

FIRST NATIONAL EQUITIES LIMITED

第一国家股权有限

2020
QUARTERLY REPORT
季度报告



(Un-audited) For the Period Ended
September 30, 2020.

(未经审核) 截至期末 2020 年9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. Lt.Col. (Retd.) Muhammd Bilal	Director
3. Mr. Amir Shehzad	Director
4. Mr. Abid Yousaf	Director
5. Mrs. Syeda Faaiza Akmal Tirimzi	Director
6. Mr. Sami Ullah Butt	Director
7. Mr. Tahir Waheed	Director

Chief Executive Officer:

Mr. Ali A. Malik

Audit Committee:

1. Mr. Adnan Amjad Khan	Chairman
2. Mr. Sami Ullah Butt	Member
3. Lt.Col. (Retd.) Muhammd Bilal	Member

HR & Remuneration Committee:

1. Mr. Adnan Amjad Khan	Chairman
2. Mr. Sami Ullah Butt	Member
3. Mr. Ali A. Malik	Member

Chief Financial Officer:

Ms. Ammara Zakriya

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
United Bank Limited
Allied Bank Limited

Principal Office:

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

Registered Office:

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

DIRECTORS' REVIEW REPORT

On the behalf of the Board of Directors of First National Equities Limited, We are pleased to present the report on the performance of First National Equities Limited for the period ended on September 30, 2020.

Economy and Stock Exchange:

The country is facing a time of the political uncertainty, but the resolve of the government to fight against all odds & to take the country towards economic stability is very evident. Hopefully the low imports & rising exports along with the increasing inward remittance by the expats will result in stabilization of the exchange rate, resulting in the strengthening of the economy. The positive picture is encouraging the equity investors to further increase their investment's into PSX.

With the upcoming mega infrastructure projects announced by the government, will further increase the structural materials demand & will generate the employment resulting in the more spending thus moving the cycle of consumer economy bringing hope & prosperity in the country. All seems to move in the right direction.

Despite recent correction at PSX mainly driven by rising noise in the domestic politics, the stock market is up by 18% during the fiscal year to-date, and it has surged by 49% from its lows on March 25th. Going forward, we maintain our view that the stock market is well poised to deliver healthy returns over the medium to long-term. Our positive view on the market is supported by improving economic activity, attractive stock market valuations, accommodative monetary policy, and more importantly, controlled Corona virus situation in the country.

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.

Performance Review:

Following is the summary of comparative financial results,

	Three Months Ended	
	September 30, 2020	September 30, 2019
Operating Profit/(Loss)	45.254	(0.515)
Profit/(Loss) before Tax	30.474	(16.294)
Profit/(Loss) after Tax	20.091	(11.998)
Basic Profit/(Loss) per share	0.08	(0.04)



During the 1st quarter, Company shows a significant improvement in topline and shows an operating Profit of 45.254 million as compared to operating loss of 0.515 million, which resultantly converted into profit after tax of 20.091 million as compared to loss after tax of 11.998 million in the same period last year.

Appreciation and Acknowledgement:

The board of directors of FNE would like to thank the, SECP, PSX, NCCPL, CDC and other regulatory bodies for their continued support, all shareholders and customers of the company for their trust, and our employees for their continuous dedication and commitment.

Amir Shehzad
Executive Director

Place: Lahore
Date: October 28, 2020

On behalf of the Board of Directors

Ali A. Malik
Chief Executive Officer

尊敬的股东：

我们谨代表第一国民股权有限公司董事会提出第一国民股权有限公司截至2020年9月30日的业绩报告。

经济与证券交易所：

该国正处于政治不确定的时期，但是政府决心不惜一切代价并使该国实现经济稳定的决心非常明显。希望低进口和高出口，以及外籍人士汇入国内汇款的增加，将使汇率稳定，从而促进经济的增长。积极的前景鼓励股权投资者进一步增加对PSX的投资。

随着政府宣布的大型基础设施项目的到来，将进一步增加对结构材料的需求，并将创造就业机会，从而导致更多的支出，从而推动消费经济的周期为该国带来希望和繁荣。所有人似乎都朝着正确的方向前进。

