

FIRST NATIONAL EQUITIES LIMITED

第一国家股权有限

2022
QUARTERLY REPORT
半年报告



(Un-audited) For the Period Ended
March 31, 2022.

(未经审计) 截至截止 20 22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. Lt.Col. (Retd.) Muhammad Bilal	Director
3. Mr. Amir Shehzad	Director
4. Mr. Abid Yousaf	Director
5. Mrs. Syeda Faaiza Akmal Tirimzi	Director
6. Mr. Fusao Yamada	Director
7. Ms. Ayesha Anam	Director

Chief Executive Officer:

Mr. Ali A. Malik

Audit Committee:

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

HR & Remuneration Committee:

1. Mr. Fusao Yamada	Chairman
2. Mr. Adnan Amjad Khan	Member
3. Mr. Ali A. Malik	Member
4. Mr. Arslan Tahir	Secretary

Chief Financial Officer:

Ms. Ammara Zakriya

Company Secretary:

Mr. Arslan Tahir

Auditors:

Tariq Abdul Ghani Maqbool & Co.
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
Allied Bank Limited
Bank Al-Habib

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

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, 2022.

A. GENERAL MARKET REVIEW AND FUTURE PROSPECTS:

Pakistan's economic performance continues a trajectory compatible with an economic growth target of around 5 percent in the current fiscal year. The recent geopolitical tensions, in particular the Ukraine crisis, present the most important external risk factor. Likewise, domestic political conditions are building domestic risks. A further escalation of these risks could jeopardize the positive outlook for Pakistan's economy and may also aggravate the macroeconomic imbalances.

The war between Russia-Ukraine is "a catastrophe" for the world which will cut global economic growth, as forecasted by World Bank. The war comes at a bad time for the world because inflation was already rising. High-frequency economic indicators offer evidence that the growth momentum has slowed during the initial months of 2022 in line with expectations of a weak start to the year, owing to the spread of the highly contagious Omicron variant and persistent supply chain disruptions. In this respect, it is projected that activity will pick up in the second quarter of the year as the variant's impact fades.

Worldwide stocks showed decline in recent weeks due to the geopolitical tensions and war between Russia and Ukraine. Though Pakistan market observed that Foreign Private Portfolio Investment has registered a net outflow of \$ 314.6 million during Jul-Feb FY2022. While considering the Pakistan economy, it was outlined that Foreign Public Portfolio Investment recorded a net inflow of \$ 904.9 million. In January 2022, an inflow of \$ 1.0 billion was recorded on account of the proceeds of the Pakistan International Sukuk bond. The total foreign portfolio investment recorded an inflow of \$ 590.3 million during Jul-Feb FY2022 as against an outflow of 385.8 million last year. The total foreign investment registered an inflow of \$ 1847.7 million during the period under review.

The fiscal deficit in Jul-JanFY2022 was recorded at 2.9 percent of GDP (Rs 1862 billion). The primary balance posted a deficit of Rs 174 billion. During 1st July – 25th February, FY2022 money supply (M2) shows a growth of 0.5 percent (Rs 123.7 billion) compared to growth of 4.59 percent (Rs 960.1 billion) in last year. During Jul-Feb FY2022, the current account deficit was recorded at \$ 12.1 billion. Pakistan's total liquid foreign exchange reserves stood at \$18.5 billion on March 24, 2022, with the SBP's reserves recorded at \$12.1 billion, while commercial banks' reserves remained at \$6.4 billion.

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

B. SEGMENT ANALYSIS:

Fitch Affirms Pakistan at 'B, Outlook Stable while Moody's has assigned B3 (Stable). Forecasted GDP growth is 4.5% in FY22, slowing modestly from 5.6% in FY21. Economic momentum is supported by sound manufacturing performance and a continued recovery in consumption, as Covid-19 pandemic-related challenges recede. The slight deceleration in the growth rate reflects base effects and the impact of fiscal



and monetary policy tightening. High inflation poses a downside risk to the macro-outlook. We expect the economy to expand by 5% in FY23 and over the medium term.

