportunity to invest in KingBhai Digisol (Pvt.) Limited ("KingBhai"), a technology-enabled business operating in the real estate and technology services sectors. Given the growth trajectory of these sectors and the Company's assessment of the service gap in the sectors, the Company's expects the investment to yield returns through investment value appreciation as well as dividends.			

FIRST NATIONAL EQUITIES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2024



	Note	(Unaudited) March 31, 2024	(Audited) June 30, 2023
----- Rupees -----			
12 Short term investments			
Investment in equity investments at fair value through other comprehensive income	12.1	13,704,528	11,100,841
Investment in equity investments at fair value through profit or loss	12.2	11,930,831	10,810,618
		25,635,359	21,911,459
12.1 Investment in equity investments at fair value through other comprehensive income			
Average cost		15,589,056	15,589,055
Unrealized loss on re-measurement of investments		(1,884,528)	(4,488,214)
Closing carrying value		13,704,528	11,100,841
12.2 Investment in equity investments at fair value through profit or loss			
Average cost		14,269,950	13,921,478
Unrealized loss on re-measurement of investments		(2,339,119)	(3,110,860)
Closing carrying value		11,930,831	10,810,618
12.3 Securities having market value of Rs. 17.2 million (June 30, 2023: Rs. 20.376 million) have been pledged with Pakistan Stock Exchange and National Clearing Company of Pakistan Limited to meet trading requirements.			
		(Unaudited)	(Audited)
		March 31, 2024	June 30, 2023
----- Rupees -----			
13 Trade receivables - net			
Considered good		130,141,434	97,729,617
Considered doubtful		232,719,068	232,719,068
		362,860,502	330,448,685
Provision for doubtful receivables		(232,719,068)	(232,719,068)
		130,141,434	97,729,617
13.1 The Company holds securities having total fair value of Rs. 3,175.56 million (June 30 2023: Rs. 2,222.174 million) owned by its clients as collateral against trade debts.			
13.2 This includes Rs. 32.76 million (June 30 2023: Rs. 5.065 million) due from related parties and maximum aggregate amount outstanding at any time during the period from related parties was Rs. 54.099 million (June 30 2023 : Rs. 18.663 million).			
		(Unaudited)	(Audited)
		March 31, 2024	June 30, 2023
----- Rupees -----			
14 Trade deposits and short-term prepayments			
Exposure deposits		12,604,119	2,060,380
		12,604,119	2,060,380
15 Cash and cash equivalents			
Cash in hand		-	
Balances with banks in:			
- Proprietary accounts		151,360,293	85,296,664
- Client accounts		133,961,785	193,796,630
		285,322,078	279,093,294
		285,322,078	279,093,294



Note	(Unaudited) March 31, 2024	(Audited) June 30, 2023
----- Rupees -----		
16 Long term financing		
Secured		
<i><u>From banking companies</u></i>		
Bank Alfalah Limited	74,252,156	73,972,459
The Bank of Punjab	140,901,357	136,163,277
	215,153,513	210,135,736
Unsecured		
Other loans	14,950,100	14,950,101
	14,950,100	14,950,101
	230,103,613	225,085,837
Current borrowings	33,850,000	33,850,000
Non current borrowings	196,253,613	191,235,837
	230,103,613	225,085,837

- 16.1 The Company obtained financing from Bank Alfalah Limited ("BAF") for working capital requirements and in order to improve liquidity. The liability was restructured / rescheduled vide an agreement dated June 08, 2020. Under the terms of the restructuring, multiple loan tranches were merged. The restructured loan liability, which is interest-free, has been recognized at the present value of future payments, discounted at the KIBOR, and the related present value gains/(losses) were recognized in the statement of profit or loss. The related notional expense is being amortized over the term of the liability (from December 2020 to June 2027). During the year ended June 30, 2023, the Company made a repayment of Rs. 6 million (2023: Rs. 2 million). This facility is secured against pledged shares of different companies, hypothecation charge over present and future receivables of the company and personal guarantee of directors/mortgagors of the company.

Reconciliation of fair value of BAF facility

	(Unaudited) March 31, 2024	(Audited) June 30, 2023
----- Rupees -----		
Opening balance	73,972,459	78,969,938
Accrued notional interest	6,279,697	9,275,971
Payments made during the year	(6,000,000)	(2,000,000)
Present value adjustment	-	(12,273,450)
Closing balance	74,252,156	73,972,459

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

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

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

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



Note	(Unaudited) March 31, 2024	(Audited) June 30, 2023
	----- Rupees -----	
<u>Reconciliation of fair value of BOP facility</u>		
Opening balance	136,163,277	127,886,368
Payments made during the year	(7,004,000)	(2,028,000)
Liability written off	-	-
Accrued notional interest	11,742,080	10,304,909
Closing balance	140,901,357	136,163,277
	----- Rupees -----	
17 Loan from sponsor		
Loan from sponsor - subordinated	155,175,000	155,175,000
	155,175,000	155,175,000
17.1 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.		
	----- Rupees -----	
18 Deferred tax liabilities		
Movement of deferred tax		
Opening balance	26,579,790	31,602,727
(Charged) / credited		
- to profit or loss	(4,311,229)	(5,022,937)
	22,268,561	26,579,790
18.1 Deferred tax comprises temporary differences attributable to:		
Taxable temporary difference		
Tax depreciation	4,226,573	3,809,298
Strategic investment	158,063,906	139,468,153
Long-term investment at FVOCI	-	390,202
Investment in associate	5,138,426	4,533,905
	167,428,905	148,201,558
Deductible temporary difference		
Intangible assets	(3,364,019)	(1,631,250)
Short-term investments at FVTPL	(845,520)	(405,967)
Provision for doubtful debts	(34,419,150)	(30,369,839)
Long-term other receivable	(759,857)	(670,462)
Other receivables	(9,545,184)	(8,340,539)
Capital loss on sale of investments at FVTPL	(9,038,752)	(9,038,752)
Short term investments-OCI	(278,722)	-
	(58,251,204)	(50,456,809)
Effect of carried-forward tax losses/tax credits	(86,909,139)	(71,164,959)
	22,268,561	26,579,790

