



FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2016



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COMPANY INFORMATION

Board of Directors	Mian Ehsan ul Haq <i>Chairman & CEO</i> Ahsan Zia Waseem ul Hassan Abdul Samad Farooq Bin Habib Muhammad Junaid Mazhar Abbas	Executive Executive Executive Executive Non-Executive Non-Executive Independent
Chief Financial Officer	Waseem ul Hassan	
Audit Committee	Mazhar Abbas(Chairman) Farooq Bin Habib Ahsan Zia	
Human Resource and Remuneration (HR&R) Committee	Waseem ul Hasan (Chairman) Mian Ehsan Ul Haq Abdul Samad	
Company Secretary	Tariq Majeed	
Auditors	Nasir Javaid Maqsood Imran Chartered Accountants	
Legal Advisers	Muhammad Aamir Advocates, Karachi	
Bankers	Askari Bank Limited Bank Alfalah Limited Bank Al Habib Limited Bank Islami Limited Faysal Bank Limited Habib Metropolitan Bank Limited JS Bank Limited KASB Bank Limited MCB Bank Limited NIB Bank Limited Silk Bank Limited Soneri Bank Limited United Bank Limited	
Registered Office	2nd Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt. Lahore, Pakistan. Tel: (042) 36623000-3, 5/6/8 Fax: (042) 36623121-36623122	
Corporate Office	4 th Floor, Block B, C & D Lakson Square Building No.1 Sarwar Shaheed Road, Karachi Tel: (021) 111 226 226 Fax: (021) 35656710, 35656725	
Registrar and Shares Transfer Office	Corplink (Pvt.) Limited Wings Arcade,1-K, Commercial Model Town, Lahore. Tel: (042) 35839182	



MISSION

Our mission is to strive to become the **Leading Brokerage and its Related Business Company and Best Employer** in each market that we operate. We will adhere to the following principles and provide execution to direct our future. We shall experience growth through building quality relationships, knowledge, service and innovation.

Dedicated to Make it Happen

CLIENTS: We will offer every Client: Fast & Friendly Service, Commitment, Cleanliness, Dedication, Excellence, & Trust.

ASSOCIATES: We will offer every associate: Development, Loyalty, Opportunities, Open-Door, Teamwork, Training, & Benefits.

IMAGE: We will operate every facility: Professionally, Helpful, Positive, Bright, Clean, & Consistent.

COMMUNITY: We will offer every community: Involvement, Support, Stability, Respect, Assistance & Environmental Awareness.

STANDARDS: We will operate our business: Ethically, Competitively, Safely, Innovative, with High Expectations, & Quality Products.

VISION

Our Vision is linked with our Mission to be the **Leading Brokerage and its Related Business Company and Best Employer** in each market we operate. Our Vision will guide and direct us towards our mission, and communicates what we believe in as an operations group.

We Believe In

- Obligation to serve the *Shareholders' Interest*
- Providing Clients with *Consistent Outstanding Services*
- Showing and encouraging *Teamwork*
- Maintaining and developing high standards of *Image*
- Treating people with *Respect*
- Creating and developing a *Positive Environment*
- Building a *Reputation For Success*
- Providing services with the *Highest Quality*
- Operating with the highest *Integrity & Honesty*
- Exploring and encouraging *New & Innovative Ideas*
- Providing positive *Recognition & Reinforcement*
- Becoming a dependant fiber in every *Community*
- Continue to focus our associates with *Development & Training*
- Building and consistently growing overall *Revenues*
- Provide every Client with a *Pleasant Experience*
- Stay focused on our business by *Listening Intently*

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 21st Annual General Meeting of the Shareholders of First Capital Equities Limited (“the Company” or “FCEL”) will be held on Monday 31 October 2016 at 2:00 p.m. at 2nd Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt. Lahore, to transact the following business:

Ordinary Business

1. To confirm the minutes of Annual General Meeting held on 31 October 2015;
2. To receive, consider and adopt the audited financial statements of the Company for the year ended 30 June 2016 together with the Directors' and Auditors' reports thereon;
3. To appoint the Auditors of the Company for the year ending 30 June 2017 and to fix their remuneration;

Special Business

4. To consider and if deemed fit, to pass the following resolutions with or without modifications, addition(s) or deletion(s) as special resolutions for alteration in the Articles of Association of the Company, to set out the members' right to exercise their votes by electronic means as prescribed by the Companies (E-Voting) Regulations as amended or revised from time to time:

“RESOLVED THAT pursuant to Section 28 and other applicable provisions, if any, of the Companies Ordinance, 1984 as amended or revised from time to time and any other law(s), a new Article 32-A be added immediately after Article 32;

32-A. In addition to the voting options available to the members under Article 32, the Company shall also provide the option of e-voting to the members i.e. members to vote through electronic means in accordance with the procedure prescribed under the laws for the time being in force.

“RESOLVED FURTHER THAT the Articles 36, 39, 40 and 43 of the Articles of Association of the Company be altered to read as under;

36. On a show of hands every member present in person or by proxy shall have one vote and upon a poll every member present in person or by proxy or through electronic means every member or his proxy shall have one vote for every share held by him. Provided always that in case of elections or removal of Directors, voting shall be held in accordance with the provisions of the Ordinance;

39. On a poll or through electronic means, votes may be given either personally or by proxy. Provided that nobody corporate shall vote by proxy as long as a resolution of its Directors in accordance with the provisions of section 162 is in force.

40. The instrument appointing a proxy shall be in writing under the hand of appointer or of his attorney duly authorized in writing. A proxy must be a member of the Company. Provided in case of e-voting, a proxy may or may not be a member of the Company.



43. FIRST CAPITAL EQUITIES LIMITED

**Option 1
Appointing other person as Proxy**

I/we _____ S/o D/o W/o _____ CNIC being a member of First Capital Equities Limited and holder of _____ (number of shares) Class _____ Ordinary shares as per Registered Folio No. _____ hereby appoint Mr./Mrs./Ms _____ S/o D/o W/o _____ CNIC _____ as my/our proxy to vote for me/us and on my/our behalf at the (annual, extraordinary general meeting, as the case may be) of the Company to be held on _____ and at any adjournment thereof.

Signed under my/our hands on this _____ day of _____, 20____

Signature of member

(Signature should agree with the specimen signature registered with the Company)

Signed in the presence of:

Signature of Witness 1

Signature of Witness 2

**Option 2
E-voting as per the Companies (E-voting) Regulations, 2016**

I/we _____ S/o D/o _____ W/o _____ CNIC _____ being a member of First Capital Equities Limited holder of _____ Class _____ Ordinary share (s) as per Registered Folio No. _____ hereby opt for e-voting through intermediary and hereby consent the appointment of execution officer _____ as proxy and will exercise e-voting as per the Companies (E -voting) Regulations, 2016 and hereby demand for poll for resolutions. My secured email address is _____, please send login details, password and electronic signature through email.

Signature of member

(Signature should agree with the specimen signature registered with the Company)

Signed in the presence of:

Signature of Witness 1

Signature of Witness 2

RESOLVED FURTHER THAT the Chief Executive Officer or Company Secretary be and is hereby authorized to do all acts, deed and things, take all steps and actions necessary, ancillary and incidental for altering the Articles of Association of the Company including filing of all requisite documents/statutory forms as may be required to be filed with the Registrar of Companies and complying with all other regulatory requirements so as to effectuate the alterations in the Articles of Association and implementing the aforesaid resolutions.

5. To consider dissemination of information regarding Annual Audited Accounts to the Shareholders in soft form i.e. CD/DVD/USB instead of transmitting the same in the form of hard copies:

“RESOLVED THAT dissemination of information regarding Annual Audited Accounts to the Shareholders in soft form i.e. CD/DVD/USB as notified by Securities and Exchange Commission of Pakistan vide its SRO No. 470(I)/2016 dated 31 May 2016 be and is hereby approved

By order of the Board

Tariq Majeed
Company Secretary

Lahore:
07 October 2016

Notes:

- 1) The Members Register will remain closed from 24 October 2016 to 31 October 2016 (both days inclusive). Transfers received at Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore, the Registrar and Shares Transfer Office of the Company, by the close of business on 23 October 2016 will be treated in time for the purpose of Annual General Meeting.
- 2) A member eligible to attend and vote at the meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the Registered Office not later than 48 hours before the time for holding the meeting.
- 3) In order to be valid, an instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, must be deposited at the registered office of the company, 2nd Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt. Lahore, not less than 48 hours before the time of the meeting.
- 4) a) Individual beneficial owners of CDC entitled to attend and vote at the meeting must bring his/her participant ID and account/sub-account number along with original CNIC or passport to authenticate his/her identity. In case of Corporate entity, resolution of the Board of Directors/Power of attorney with specimen signatures of nominees shall be produced (unless provided earlier) at the time of meeting.

b) For appointing of proxies, the individual beneficial owners of CDC shall submit the proxy form as per above requirement along with participant ID and account/sub-account number together with attested copy of their CNIC or Passport. The proxy form shall be witnessed by two witnesses with their names, addresses and CNIC numbers. The proxy shall produce his/her original CNIC or Passport at the time of meeting. In case of Corporate entity, resolution of the Board of Director/Power of attorney along with specimen signatures shall be submitted (unless submitted earlier) along with the proxy form.
- 5) Members are requested to notify any change in their registered address immediately.



6) Computerized National Identity Card (CNIC) / National Tax Number (NTN)

CNIC or NTN of the shareholders is mandatory in terms of the directive of the Securities and Exchange Commission of Pakistan contained in S.R.O. 831(I) 2012 dated 5 July 2012 for the issuance of future dividend warrants etc., and in the absence of such information, payment of dividend may be withheld in term of SECP's above mentioned directive. Therefore, the shareholders who have not yet provided their CNICs or NTN are once again advised to provide the attested copies of their CNICs or NTN (if not already provided) directly to our Independent Share Registrar, Corplink (Pvt.) Limited without any further delay.

7) Availability of Audited Financial Statements on Company's Website

The Company has placed the Audited Annual Financial Statements for the ended 30 June 2016 along with Auditors and Directors Reports thereon on its website: www.pacepakistan.com

8) Transmission of Financial Statements to the Members through E-mail

In pursuance of SECP notification S.R.O. 787 (I) 2014 dated 08 September 2014, the companies have been allowed to circulate their Annual Balance Sheet and Profit and Loss Accounts, Auditors, Report and Director's Report (Annual Financial Statements) along with Notice of Annual General Meeting (Notice) through E-mail to the members of the Company. Members desiring to avail this facility may provide the requisite information to the Company for which form may be downloaded from the Company's website: www.pacepakistan.com

STATEMENT UNDER SECTION 160(1)(B) OF THE COMPANIES ORDINANCE, 1984 PERTAINING SPECIAL BUSINESS.

This statement sets out the material facts pertaining to the special business to be transacted at the Annual General Meeting of the Company to be held on 31 October 2016.



فرسٹ کیپٹل ایکویٹیز لمیٹڈ سالانہ اجلاس عام

نوٹس ہذا کے ذریعے اطلاع دی جاتی ہے کہ فرسٹ کیپٹل ایکویٹیز لمیٹڈ (ایف سی ای ایل یا کمپنی) کے حصہ داران کا 21 واں اجلاس عام بروز پیر 31 اکتوبر 2016 کو بوقت 2:00 بجے دوپہر بمقام دوسری منزل، ہمیں شاہنگ مال، فورٹیس سٹیڈیم، لاہور میں مندرجہ ذیل امور کی معاملات کے لئے منعقد ہوگا۔

عمومی کاروبار:

- ۱۔ 31 اکتوبر 2015ء منعقد ہونے والے سالانہ اجلاس عام کی کارروائی کی تصدیق
- ۲۔ 30 جون 2016ء کو ختم ہونے والے سال کے لئے ڈائریکٹرز اور ڈائریکٹرز کی رپورٹوں کے ہمراہ کمپنی کی مالیاتی سٹیٹمنٹ کی وصولی، ان پر نوٹس اور انہیں اختیار کرنا۔
- ۳۔ 30 جون 2017ء کو ختم ہونے والے سال کے لئے ڈائریکٹرز کا تقرر اور مشاہرہ کا تعین۔

خصوصی کاروبار:

- ۴۔ اگر مناسب سمجھا جائے تو فوراً کرنا اور درج ذیل قرارداد کو بمعد یا بغیر ترمیم، اضافے یا منسوخی کے ساتھ خصوصی قرارداد کے طور پر کمپنی کے آرٹیکل آف ایسوسی ایشن میں تبدیل کے لیے منظور کرنا، تاکہ ممبران کمپنیز (E-Voting) کے وقتاً فوقتاً ترمیم شدہ متبادل ضابطوں کے تحت برقی طریقوں سے اپنے ووٹ کا حق استعمال کر سکیں
- 32-A آرٹیکل 32 کے تحت ممبران کو دئے گئے ووٹنگ کے اختیارات کے علاوہ، کمپنی ممبران کو ای۔ ووٹنگ کا اختیار بھی دینا ہے یعنی ممبران لاگو حالیہ ضابطوں کے تحت الیکٹرونک ذریعے سے ووٹ دے سکتے ہیں۔ مزید قراردادوں کے آرٹیکلز 36، 39، 40 اور 43 میں ترمیم کر کے درج ذیل طور پر پڑھا جائے۔
- 36۔ ہاتھ اٹھا کر گنتی کے موقع پر ہر ممبر جو ذاتی طور پر یا بذریعہ پراکسی موجود ہو اس کا ایک ووٹ شمار ہوگا اور رائے شماری کے موقع پر ہر ممبر جو ذاتی طور پر یا بذریعہ الیکٹرونک طریقے سے موجود ہو تو ممبر یا اس کے پراکسی کو ہر ایک شیئر کے لیے ایک ووٹ ملے گا۔ جبکہ ڈائریکٹرز کے انتخاب یا برطرفی کی صورت میں، آرڈیننس کے ضابطوں کے مطابق ووٹنگ ہوگی۔
- 39۔ انتخاب یا الیکٹرونک ذرائع سے ووٹ ذاتی طور پر یا پراکسی کے ذریعے دیا جاسکتا ہے۔ کوئی کارپوریٹ اس وقت تک پراکسی کے ذریعے ووٹ نہیں دے سکتا جب تک لاگویشن 162 کی شرائط کے مطابق اس کے ڈائریکٹر ان قرارداد منظور نہ کر لیں۔
- 40۔ پراکسی تقرری کے لیے ہدایت تفرکندہ کی اپنی تخریر یا باقاعدہ طور پر مقرر کئے گئے ان کے وکیل کی تخریر میں ہونی چاہیے۔ پراکسی کے لیے کمپنی کا رکن ہونا ضروری ہے۔ E-Voting کی صورت میں پراکسی کمپنی کا ممبر یا غیر ممبر بھی ہو سکتا ہے۔