C. OPERATING FINANCIAL RESULTS:

	Nine Months ended		Three months ended	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
Operating Revenue	52,279,818	65,444,463	8,284,859	29,969,953
Operating (loss)/profit	(7,286,588)	121,907,164	(31,687,595)	46,296,053
Profit/(loss) after tax	19,383,596	114,991,353	(50,770,784)	23,417,926
Basic earnings/(loss) per share	0.073	0.430	(0.190)	0.088

During the period Company has posted operating loss of Rs. 7.2 million as compared to operating profit of Rs. 121 in the same period last year. In comparison with the figures of the corresponding period last year, Company has generated loss in current period which is mainly contributed by low trading volumes and capital loss in trading due to local political uncertainty and high inflation due to international turmoil.

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 27, 2022
Lahore

ڈائریکٹر کی رپورٹ

فرسٹ نیشنل ایکویٹیز لمیٹڈ ("کمپنی") کے ڈائریکٹر 31 مارچ 2022 کو ختم ہونے والی مدت کے لئے کمپنی کی رپورٹ پیش کرتے ہوئے خوش ہیں۔

اے جنرل مارکیٹ کا جائزہ اور مستقبل کے امکانات

پاکستان کی اقتصادی کارکردگی رواں مالی سال میں اقتصادی ترقی کے ہدف تقریباً پانچ فیصد سے مطابقت رکھتی ہے۔ حالیہ جیو پولیٹیکل کشیدگی، خاص طور پر یوکرین بحران، سب سے اہم بیرونی خطرے کا عنصر پیش کرتی ہے۔ اسی طرح گھریلو سیاسی حالات بھی گھریلو خطرات پیدا کر رہے ہیں۔ ان خطرات میں مزید اضافہ پاکستان کی معیشت کے لئے مثبت نقطہ نظر کو خطرے میں ڈال سکتا ہے اور میکرو اکنامک عدم توازن کو بھی بڑھا سکتا ہے۔

روس یوکرین کے درمیان جنگ دنیا کے لئے "تباہی" ہے جس سے عالمی اقتصادی ترقی میں کمی آئے گی، جیسا کہ عالمی بینک نے پیش گوئی کی ہے۔ جنگ دنیا کے لئے ایک برے وقت پر آئی ہے کیونکہ افراط زر پہلے ہی بڑھ رہا تھا۔ ہائی فریکوئنسی اقتصادی اشاریے اس بات کا ثبوت پیش کرتے ہیں کہ 2022 کے ابتدائی مہینوں کے دوران سال کے کمزور آغاز کی توقعات کے مطابق ترقی کی رفتار سست ہو گئی ہے جس کی وجہ انتہائی متعدد اومائیکرون ویرینٹ کے پھیلاؤ اور مسلسل سپلائی چین میں خلل ہے۔ اس حوالے سے یہ پیش گوئی کی گئی ہے کہ سال کی دوسری سہ ماہی میں سرگرمی میں تیزی آئے گی کیونکہ ویرینٹ کا اثر ختم ہو جائے گا۔

روس اور یوکرین کے درمیان جیو پولیٹیکل کشیدگی اور جنگ کی وجہ سے حالیہ ہفتوں میں دنیا بھر کے اسٹاک میں کمی دیکھی گئی۔ اگرچہ پاکستان مارکیٹ نے مشاہدہ کیا کہ غیر ملکی نجی پورٹ فولیو سرمایہ کاری نے جولائی فروری 2022 کے دوران 314.6 ملین ڈالر کا خالص اخراج درج کیا ہے۔ پاکستان کی معیشت پر غور کرتے ہوئے یہ بتایا گیا کہ فارن بینک پورٹ فولیو انویسٹمنٹ میں 904.9 ملین ڈالر کی خالص آمد ریکارڈ کی گئی۔ جنوری 2022ء میں پاکستان انٹرنیشنل سکوک بانڈ کی آمدنی کی وجہ سے 1.0 ارب ڈالر کی آمد ریکارڈ کی گئی۔ غیر ملکی پورٹ فولیو کی مجموعی سرمایہ کاری میں جولائی فروری 2022 کے دوران 590.3 ملین ڈالر کی آمد ریکارڈ کی گئی جبکہ گزشتہ سال یہ 385.8 ملین ڈالر کا اخراج تھا۔ مجموعی غیر ملکی سرمایہ کاری کا جائزہ لینے کے دوران 1847.7 ملین ڈالر کی آمد درج کی گئی۔