FIRST NATIONAL EQUITIES LIMITED
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED MARCH 31, 2024



	(Unaudited) March 31, 2024	(Audited) June 30, 2023
19 Trade and other payables		
Trade payables	143,352,916	143,352,836
Payable to clients - net of commission and taxes	136,959,583	82,911,193
Accrued liabilities	11,009,392	13,450,893
Other payables	6,920,453	8,783,685
	298,242,344	248,498,607

20 Contingencies and commitments

Contingencies

There are no significant changes in contingencies and commitments from those disclosed in the preceding annual financial statements of the company for the year ended June 30, 2023.

21 Issued, subscribed and paid up share capital

	(Unaudited) March 31, 2024	(Audited) June 30, 2023	(Unaudited) March 31, 2024	(Audited) June 30, 2023
	Number of shares		----- Rupees -----	
Ordinary shares of Rs. 10 each.				
- Fully paid in cash	50,000,000	50,000,000	500,000,000	500,000,000
- Allotted as bonus share	7,500,000	7,500,000	75,000,000	75,000,000
- Right shares allotted at discount	80,500,000	80,500,000	805,000,000	805,000,000
- Right shares allotted at discount	3,809,831	3,809,831	38,098,310	38,098,310
- Right shares allotted at discount	125,476,500	125,476,500	1,254,765,000	1,254,765,000
	267,286,331	267,286,331	2,672,863,310	2,672,863,310

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

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

	(Unaudited) March 31, 2024	(Audited) June 30, 2023	(Unaudited) March 31, 2024	(Audited) June 30, 2023
	Number of shares		Percentage	
First Florance Developers (Pvt.) Limited	82,972,650	82,972,650	31.04%	31.04%
Mr. Ali Aslam Malik	29,756,134	29,756,134	11.13%	11.13%
MCD Pakistan Limited	2,452,950	2,452,950	0.92%	0.92%
First Pakistan Securities Limited	8,711,308	8,711,308	3.26%	3.26%
Switch Securities (Pvt.) Limited	3,527,006	3,527,006	1.32%	1.32%
Directors	29,873,459	29,873,456	11.18%	11.18%
	157,293,507	157,293,504	58.85%	58.85%

	(Unaudited) March 31, 2024	(Unaudited) March 31, 2024
	----- Rupees -----	
22 Operating revenue		
Gross brokerage income	25,909,385	16,789,853
	25,909,385	16,789,853
Dividend income	2,937,041	1,972,492
	2,937,041	1,972,492
	25,909,385	16,789,853



(Unaudited) March 31, 2024	(Unaudited) March 31, 2024
----- Rupees -----	
523,639	(518,134)
(4,311,229)	9,194,796
(3,787,590)	8,676,662

23 Taxation

Current tax expense
 Deferred tax expense / (income)

24 Transactions with related parties

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

Significant transactions with related parties are as follows:

For the period ended March 31, 2024 (Un-Audited)				
Key Management	Associates	Other related parties	Total	
----- Rupees -----				
Transactions during the period				
Purchase of marketable securities for and on behalf of	11,300,490,898	22,278,392	13,988,640,622	25,311,409,912
Sale of marketable securities for and on behalf of	11,301,308,258	21,528,923	13,962,774,118	25,285,611,299
Brokerage income	-	54,244	-	54,244
Remuneration to key management personnel	8,100,000	-	-	8,100,000
Advance provided against purchases	-	-	2,150,000	2,150,000
Advance received back	-	-	2,800,000	2,800,000
Provident fund trust-contribution accrued to staff provident fund	-	-	277,344	277,344

For the year ended June 30, 2023 (Audited)				
Key Management	Associates	Other related parties	Total	
----- Rupees -----				
Transactions during the year				
Purchase of marketable securities for and on behalf of	2,734,819,822	529,477,946	11,464,125,739	14,728,423,507
Sale of marketable securities for and on behalf of	2,733,808,175	542,963,926	11,468,646,359	14,745,418,460
Brokerage income	-	-	-	-
Remuneration to key management personnel	9,141,177	-	-	9,141,177
Advance provided against purchases	-	-	58,225,000	58,225,000
Advance received back	-	-	58,225,000	58,225,000
Provident fund trust-contribution accrued to staff provident fund	-	-	1,097,736	1,097,736

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



25 Shareholders holding 5% or more

	(Unaudited) March 31, 2024		(Audited) June 30, 2023	
	Shares Held	Percentage	Shares Held	Percentage
Shareholders name				
First Florance Developers (Pvt.) Limited	82,972,650	31.04%	82,972,650	31.04%
Mr. Ali Aslam Malik	29,756,134	11.13%	29,756,134	11.13%

26 Date of authorization for issue

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

27 General

- Figures have been rounded off to the nearest rupee.

Chief Executive

Chief Financial Officer

Director



Branch Network

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