尽管最近PSX的调整主要是受国内政治噪音上升的推动，但迄今为止，股市在本财年期间上涨了18%，较3月25日的低点上涨了49%。展望未来，我们认为股票市场已准备好在中长期内实现健康回报。我们对市场的乐观看法得到改善的经济活动，有吸引力的股票市场估值，宽松的货币政策以及更重要的是，该国可控的Corona病毒状况的支持。

我们认为当前市场水平是长期投资者的一个很好的切入点。因此，我们建议投资者在关注长期投资目标的同时，不要仅仅局限于短期市场动荡，而是要在市场中建立头寸。

性能评估：

以下是比较财务业绩摘要，

	三个月结束	
	2020年9月30日	九月30, 2019
营业利润/（亏损）	45.254	(0.515)
税前利润/（亏损）	30.474	(16.294)
税后利润/（亏损）	20.091	(11.998)
每股基本利润/（亏损）	0.08	(0.04)

在第一季度，公司的收入有了显著改善，营业利润为45.254万，营业亏损为51.5万，因此转换为税后利润为20.091百万，而税后亏损为1198.80百万。去年同期。

赞赏与肯定：

FNEL董事会要感谢SECP, PSX, NCCPL, CDC和其他监管机构的一如既往的支持，感谢公司的所有股东和客户的信任，以及我们员工的持续奉献和承诺。

代表董事会



Amir Shehzad
导向器

地点：拉合尔

日期：2020年10月28日



Ali A. Malik
首席执行官




پہلی سہ ماہی کے دوران کمپنی نے اعلیٰ سطح پر نمایاں بہتری دکھائی ہے۔ کمپنی نے گذشتہ برس میں 0.515 ملین روپے آپریٹنگ خسارہ کے مقابلہ میں 45.254 ملین روپے آپریٹنگ منافع درج کیا ہے۔ جس کے نتیجے میں گذشتہ برس کی اسی مدت میں 11.998 ملین روپے خسارہ بمعہ ٹیکس کے مقابلہ میں رواں سہ ماہی کے دوران 20.091 ملین روپے منافع بمعہ ٹیکس ظاہر ہوا۔

حوصلہ افزائی اور اعتراف

FNEL کے بورڈ آف ڈائریکٹرز نے CDC، NCCPL، PSX، SECP اور دیگر ریگولیٹری اداروں کی مسلسل حمایت اور تمام حصص داران اور صارفین کے کمپنی پر بھروسہ کا شکر یہ ادا کرتے ہیں اور تمام ملازمین کی جذبہ اور عزم کو سراہتے ہیں۔

بورڈ آف ڈائریکٹرز کی جانب سے


عامر شہزاد
ڈائریکٹر


علی اے ملک
چیف ایگزیکٹو آفیسر

مقام: لاہور
تاریخ: 28 اکتوبر 2020ء

ڈائریکٹرز کی جائزہ رپورٹ

معزز حصص داران

فرسٹ نیشنل ایکویٹیز لمیٹڈ کے بورڈ آف ڈائریکٹرز کی جانب سے ہم 30 جون 2020ء کو اختتام پذیر مدت کے لئے FNEL کی جائزہ رپورٹ ازراہ مسرت پیش کرتے ہیں۔

معیشت اور سٹاک اپیکھینج

ملک اس وقت سیاسی بے چینی کا شکار ہے لیکن تمام مشکلات پر قابو پانے اور معیشت کو استحکام کی جانب گامزن کرنے کے لئے حکومتی اقدامات مفید ثابت ہو رہے ہیں۔ امید ہے کہ درآمدات میں کمی اور بیرونی ممالک سے ترسیلات زر کے ساتھ ساتھ برآمدات میں اضافہ سے شرح مبادلہ کو مستحکم کرنے میں مدد ملے گی اور معیشت میں مزید استحکام آئے گا۔ مثبت منظر نامہ سے PSX میں مزید سرمایہ کاری کے لئے سرمایہ داران کے اعتماد میں اضافہ ہوا ہے۔