فرسٹ کیپٹل ایکویٹیز لمیٹڈ

43-

آپشن 1

کسی دوسرے فرد کی بطور پراکسی نامزدگی

میں/ہم، _____ ولد/خاندان _____ کمپیوٹرائزڈ قومی شناختی کارڈ _____ فرسٹ کیپٹل ایکویٹیز لمیٹڈ کا ممبر ہوں اور رجسٹرڈ فولیو نمبر _____ کے تحت (شیئرز کی تعداد) کلاس _____ آرڈینری شیئرز کی تحویل رکھتا ہوں اور بذریعہ ہذا جناب/احترام _____ والد/خاندان _____ کمپیوٹرائزڈ قومی شناختی کارڈ _____ کو اپنا پراکسی نامزد کرتا ہوں کہ وہ میری/ہماری جانب سے کمپنی کے (سالانہ یا غیر معمولی اجلاس میں ووٹ دیں یا جو بھی صورت ہو) جو کہ کو یا اتوا کی صورت میں کسی بھی دیگر وقت مقررہ پر منعقد ہوگا۔ آج بتاریخ _____ کو دستخط کیا گیا۔

ممبر کا دستخط

(یہ دستخط کمپنی کے پاس رجسٹر شدہ دستخط کے جیسا ہونا چاہیے)

درج ذیل گواہان کی موجودگی میں دستخط کیا گیا۔

گواہ نمبر 2 کا دستخط

گواہ نمبر 1 کا دستخط

آپشن 2

کمپنیز (ای۔ ووٹنگ) 2016ء ضابطوں کے مطابق ای۔ ووٹنگ

میں/ہم، _____ ولد/خاندان _____ کمپیوٹرائزڈ قومی شناختی کارڈ _____ فرسٹ کیپٹل ایکویٹیز لمیٹڈ کا ممبر ہوں اور رجسٹرڈ فولیو نمبر _____ کے تحت (شیئرز کی تعداد) کلاس _____ آرڈینری شیئرز کی تحویل رکھتا ہوں اور بذریعہ ہذا اجلاس کے ذریعے ای۔ ووٹنگ کا انتخاب کرتا ہوں اور بذریعہ ہذا ایگزیکٹویشن آفیسر کو بطور پراکسی نامزد کرتا ہوں اور یہ کمپنیز (ای۔ ووٹنگ) 2016ء ضابطوں کے تحت ای۔ ووٹنگ انجام دیں گے اور بذریعہ ہذا قراردادوں کے لیے انتخاب کا مطالبہ کریں گے، میرا/ہمارا محفوظ ای میل ایڈریس _____ ہے برائے مہربانی مجھے/ہمیں ای میل کے ذریعے لاگ ان تفصیلات، پاس ورڈ اور الیکٹرونک دستخط فراہم کریں۔

ممبر کا دستخط

(یہ دستخط کمپنی کے پاس رجسٹر شدہ دستخط کے جیسا ہونا چاہیے)

درج ذیل گواہان کی موجودگی میں دستخط کیا گیا۔

گواہ نمبر 2 کا دستخط

گواہ نمبر 1 کا دستخط



مزید قرار پایا کہ چیف ایگزیکٹو یا کمپنی کی بڑی ریورس ہذا اختیار دیا جاتا ہے کہ وہ کمپنی کے آرٹیکلز آف ایسوسی ایشن میں ترمیم کے لیے تمام لازمی اور ضروری اقدامات، کارروائیاں انجام دیں بشمول کمپنی کے رجسٹرار کو تمام مطلوبہ دستاویزات/باضابطہ فارمز فراہم کرنا اور دیگر تمام قانونی ضابطوں پر عملدرآمد یقینی بنانا تاکہ آرٹیکلز آف ایسوسی ایشن میں ترمیم کو موثر بنانے کے علاوہ مذکورہ بالا قرار داد کو لاگو کرنا۔

5- سالانہ ڈیٹا کاؤنٹس کی حصہ داران کو اطلاع تحریری صورت کی بجائے سوفٹ فارم (Soft Form) یعنی CD/DVD/USB کی صورت میں فراہم کرنے پر غور کرنا قرار پایا کہ سکیورٹیز اینڈ ایکسچینج آف پاکستان کے SRO No. 470(1)2016 بتاریخ 31 مئی 2016 کے مطابق شیئر ہولڈرز کو سالانہ ڈیٹا شدہ حسابات سے متعلق معلومات سافٹ شکل یعنی CD/DVD/USB کی شکل میں فراہم کئے جانے کو بذریعہ ہزار منظور کیا جاتا ہے۔

حسب احکم پورڈ
طارق مجید
کمپنی سیکرٹری

لاہور: 17 اکتوبر 2016

نوٹس:

1) رجسٹرڈ ممبران 24 اکتوبر 2016ء سے 31 اکتوبر 2016ء (بشمول ہر دو ایام) بند رہے گا۔ 23 اکتوبر 2016ء کو کاروبار کے اختتام تک کمپنی کے رجسٹرار اور شیئر ٹرانسفر آفس Corplink (Pvt.) Limited ونگز آرکیڈ، 1-K کمرشل ماڈل ٹاؤن لاہور کو وصول ہونے والی منتقلیاں سالانہ اجلاس عام کے لئے بروقت وصول کی جائیں گی۔

2) ہر وہ ممبر جو اجلاس میں شرکت کرنے اور ووٹ دینے کا اہل ہے اپنی جگہ کسی اور ممبر کو شرکت کرنے اور ووٹ دینے کے لئے اپنا پراکسی مقرر کر سکتا ہے۔ پراکسی کو موثر ہونے کے لئے ضروری ہے کہ وہ کمپنی کے رجسٹرڈ دفتر میں اجلاس شروع ہونے سے کم از کم 48 گھنٹے قبل وصول ہو جائے۔

3) دستاویز پراکسی اور مختار نامہ یا کوئی اور اتھارٹی (اگر کوئی ہو) جس کے تحت یہ دستخط شدہ یا نوٹری تصدیق شدہ ہو کے موثر ہونے کے لئے ضروری ہے کہ اس کی تصدیق شدہ کاپی کمپنی کے رجسٹرڈ آفس بمقام دوسری منزل، پیس شاپنگ مال، فورٹ لیس سٹیڈیم، لاہور کیسٹ، لاہور میں اجلاس کے وقت سے کم از کم 48 گھنٹے قبل پہنچ جائے۔

4) اجلاس میں شرکت کرنے اور ووٹ دینے کے اہل CDC کے انفرادی فائدہ مند مالکان کے لیے ضروری ہے کہ وہ شرکت کنندہ کی ID اور اکاؤنٹ/سب اکاؤنٹ نمبر ہمراہ اصلی CNIC یا پاسپورٹ اس کے شناخت ثابت کرنے کے لیے ہمراہ لائیں۔ کارپوریٹ ہستی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور اور انٹرنیٹ مقرر کردہ کے دستخطوں کے نمونے کے ساتھ (پہلے سے جمع نہ کرانے کی صورت میں) اجلاس کے وقت پیش کرے۔

ب- پراکسیوں کی تقرری کے لیے CDC کے انفرادی فائدہ مند مالکان پراکسی فارم مندرجہ بالا ضرورت کے تحت شریک کنندہ کے شناختی کارڈ اور اکاؤنٹ/سب اکاؤنٹ نمبر ان کے CNIC یا پاسپورٹ کی تصدیق شدہ کاپی کے ساتھ فراہم کریں گے۔ پراکسی فارم کے لیے ضروری ہے کہ وہ وہ گواہان کے ناموں، پتہ جات اور CNIC نمبرز کے ساتھ گواہ شدہ ہوں۔ پراکسی اجلاس کے وقت اپنا اصلی CNIC یا پاسپورٹ فراہم کرے گا/گی۔ کارپوریٹ ہستی کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/پاور آف انٹرنیٹ پراکسی فارم نمونے کے دستخطوں کے ساتھ جمع کروایا جائے گا (پہلے سے جمع نہ کرانے کی صورت میں)

5) ممبران سے درخواست ہے کہ اپنے رجسٹرڈ پتہ میں کسی تبدیلی کی صورت میں فوری اطلاع کریں۔

6) کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) / نیشنل ایکس نمبر (NTN)

حصہ داران کے کمپیوٹرائزڈ قومی شناختی کارڈ یا NTN سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایات کے مطابق جو کہ S.R.O 831(1)2012 مورخہ 5 جولائی 2012 کے تحت آنے والے ڈیپوٹنٹ وارنٹس وغیرہ کے اجراء کے لیے لازمی ہیں۔ اور ان کی عدم موجودگی میں SECP کی مندرجہ بالا ہدایت کے مطابق منافع کی رقم کو بھی جاسکتی ہے۔ چنانچہ ان حصہ داران جنہوں نے ابھی تک اپنے شناختی کارڈ یا NTN فراہم نہیں کیے ہیں کو ایک مرتب پتہ ہدایت کی جاتی ہے کہ وہ اپنے شناختی کارڈ یا NTN (اگر پہلے مہیا نہیں گئے) کی تصدیق شدہ کاپیاں براہ راست یا ہمارے آزاد شیئر رجسٹرار Corplink (Pvt.) Limited کو مزید کسی تاخیر کے فرائم کریں۔

7) فنانشل سٹیٹمنٹ آڈٹ شدہ کمپنی کی ویب سائٹ پر دستیابی

کمپنی نے 30 جون 2016 کو ختم ہونے والے سال کی آڈٹ شدہ فنانشل سٹیٹمنٹ، آڈیٹرز اور ڈائریکٹرز رپورٹس کمپنی کی ویب سائٹ www.pacepakistan.com پر مہیا کر دی ہیں۔

8) فنانشل سٹیٹمنٹ کی E-mail کے ذریعے ترسیل

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان کی ہدایت کے مطابق جو کہ S.R.O 787(1)2014 بتاریخ 8 ستمبر 2016 کے ذریعے کمپنی کو اجازت دی گئی کہ وہ Annual Balance Sheet اور منافع اور نقصان کے حسابات، آڈیٹرز رپورٹس اور ڈائریکٹرز رپورٹ (Annual Financial Statements) بمعہ سالانہ اجلاس عام کے (نوٹس) ممبران کو E-mail کے ذریعے بھیج سکیں۔ جو ممبران اس سہولت سے فائدہ اٹھانا چاہتے ہیں وہ مطلوبہ معلومات وہ کمپنی کی ویب سائٹ www.pacepakistan.com سے ڈاؤن لوڈ کر سکتے ہیں۔

کمپنی آؤٹینس 1984 کے سیکشن 160(1)(B) کے تحت آئیٹیمز جو خصوصی کاروبار سے متعلق ہے۔

یہ سٹیٹمنٹ 31 اکتوبر 2016 کو منعقد ہونے والے اجلاس عام میں انجام دیے جانے والے خصوصی کاروبار سے متعلق شوش حقائق واضح کرتا ہے

سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے اپنے S.R.O No. 470(1)2016 مورخہ 31 مئی 2016 کے تحت حصہ داران کو سالانہ آڈیٹڈ اکاؤنٹس کو تحریری صورت کی بجائے سافٹ فارم یعنی CD/DVD/USB کے ذریعے اطلاع فراہم کرنے کی اجازت دے دی ہے۔ تاہم ان حصہ داران کی سہولت کے لیے جنہوں نے تحریری صورت (کتابی شکل) میں سالانہ آڈیٹڈ اکاؤنٹس اپنے رجسٹرڈ پتہ پر وصول کرنا اختیار کیا ہے وہ معیاری درخواست فارم کمپنی کی ویب سائٹ پر اپ لوڈ کر دیا جائے گا۔ کمپنی کے ڈائریکٹرز ان کا براہ راست یا بلا واسطہ مندرجہ بالا امور میں کوئی مفاد نہیں ہے۔ فرسٹ کیپٹل ایکویٹی ٹریڈ لمیٹڈ کے بورڈ کے ڈائریکٹرز ان نے مورخہ 07 اکتوبر 2016 کو منعقدہ اجلاس میں کمپنی کی آرٹیکلز آف ایسوسی ایشن میں ترمیم کی سفارش کی ہے تاکہ وہ وقتاً فوقتاً ترمیم شدہ نظر ثانی شدہ کرڈیکٹیز (E-Voting) قواعد کے تحت ممبران کے برقی طریقوں سے ووٹ دینے کے حق کو Set Out کر دیا جاسکے۔ E-Voting کی صورت میں ممبران یا غیر ممبران بھی بطور پراکسی مقرر کیے جاسکتے ہیں۔ اس پر عمل درآد کے لیے افسر کے تقرر اور E-Voting کی سہولت کے لیے ہدایت کو اجلاس عام کے منعقد ہونے سے کم از کم 10 دن پہلے کمپنی کے رجسٹرڈ دفتر کے پتہ پر یا بذریعہ E-mail وصول ہو جانا چاہیے۔ اگر کمپنی بذریعہ کسی ممبر یا ممبران جو کہ ووٹنگ پاور کم از کم دسواں حصہ (1/110) یا کم از کم پانچ (Five) ممبران کے انتخاب کے لیے ڈیمانڈ وصول کرتی ہے تو کمپنی E-Voting کا نظام رکھے گی۔

DIRECTORS' REPORT

The Board of Directors of First Capital Equities Limited ("the Company" or "FCEL") are pleased to present the Annual Report of 2016 along with the audited financial statements of the Company for the year ended June 30, 2016. FCEL is a leading brokerage house of Pakistan that provides a complete range of stock brokerage nationwide to a substantial and diversified clientele that includes corporations, financial institutions, retail clients, foreign investors and high net worth individuals (HNWI).