جولائی جنوری مالی سال 2022 میں مالی خسارہ جی ڈی پی کا 2.9 فیصد (1862 ارب روپے) ریکارڈ کیا گیا۔ بنیادی توازن میں ۱۷۴ ارب روپے کا خسارہ ہوا۔ یکم جولائی تا 25 فروری مالی سال 2022ء کے دوران منی سپلائی (ایم 2) میں 0.5 فیصد (123.7 ارب روپے) کی نمو ظاہر کی گئی ہے جبکہ گزشتہ سال یہ شرح نمو 4.59 فیصد (960.1 ارب روپے) تھی۔ جولائی فروری 2022 کے دوران کرنٹ اکاؤنٹ خسارہ 12.1 ارب ڈالر ریکارڈ کیا گیا۔ پاکستان کے مجموعی مائع زرمبادلہ ذخائر 24 مارچ 2022ء کو 18.5 ارب ڈالر رہے، اسٹیٹ بینک کے ذخائر 12.1 ارب ڈالر ریکارڈ کیے گئے جبکہ کمرشل بینکوں کے ذخائر 6.4 ارب ڈالر رہے۔

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

بنی سیگمنٹ تجزیہ

فج نے بی، آؤٹ لک اسٹیبل میں پاکستان کی تصدیق کی جبکہ موڈرن نے بی 3 (مستحکم) تفویض کیا ہے۔ مالی سال 22 میں جی ڈی پی کی شرح نمو 4.5 فیصد رہی جو مالی سال 21 میں 5.6 فیصد سے معمولی سست ہے۔ کوویڈ-19 وبا سے متعلق چیلنجوں میں کمی کے ساتھ ہی معاشی رفتار کو مینوفیکچرنگ کی مضبوط کارکردگی اور کھپت میں مسلسل بحالی کی حمایت حاصل ہے۔ شرح نمو میں معمولی کمی بنیادی اثرات اور مالیاتی پالیسی کی سختی کے اثرات کی عکاسی کرتی ہے۔ زیادہ افراط زر میکرو آؤٹ لک کے لئے منفی خطرہ ہے۔ ہم توقع کرتے ہیں کہ مالی سال 23 میں اور درمیانی مدت کے دوران معیشت میں 5 فیصد توسیع ہوگی۔



چیف ایگزیکٹو آفیسر



ڈائریکٹر

ج: آپریٹنگ مالی نتائج

	نومہ ختم		تین ماہ ختم	
	مارچ 31 2022	مارچ 31 2021	مارچ 31 2022	مارچ 31 2021
آپریٹنگ ریونیو	52,279,818	65,444,463	8,284,859	29,969,953
آپریٹنگ (نقصان)/ منافع	(7,286,588)	121,907,164	(31,687,595)	46,296,053
ٹیکس کے بعد منافع/(نقصان)	19,383,596	114,991,353	(50,770,784)	23,417,926
بنیادی آمدنی/(نقصان) فی حصص	0.073	0.430	(0.190)	0.088

اس عرصے کے دوران کمپنی کو 7.2 ملین روپے کا آپریٹنگ نقصان ہوا ہے جبکہ گزشتہ سال اسی عرصے میں 121 روپے کا آپریٹنگ منافع ہوا تھا۔ گزشتہ سال کی اسی مدت کے اعداد و شمار کے مقابلے میں کمپنی نے موجودہ عرصے میں نقصان پیدا کیا ہے جس میں بنیادی طور پر مقامی سیاسی غیر یقینی صورتحال اور بین الاقوامی ہنگامہ آرائی کی وجہ سے زیادہ افراط زر کی وجہ سے کم تجارتی حجم اور تجارت میں سرمائے کے نقصان کی وجہ سے حصہ ہے۔