حکومت کی جانب سے بنیادی ڈھانچے کے بڑے منصوبوں کے اعلان کے ساتھ تعمیراتی میٹرل کی طلب میں مزید اضافہ ہوگا اور اخراجات میں اضافہ سے ملازمت کے نئے مواقع پیدا ہوں گے جس سے صارفین کی قوت خرید میں اضافہ متوقع ہے اور ملک خوشحالی کی جانب گامزن ہوگا۔ اس صورت حال سے واضح ہو رہا ہے کہ تمام اقدامات سے درست سمت میں پیش رفت ہو رہی ہے۔

قومی سیاست میں بڑھتے ہوئے بحران کی وجہ سے سٹاک اپیکھینج میں حالیہ اتار چڑھاؤ کے باوجود رواں مالیاتی سال کے دوران سٹاک مارکیٹ میں 18 فی صد اضافہ اور 25 مارچ کی کم ترین سطح سے 49 فی صد اضافہ ہوا ہے۔

مزید برآں ہمارا نظریہ یہ ہے کہ سٹاک مارکیٹ وسط سے طویل مدت تک بھاری منافع دینے کے لئے بالکل تیار ہے۔ مارکیٹ پر ہمارا مثبت تجزیہ معاشی سرگرمیوں میں بہتری، پرکشش سٹاک مارکیٹ ویلیویشن، موافق مانیٹری پالیسی اور ملک میں کورونا وائرس کی قابو صورت حال سے عیاں ہے۔

ہم امید رکھتے ہیں کہ طویل مدتی سرمایہ داروں کے لئے مارکیٹ کی حالیہ سطح بہتر اینٹری پوائنٹ ہے۔ لہذا، ہم سرمایہ داروں کی مشورہ دیتے ہیں کہ وہ مارکیٹ کی قلیل مدتی ابتر حالت کو بالائے طاق رکھتے ہوئے اور طویل مدتی سرمایہ داری مقاصد کو مد نظر رکھتے ہوئے منڈی میں اپنی پوزیشن مستحکم کریں۔

کارکردگی کا جائزہ

متقابل مالیاتی نتائج کا خلاصہ حسب ذیل ہے:

اختتام پذیر سہ ماہی		
30 ستمبر 2019ء	30 ستمبر 2020ء	
(0.515)	45.254	آپریٹنگ منافع / (نقصان)
(16.294)	30.474	نفع / (نقصان) علاوہ ٹیکسیشن
(11.998)	20.091	نفع / (نقصان) بمعہ ٹیکسیشن
(0.04)	0.08	بنیادی نفع / (نقصان) فی حصص



CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2020

	Note	(Un-audited) September 30, 2020	(Audited) June 30, 2020
------(Rupees)-----			
NON-CURRENT-ASSETS			
Property-and-equipment	7	37,138,208	37,344,926
Intangible assets	8	85,277,000	85,277,000
Other receivables		139,883,546	131,070,869
Investment in associate	9	77,031,875	77,031,875
Long term Strategic investment	10	709,605,147	709,605,147
Long-term deposits		1,602,400	1,600,000
Deferred taxation		107,913,673	116,588,520
		1,158,451,849	1,158,518,337
CURRENT ASSETS			
Short-term investments	11	77,532,094	56,224,122
Trade debts	12	165,094,613	129,360,737
Loans and advances		16,068,947	2,077,671
Trade deposits and short-term prepayments	13	16,056,384	10,509,493
Other receivables		143,262,737	149,514,257
Advance tax		24,469,602	25,791,602
Cash and bank balances	14	208,819,648	190,181,660
		651,304,025	563,659,542
Total Assets		1,809,755,874	1,722,177,879
NON-CURRENT LIABILITIES			
Long-term financing	15	284,437,334	279,929,984
Loan from sponsors	16	155,175,000	155,175,000
Deferred liabilities		13,865,924	13,865,924
		453,478,258	448,970,908
CURRENT LIABILITIES			
Trade and other payables	17	343,757,639	290,190,414
Unclaimed dividend		1,525,272	1,525,272
Current portion of long-term financing		3,193,820	3,193,820
		348,476,731	294,909,506
Total Liabilities		801,954,989	743,880,414
CONTINGENCIES AND COMMITMENTS			
	18	-	-
Net Assets		1,007,800,885	978,297,465
REPRESENTED BY:			
Authorized share capital		5,000,000,000	5,000,000,000
Issued, subscribed and paid-up share capital	19	2,672,863,310	2,672,863,310
Discount on right shares		(1,508,754,317)	(1,508,754,317)
Accumulated loss		(164,807,059)	(184,898,787)
Unrealized gain on re-measurement of investments classified as fair value through OCI		999,301,934	979,210,206
		8,498,951	(912,741)
		1,007,800,885	978,297,465