CAPITAL MARKET

Pakistan equity market concluded FY16 on a positive note and delivered 10% return as compared to negative 4% of 9MFY16. The benchmark index soared to its all-time high level of 38,776 during the last quarter of FY16 and attracted its major portion of gains in the same quarter. Market capitalization registered subdued growth of 2% at PRs7.59 trillion versus PRs7.42 trillion in the previous year.

The benchmark equity index KSE-100 continued its uptrend in FY16 albeit with a slower pace at 10% (as compared to 16% in FY15). Decline in return was primarily driven by lukewarm performances of E&P & Banking stocks, worsening global factors as major economies weakened, volatility in currencies surged and commodity prices slumped to multi-year lows during the year. Despite these negatives, domestic conditions remained favorable as political uncertainty dissipated, security situation improved, interest rates and inflation remained at historic lows, foreign exchange reserves peaked, remittances incremented and successful reviews of IMF also helped in maintaining investors' confidence. Pakistan's case for re-classification in MSCI Emerging Markets was the highlight of the year as it is expected to provide a significant boost to the equity market both in short and long term. Looking ahead, US\$46bn CPEC project & demutualization of PSX would attract higher capital flows from international investors, and would be the key positive drivers behind our upbeat future outlook.

Despite positive return, the trading activity at Pakistan market did not show any improvement and remained lower in comparison with previous year's level. The ready market turnover volume remained at an average of 208mn shares (PRs9.50bn or US\$91mn). During last year, the average daily volume in the ready counter was recorded at 220mn shares (PRs11.10bn or US\$109mn).

YOUR COMPANY'S PERFORMANCE

Given below is the financial summary of your Company for the year ended June 30, 2016.

	<i>All Figures are in Million except EPS</i>	
	FY 16	FY 15
Brokerage income	46.58	68.93
Capital (loss) / gain	(0.42)	0.18
Gain / (loss) on re-measurement of investments at fair value through profit or loss net	11.03	(0.03)
Other income	256.93	61.30
Profit / (loss) after tax	31.16	(234.23)
Earnings / (loss) Per Share (EPS) Rs*	0.22	(1.66)

Your Company reported a profit of Rs 31 million in FY16. The brokerage income of your Company dropped by 32% YoY at Rs 46 million during FY16 versus that of Rs 69 million in last year. Resultantly, on overall basis, the income segment remained 17% lower and settled at Rs 58 million. On the other hand, other operating income depicted mammoth growth of 319% and arrived at Rs 257 million during the year under review versus Rs 61 million in FY15. Operating expenses were 28% lower at Rs 77 million while financial charges registered 27% decline at Rs 189 million. The company ended the year with a net profit of Rs 31 million as against net loss of Rs 234 million in last year.

COMPANY'S ABILITY TO CONTINUE AS A GOING CONCERN

In the current year's Audited report, the auditor's without qualifying their report have raised concerns over the Company's ability to continue as going concern. Since last few years, Company was incurring losses. As a result the accumulated losses as on June 30, 2015 were Rs. 1,320 million (2014 Rs. 1,090 million). The Company in order to carry on its business and to meet its current obligations is required to generate sufficient profits. During the year, the Company successfully signed modified terms agreements of its long term loans with various banks. The mark up has also been waived / frozen. These facts have enabled the Company to earn an after tax profit of Rs. 31.15 million. However the accumulated losses are still Rs. 1,289 million.



The Company in order to carry on its business and to meet its current obligations requires generating sufficient cash flows. Accordingly there is a material uncertainty relating to the Company's operations that may cause sufficient doubt regarding discharge of its liability in the normal course of business. Continuation of the Company as going concern is heavily dependent on improved cash flows. For this purpose the management of the Company has drawn up plans for:

- Hiring of renowned traders from the market
- Vigorously following the debtors for recovery
- Change in top operations management to improve the operations of the company.
- The Company is also relying on continued support from its sponsors through injection of cash.

During the current year, Company has also offered debt to assets swap against its properties to different commercial banks. Proposal currently is under review of the competent authorities of respective banks and management is of the view that this arrangement will be accepted.

Keeping in view the above, the management of the Company is confident that Company will come out of the current situation and will continue its business as going concern.

FUTURE OUTLOOK

The turnaround in Pakistan economy continued unabated where it gained further momentum in the outgoing fiscal year. This is primarily the result of Govt's reforms program, enhanced energy supply, improved security situation that was aided by notably depressed intl. oil prices. All of these factors have brightened the prospects of achieving higher growth levels in the years to come. The Govt's earnest efforts to put the economy back on track while adopting measures under IMF guidelines received positive reviews by international lenders, donors & rating agencies. The successful completion of IMF's US\$6.4bn Extended Fund Facility (EFF) further boosted the confidence of global investors/institutions.

Going forward, economic activity is likely to pick up further as government's focus will remain towards the completion of developmental projects in the penultimate year before elections. GDP growth is forecasted to cross 5%, a level endorsed by World Bank, IMF and ADB. The US\$46 billion investment program of China under CPEC will not only improve infrastructure of the economy but would also resolve the lingering power crisis coupled with restoring business confidence of domestic and international investors.

With interest rates at their lowest and oil prices bottoming out, inflation is likely to rise gradually, but may still remain below 6% target level for the current fiscal year. Expected inflows from World Bank and ADB, along with Eurobonds proceeds would provide support to country's forex reserves and support in stabilizing PKR-US\$ parity. Despite these positives, government continues to face challenges to revive export sector whereas lack of significant improvement on the fiscal side also remains a significant concern.

Your company remains committed to maximize the shareholder's wealth while keeping in view the interest of all stakeholders. As previously, your Company would try its best to cope with the challenges head on while remaining focused on improving service quality, expanding clientele and controlling cost.

PAYOUT FOR THE SHAREHOLDERS

Keeping in view the deteriorated capital market position, which also affected the Company, the Board of Directors does not recommend any payout this year.

RISK MANAGEMENT

The Company's principal business activities by their nature engender significant market and credit risks. In addition, the Company is also subject to various other risks including operating risk, legal risk and funding risk. Effective identification, assessment and management of these risks are critical to the success and stability of the Company. As a result comprehensive risk management policies and procedures have been established to identify, control and monitor each of these major risks.

COMPANY PERFORMANCE IN PAST YEARS

Past six years Company performance chart is attached.

EARNINGS PER SHARE

Earnings per share for the year ended June 30, 2016 was Rs. 0.22 as compared to loss per share Rs. (1.66) in the last year.

CHANGES IN THE BOARD OF DIRECTORS

During the financial year Mr. Muhammad Asjad Afzal is appointed by the Board of Directors in place of Malik Fawad Tasawar and Mr. Abdul Samad is appointed as Director in place of Mr. Muhammad Asjad Afzal.

BOARD MEETINGS DURING THE YEAR

Four meetings of the Board of Directors were held during the year Attendance by each director is as under:

Directors	Meetings Attended
Mian Ehsan ul Haq	4
Mr. Farooq Bin Habib	4
Mr. Mazhar Abbas	4
Mr. Ahsan Zia	4
Mr. Muammad Junaid Godil	4
Mr. Waseem ul Hassan	4
Malik Fawad Tasawar (Resigned)	1
Muhammad Asjad Afzal (Resigned)	2
Abdul Samad	-

The Directors who could not attend the meeting were duly granted leave by the Board

TRADING BY DIRECTORS

During the year under review no trading in the Company shares were carried out by the Directors, CEO, CFO, Company Secretary and their spouses and any minor children.

AUDIT COMMITTEE

The Board of directors in compliance with the Code of Corporate Governance has established an Audit Committee. Six meeting of the Audit committee were held during the year. Attendance by each member is as under:

Audit Committee Member	Meetings Attended
Malik Fawad Tasawar (Chairman) (Resigned)	3
Farooq Bin Habib, (Member)	5
Ahsan Zia, Member) (Resigned)	6
Muhammad Asjad Afzal, Chairman (Resigned)	2
Abdul Samad, Member (Resigned)	1
Muhammad Junaid, Member	1
Mazhar Abbas	-

The Board re-constituted the Audit Committee members consisting of the following Non-Executive Director of the Company:

Mr. Mazhar Abbas,	Chairman
Mr. Farooq Bin Habib,	Member
Mr. Muhammad Junaid,	Member

AUDITORS

The present Auditors, Messrs Nasir Javaid Maqsood Imran (Chartered Accountants), have retired and being eligible, have offered themselves for re-appointment. The Board of Directors endorses the recommendation of the Audit Committee for the re-appointment of Messrs Nasir Javaid Maqsood Imran (Chartered Accountants) as the Auditors of the Company for the financial year ending June 30, 2017.

PATTERN OF SHAREHOLDINGS

The pattern of shareholdings as required under section 236 of the Companies Ordinance, 1984 and listing regulations are enclosed.



CORPORATE AND FINANCIAL REPORTING FRAMEWORK:

The Board of Directors of the company, for the purpose of establishing a framework of good corporate governance has fully adopted the Code of Corporate Governance, as per listing regulations of stock exchanges.

- The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in the equity.
- Proper books of account of the Company have been maintained.
- Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable prudent judgment.
- International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.
- The systems of internal controls are sound in design and have been implemented and effectively monitored.
- There are no significant doubts upon the Company's ability to continue as going concern.
- The key financial data of last Six years is summarized in the report.
- There are no statutory payments on account of taxes, duties, levies and charges, which are outstanding and have not been disclosed in annexed accounts.
- The Company is in compliance with the requirement of training programs for Directors

ACKNOWLEDGEMENT

The Board of Directors wish to place on record their thanks and appreciation to all the shareholders for their continued support. The Board also wishes to place on record its appreciation for the guidance and support extended by the Securities and Exchange Commission of Pakistan (SECP) as well the Lahore Stock Exchange (Guarantee) Limited and Karachi Stock Exchange (Guarantee) Limited. Finally, the Board would like to record its appreciation to all the staff members for their hard work.

For and on behalf of the Board of Directors

Lahore:
October 07, 2016


Mian Ehsan ul Haq
Chairman & Chief Executive Officer

فرسٹ کیپٹل ایکویٹیز لمیٹڈ

فرسٹ کیپٹل ایکویٹیز لمیٹڈ کے بورڈ آف ڈائریکٹرز کمپنی کی سالانہ رپورٹ 2016 اور محاسب شدہ مالیاتی کیفیت نامے برائے سال 30 جون 2016 پیش کرتے ہوئے خوشی محسوس کر رہے ہیں۔ ایف سی ای ایل پاکستان کا سرکردہ بروکر تاج باؤس ہے جو ملک گیر سطح پر ہماقسام کے حصص کی خرید و فروخت کی سہولت فراہم کرتا ہے۔ اس کی خدمات حاصل کرنے والے وسیع اور متنوع ہیں جن میں کارپوریشنز، مالیاتی ادارے، خوردہ فروش، غیر ملکی سرمایہ کار اور انتہائی دولت مند افراد شامل ہیں۔

بازار سرمایہ

پاکستان کی حصص مارکیٹ کے مالیاتی سال 2016 کا اختتام مثبت انداز میں ہوا اور نو ماہی مالیاتی سال 2016 کے ضمنی 4 فیصد کے مقابلے میں 10 فیصد معاوضہ دیا۔ مالیاتی سال 2016 کے آخری ربع میں معیاری شارپہ تاریخ کی بلند ترین سطح 38776 پر پہنچ گیا اور منافع کا زیادہ حصہ اسی ربع میں حاصل ہوا۔ حصص کی مارکیٹ ویلیو 2 فیصد مدہم شرح اضافہ کے ساتھ 7.59 ٹریلیون روپے رہی جبکہ گذشتہ سال 7.42 ٹریلیون روپے تھی۔

مالیاتی سال 2016 میں کراچی اسٹاک ایکسچینج کے معیاری حصص اشاریہ (KSE-100) کے رجحان میں 10 فیصد کی آہستہ رفتاری کے ساتھ اضافے کا رجحان رہا (گذشتہ مالیاتی سال 2015 میں 16 فیصد تھا)۔ منافع میں کمی کی وجہ بنیادی طور پر تحقیق و پیداوار (ای اینڈ پی) اور بینکنگ حصص کی نیم فعال کارکردگی، بڑی معیشتوں کے کمزور ہونے جیسے بدتر عالمی عوامل، نقدیوں میں اتار چڑھاؤ میں اضافہ اور اجناس کی قیمتوں میں گذشتہ سالوں کے مقابلے میں کمی تھی۔ ان منفی اثرات کے باوجود ملکی حالات سازگار رہے جیسا کہ سیاسی غیر یقینی صورتحال کم ہوئی، سکیورٹی حالات بہتر ہوئے، شرح سود اور شرح افراط زر تاریخی طور پر کم رہے، غیر ملکی کرنسی کے ذخائر بڑھ گئے، ترسیلات زر میں اضافہ ہوا اور آئی ایم ایف کے کامیاب جائزوں نے بھی سرمایہ کاروں کا اعتماد قائم رکھنے میں مدد دی۔ پاکستان کی ایم ایس سی آئی (مورگن سٹینلے کیپٹل انٹرنیشنل) کے ابھرتی ہوئی مارکیٹوں کے اشاریے میں دوبارہ درجہ بندی اس سال کا نمایاں واقعہ تھا کیونکہ پاکستان قبیل اور طویل مدت میں بازار سرمایہ کو تیز رفتاری دینے کے لیے متوقع ہے۔ مستقبل میں 46 بلین ڈالر کا سی پیک پراجیکٹ (چین-پاکستان اقتصادی راہداری) اور پاکستان اسٹاک ایکسچینج کی نج کاری بین الاقوامی سرمایہ کاروں سے زیادہ سرمایہ کی آمد کے لیے پرکشش ثابت ہوگی اور مستقبل کے متعلق ہمارے مثبت نقطہ نظر کے لیے کلیدی محرک ہوگی۔