ڈی 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 اعزاز محسوس کرتا ہے۔ اور کمپنی کے تمام شیئر ہولڈرز اور صارفین میں سے ان کے اعتماد کے لئے، اور ہمارے ملازمین ان کی مسلسل لگن اور عزم کے لئے۔

بورڈ آف ڈائریکٹرز کے لئے اور ان کی طرف سے



چیف ایگزیکٹو آفیسر



ڈائریکٹر

董事报告

第一国民股票有限公司（「本公司」）的董事很高兴向本公司提交截至2022年3月31日止期间的报告。

A. 一般市场回顾及未来展望：

巴基斯坦的经济表现继续保持与本财政年度约5%的经济增长目标相一致的轨迹。最近的地缘政治紧张局势，特别是乌克兰危机，是最重要的外部风险因素。同样，国内政治条件正在制造国内风险。这些风险的进一步升级可能会危及巴基斯坦经济的积极前景，也可能加剧宏观经济失衡。

俄罗斯与乌克兰之间的战争对世界来说是一场“灾难”，正如世界银行所预测的那样，这将削减全球经济增长。战争来得正值世界不景气的时候，因为通货膨胀已经在上升。高频经济指标提供证据表明，由于高度传染性的Omicron变体的传播和持续的供应链中断，增长势头在2022年的最初几个月已经放缓，符合今年开局疲软的预期。在这方面，预计随着变体影响的消退，活动将在今年第二季度回升。

由于地缘政治紧张局势以及俄罗斯和乌克兰之间的战争，全球股市最近几周出现下跌。尽管巴基斯坦市场观察到，外国私人投资组合在2022财年7月至2月期间净流出3.146亿美元。在考虑巴基斯坦经济时，概述了外国公共投资组合的净流入量为9.049亿美元。2022年1月，由于巴基斯坦国际伊斯兰债券的收益，流入了10亿美元。2022财年7月至2月期间，外国证券投资总额录得5.903亿美元流入，而去年为3.858亿美元。在本报告所述期间，外国投资总额为18.477亿美元。

2022财年7月至1月的财政赤字占GDP的2.9%（18620亿卢比）。主要余额的赤字为1740亿卢比。在7月1日至2月25日期间，2022财年货币供应量（M2）增长0.5%（1237亿卢比），而去年增长4.59%（9601亿卢比）。在2022财年7月至2月期间，经常账户赤字为121亿美元。截至2022年3月24日，巴基斯坦的外汇储备总额为185亿美元，其中SBP的外汇储备为121亿美元，而商业银行的储备仍为64亿美元。

我们认为目前的市场水平是长期投资者的良好切入点。因此，我们建议投资者超越短期市场动荡，在市场上建立头寸，同时牢记其长期投资目标。

B. 细分市场分析：

惠誉确认巴基斯坦为“B”，前景稳定，而穆迪则分配B3（稳定）。预计2022财年GDP增长率为4.5%，略低于21财年的5.6%。随着Covid-19大流行相关挑战的消退，良好的制造业表现和消费的持续复苏支撑了经济势头。增长率的略微减速反映了基数效应以及财政和货币政策收紧的影响。高通胀给宏观前景带来下行风险。我们预计经济将在2023财年和中期增长5%。

**C. 经营财务业绩：**

	截至九个月		截至三个月	
	三月 31, 2022	三月 31, 2021	三月 31, 2022	三月 31, 2021
营业收入	52,279,818	65,444,463	8,284,859	29,969,953
经营（亏损）/利润	(7,286,588)	121,907,164	(31,687,595)	46,296,053
税后利润/（亏损）	19,383,596	114,991,353	(50,770,784)	23,417,926
每股基本收益/（亏损）	0.073	0.430	(0.190)	0.088