The annexed notes 01 to 26 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Chief Financial Officer


Director

CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	Note	Three Months Period Ended	
		September 30, 2020	September 30, 2019
----- (Rupees) -----			
Operating revenue	20	18,096,335	4,428,860
Gain/(Loss) on sale of investments		24,108,711	(4,707,726)
Unrealized gain/(loss) on re-measurement of investments classified as 'financial assets at fair value through profit or loss' - held for trading - net		3,049,846	(236,757)
Operating profit /(loss)		45,254,892	(515,623)
Administrative expenses		(11,325,245)	(12,022,179)
Finance cost		(5,063,639)	(6,388,399)
Other operating expenses		(1,460,367)	(472,327)
Other operating income / (loss)		3,068,528	3,103,983
Profit/(Loss) before taxation		30,474,169	(16,294,545)
Taxation	22	(10,382,441)	4,296,362
Profit/(Loss) after taxation		20,091,728	(11,998,183)
Basic earning/ (loss) per share		0.08	(0.04)

The annexed notes 01 to 26 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Chief Financial Officer


Director



**CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2020**

Note	Three Months Period Ended	
	September 30, 2020	September 30, 2019

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

Profit/(Loss) after taxation	20,091,728	(11,998,183)
Items that will not be re-classified to profit or loss		
Unrealized gain/(loss) during the period in the market value of investments classified fair value through OCI	9,411,691	(5,808,599)
Other comprehensive income/(loss) for the period	9,411,691	(5,808,599)
Total comprehensive income/(loss) for the period	29,503,419	(17,806,782)

The annexed notes 01 to 26 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Chief Financial Officer



Director

CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
 FOR THE PERIOD ENDED SEPTEMBER 30, 2020

	Three Months Period Ended	
	September 30, 2020	September 30, 2019
	------(Rupees)-----	
CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before taxation	30,474,169	(16,294,545)
Adjustments for :		
Depreciation	206,720	206,720
(Loss)/Gain on sale of investments	(24,108,711)	4,707,726
Unrealized loss on re-measurement of financial assets carried at fair value through profit or loss	(3,049,846)	236,757
Finance cost	5,063,639	6,388,399
Other operating income	(3,068,528)	(3,103,983)
	(24,956,726)	8,435,619
Changes in working capital	5,517,443	(7,858,926)
Decrease / (Increase) in current assets		
Trade debts	(35,520,631)	14,574,022
Loans and advances	(13,991,276)	(74,624)
Trade deposits and short-term prepayments	(5,450,527)	2,753,670
Other receivables	197,764	(81,699)
	(54,764,670)	17,171,369
(Decrease) / Increase in current liabilities		
Trade and other payables	53,567,225	(3,164,928)
	4,319,998	6,147,515
Finance cost paid	(556,290)	(15,868)
Income tax paid	(385,594)	(104,151)
Net cash utilized in operating activities	3,378,114	6,027,496
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of marketable securities	15,262,275	(983,252)
Long term deposits received / (paid)	(2,400)	100,000
Dividend received	-	-
Net cash (utilized in) / generated from investing activities	15,259,874	(883,252)
CASH FLOWS FROM FINANCING ACTIVITIES		
Long-term loans repaid	-	(1,000,000)
Gratuity Paid	-	(7,258)
Net cash (utilized in) / generated from financing activities	-	(1,007,258)
Net increase in cash and cash equivalents	18,637,988	4,136,986
Cash and cash equivalents at the beginning of the period	190,181,660	180,703,715
Cash and cash equivalents at the end of the period	208,819,648	184,840,701

The annexed notes 01 to 26 form an integral part of these condensed interim financial statements.