مثبت منافع کے باوجود پاکستانی مارکیٹ میں تجارتی سرگرمی نے کوئی بہتری نہیں دکھائی اور گذشتہ سال کی سطح کے مقابلے میں ٹخلی سطح پر رہی۔ فوری مارکیٹ منافع کا حجم اوسطاً 208 بلین (9.50 بلین روپے) رہا۔ گذشتہ سال کے دوران فوری ادائیگیوں کا اوسط روزانہ حجم 220 بلین حصص (11.10 بلین) ریکارڈ کیا گیا۔

آپ کی کمپنی کی کارکردگی

درج ذیل میں 30 جون 2016 کے مالی سال کے لیے آپ کی کمپنی کا مالیاتی خلاصہ دیا گیا ہے:

مالی سال 2015	مالی سال 2016	
68.93 بلین روپے	46.58 بلین روپے	بروکر تاج سے آمدن
0.18 بلین روپے	(0.42) بلین روپے	سرمایہ (خسارہ) نفع
(0.03)	11.03 بلین روپے	سرمایہ کاری کی خالص نفع و نقصان کی دوبارہ پیمائش پر نفع / (خسارہ)
61.30 بلین روپے	256.93 بلین روپے	دیگر آمدن
(234.23) بلین روپے	31.16 بلین روپے	بعد از ٹیکس نفع / (نقصان)
(1.66) روپے	0.22 روپے	کمائی / (نقصان) فی حصص



آپ کی کمپنی نے مالی سال 2016 کے لیے 31 ملین روپے کا منافع بتایا۔ آپ کی کمپنی کی بروکریج آمدن 32 فیصد کمی کے ساتھ 46 ملین روپے ہوئی جبکہ گذشتہ سال 69 ملین روپے آمدن تھی۔ نتیجتاً، مجموعی بنیادوں پر، آمدنی کا حصہ 17 فیصد کم ہو کر 58 ملین روپے رہا۔ دوسری طرف دیگر عملیاتی آمدن نے 319 فیصد کمی زبردست ترقی دکھائی اور اس سال کے دوران 257 ملین روپے تک پہنچ گئی، اس کے مقابلے میں مالی سال 2015 میں یہ 61 ملین روپے تھی۔ عملیاتی اخراجات 77 ملین روپے کے ساتھ 28 فیصد کے حساب سے کم تھے جبکہ مالیاتی اخراجات 189 ملین روپے 27 فیصد کمی کے ساتھ ریکارڈ کیے گئے۔ کمپنی نے مالی سال 2016 کا اختتام 31 ملین خالص نفع پر کیا جبکہ گذشتہ سال خالص خسارہ 234 ملین روپے تھا۔

جاری کاروبار کے لحاظ سے کمپنی کی اہلیت

اس سال کی محاسبی رپورٹ میں محاسبوں نے اپنی رپورٹ میں جاری کاروبار کے لحاظ سے کمپنی کی اہلیت پر خدشات کا اظہار کیا ہے۔ گذشتہ چند سال سے کمپنی خسارے میں رہی۔ نتیجہ کے طور پر 30 جون 2015 تک مجموعی خسارہ 1320 ملین (1090 ملین 2014 میں) تھا۔ لہذا کمپنی کو اپنا کاروبار جاری رکھنے اور اپنی موجودہ ذمہ داریاں پوری کرنے کے لیے مناسب منافع کمانے کی ضرورت ہے۔ اس سال کے دوران کمپنی نے مختلف بینکوں کے ساتھ اپنے طویل المدتی قرضہ جات کے لیے ترمیمی شرائط والے معاہدات کامیابی سے کیے۔ سود (مارک اپ) بھی معاف کر دیا گیا۔ ان تعلق نے کمپنی کو اس قابل بنادیا کہ بعد ازیکس 31.15 ملین روپے کا نفع کمائے۔ تاہم مجموعی خسارہ ابھی تک 1289 ملین روپے ہے۔

لہذا کمپنی کو اپنا کاروبار جاری رکھنے اور اپنی حالیہ ذمہ داریوں کو پورا کرنے کے لیے مناسب نقدی کے بہاؤ پیدا کرنے کی ضرورت ہے۔ اس تناظر میں کمپنی کے عملیات کے حوالے سے ٹھوس غیر یقینی کیفیت ہے جو عمومی کاروبار میں اس کے ذمہ داریوں سے عہدہ برآ ہونے کے حوالے سے شکوک پیدا کرنے کی وجہ ہے۔ کمپنی کے جاری کاروبار کے طور پر تسلسل کا انحصار بہتر نقدی کے بہاؤ پر ہے۔ اس مقصد کے حصول کے لیے کمپنی کی انتظامیہ نے درج ذیل منصوبے بنائے ہیں:

- مارکیٹ میں سے معروف تاجروں کی بھرتی
- مقررہ وصولیوں سے وصولیاتی کے عمل میں ترقی
- کمپنی کی عملیات میں بہتری کے لیے اعلیٰ سطح کے انتظامی عملیات میں تبدیلی
- کمپنی ہذا کو اپنے کفیوں کی طرف سے نقدی کی آمد کا سہارا بھی حاصل ہے۔

دوران سال کمپنی نے مختلف تجارتی بینکوں کے ساتھ قرض اور اثاثہ جات کے سود کی پیش کش بھی کی۔ فی الحال یہ تجویز متعلقہ بینکوں کے مجاز افسران کے زیر غور ہے اور انتظامیہ کا موقف ہے کہ یہ معاملات قبول کر لیے جائیں گے۔

درج بالا تناظر میں کمپنی ہذا کی انتظامیہ پر اعتماد ہے کہ کمپنی ہذا اپنی موجودہ صورتحال سے باہر نکل آئے گی اور چلتے ہوئے کاروبار کی حیثیت سے اپنا وجود قائم رکھے گی۔

مستقبل کا منظر نامہ

پاکستانی معیشت میں اتار چڑھاؤ کا عمل مسلسل جاری رہا اور حالیہ مالیاتی سال میں اس میں مزید تحریک پیدا ہوا۔ یہ بنیادی طور پر حکومتی اصلاحاتی پروگرام، توانائی کے بہتر رسد اور سیوریج کی بہتر صورتحال کا نتیجہ تھا جسے تیل کی قیمتوں میں عالمی کمی نے تقویت دی۔ ان تمام عوامل نے آنے والے برسوں میں بلند تر ترقی کے درجات حاصل کرنے کے امکانات روشن کر دیے ہیں۔ حکومت نے معیشت کو دوبارہ درست راستے پر لانے کے لیے سنجیدہ کوششیں کیں اور آئی ایم ایف کی رہنمائی میں اقدامات پر عمل درآمد کیا جس پر عالمی رہنماؤں، عطیہ کنندگان اور درجہ بندی کرنے والی ایجنسیوں نے مثبت اظہار کیا۔ آئی ایم ایف کے 6.4 بلین امریکی ڈالر مالیت کے توسیعی فنڈ سہولت (ای ایف ایف) کی کامیاب تکمیل نے عالمی سرمایہ کاروں اور اداروں کا اعتماد مزید بلند کیا۔

مستقبل میں اگر حکومت کی توجہ کم از کم انتخابات سے قبل ترقیاتی منصوبوں کی تکمیل پر رہی تو اقتصادی سرگرمی میں ترقی کا امکان ہے۔ عالمی بینک، آئی ایم ایف اور ایشین ڈویلپمنٹ بینک کے مقرر کردہ معیار کے مطابق کل قومی پیداوار میں نمو کی پیش گوئی 5 فیصد کی گئی ہے۔ سی پیک کے تحت کیا اون ملین امریکی ڈالر کی چینی سرمایہ کاری نہ صرف معیشت کا انفراسٹرکچر بہتر بنائے گی بلکہ توانائی کے بحران کو حل کرتے ہوئے ملکی اور بین الاقوامی سرمایہ کاروں کا کاروباری اعتماد بحال کرے گا۔

شرح سود کے کم ترین سطح پر ہونے اور تیل کی قیمتوں کے گرنے کی وجہ سے افراط زر میں بتدریج اضافہ متوقع ہے لیکن یہ حالیہ مالیاتی سال کے ہدف یعنی 6 فیصد سے نیچے رہ سکتا ہے۔ عالمی بینک اور ایشین ڈویلپمنٹ کی طرف سے متوقع سرمایہ کے بہاؤ کے ساتھ ساتھ یورو بانڈز کی پیش رفتیں ملک کے غیر ملکی کرنسی کے ذخائر کو سہارا دیں گے اور پاکستانی روپے اور امریکی ڈالر میں تفاوت کو مستحکم کرنے میں معاون ہوں گے۔ ان مثبت توقعات کے باوجود حکومت درآمدات کے شعبے کو بحال کرنے جیسے چیلنجز کا سامنا کر رہی ہے جبکہ مالیاتی لحاظ سے غیر نمایاں بہتری بھی ایک تشویش ناک امر ہے۔

آپ کی کمپنی حصص مالکان کی دولت میں اضافہ کرنے کے لیے پُر عزم ہے اور تمام رقم برداروں کے مفادات پر نظر رکھتی ہے۔ ماضی کی طرح آپ کی کمپنی اپنی بہترین کوشش کرے گی کہ آنے والے چیلنجز سے بہتر طور پر نبھے اور اپنی توجہ خدمات کا معیار بہتر بنانے، خدمات حاصل کرنے والوں کی تعداد میں اضافہ کرنے اور لاگتوں کو کنٹرول پر مرکوز رکھے۔

حصص مالکان کے لیے ادائیگی

سرمایے کے بازار کی مندی پر نظر رکھتے ہوئے، جس سے کمپنی ہذا بھی متاثر ہوئی ہے، بورڈ آف ڈائریکٹرز اس سال کے لیے کوئی ادائیگی تجویز نہیں کرتے۔

خطرات سے نمٹنے کی اہلیت

کمپنی کی مرکزی کاروباری سرگرمیوں کی نوعیت کے لحاظ سے اسے مارکیٹ اور قرض کے خطرات کا سامنا رہتا ہے۔ مزید برآں، کمپنی کو کئی دیگر خطرات کا بھی سامنا ہے جن میں عملیاتی خطرات، قانونی خطرات اور فنڈنگ خطرات شامل ہیں۔ ان خطرات کی موثر شناخت، تشخیص اور انتظام کمپنی ہذا کی کامیابی اور استحکام کے لیے نہایت ضروری ہیں۔ نتیجتاً ان بڑے خطرات کی شناخت کرنے، انہیں روکنے اور ان پر مسلسل نظر رکھنے کے لیے جامع قسم کی انتظامی پالیسیاں اور طریقہ کار قائم کیے گئے ہیں۔

گذشتہ سالوں میں کمپنی کی کارکردگی

کمپنی ہذا کے گذشتہ چھ سالوں کی کارکردگی کا چارٹ لف ہے۔

فی حصص کمائی

30 جون 2016 کو ختم ہونے والے سال کے دوران فی حصص آمدن 0.22 روپے رہی جبکہ گذشتہ سال 1.66 روپے فی حصص خسارہ رہا۔

بورڈ آف ڈائریکٹرز میں تبدیلیاں

مالیاتی سال کے دوران بورڈ آف ڈائریکٹرز نے ملک فواد تصور کی جگہ مسٹر محمد اسجد افضل اور مسٹر محمد اسجد افضل کی جگہ مسٹر عبدالصمد کوڈائریکٹر تعینات کیا۔



دورانِ سال بورڈ کے اجلاس

دورانِ سال بورڈ آف ڈائریکٹرز کے چار اجلاس ہوئے۔ ہر ڈائریکٹر کی حاضریوں کا ریکارڈ درج ذیل ہے:

نام ڈائریکٹر	حاضریوں کی تعداد
میاں احسان الحق	4
مسٹر فاروق بن حبیب	4
مسٹر مظہر عباس	4
مسٹر احسن ضیا	4
مسٹر محمد جنید گوڈل	4
مسٹر وسیم احسن	4
ملک نواز تصور (مستعفی)	1
محمد اسجد افضل (مستعفی)	2
عبدالصمد	0

جو ڈائریکٹر صاحبان اجلاس میں شرکت نہ کر سکے، بورڈ نے ان کی رخصت منظور کر لی۔

ڈائریکٹرز کی تجارت

مالیاتی سال کے دوران ناظمین، سی ای او، سی ایف او، کمپنی سیکریٹری، ان کے ازواج اور نابالغ بچوں کی طرف سے کمپنی ہذا کے حصص کی کوئی تجارت نہیں ہوئی۔

محاسبی کمیٹی

کارپوریٹ انٹظام کے قواعد و ضوابط کے مطابق ناظمین کے بورڈ نے ایک محاسبی کمیٹی قائم کی ہے۔ سال کے دوران محاسبی کمیٹی کے چھ اجلاس ہوئے۔ ہر رکن کی حاضریوں کی تفصیل مندرجہ ذیل ہے:

محاسبی کمیٹی کے ارکان	اجلاس میں حاضریوں کی تعداد
ملک نواز تصور (چیئر مین) (مستعفی)	3
فاروق بن حبیب (رکن)	5
احسن ضیا (رکن) (مستعفی)	6
محمد اسجد افضل (چیئر مین) (مستعفی)	2
عبدالصمد (رکن) (مستعفی)	1
محمد جنید (رکن)	1
مظہر عباس	-

بورڈ نے محاسبی کمیٹی کی تشکیل نو کی اور اس کے ارکان میں کمپنی ہذا کے درج ذیل نان ایگزیکٹو ارکان شامل کیے:

مسٹر مظہر عباس	چیئر مین
مسٹر فاروق بن حبیب	رکن
مسٹر محمد جنید	رکن

محاسب

موجود محاسب میسرز ناصر جاوید، مقصود عمران (چارٹرڈ اکاؤنٹنٹ) ریٹائر ہو چکے ہیں اور اہل ہونے کی بنا پر دوبارہ تعیناتی کے لیے پیش کر چکے ہیں۔ بورڈ آف ڈائریکٹرز محاسبی کمیٹی کی تجویز قبول کرتے ہوئے میسرز ناصر جاوید، مقصود عمران (چارٹرڈ اکاؤنٹنٹ) کو مالیاتی سال 30 جون 2017 کے لیے کمپنی ہذا کے محاسب کے طور پر تعینات کرتا ہے۔

حصص کی ملکیت کا انداز

حصص کی ملکیت کا انداز جیسا کہ کمپنیز آرڈیننس 1984 کے سیکشن 236 اور اسٹاک ایکچینج کے مندرجہ ذیل ضوابط کا تقاضا ہے، اس رپورٹ کے ساتھ لف ہے۔

کارپوریٹ اور مالیاتی رپورٹ دینے کا ڈھانچہ

کمپنی ہذا کے ناظمین کے بورڈ نے عمدہ کارپوریٹ انتظام کا ڈھانچہ قائم کرنے کی غرض سے اسٹاک ایکچینج کے ضوابط کے مطابق کارپوریٹ انتظام کے قواعد و ضوابط کو مکمل طور پر اختیار کیا ہے۔

- 1- کمپنی کی انتظامیہ کی جانب سے تیار کردہ مالیاتی کیفیت نامے معاملات، حالات، عملیات کے نتائج، زر کے بہاؤ اور سرمایے کی شفاف تصویر پیش کرتے ہیں۔
- 2- کمپنی کے حساب داری کے کھاتے مناسب طور پر قائم رکھے گئے ہیں۔
- 3- معقول اور دانش مندانہ فیصلے کی بنیاد پر مالیاتی کیفیت ناموں اور حساب داری اندازوں کی تیاری میں مناسب حساب داری پالیسیاں اپنائی گئی ہیں۔
- 4- مالیاتی کیفیت ناموں کی تیاری میں پاکستان میں قابل عمل عالمی حساب داری معیارات کی پیروی کی گئی ہے۔
- 5- اندرونی ضبط کا نظام تشکیلی طور پر مضبوط ہے اور اس کا نفاذ اور دیکھ بھال موثر انداز میں کی گئی ہے۔
- 6- کاروبار جاری رکھنے کے اعتبار سے کمپنی ہذا کی اہلیت پر کوئی نمایاں شکوک نہیں ہیں۔
- 7- گذشتہ چھ سالوں کا کلیدی مالیاتی مواد خلاصے کی صورت میں رپورٹ میں دیا گیا ہے۔
- 8- ٹیکسوں، محصولات اور اخراجات کی کھاتوں میں کوئی قانونی ادائیگی باقی نہیں ہے اور کوئی معاملہ اخفا نہیں رکھا گیا۔
- 9- کمپنی ہذا ناظمین کے تربیتی پروگرام کے تقاضوں سے ہم آہنگ ہے۔

اقرار نامہ

اس موقع پر بورڈ آف ڈائریکٹرز تمام رقم برداروں کی مسلسل حمایت کا شکریہ ادا کرتے ہوئے انہیں خراج تحسین پیش کرتا ہے۔ بورڈ آف ڈائریکٹرز سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان اور لاہور اسٹاک ایکسچینج (ضامن) لمیٹڈ اور کراچی اسٹاک ایکسچینج (ضامن) لمیٹڈ کا مشکور ہے جنہوں نے مسلسل رہنمائی اور معاونت فراہم کی۔ آخر میں بورڈ تمام اسٹاک ممبران کی سخت محنت کو سراہتا ہے۔

بورڈ آف ڈائریکٹرز کی جانب سے

میاں احسان الحق

چیئر مین اور چیف ایگزیکٹو آفیسر

لاہور

تاریخ: 07 اکتوبر 2016



**THE COMPANIES ORDINANCE 1984
(Section 236(1) and 464)
PATTERN OF SHAREHOLDING**

1. Incorporation Number **L-07678 of 94-95**

2. Name of the Company **FIRST CAPITAL EQUITIES LIMITED.**

3. Pattern of holding of the shares held by the shareholders as at **30-06-2016**

-----Shareholding-----			
4. No. of Shareholders	From	To	Total Shares Held
12	1	100	51
5	101	500	1,627
3	501	1,000	2,064
135	1,001	5,000	531,532
5	5,001	10,000	29,100
1	20,001	25,000	22,960
1	25,001	30,000	26,105
1	125,001	130,000	128,395
1	490,001	495,000	492,500
1	995,001	1,000,000	1,000,000
1	1,710,001	1,715,000	1,710,250
1	1,745,001	1,750,000	1,750,000
1	3,995,001	4,000,000	4,000,000
1	4,695,001	4,700,000	4,700,000
1	6,905,001	6,910,000	6,906,000
1	7,595,001	7,600,000	7,597,716
1	8,940,001	8,945,000	8,943,000
1	33,300,001	33,305,000	33,304,000
1	70,190,001	70,195,000	70,190,200
174			141,335,500

5	Categories of shareholders	Shares held	Percentage
5.1(a)	Directors, CEO and their Spouse and Minor Children		
	Mian Ehsan ul Haq	5,400	0.004
	Farooq Bin Habib	5,400	0.004
	Mazhar Abbas	5,400	0.004
	Ahsan Zia	5,400	0.004
	Muhammad Junaid	600	0.000
	Waseem UI Hassan	1,080	0.001
	Abdul Samad	600	0.000
5.1 (b)	Chief Executive Officer		
	Mian Ehsan ul Haq, CEO /Director	Refer 5.1 (a) above	-
5.1	Directors spouse & minor children	-	-
5.1.1	Executive / Executives' spouse	-	-
5.2	Associated Companies, undertaking and related parties	-	-
a)	First Capital Securities Corporation Limited	103,494,200	73.226
5.3	NIT and ICP	-	-
5.4	Banks, DFIs and NBFIs	-	-
5.5	Insurance	4,700,000	3.325
5.6	Modarabas	-	-
5.6.1	Mutual Funds	128,395	0.091
5.7	Share holders holding 5% or more voting intrest		
a)	First Capital Securities Corporation Limited	Refer 5.2 (a) above	
b)	Pace Barka Properties Limited	7,597,716	5.376
c)	Mr. Sulaiman Ahmed Saeed Al-Hoqani	17,599,000	12.452
5.8	General Public		
	a) Local	2,249,353	1.591
		Refer 5.7 (c) above	
	b) Foreign Companies/Orginzations/Individual / (repatriable bases)	-	-
5.9	Others		
	Joint Stock Companies	5,542,956	3.922
	Pension fund Provident Fund etc.	-	-
		141,335,500	100.000



Financial Highlights

PARTICULARS	FY 16	FY 15	FY 14	FY 13	FY 12	FY 11	FY 10
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(R u p e e s i n m i l l i o n)

Profit and Loss Account

Revenues	315.14	131.64	172.74	327.16	1,364.98	455.86	439.44
Expenses	265.52	366.23	462.91	500.46	1,412.56	675.01	716.09
Profit / (loss) before tax	49.62	(234.61)	(290.55)	(176.11)	(66.99)	(364.09)	(301.16)
Profit / (loss) after tax	31.16	(234.23)	(292.30)	(176.94)	(68.33)	(366.23)	(305.66)

Balance Sheet

Paid up capital	1,413.36	1,413.36	1,413.36	1,080.32	1,080.32	1,080.32	1,080.32
Shareholder's equity	75.54	49.57	280.55	212.85	342.54	715.42	2,084.34
Liabilities	3,807.01	3,988.89	3,818.42	3,819.15	4,018.80	4,337.65	4,038.57
Total assets	3,882.53	4,038.45	4,098.98	4,022.38	4,361.34	5,053.17	6,122.91
Investment value at cost	112.45	40.20	52.18	203.35	400.44	501.74	539.58
Investment value at mkt price	118.73	39.32	40.15	131.10	252.07	532.50	1,693.34

Ratios

Earning / (loss) per share (Rs.)	0.22	(1.66)	(2.07)	(1.25)	(0.63)	(3.39)	(2.83)
Break up value (Rs.)	0.53	0.35	1.98	1.97	3.17	6.62	19.29
Return on Equity (%)	41.25	(472.55)	(104.29)	(78.61)	(19.95)	(51.18)	(14.66)

Payout (%)

Cash	-	-	-	-	-	-	-
Bonus	-	-	-	-	-	-	-
Right	-	-	-	40%	-	-	-

EPS for year 2013 of Rs (1.25) per share has been restated due to the issue of right shares during the year.

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

FIRST CAPITAL EQUITIES LIMITED (“THE COMPANY”) FOR THE YEAR ENDED JUNE 30, 2016

This statement is being presented to comply with the Code of Corporate Governance contained in the rule book of Pakistan Stock Exchange Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the CCG in the following manner:

- 1) The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Independent Director	Mr. Mazhar Abbas
Non-Executive Directors	Mr. Farooq Bin Habib Mr. Muhammad Junaid
Executive Directors	Mian Ehsan ul Haq Mr. Ahsan Zia Mr. Waseem ul Hassan Mr. Abdul Samad

The requirement of Independent Directors in composition of Board under the Code will be made at the time of next election of directors.

- 2) The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
- 3) All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
- 4) A casual vacancy occurring on April 22, 2016 in the Board was filled up by the directors on the same day.
- 5) The Company has prepared a “Code of Conduct” and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
- 6) The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- 7) All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non executive directors, have been taken by the board /shareholders.
- 8) The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
- 9) The Board ensures arrangement of orientation courses for its directors to apprise them of their duties and responsibilities. Board had previously arranged Corporate Governance Leadership Skills (CGLS) training programs for its directors. Three directors have obtained certification of CGLS as required under the clause 5.19.7 of the CCG and are familiarized themselves on their responsibilities with the CCG.



- 10) The Board has approved “appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.
- 11) The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
- 12) The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
- 13) The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding
- 14) The Company has complied with all the corporate and financial reporting requirements of the CCG.
- 15) The Board has formed an Audit Committee. It comprises three members. The Chairman of the Committee is an independent director.
- 16) The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.
- 17) The Board of Directors of the Company has formed an HR and Remuneration Committee. It comprises 3 members and the chairman of the committee is an independent director.
- 18) The board has set up an effective internal audit function that is considered suitable qualified and experienced for the purpose and are conversant with the policies and procedures of the company.
- 19) The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.
- 20) The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- 21) The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s)
- 22) Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).
- 23) The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
- 24) We confirm that all other material principles enshrined in the CCG have been complied with.

For and on behalf of Board


Mian Ehsan ul Haq
Chief Executive Officer

Lahore
Dated: October 07, 2016

REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

We have reviewed the Statement of Compliance (the Statement) with the best practices contained in the Code of Corporate Governance (the Code) for the year ended June 30, 2016 prepared by the Board of Directors of **First Capital Equities Limited** (the Company) to comply with the Listing Regulation of Lahore Stock Exchange Limited where the company is listed.

The responsibility for compliance with the Code is that of the Board of the Directors of the company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the statement reflects the status of the company's compliance with the provisions of the Code and report if it does not. A review is limited primarily to inquiries of the company personnel and review of various documents prepared by the company to comply with the code.

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

Based on our review, We hereby conclude that except for the matters referred in (a) above, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the status of the Company's compliance, in all material respects with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2016.