在此期间，公司公布的经营亏损为720万卢比，而去年同期的营业利润为121卢比。与去年同期相比，公司本期出现亏损，主要原因是当地政治不确定性导致交易量低迷，交易资金损失大，国际动荡导致高通胀。

D. 赞赏和感谢：

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。并感谢所有股东和客户对公司的信任，以及我们员工的持续奉献和承诺。

代表董事会

代表董事会



首席执行官董事

2022年4月27日

拉合尔



**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION****AS AT MARCH 31, 2022**

		(Un Audited) March 31, 2022	(Audited) Jun 30, 2021
------(Rupees)-----			
NON CURRENT ASSETS			
Property and equipment	7	37,173,708	37,345,982
Intangible assets	8	85,277,000	85,277,000
Other receivables		120,813,562	123,321,489
Investment in associate	9	77,120,000	76,434,575
Long term investment	11	50,890,292	-
Strategic investment	10	888,099,467	888,099,467
Long-term deposits		1,602,400	1,602,400
Deferred taxation		21,196,890	149,427,513
		1,282,173,319	1,222,578,426
CURRENT ASSETS			
Short-term investments	12	56,899,010	173,434,231
Trade debts	13	224,043,944	108,352,371
Loans and advances		9,175,265	587,066
Trade deposits and short-term prepayments	14	28,099,477	114,597,677
Other receivables		29,256,962	112,725,047
Advance tax		30,488,285	27,603,706
Cash and bank balances	15	196,782,130	230,777,747
		574,745,073	768,077,845
Total Assets		1,856,918,392	1,990,656,271
NON-CURRENT LIABILITIES			
Long-term financing	16	214,139,114	277,875,106
Loan from sponsors	17	155,175,000	155,175,000
Deferred liabilities		1,637,453	15,403,373
		370,951,567	448,453,479
CURRENT LIABILITIES			
Trade and other payables	18	272,649,150	337,963,358
Unclaimed dividend		1,399,397	1,399,397
Current portion of long-term financing		25,550,000	22,000,000
		299,598,547	361,362,755
Total Liabilities		670,550,114	809,816,234
Contingencies and commitments		-	-
Net Assets		1,186,368,278	1,180,840,037
REPRESENTED BY:			
Authorized share capital		5,000,000,000	5,000,000,000
Issued, subscribed and paid-up share capital		2,672,863,310	2,672,863,310
Discount on right shares		(1,508,754,317)	(1,508,754,317)
Accumulated loss		18,841,218	(542,378)
		1,182,950,211	1,163,566,615
Actuarial gain from remeasurement of staff retirement benefits - net of tax		263,921	263,921
Unrealized gain on re-measurement of investments classified as fair value through OCI		3,154,146	17,009,501
		1,186,368,278	1,180,840,037

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


Chief Executive Officer


Chief Financial Officer


Director



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2022

		Nine Months Period Ended		Three Months Period Ended	
		March	March	March	March
	Note	31, 2022	31, 2021	31, 2022	31, 2021
<hr/> <div>(Rupees)</div> <hr/>					
Operating revenue	21	52,279,818	65,444,463	8,284,859	29,969,953
Gain / (loss) on sale of investments		(52,627,338)	59,546,264	(40,016,784)	21,054,390
Unrealized gain / (loss) on re-measurement of investments classified at fair value through profit or loss - net		(6,939,068)	(3,083,563)	44,330	(4,728,290)
Operating (Loss)/Profit		(7,286,588)	121,907,164	(31,687,595)	46,296,053
Administrative expenses		(55,786,774)	(52,790,426)	(16,893,393)	(19,621,227)
Finance cost		(14,806,232)	(16,061,354)	(5,618,178)	(5,886,517)
Other operating expenses		(3,050,444)	(4,677,684)	(775,492)	(2,120,162)
Other operating income		89,703,216	58,120,079	3,373,222	3,175,090
Changes in fair value of investments at fair value through profit or loss		-	55,241,353	-	-
Share of loss of associate		685,425	(21,233)	-	-
Profit / (loss) before taxation		9,458,603	161,717,899	(51,601,436)	21,843,237
Taxation	23	9,924,993	(46,726,546)	830,652	1,574,689
Profit / (loss) after taxation		19,383,596	114,991,353	(50,770,784)	23,417,926
<hr/> <hr/>					
Basic earning / per share		0.073	0.430	(0.190)	0.088