 Chief Executive Officer


 Chief Financial Officer


 Director



**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2020**

	Issued, subscribed and paid-up capital	Share Deposit Money	Discount on issue of right shares	Accumulated loss	Unrealized surplus / (deficit) on re- measurement of investments classified as available for sale	Total
	----- (Rupees) -----					
Balance as at July 01, 2019 (Audited)	2,672,863,310	17,003,000	(1,508,754,317)	(298,779,297)	2,053,251	884,385,947
Loss after taxation for the three months	-	-	-	(11,998,183)	-	(11,998,183)
Other comprehensive loss for the period	-	-	-	-	(5,808,599)	(5,808,599)
Balance as at September 30, 2019 (Un-audited)	<u>2,672,863,310</u>	<u>17,003,000</u>	<u>(1,508,754,317)</u>	<u>(310,777,480)</u>	<u>(3,755,348)</u>	<u>866,579,165</u>
Balance as at July 01, 2020	2,672,863,310	-	(1,508,754,317)	(184,898,786)	(912,740)	978,297,467
Profit after taxation for Three months ended September 30, 2020	-	-	-	20,091,728	-	20,091,728
Other comprehensive loss for the period	-	-	-	-	9,411,691	9,411,691
Balance as at September 30, 2020 (Un-audited)	<u>2,672,863,310</u>	<u>-</u>	<u>(1,508,754,317)</u>	<u>(164,807,058)</u>	<u>8,498,951</u>	<u>1,007,800,885</u>

The annexed notes 01 to 26 form an integral part of these condensed interim financial statements.


Chief Executive Officer


Chief Financial Officer


Director

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED) FOR THE PERIOD ENDED SEPTEMBER 30, 2020

1 THE COMPANY AND ITS OPERATIONS

First National Equities Limited ("the Company") is a limited liability company incorporated in Pakistan under the Companies Ordinance, 1984 (now the Companies Act, 2017). Shares of the Company are quoted on the Pakistan Stock Exchange Limited ("PSX"). The registered office of the company is situated at Room No. 1007, 10th Floor, New Stock Exchange Building, Stock Exchange Road, Karachi.

The Company is a holder of Trading 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 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, 2020.

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, 2020.

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, 2020.



6 METHOD OF ACCOUNTING

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

7 PROPERTY AND EQUIPMENT

Additions during the period
Disposals during the period

(Un-audited) September 30, 2020	(Un-audited) September 30, 2019
----- (Rupees) -----	
-	-
-	-

8 INTANGIBLE ASSETS

Opening balance
Less: Impairment Loss

(Un-audited) September 30, 2020	(Audited) June 30, 2020
----- (Rupees) -----	
85,277,000	85,277,000
-	-
85,277,000	85,277,000

9 INVESTMENT IN ASSOCIATE

Investment in Coastal Company Limited
Share of profits from Associate

77,031,875	75,359,726
-	1,672,149
77,031,875	77,031,875

10 STRATEGIC INVESTMENT

Investment in KingBhai Digisole (Pvt.) Limited

709,605,147	709,605,147
--------------------	-------------

As part of the Company's strategy to effectively deploy capital in order to deliver returns to investors in an otherwise depressed economic environment, the Company capitalized on an opportunity to invest in KingBhai Digisol (Pvt.) Limited ("KingBhai"), a technology-enabled business operating in the real estate and technology services sectors. Given the growth trajectory of these sectors and the Company's assessment of the service gap in the sectors, the Company's expects the investment to yield returns through investment value appreciation as well as dividends.

Note	(Un-audited) September 30, 2020	(Audited) June 30, 2020
------	---------------------------------------	-------------------------------

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

11 SHORT TERM INVESTMENTS

At FVOCI	11.1	23,982,779	14,571,087
At FVTPL	11.2	53,549,315	41,653,035
		<u>77,532,094</u>	<u>56,224,122</u>

11.1 At FVOCI

- Average cost	15,589,005	15,589,005
- Unrealized gain on re-measurement of investments	8,393,774	(1,017,918)
- Closing carrying value	23,982,779	14,571,087

11.2 Financial assets at fair value through profit or loss

- Average cost	50,499,469	44,727,451
- Unrealized (loss) on re-measurement of investments	3,049,846	(3,074,415)
- Closing carrying value	53,549,315	41,653,036

11.3 Securities having market value of Rs. 67.181 million (June 30, 2020: Rs. 19.335 million) and Rs NIL (June 30, 2020: NIL) have been pledged with Pakistan Stock Exchange and various commercial banks respectively.