LAHORE
October 07, 2016

Nasir Javed Maqsood Imran
Chartered Accountants

Audit Engagement Partner:
Muhammad Maqsood



AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of FIRST CAPITAL EQUITIES LIMITED as at June 30, 2016 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

It is the responsibility of the company's management to establish and maintain a system of internal control, and prepare and present the above said statements in conformity with the approved accounting standards and the requirements of the Companies Ordinance, 1984. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the auditing standards as applicable in Pakistan. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the above said statements are free of any material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the above said statements. An audit also includes assessing the accounting policies and significant estimates made by management, as well as, evaluating the overall presentation of the above said statements. We believe that our audit provides a reasonable basis for our opinion and, after due verification, we report that:

- (a) in our opinion, proper book of accounts have been kept by the company as required by the Companies Ordinance, 1984.
- (b) in our opinion
 - (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;
 - (ii) the expenditure incurred during the year was for the purpose of the company's business; and
 - (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;
- (c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, statement of cash flow and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2016 and of the profit, its cash flows and changes in equity for the year then ended, and
- (d) in our opinion no Zakat was deductible at source under the Zakat and Usher Ordinance, 1980(XVIII of 1980)

Without qualifying our opinion, we draw attention to Note 2 in the annexed financial statements which indicates that although the company has earned an after tax profit of **Rs. 31.16 million**, still accumulated losses of the company stand at Rs. 1,289.52 million as at June 30, 2016 (2015 : 1,320.23). Moreover, the company in order to carry on its business and to meet its current obligations required to generate sufficient profits. These conditions along with other matters as set forth in note 2 indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

LAHORE
October 07, 2016

Nasir Javaid Maqsood Imran
Chartered Accountants

Audit Engagement Partner:
Muhammad Maqsood

Balance Sheet

AS AT JUNE 30, 2016

	Note	2016 Rupees	2015 Rupees
ASSETS			
NON - CURRENT ASSETS			
Property plant and equipment	6	49,085,029	53,626,132
Intangible assets	7	12,500,000	16,543,680
Long term investments	8	34,288,815	39,021,357
Long term deposits, receivables and prepayments	9	5,512,559	2,829,000
		101,386,403	112,020,169
CURRENT ASSETS			
Trade debts	10	1,990,328,119	2,214,359,129
Short term investments	11	84,440,219	299,524
Advances, deposits, prepayments and other receivables	12	7,766,551	17,423,047
Advance income tax	13	37,707,271	66,417,611
Interest accrued		319,972	438,230
Cash and bank balances	15	52,114,391	10,077,092
		2,172,676,523	2,309,014,633
ASSETS HELD FOR SALE			
Investments property	14	1,608,469,500	1,617,417,600
		3,882,532,426	4,038,452,402
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised Share Capital		1,520,000,000	1,520,000,000
Issued, subscribed and paid up capital	16	1,413,355,000	1,413,355,000
Other reserves		(48,292,434)	(43,559,896)
Unappropriated loss		(1,289,518,215)	(1,320,227,022)
TOTAL EQUITY		75,544,351	49,568,082
NON - CURRENT LIABILITIES			
Long term financing	17	1,914,925,617	1,585,896,098
Interest Accrued		371,670,346	355,212,432
Deferred liabilities	18	32,284,579	46,756,971
		2,318,880,542	1,987,865,501
CURRENT LIABILITIES			
Trade and other payables	19	165,988,912	181,114,954
Short term borrowings	20	634,157,148	634,157,148
Current portion of long term financing	17	246,506,008	526,875,926
Interest accrued	21	434,999,013	637,677,363
Provision for taxation		6,456,452	21,193,428
		1,488,107,533	2,001,018,819
CONTINGENCIES AND COMMITMENTS			
	27	-	-
TOTAL EQUITY AND LIABILITIES		3,882,532,426	4,038,452,402

The annexed notes from 1 to 33 form an integral part of these financial statements.

Lahore


Chief Executive


Director

Profit & Loss Account

For the year ended June 30, 2016

	Note	2016 Rupees	2015 Rupees
INCOME			
Brokerage income		46,581,833	68,933,597
Capital (loss)/gain - net		(423,744)	175,600
Dividend income		1,020,436	1,231,230
Gain / (loss) on re-measurement of investments at fair value through profit or loss - net	11.1	11,032,185	(26,459)
		58,210,710	70,313,968
EXPENDITURE			
Operating and administrative expenses	22	76,530,285	106,380,645
Finance cost	23	188,989,743	259,848,187
		265,520,028	366,228,832
OPERATING LOSS		(207,309,318)	(295,914,864)
OTHER INCOME	24	256,933,046	61,303,758
NET PROFIT / (LOSS) BEFORE TAXATION		49,623,728	(234,611,106)
Taxation	25	18,464,816	(377,720)
PROFIT / (LOSS) AFTER TAXATION		31,158,912	(234,233,386)
EARNING / (LOSS) PER SHARE - BASIC AND DILUTED	26	0.22	(1.66)

The annexed notes from 1 to 33 form an integral part of these financial statements.

Lahore


Chief Executive


Director

Statement of Comprehensive Income


For the year ended June 30, 2016

	2016 Rupees	2015 Rupees
Profit/(loss) after taxation for the year	31,158,912	(234,233,386)
Other comprehensive (loss) / income for the year		
<i><u>Items that will never be reclassified to profit or loss:</u></i>		
Remeasurement of defined benefit plan	(450,105)	4,102,127
<i><u>Items that are or may be reclassified to profit or loss:</u></i>		
Unrealised loss on remeasurement of investment available for sale	(4,732,538)	(849,431)
Total other comprehensive (loss) / income	(5,182,643)	3,252,696
Total comprehensive income/(loss)	<u>25,976,269</u>	<u>(230,980,690)</u>

The annexed notes from 1 to 33 form an integral part of these financial statements.

Lahore


Chief Executive


Director

Cash Flows Statement


For the year ended June 30, 2016

	Note	2016 Rupees	2015 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit / (loss) before taxation		49,623,728	(234,611,106)
Add: Items not involved in movement of funds			
Depreciation		5,828,297	6,101,359
Impairment		4,043,680	-
(Gain)/ Loss on re-measurement of investments at fair value through profit or loss - net		(11,032,185)	26,459
Gain on re-measurement of investment property		(342,300)	(15,514,500)
Deposits written off		2,500,000	-
Dividend income		(1,020,436)	(1,231,230)
Provision for interest written back		(252,466,144)	(38,726,433)
Interest accrued		(1,268,147)	(3,068,228)
Interest expense		188,989,743	259,848,187
Gain on sale of property and equipment	6.2	(1,208,000)	(2,356,480)
Gain on foreign currency translation		-	(117)
Provision for gratuity		(13,568,997)	10,081,326
		(79,544,489)	215,160,342
		(29,920,761)	(19,450,764)
Decrease / (Increase) in current assets			
Investments at fair value through profit or loss		(73,108,510)	(50,900)
Trade debts - unsecured		224,031,010	64,146,752
Advances, deposits, prepayments and other receivables		7,156,506	808,073
		158,079,006	64,903,924
		(15,126,042)	13,723,371
(Increase) / decrease in current liabilities in trade and other payables			
Cash generated in operations			
		113,032,203	59,176,530
Interest received		1,386,405	3,772,776
Dividend received		1,020,436	1,231,230
Finance cost paid		(140,719)	(192,491)
Gratuity paid		(1,353,500)	(5,288,500)
Taxes paid		(4,491,452)	(5,278,503)
		109,453,373	53,421,042
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		(1,287,200)	(309,066)
Proceeds from sale of property and equipment		1,208,000	2,831,480
Investments property		9,290,400	-
Long term deposits and advances		(2,683,559)	50,000
		6,527,641	2,572,414
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finance paid		(73,943,715)	(149,211,843)
Short term borrowings		-	90,185,501
		(73,943,715)	(59,026,342)
Effects of exchange rate changes in cash and cash equivalents			
		-	117
NET INCREASE / (DECERESE) IN CASH AND CASH EQUIVALENTS		42,037,299	(3,032,882)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		10,077,092	13,109,857
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		52,114,391	10,077,092

The annexed notes from 1 to 33 form an integral part of these financial statements.

Lahore


Chief Executive


Director


Statement of Changes in Equity

For the year ended June 30, 2016

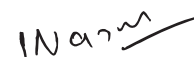
	Issued, subscribed and paid up capital	Capital Reserve		Revenue Reserve		Total
		Share Premium	Reserve for issue of bonus shares	Other Reserve	Unappropriated Loss	
Rupees						
Balance as at June 30, 2014	1,413,355,000	-	-	(42,710,465)	(1,090,095,763)	280,548,773
Loss for the year after taxation	-	-	-	-	(234,233,386)	(234,233,386)
Other comprehensive income for the year						
Fair value reserve realised	-	-	-	-	-	-
Remeasurement of defined benefit plan	-	-	-	-	4,102,127	4,102,127
Deficit on remeasurement of investment available for sale to fair value	-	-	-	(849,431)	-	(849,431)
Total other comprehensive income for the year - net of tax	-	-	-	(849,431)	4,102,127	3,252,696
Total comprehensive loss for the year	-	-	-	(849,431)	(230,131,259)	(230,980,690)
Balance as at June 30, 2015	1,413,355,000	-	-	(43,559,896)	(1,320,227,022)	49,568,082
Profit for year after taxation	-	-	-	-	31,158,912	31,158,912
Other comprehensive income for the year						
Fair value reserve realised	-	-	-	-	-	-
Remeasurement of defined benefit plan	-	-	-	-	(450,105)	(450,105)
Deficit on remeasurement of investment available for sale to fair value	-	-	-	(4,732,538)	-	(4,732,538)
Total other comprehensive loss for the year - net of tax	-	-	-	(4,732,538)	(450,105)	(5,182,643)
Total comprehensive income for the year	-	-	-	(4,732,538)	30,708,807	25,976,269
Balance as at June 30, 2016	1,413,355,000	-	-	(48,292,434)	(1,289,518,215)	75,544,351

The annexed notes from 1 to 33 form an integral part of these financial statements.

Lahore



Chief Executive



Director



Notes to the Financial Statements

For the year ended June 30, 2016

1. Status and nature of business

First Capital Equities Limited (the "Company") was incorporated in Pakistan on January 26, 1995 as a private limited company, under the Companies Ordinance, 1984. The Company was converted into a public limited company on June 18, 1997 and is listed on Pakistan Stock Exchange Limited formerly Lahore Stock Exchange Limited. The Company is a subsidiary of First Capital Securities Corporation Limited, which owns 73.23% (2015: 73.23%) of the share capital of the Company. The principal activities of the Company include share brokerage and conducting / publishing business research.

The registered office is located at 2nd Floor, Pace Shopping Mall, Fortress Stadium, Lahore-Cantt.

2. Since last few years, Company was incurring losses. As a result the accumulated losses as on June 30, 2015 were Rs. 1,320 million (2014 Rs. 1,090 million). The Company in order to carry on its business and to meet its current obligations required to generate sufficient profits. During the year, the Company successfully signed modified terms agreements of its long term loans with various banks. The mark up has also been waived / frozen. These facts has enable the Company to earn an after tax profit of Rs. 31.15 million. However the accumulated losses are still Rs. 1,289 million.

The Company in order to carry on its business and to meet its current obligations requires generating sufficient cash flows. Accordingly there is a material uncertainty relating to the Company's operations that may cause sufficient doubt regarding discharge of its liability in the normal course of business. Continuation of the Company as going concern is heavily dependent on improved cash flows. For this purpose the management of the Company drawn up plans for :

- a) Hiring of renowned traders from the market.
- b) Vigorously following the debtors for recovery.
- c) Change in top operations management to improve the operations of the company.
- d) The Company is also relying on continued support from its sponsors.

Owing to these factors, these financial statements are prepared on going concern basis.

3. Basis of preparation

3.1 Statement of compliance

These financial statements have been prepared in accordance with the approved Accounting Standards as applicable in Pakistan and the requirements of the Companies Ordinance 1984. Approved Accounting Standards comprise of such International financial reporting standards as notified under the provisions of the Companies Ordinance 1984. Whenever the requirements of the Companies Ordinance 1984 or directives of the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of the Standards, the requirements of the Companies Ordinance 1984 or the requirements of the said directives take precedence.

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for intangible assets, investment properties and certain financial assets that are stated at fair value and recognition of deferred liabilities at present value.

3.3 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards as applicable in Pakistan, requires management to make judgments, estimates and assumptions, that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the

basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas where various assumptions and estimates are significant to Company's financial statements or where judgments were exercised in application of accounting policies are;

- | | |
|--|----------------|
| a) Useful life and residual values of property and equipment | Note 6 |
| b) Provisions | Note 10 |
| c) Staff retirement benefits | Note 18 |
| d) Provision for taxation | Note 25 |

4 Initial application of new standards, interpretations or amendments to existing standards and forthcoming requirements

4.1 Standards, amendments or interpretations which became effective during the year

During the year IFRS 10 'Consolidated Financial Statements', IFRS 11 'Joint Arrangements', IFRS 12 'Disclosure of Interests in Other Entities' and IFRS 13 'Fair Value Measurements' became effective. These standards became applicable from 1 July 2015, as per the adoption status of IFRS in Pakistan. The application of IFRS 10, IFRS 11 and IFRS 12 did not have any impact on the financial statements of the Company.

4.2 The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after July 01, 2016:

- * Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Company's financial statements.
- * Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10- Consolidated Financial Statements' and IAS 28 - 'Investments in Associates and Joint Ventures') [effective for annual periods beginning on or after 1 January 2016) clarifies (a) which subsidiaries of an investment entity are consolidated; (b) exemption to present consolidated financial statements is available to a parent entity that is a subsidiary of an investment entity; and (c) how an entity that is not an investment entity should apply the equity method of accounting for its investment in an associate or joint venture that is an investment entity. The amendments are not likely to have an impact on Company's financial statements;
- * Accounting for Acquisitions of Interests in Joint Operations - Amendments to IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2016) clarify the accounting for the acquisition of an interest in a joint operation where the activities of the operation constitute a business. They require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business. The amendments are not likely to have an impact on Company's financial statements;
- * Amendment to IAS 27 'Separate Financial Statements' (effective for annual periods beginning on or after 1 January 2016) allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The amendment is not likely to have an impact on Company's financial statements;



- * Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 'Property, Plant and Equipment' for measurement and disclosure purposes. Therefore, a Company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction. The amendments are not likely to have an impact on Company's financial statements;
- * Amendments to IAS 12 'Income Taxes' are effective for annual periods beginning on or after 1 January 2017. The amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. The amendments are not likely to have an impact on Company's financial statements;
- * Amendments to IAS 7 'Statement of Cash Flows' are part of IASB's broader disclosure initiative and are effective for annual periods beginning on or after 1 January 2017. The amendments require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes; and
- * Amendments to IFRS 2 - 'Share-based Payment' clarify the accounting for certain types of arrangements and are effective for annual periods beginning on or after 1 January 2018. The amendments cover three accounting areas (a) measurement of cash-settled share-based payments; (b) classification of share-based payments settled net of tax withholdings; and (c) accounting for a modification of a share-based payment from cash-settled to equity-settled. The new requirements could affect the classification and/or measurement of these arrangements and potentially the timing and amount of expense recognised for new and outstanding awards. The amendments are not likely to have an impact on Company's financial statements.
- * Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards:
 - * IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations. IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting;
 - * IFRS 7 'Financial Instruments - Disclosures'. IFRS 7 is amended to clarify when servicing arrangements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety are in the scope of its disclosure requirements. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS7)', are not specifically required for inclusion in condensed interim financial statements for all interim periods;
 - * IAS 19 'Employee Benefits'. IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid; and
 - * IAS 34 'Interim Financial Reporting'. IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.