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

Chief Executive Officer

Chief Financial Officer

Director



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED MARCH 31, 2022

Nine Months Period Ended		Three Months Period Ended	
March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
19,383,596	114,991,353	(50,770,784)	23,417,926
3,154,147	6,075,554	15,585,102	(3,336,137)
3,154,147	6,075,554	15,585,102	(3,336,137)
22,537,743	121,066,907	(35,185,682)	20,081,789

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

Chief Executive Officer

Chief Financial Officer

Director



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2022

	Issued, subscribed and paid-up capital	Share deposit money	Discount on issue of right shares	Accumulated loss	Unrealized surplus / (deficit) on re- measurement of investments measured at FVOCI	Total
	-----Rupees-----					
Balance as at July 01, 2020	2,672,863,310	-	(1,508,754,317)	(184,898,787)	105,178	978,297,467
Profit after taxation for the nine months ended March 31, 2021				114,991,353		114,991,353
Other comprehensive income for the period					(3,336,137)	(3,336,137)
Balance as at March 31, 2021 (Unaudited)	2,672,863,310	-	(1,508,754,317)	(69,907,434)	(3,230,959)	1,089,952,683
Profit after taxation for the three months ended June 30, 2021	-	-	-	69,365,055.00	-	69,365,055
Other comprehensive loss for the period	-	-	-	-	3,494,880.00	3,494,880
Balance as at June 30, 2021 (Audited)	2,672,863,310	-	(1,508,754,317)	(542,380)	263,922	1,162,812,619
Balance as at July 01, 2021	2,672,863,310	-	(1,508,754,317)	(542,380)	263,922	1,163,830,536
Profit after taxation for the nine months ended March 31, 2022	-	-	-	19,383,596	-	19,383,596
Other comprehensive income for the period	-	-	-	-	3,154,147	3,154,147
Balance as at March 31, 2022 (Unaudited)	2,672,863,310	-	(1,508,754,317)	18,841,217	3,418,070	1,186,368,278

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

Chief Executive Officer

Chief Financial Officer

Director



CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2022

	Nine Months ended	
	March 31, 2022	March 31, 2021
	----- (Rupees) -----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit / (loss) before taxation	9,458,603	161,717,899
Adjustments for non cash items:		
Depreciation	652,820	791,743
Gain / (loss) on disposal of investments	52,627,338	(59,546,264)
Unrealized gain / (loss) on re-measurement of investments classified at fair value through profit or loss - net	6,939,068	(3,083,563)
Finance cost	14,806,232	16,061,354
Changes in fair value of investments at fair value through profit or loss	-	(55,241,353)
Provision for expected credit losses	5,440,540	46,798,396
Share of loss of associate	(685,425)	21,233
Other operating income	(89,703,216)	(58,120,079)
	(9,922,643)	(112,318,533)
Changes in working capital	(464,040)	49,399,366
Decrease / (Increase) in current assets		
Trade debts	(108,144,967)	(49,195,699)
Loans and advances	(8,588,199)	846,976
Trade deposits and short-term prepayments	76,495,200	(62,687,295)
Other receivables	41,000,000	(89,467)
	762,034	(111,125,485)
(Decrease) / Increase in current liabilities		
Trade and other payables	(65,314,208)	63,312,481
	(65,016,214)	1,586,362
Finance cost paid	3,856,339	2,539,310
Income tax paid	(3,658,963)	(751,713)
	(64,818,838)	3,373,959
Net cash (utilized in) / generated from operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale / (purchase) of marketable securities	46,919,693	76,301,856
(Additions) / disposals of fixed assets	(480,548)	(261,000)
Long term deposits received / (paid)	-	(2,400)
Net cash generated from / (utilized in) investing activities	46,439,145	76,038,456
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of long-term loans	(1,850,002)	(2,193,820)
Dividend paid	-	(125,875)
Gratuity paid	(13,765,922)	-
Net cash utilized in financing activities	(15,615,924)	(2,319,695)
Net increase in cash and cash equivalents	(33,995,617)	77,092,720
Cash and cash equivalents at the beginning of the period	230,777,747	190,181,660
Cash and cash equivalents at the end of the period	196,782,130	267,274,380