Note	(Un-audited) September 30, 2020	(Audited) June 30, 2020
------	---------------------------------------	-------------------------------

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

12 TRADE DEBTS

Considered good	12.1	165,094,613	129,360,737
Considered doubtful		395,853,766	395,853,766
		<u>560,948,379</u>	<u>525,214,503</u>

Less: Provision for doubtful debts		<u>(395,853,766)</u>	<u>(395,853,766)</u>
		<u>165,094,613</u>	<u>129,360,737</u>

12.1 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.

The Company holds securities having total fair value of Rs 4,402 million (June 2020: Rs.3,357 million) owned by its clients as collateral against trade debts.

- 12.2** Securities pertaining to clients amounting Rs 20.988 million (June 30, 2020: 14.825 million) have been pledged / utilized by the Company for meeting the exposure deposit requirement of the Pakistan Stock Exchange Limited with the consent from clients.

(Un-audited) September 30, 2020	(Audited) June 30, 2020
---------------------------------------	-------------------------------

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

13 TRADE DEPOSITS AND SHORT-TERM PREPAYMENTS

Exposure deposits

16,056,384	10,509,493
<u>16,056,384</u>	<u>10,509,493</u>

14 CASH AND BANK BALANCES

This includes customer assets amounting Rs. 186.212 million (June 30, 2020: Rs. 130.560 million).

Note	(Un-audited) September 30, 2020	(Audited) June 30, 2020
------	---------------------------------------	-------------------------------

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

15 LONG TERM FINANCING

From banking companies - secured

Bank Alfalah Limited

15.1 **92,289,810** 90,591,224

United Bank Limited

15.2 **1,193,820** 1,193,820

The Bank of Punjab

15.3 **160,373,423** 157,564,659

Interest on long-term financing

The Bank of Punjab

8,821,000 8,821,000

Other Loans / Financing

24,953,101 24,953,101
287,631,154 283,123,804

Less: Current portion of long term financing

(3,193,820) (3,193,820)
284,437,334 279,929,984

- 15.1** The Company obtained financing from Bank Alfalah Limited ("BAF") for working capital requirements and in order to improve liquidity. The liability was restructured / rescheduled vide an agreement dated June 08, 2020. Under the terms of the restructuring, multiple loan tranches

were merged. The restructured loan liability, which is interest-free, has been recognized at the present value of future payments, discounted at the average borrowing cost of the Company. The difference between the carrying amount of the liability extinguished and the carrying value of the new liability has been recognized in profit and loss as notional income. The related notional expense is being amortized over the term of the liability (through to June 2027).

The facility was originally secured against pledge of shares (then) amounting to Rs 78.6 million, mortgage of a commercial plot of land (#19-C, Sunset Lane #6, Phase II, DHA, Karachi), mortgage of rooms #135 and #136 at the Stock Exchange Building in Karachi, mortgage of room #306 on the 3rd floor of the Business and Finance Centre in Karachi, mortgage of municipal showroom #2 on the ground floor of Bank Square Chowk Yadgar in Peshawar, and the personal guarantee of Mr. Ali A. Malik (CEO). At present, as a result of repayments to BAF from sale proceeds of properties, all mortgages with the exception of the Peshawar property have been released.

15.2 The company has negotiated a financing agreement with United Bank Limited and has finalized a restructuring agreement to settle its total outstanding liability of amount of Rs.7,333,321 (inclusive of any mark-up). The borrowing was obtained to finance daily clearing obligations of PSX and settlement of client trades.

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

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

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

Other terms and conditions include the disposal of BOP's petition, to maintain intact the existing collateral/sureties during the currency of credit lines, and the unfettered right to demand accelerated repayment with improved rate of markup depending upon the financial growth indicators of the Company by taking June 30, 2015 as base period.