The above amendments are not likely to have any impact on these financial statements.

5. Significant accounting policies

5.1 Property and equipment

These are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged to income applying the straight-line method whereby the cost is written-off over its estimated useful life at the rates specified in note 6.1 to the financial statements. Residual value and the useful life of an asset are reviewed at least at each financial year end.

Depreciation on additions is charged on a pro-rata basis from the month in which the asset is put to use, while for disposals depreciation is charged up to the month preceding the disposal of the asset. Where an impairment loss is recognized, the depreciation charge is adjusted in the future periods to allocate the assets revised carrying amount over its estimated useful life.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are charged to income during the period in which they are incurred.

Maintenance and repairs are charged to income as and when incurred. Renewals and improvements are capitalized when it is probable that respective future economic benefits will flow to the Company and the cost of the item can be measured reliably, and the assets so replaced, if any, are retired.

The gain or loss on disposal or retirement of an asset represented by the difference between the sale proceeds and the carrying amount of the asset is recognised as an income or expense.

Residual value and the useful life of an asset are reviewed at each financial year end and adjusted if impact on depreciation is significant. The Company's estimates of residual value of property and equipment at June 30, 2016 did not require any adjustment.

5.2 Intangible assets

(a) TRE Certificates

These are stated at closest estimate of fair value. Impairment is charged if any indications arises for decline in value, if any. These assets have an indefinite useful life so no amortization has been charged.

(b) Rooms and others

These are stated at cost less accumulated impairment, if any. The carrying amount is reviewed at each balance sheet date to assess whether these are recorded in excess of their recoverable amount, and where carrying amount exceeds estimated recoverable amount, these are written down to their estimated recoverable amount. These assets have an indefinite useful life so no amortization has been charged.

5.3 Leases

Leases in term of which the Company has substantially all the risks and rewards of ownership are classified as finance leases. Assets subject to finance lease are stated at the lower of present value of minimum lease payments under the lease agreements and fair value of the assets, less accumulated depreciation and impairment loss, if any.

The related rental obligations, net of finance costs are classified as current and long term depending upon the timing of the payment. Each lease payment is allocated between the liability and finance costs so as to achieve a constant rate on the balance outstanding. The interest element of the rental is charged to income over the lease term.

Minimum lease payments made under finance leases are apportioned between the finance cost and the reduction of the outstanding liability. The finance cost is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent lease payments, if any are accounted for by revising the minimum lease payments over the remaining



term of the lease when the lease adjustment is confirmed. The interest element of the rental is charged to income over the lease term.

Depreciation on additions to leased assets is charged from the month in which an asset is acquired while no depreciation is charged for the month in which the asset is disposed off.

5.4 Impairment

The carrying amount of the Company's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated in order to determine the extent of the impairment loss, if any.

An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. All impairment losses are recognized in the profit and loss account. Individually significant financial assets are tested for impairment on individual basis. An impairment loss in respect of available-for-sale financial assets is calculated by the reference to its current fair value. Any cumulative loss in respect of an available-for-sale financial assets recognised previously in equity is transferred to profit and loss.

Impairment losses are reversed when there is an indication that the impairment may no longer exist and there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation and amortization, if no impairment loss had been charged.

For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity.

5.5 Investments

Available-for-sale

Investments which are intended to be held for an indefinite period of time but may be sold in response to the need for liquidity are classified as available-for-sale. After initial recognition, these are stated at fair values (except for unquoted investments where active market does not exist) with any resulting gains and losses which are charged to other comprehensive income, until the investment is disposed or impaired. At the time of disposal, the respective surplus or deficit is transferred to income. Fair value of quoted investments is their bid price at the balance sheet date.

Unquoted investments, where active market does not exist, are carried at cost and tested for impairment at each year end. Impairment loss, if any, is charged to income currently.

Investments at fair value through profit or loss

These include investments classified as held for trading or upon initial recognition are designated by the Company at fair value through profit or loss. Investments which are acquired principally for the purpose of generating a profit from short term fluctuations in price or dealer's margin are classified as held for trading. After initial recognition, these are stated at fair values with any resulting gains and losses recognized directly in income. Fair value of investments is their quoted bid price at the balance sheet date. Transaction costs are charged to income currently.

5.6 Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are initially recognized at cost, being the fair value of the consideration given, subsequent to initial recognition these are stated at fair value. The fair value is determined annually by an independent approved valuer. The fair values are based on market values, being the estimated amount for which a property could be exchanged on the date of valuation between knowledgeable and willing buyer and seller in an arms length transaction.

Any gain or loss arising from a change in fair value is recognized in the profit and loss account. Rental income from investment property is accounted for as described in note 14.

When an item of property, plant and equipment is transferred to investment property following a change in its use, any differences arising at the date of transfer between the carrying amount of the item immediately prior to transfer and its fair value is recognized in surplus on revaluation of property, plant and equipment, if it is a gain. Upon disposal of the item the related surplus on revaluation of property, plant and equipment is transferred to retained earnings. Any loss arising in this manner is recognized immediately in the profit and loss account.

5.7 Securities purchased and sold under resale/repurchase agreements

Repurchase agreements

Investments sold with a simultaneous commitment to repurchase at a specified future date (Repo) continue to be recognized in the balance sheet and are measured in accordance with the accounting policies for investments. Amounts received under these agreements are recorded as "securities sold under repurchase agreements" in short term borrowings. The difference between sale and repurchase price is treated as mark-up on borrowings and is accrued over the life of the repo agreement.

Reverse repurchase agreements

Investments purchased with a corresponding commitment to resell at a specified future date (Reverse repo) are not recognized in the balance sheet. Amounts paid under these obligations are recorded as fund placements. The difference between purchase and resale price is treated as mark-up/interest income on fund placements and is accrued over the life of the reverse repo agreement.

5.8 Settlement date accounting

All "regular way" purchases and sales of financial assets are recognized on the settlement date, i.e. the date on which the asset is delivered to or by the Company. Regular way purchases or sales of financial assets are those contracts which requires delivery of assets within the time frame generally established by regulation or convention in the market.

5.9 Trade debts

Trade debts are carried at original invoice amount less an estimate made for doubtful debts based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

5.10 Financial instruments

All the financial assets and financial liabilities are recognized at the time when the Company becomes a party to the contractual provisions of the instruments. The Company de-recognizes a financial asset or a portion of financial asset when, and only when, the enterprise loses control of the contractual rights that comprise the financial asset or portion of financial asset. A financial liability or part of financial liability is de-recognized from the balance sheet, when and only when, it is extinguished i.e. when the obligation specified in the contract is discharged, cancelled or expired. Any gain or loss on the recognition or de-recognition of the financial assets and liabilities is included in the profit and loss account currently.

Significant financial assets include long term deposits, short term investments, trade debts, loans and advances, other receivables and cash and bank balances.

Significant financial liabilities are classified according to the substance of the contractual agreements entered into. Significant financial liabilities are liabilities against assets subject to finance lease, mark-up accrued, long term / short term borrowings and trade and other payables.

5.11 Financial assets and liabilities

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at cost, which is the



fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortised cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

5.12 Interest bearing borrowings

All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method. Gains and losses are recognized in the profit and loss account when the liabilities are derecognized as well as through the amortization process.

5.13 Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet only when the Company has a legally enforceable right to set off the recognized amounts and intends to either settle on a net basis or realize the asset and settle the liability simultaneously.

5.14 Trade and other payables

Liabilities for trade and other amounts payable are carried at cost which is the fair value of the consideration to be paid in future for goods or services received.

5.15 Provisions

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

5.16 Staff retirement benefits

Defined benefit plan

The Company operates an un-funded gratuity plan for its eligible staff under which benefits are paid on cessation of employment subject to a minimum qualifying period of service, that is one year. The liability under the plan is determined on the basis of actuarial valuations carried out by using the "Projected unit credit method" and is charged to income.

5.17 Revenue recognition

- * Capital gains or losses on sale of investments are recognised in the year in which they arise.
- * Income on fund placements on account of continuous funding system is recognised on accrual basis.
- * Brokerage income, consultancy and money market services are recognized as and when such services are provided.
- * Underwriting commission is recognized as and when the contract is executed. Take up commission is recognized at the time of actual take-up.
- * Dividend income is recognized at the time of book closure of the company declaring the dividend.
- * Return on securities other than shares is recognized as and when it is due on time proportion basis.
- * Mark-up/interest income is recognized on accrual basis.
- * Rental income is recognized on accrual basis.

5.18 Taxation

Current

Provision for current taxation is based on the taxable income for the year determined in accordance with the prevailing laws for taxation of income. The charge for current tax is calculated using prevailing tax rates or tax rates expected to apply to the profit for the year if enacted after taking into account tax credits, rebates and exemptions, if any. The charge for current tax also includes adjustments, where considered necessary, to provision for tax made in previous years arising from assessments framed during the year for such years.

Deferred

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of the taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which the deductible temporary differences, unused tax losses and tax credits can be utilised.

Deferred tax is calculated at the rates that are expected to apply to the period when the differences reverse based on tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax is charged or credited in the income statement, except in the case of items credited or charged to equity in which case it is included in equity.

5.19 Functional and presentation currency

These financial statements are presented in Pakistan Rupees which is also the Company's functional currency.

5.20 Foreign currency

All monetary assets and liabilities in foreign currencies are translated into rupees at exchange rates prevailing at the balance sheet date. Transactions in foreign currencies are translated into rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into rupees at exchange rates prevailing at the date of transaction. Non-monetary assets and liabilities denominated in foreign currency that are stated at fair value are translated into rupees at exchange rates prevailing at the date when fair values are determined. Exchange gains and losses are included in the income currently.

5.21 Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost. For the purpose of cash flow statement, cash and cash equivalents comprise of cash in hand, cash with banks and other short term highly liquid investments (if any) that are readily convertible to known amounts of cash and which are subject to insignificant risk of change in value.

5.22 Related party transactions

All transactions involving related parties arising in the normal course of business are conducted at arm's length at normal commercial rates on the same terms and conditions as third party transactions using valuation modes as admissible, except in extremely rare circumstances where, subject to approval of Board of Directors, it is in the interest of the Company to do so.

6 PROPERTY PLANT AND EQUIPMENT

Note	2016 Rupees	2015 Rupees
6.1	49,085,029	53,626,132
	49,085,029	53,626,132

6.1 Property, plant and equipment schedule

	Freehold building	Computers	Office equipment	Furniture & fittings	Vehicles	Total
Year Ended Jun 30, 2016						
Opening net book value (NBV)	47,699,502	692,569	2,061,320	3,008,388	164,355	53,626,134
Additions / transfers	-	384,700	35,000	-	867,500	1,287,200
Disposals 6.2	-	-	-	-	-	-
Depreciation charged	(3,372,790)	(419,206)	(784,411)	(1,096,231)	(155,667)	(5,828,305)
Balance as on June 30, 2016 (NBV)	44,326,712	658,063	1,311,909	1,912,157	876,188	49,085,029
Gross carrying value as at Jun 30, 2016						
Cost	67,455,802	18,953,434	16,019,344	14,089,243	25,966,633	142,484,456
Accumulated depreciation	(23,129,090)	(18,295,371)	(14,707,435)	(12,177,086)	(25,090,445)	(93,399,427)
Net book value	44,326,712	658,063	1,311,909	1,912,157	876,188	49,085,028
Year Ended Jun 30, 2015						
Opening net book value (NBV)	51,072,291	917,445	3,016,879	4,107,455	779,355	59,893,425
Additions / transfers	-	169,066	140,000	-	-	309,066
Disposals	-	-	-	-	(475,000)	(475,000)
Depreciations charged	(3,372,792)	(393,943)	(1,095,561)	(1,099,063)	(140,000)	(6,101,359)
Balance as on June 30, 2015 (NBV)	47,699,499	692,568	2,061,318	3,008,392	164,355	53,626,132
Gross carrying value as at June 30, 2015						
Cost	67,455,800	19,910,933	15,984,343	14,089,246	26,342,133	143,782,454
Accumulated depreciation	(19,756,301)	(19,218,365)	(13,923,024)	(11,080,854)	(26,177,778)	(90,156,322)
Net book value	47,699,499	692,568	2,061,318	3,008,392	164,355	53,626,132
Depreciation rate (% per annum)	5	33.33	10	10	20	

Free hold building having carrying value of Rs. 67 million (2015 Rs. 65 million) has been pledged with various banks against long term financing.