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

Chief Executive Officer

Chief Financial Officer

Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD ENDED MARCH 31, 2022

1 THE COMPANY AND ITS OPERATIONS

First National Equities Limited ("the Company") is a limited liability company incorporated in Pakistan under the Companies Ordinance, 1984 (now the Companies Act, 2017). Shares of the 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.

2 STATEMENT OF COMPLIANCE

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

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, 2021.

4 ACCOUNTING ESTIMATES AND JUDGEMENTS

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

Judgments and estimates made by management in the preparation of these condensed interim financial statements are the same as those applied to the preceding annual published financial statements of the Company for the year ended June 30, 2021.

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, 2021.

6 METHOD OF ACCOUNTING

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

7 PROPERTY AND EQUIPMENT

	(Un-audited) March 31 2022	(Un-audited) March 31 2021
	----- (Rupees) -----	
Additions during the period	-	-
Disposals during the period	-	-

8 INTANGIBLE ASSETS

	(Un-audited) March 31 2022	(Audited) June 30 2021
	----- (Rupees) -----	
TRE Certificate	2,500,000	2,500,000
License to use rooms at Pakistan Stock Exchange	67,862,000	67,862,000
Building tenancy rights	14,915,000	14,915,000
	85,277,000	85,277,000

9 INVESTMENT IN ASSOCIATE

	(Un-audited) March 31 2022	(Audited) June 30 2021
	----- (Rupees) -----	
Investment in Coastal Company Limited	76,434,575	77,031,875
Share of profits from Associate	685,425	(597,300)
	77,120,000	76,434,575

10 STRATEGIC INVESTMENT

		(Un-audited) March 31 2022	(Audited) June 30 2021
	Note	----- (Rupees) -----	
Investment in KingBhai Digisole (Pvt.) Limited		888,099,467	888,099,467

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 expects the investment to yield returns through investment value appreciation as well as dividends.

The investment is measured at FVTPL, with changes in fair value recognized through profit or loss.

11 LONG TERM INVESTMENT

		(Un-audited) March 31 2022	(Audited) June 30 2021
		----- (Rupees) -----	
ISE Towers REIT Management Company		50,890,292	-

Company has received 3,034,603 number of shares of M/s. ISE Towers REIT Management Company as settlement of outstanding markup from related party Switch Securities (Pvt.) Limited. Value of these shares is determined on the basis of book value of ISE Towers REIT Management Company (as at June 30, 2021).

12 SHORT TERM INVESTMENTS

		(Un-audited) March 31 2022	(Audited) June 30 2021
	Note	----- (Rupees) -----	
At FVOCI	12.1	18,735,990	32,598,506
At FVTPL	12.2	38,163,020	140,835,725
		56,899,010	173,434,231

12.1 At FVOCI

- Average cost
- Unrealized gain on re-measurement of investments
- Closing carrying value

15,589,004	15,589,005
3,146,986	17,009,501
18,735,990	32,598,506

12.2 Financial assets at fair value through profit or loss

- Average cost
- Unrealized (loss) on re-measurement of investments
- Closing carrying value

45,102,088	130,959,628
(6,939,068)	9,876,097
38,163,020	140,835,725

12.3 Securities having market value of Rs. 54.902 million (June 30, 2021: Rs. 111.897 million) and Rs. NIL (June 30, 2021: NIL) have been pledged with Pakistan Stock Exchange and various commercial banks respectively.