Since the restructured loan is partially interest free and partially at lower interest rate (i.e. 3% quarterly/bi-annually), the present value has been assessed using estimated future cash outflows discounted to their present values @ 7.5 %, which is the market interest rate of similar



loans. The difference between the liability initially recognized and the present value calculated through discounting future cash outflows has been recognized in previous year profit and loss account as notional income and will be amortized during the tenure of the liability, i.e. through to Dec 2025.

During the period, 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 period. The Company's counsel is of the view that a favorable decision is likely, and further that the likelihood of the liability coming due in the next 12 months is remote.

	Note	(Un-audited) September 30, 2020	(Audited) June 30, 2020
----- (Rupees) -----			
16 LOAN FROM SPONSORS			
Loan from sponsors - Subordinated	16.1	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>

16.1 This represents subordinated unsecured LOANS received from a Director of the Company.

17 TRADE AND OTHER PAYABLES

This includes amount Rs. 185.990 Million (June 30,2020: Rs. 130.365 Million) payable to clients of the company.

18 CONTINGENCIES AND COMMITMENTS

18.1 Contingencies

Trade and Other Payables of the Company include an amount of Rs. 143.35 million payable to a client of the company. The client has additional claims against the Company and the matter is under litigation in the Sindh High Court since April 5, 2013. The Company's legal counsel is of the view that the Company has a favorable case based on merit. Accordingly, the Company has not provided for the client's additional claims against the Company.

	(Un-audited) September 30, 2020	(Audited) June 30, 2020
----- (Rupees) -----		
18.2 Commitments		
18.2.1 Outstanding settlements against sale of investments in regular market	35,489	2,203,227
Outstanding settlements against purchase of investments in regular market	-	1,958,167

	(Un-audited) September 30, 2020	(Audited) June 30, 2020
	------(Rupees)-----	
19 SHARE CAPITAL		
Authorized capital		
500,000,000 (2017: 500,000,000) Ordinary shares of Rs. 10 each	<u><u>5,000,000,000</u></u>	<u><u>5,000,000,000</u></u>
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
	<u><u>2,672,863,310</u></u>	<u><u>2,672,863,310</u></u>
	(Un-audited) September 30, 2020	(Un-audited) September 30, 2019
	------(Rupees)-----	
20 OPERATING REVENUE		
Brokerage Income	18,096,335	4,428,860
Dividend Income	-	-
	<u><u>18,096,335</u></u>	<u><u>4,428,860</u></u>
21 TURNOVER BY SEGMENT		
Retail customers	15,798,676	4,106,790
Institutional Customers	2,297,659	322,070
	<u><u>18,096,335</u></u>	<u><u>4,428,860</u></u>
22 TAXATION		
- Current tax (expense)	(1,707,594)	(55,361)
- deferred tax income/(expense)	(8,674,847)	4,351,723
	<u><u>(10,382,441)</u></u>	<u><u>4,296,362</u></u>



23 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, 2020 (Un-audited)

Key Management	Associates	Other related parties	Total
----- (Rupees) -----			

Transactions during the period

Purchase of marketable securities for and on behalf of	27,364,000	135,861,665	8,588,811	171,814,476
Sale of marketable securities for and on behalf of	26,729,500	136,670,165	8,931,184	172,330,849
Brokage Income	211,800	1,058,936	108,027	1,378,763
Remuneration to key management personnel	3,797,835	-	-	3,797,835

For the Year ended June 30, 2020 (audited)

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
Loan from sponsors	16,076,987	-	-	16,076,987
Loan repaid to sponsors	-	-	-	-
Equity contributions	-	-	-	-

24 SHAREHOLDERS HOLDING 5% OR MORE

SHAREHOLDERS NAME	Un-audited		Audited		Change
	September 30, 2020		June 30, 2020		
	Shares Held	Percentage	Shares Held	Percentage	
First Florence Developers (Pvt.) Limited	104,426,150	39.07%	104,426,150	39.07%	-
Ali Aslam Malik	72,952,634	27.29%	74,132,134	27.73%	-

25 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.

26 DATE OF AUTHORISATION

These condensed interim financial statements were authorized for issue on **October 28, 2020** by the Board of Directors of the Company.


Chief Executive Officer


Chief Financial Officer


Director

Branches Network

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