13 TRADE DEBTS

		(Un-audited) March 31 2022	(Audited) June 30 2022
	Note	----- (Rupees) -----	
Considered good	13.1	224,043,944	108,352,371
Considered doubtful		208,383,591	213,824,131
		432,427,535	322,176,502
Less: Provision for doubtful debts		(208,383,591)	(213,824,131)
		224,043,944	108,352,371

13.1 The Company holds securities having total fair value of Rs 2,375.808 million (June 2021: Rs. 3267.567 million) owned by its clients as collateral against trade debts. The Company recognizes provision for expected credit losses under the expected loss model under IFRS 9.

13.2 Securities pertaining to clients amounting Rs 30.444 million (June 30, 2021: Rs. 158.309 million) and Rs. NIL (June 30, 2021: NIL) have been pledged / utilized by the Company for meeting the exposure deposit requirement of the Pakistan Stock Exchange Limited and for securing financing facilities from banks, respectively, with the consent from clients.

**14 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS**

	(Un-audited) March 31 2022	(Audited) June 30 2021
	----- (Rupees) -----	
Exposure deposits with Pakistan Stock Exchange Limited	23,675,995	112,163,207
Exposure deposits with National Clearing Company of Pakistan	4,352,899	2,434,470
Prepayments	70,583	70,583
	<u>28,099,477</u>	<u>114,668,260</u>

15 CASH AND BANK BALANCES

This includes customer assets amounting Rs. 114.202 million (June 30, 2021: Rs. 186.621 million).

16 LONG TERM FINANCING

	(Un-audited) March 31 2022	(Audited) June 30 2021
	----- (Rupees) -----	
From banking companies - secured		
Bank Alfalah Limited	16.1	97,829,751
The Bank of Punjab	16.2	126,909,262
Interest on long-term financing		
The Bank of Punjab	-	17,228,545
Other Loans / Financing	<u>14,950,101</u>	<u>24,953,101</u>
	<u>239,689,114</u>	<u>299,875,106</u>
Less: Current portion of long term financing	<u>(25,550,000)</u>	<u>(22,000,000)</u>
	<u>214,139,114</u>	<u>277,875,106</u>

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 (through to June 2027). During the period ended December 31, 2021, the Company made a repayment of Rs. 1 million (2021: Rs. 2 million).

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:

O/S Principle amounting to Rs. 97.504 million with a down payment of Rs. 0.850 million and future COF bearing mark-up quarterly at the rate advised by SBP from time to time. This facility will be repaid in 48 quarterly installments starting from 31/03/2022 till December 2033.

O/S Past M-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 KIBOR, and the related present value gains/(losses) were recognized in the statement of profit or loss.

17 LOAN FROM SPONSORS

	(Un-audited) March 31 2022	(Audited) June 30 2021
	----- (Rupees) -----	
Loan from sponsors - Subordinated	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>

17.1 This represent unsecured LOANS received from a Director of the Company.

**24 RELATED PARTY TRANSACTIONS**

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

For the Period ended March 31, 2022 (Un-audited)

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

(Rupees)

Transactions during the period

Purchase of marketable securities for and on behalf of	14,712,536,274	15,964,981,884	35,631,586,503	66,309,104,661
Sale of marketable securities for and on behalf of	14,737,294,347	15,951,872,456	35,611,394,742	66,300,561,545
Brokerage Income	1,110,249	2,868,130	9,761,588	13,739,967
Remuneration to key management personnel	17,410,833	-	-	17,410,833

For the Year ended June 30, 2021 (audited)

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

25 SHAREHOLDERS HOLDING 5% OR MORE

SHAREHOLDERS NAME	Un-audited March 31, 2022		Audited June 30, 2021		Change
	Shares Held	Percentage	Shares Held	Percentage	
First Florence Developers (Pvt.) Limited	82,972,650	31.04%	82,972,650	31.04%	-
Ali Aslam Malik	29,756,134	11.13%	29,756,134	11.13%	-

26 GENERAL

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

27 DATE OF AUTHORISATION

These condensed interim financial statements were authorized for issue on **April 27, 2022** by the Board of Directors of the Company.


Chief Executive Officer


Chief Financial Officer


Director



Branches Network

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

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







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