6.2 Disposal of property and equipment

Particulars	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Gain	Mode of Sale	Particulars of Buyers
	Rupees			Rupees			
Vehicle	629,000	629,000	-	450,000	450,000	Negotiation	Muzamil Aftab
Vehicle	614,000	614,000	-	740,000	740,000	Negotiation	Zahid Ali
Computers	1,342,200	1,342,200	-	18,000	18,000	Negotiation	Night Angel Communication
			-		-		
			-		-		
Total	2,585,200	2,585,200	-	1,208,000	1,208,000		

7 INTANGIBLE ASSETS

		2016 Rupees	2015 Rupees
Trading Right Entitlement Certificate (TREC)			
Pakistan Stock Exchange Limited	7.1	5,000,000	9,043,680
Room			
Pakistan Stock Exchange Limited		7,500,000	7,500,000
		12,500,000	16,543,680

7.1 This represents Trading Right Entitlement Certificate (TREC) received from Pakistan Stock Exchange Limited (PSX) (formerly Karachi Stock Exchange Limited), in accordance with the requirements of the Stock Exchanges (Corporation, demutualization and Integration) Act, 2012 (The Act). The Company has also received shares of KSE after completion of the demutualization process. As on June 30, 2015, the TREC was recorded at 9,043,680/- (for detail refer note 8.2). During the year, Pakistan Stock Exchange Limited (PSX) (formerly Karachi Stock Exchange Limited) issued the value of TREC for calculation of Base Minimum Capital (BMC) at Rs. 5,000,000/-. This indicated that the value of TREC needs impairment of Rs. 4,043,680/-

7.2 The Company has no internally generated intangible assets.

		2016 Rupees	2015 Rupees
8 LONG TERM INVESTMENTS			
8.1 Investment in related parties			
Available for sale			
Media Times Limited - quoted shares	8.1.1	10,132,495	14,865,037
8.2 Other Investments			
Available for sale			
Pakistan Stock Exchange Limited - unquoted shares	8.2.1	24,156,320	24,156,320
		34,288,815	39,021,357
8.1.1	6,067,362 (2015: 6,067,362) Fully paid ordinary shares of Rs. 10 each		
	Equity Held 3.56% (2015 : 3.56%)	14,865,033	15,714,468
	Loss on remeasurement of investment available for sale	(4,732,538)	(849,431)
		10,132,495	14,865,037

8.2.1 The 4,007,383 shares of PSX to its members including the Company were determined on the basis of the fair valuation of the underlying asset and liabilities of the Stock exchange in accordance with requirements of the demutualization Act. In other words, shares of Rs. 40,073,830/- received by the company represented its share in the fair value of the net assets of the Pakistan Stock Exchange Limited (PSX) (formerly Karachi Stock Exchange Limited). Under these circumstances where active market is not available for such shares, this net asset value based valuation was considered as the closest estimate of the fair value of the shares.

Further, the Pakistan Stock Exchange Limited (PSX) (formerly Karachi Stock Exchange Limited) also introduced a minimum capital regime for the brokers, and for this purpose valued TREC at Rs. 15 million as per the decision of the BOD of the KSE. This fact indicated an acceptable level of value for TREC which was also used by the Stock Exchange for risk management and safeguarding the investor's interest. In the absence of an active market of TREC, this assigned value of Rs. 15 million was considered as the closest estimate of the fair value of the TREC.

Therefore, based on the above estimates of fair value of Pakistan Stock Exchange Limited (PSX) (formerly Karachi Stock Exchange Limited) shares (Rs. 40,073,830/-) and TREC (Rs. 15,000,000), the Company allocated its carrying value in the ratio of 0.7276 to shares and 0.2724 to TREC.

During the year, the Pakistan Stock Exchange Limited (PSX) (formerly Karachi Stock Exchange Limited) issued value of TREC at Rs. 5 million as per the decision of the BOD of the KSE for calculation of BMC.



9 LONG TERM DEPOSITS, RECEIVABLES AND PREPAYMENTS

	Note	2016 Rupees	2015 Rupees
Karachi Stock Exchange Limited		3,653,159	1,860,000
Central Depository Company of Pakistan Limited		100,000	100,000
National Clearing Company of Pakistan Limited		400,000	400,000
Other deposits and receivables	9.1	1,359,400	469,000
		<u>5,512,559</u>	<u>2,829,000</u>

9.1 This includes balance receivable from First Capital Securities Corporation Limited (Parent Company) Rs. 890,400/- (June 2015 : NIL).

10 TRADE DEBTS

Trade debts against purchase of shares:

Considered good - unsecured

Clients

Related parties

Others

10.1	182,477,610	181,626,956
	1,807,229,100	2,032,110,764
	621,409	621,409
	<u>1,990,328,119</u>	<u>2,214,359,129</u>

Members

Considered doubtful:

Clients

Members

10.2	1,092,901,226	1,092,901,226
	3,911,979	3,911,979
	1,096,813,205	1,096,813,205
	<u>(1,096,813,205)</u>	<u>(1,096,813,205)</u>

Less: Provision for doubtful debts

10.2	-	-
	<u>1,990,328,119</u>	<u>2,214,359,129</u>

10.1 Related parties

Salmaan Taseer

Aamna Taseer

Shehryar Ali Taseer

Suleman Al Houqani

Pace Barka Properties Limited

First Capital Mutual Fund Limited

	13,571,120	13,571,120
	263,808	111,577
	682,743	-
	167,944,259	167,944,259
	5,000	-
	10,680	-
	<u>182,477,610</u>	<u>181,626,956</u>

Age analysis of trade debts from related parties

29.1.2

10.2 Provision for doubtful debts

Opening balance

Provision for Doubt full debts written back

Charge for the year

Closing balance

	1,096,813,205	1,096,813,205
22	-	-
	-	-
	<u>1,096,813,205</u>	<u>1,096,813,205</u>

11 SHORT TERM INVESTMENTS

At fair value through profit or loss
Quoted equity securities

11.1	84,440,219	299,524
	<u>84,440,219</u>	<u>299,524</u>

11.1 Quoted equity securities held for trading

	June 2016			June 2015		
	Number of shares	Carrying Amount	Market value	Number of shares	Carrying Amount	Market value
		Rupees	Rupees		Rupees	Rupees
Investment in related parties						
First Capital Mutual Fund Limited	1,792	22,418	21,128	-	-	-
Media Times Ltd	7,825,638	7,825,638	13,068,815	-	-	-
Pace (Pakistan) Limited	7,600,000	49,400,000	47,500,000	-	-	-
Other investments						
Arif Habib Ltd.	100	6,961	4,512	1,348	86,353	93,834
World Call Telecom	800,000	923,500	1,568,000	-	-	-
Haseeb Waqas Sugur Mills Ltd.	2,738,956	8,276,109	13,694,780	32,000	188,160	155,200
PICIC Insurance Limited	32,000	352,000	172,800	-	-	-
Pioneer Cement Limited	11,000	983,950	1,181,400	-	-	-
Colon Textile Mills Limited	237,480	883,425	607,949	-	-	-
Pakistan Telecommunication Limited	34,000	650,080	511,020	-	-	-
Shaheen Insurance Company Limited	1,221,963	4,083,953	6,109,815	-	-	-
Pakistan Services Limited	-	-	-	102	51,470	50,490
Total Investment		<u>73,408,034</u>	<u>84,440,219</u>		<u>325,983</u>	<u>299,524</u>
Gain / (loss) on remeasurement		<u>11,032,185</u>			<u>(26,459)</u>	
Total Investment as at June 30,		<u><u>84,440,219</u></u>			<u><u>299,524</u></u>	

Shares having carrying amount of Rs. 73,386,616/- (2015: Rs. 194,566/-) and market value of Rs. 84,419,091/- (2015: Rs. 162,161/-) are pledged as security out of these shares having carrying value of Rs. 4,104,396/- (2015 NIL) and market value of Rs. 6,589,815/- (June 2015 NIL) have been transferred to commercial banks.

	Note	2016 Rupees	2015 Rupees
12 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Advances - Unsecured - Considered good			
Executives	12.1	1,744,175	3,638,132
Employees	12.1	1,165,487	1,291,965
Deposits with			
Central Depository Company of Pakistan Limited		25,000	25,000
Others		411,652	411,652
Prepayments		17,837	41,146
Exposure with Pakistan Stock Exchange Limited	12.2	2,308,878	6,763,807
Accrued brokerage commission		153,050	501,763
Accrued rental income		1,495,000	539,500
Advance for National Commodity Exchange Limited Membership		-	2,500,000
Other receivables - considered good		445,472	1,710,081
		<u>7,766,551</u>	<u>17,423,047</u>

12.1 Advances given to Executives / Employees are in accordance with the Company policy. Such advances are unsecured, interest free and are adjusted against salary / expenses claims. These advances are secured against gratuity. Advances to executives / employees does not include any amount due from chief executive and directors (2015 : NIL).

12.2 This represents exposure deposit with the Pakistan Stock Exchange Limited under the exposure rules.

	Note	2016 Rupees	2015 Rupees
13 ADVANCE INCOME TAX			
Advance income tax		6,940,307	66,417,611
Income tax refund claimed	13.1	30,766,964	-
		<u>37,707,271</u>	<u>66,417,611</u>

13.1 During the year, the Company has filed Income Tax refund claims for the year 2003, 2005 and 2008 to 2015 under section 170 of Income Tax Ordinance 2001.

	Note	2016 Rupees	2015 Rupees
14 INVESTMENT PROPERTY - AVAILABLE FOR SALE			
Balance as on July 01,		1,617,417,600	1,601,903,100
Acquisition during the year		-	-
		<u>1,617,417,600</u>	1,601,903,100
Disposal during the year		(9,290,400)	-
		<u>1,608,127,200</u>	1,601,903,100
Increase in fair value		342,300	15,514,500
Balance as at June 30,	14.3	<u>1,608,469,500</u>	<u>1,617,417,600</u>

14.1 Investment Property comprises various shops / counters acquired from various parties including First Capital Securities Corporation Limited (Parent Company) in various shopping malls situated at Gujranwala and Gujrat. The transaction with parent company has been made on arm's length basis. These properties are under mortgage by banks against the borrowings. The Company has the intention to sell off this property to pay off the bank borrowings.



14.2 The direct operating expenses related to the investment property were Rs. 50,000/- (2015 Rs. 45,000).

14.3 The fair value of subject investment property is based on valuation that was carried out by M/s. Negotiator, independent valuer (approved valuator on the panel of Pakistan Banking Association) as on June 30, 2016. The valuer determined the fair value of Rs. 1,608,469,500/-, the effect of which has been incorporated in the financial statements.

	Note	2016 Rupees	2015 Rupees
15 CASH AND BANK BALANCES			
Cash at bank			
Current accounts		50,497,552	3,345,767
Deposit accounts	15.1	1,472,458	6,653,815
		51,970,010	9,999,582
Cash in hand		144,381	77,510
		<u>52,114,391</u>	<u>10,077,092</u>

15.1 These carry profit at rates ranging from 3% to 5% per annum (2015: 4% to 8% per annum).

16 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

2016	2015		2016 Rupees	2015 Rupees
Number of shares				
Shares issued against cash consideration				
73,316,250	73,316,250	Ordinary shares of Rs. 10/- each fully paid	733,162,500	733,162,500
Shares issued against consideration other than cash				
68,019,250	68,019,250	Bonus shares of Rs. 10/-each fully paid	680,192,500	680,192,500
<u>141,335,500</u>	<u>141,335,500</u>		<u>1,413,355,000</u>	<u>1,413,355,000</u>

16.1 The Company is a subsidiary of First Capital Securities Corporation Limited - a listed company which holds 103,494,200 (73.23%) ordinary shares (2015: 103,494,200 (73.23%)) of the Company.

	Note	2016 Rupees	2015 Rupees
17 LONG TERM FINANCING			
Long term financing - Secured			
Loans from banking companies	17.1	2,221,164,466	2,295,108,182
Deferred notional income	17.2	(59,732,841)	(182,336,158)
		<u>2,161,431,625</u>	<u>2,112,772,024</u>
Less: Current portion shown under current liability		(246,506,008)	(526,875,926)
Long term portion		<u>1,914,925,617</u>	<u>1,585,896,098</u>

17.1 This includes agreements with different commercial banks with a mark up rate of 8% and 3 months kibar plus 1.5% to 4 % p.a (2015 : 8% and 3 months kibar plus 1.5% to 4 % p.a). These facilities are secured against the pledge of shares, charge over trade receivable and equitable mortgage of certain properties. The shares having market value of Rs 218,226,666/- (2015 : Rs 375,932,545/-) have been pledged by the Company.

17.2 This represents the difference between amortization cost and carrying value and restructuring of long term loans. Amortized cost has been determined using effective interest rate 9.13% to 12.06% (2015 : 9.13% to 12.06%) per annum being the 6 month KIBOR rate. Movement is as follows:

	2016	2015
	Rupees	Rupees
Deferred notional income		
As at beginning of the year	182,336,158	334,230,306
Occurred during the year	-	-
Amortized during the year	(122,603,316)	(151,894,148)
As at end of the year	<u>59,732,842</u>	<u>182,336,158</u>

18 DEFERRED LIABILITIES

Provision for Gratuity	<u>32,284,579</u>	<u>46,756,971</u>
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18.1 The future contribution rates of the scheme include allowances for deficit and surplus. Projected unit credit method based on the following significant assumptions is used for valuation of this scheme. The latest actuarial valuation was carried out by Nauman Associates as on June 30, 2016.

	2016	2015
	Rupees	Rupees
Statement of financial position		
Present value of defined benefits obligations plus payables	31,592,079	45,490,471
Balance sheet liability/(asset)	692,500	1,266,500
	<u>32,284,579</u>	<u>46,756,971</u>

Change in present value of defined benefits obligations

Present value of defined benefits obligation	45,490,471	45,498,772
Current service cost	4,243,594	4,449,411
Past service cost (credit)	-	-
Interest cost on defined benefits obligation	4,397,320	5,631,915
Benefits due but not paid (payables)	(140,000)	(734,000)
Benefits paid	(639,500)	(5,253,500)
Gain and losses arising on plan settlements	(22,209,911)	-
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumption	-	-
Actuarial (gains)/losses from changes in financial assumptions	(56,653)	-
Experience adjustments	506,757	(4,102,127)
Present value of defined benefits obligation	<u>31,592,078</u>	<u>45,490,471</u>

Expenses to be charged to P&L

Current service cost	4,243,594	4,449,411
Past service cost (credit)	-	-
Gain and losses arising on plan settlements	(22,209,911)	-
Interest cost on defined benefits obligation	4,397,320	5,631,915
Expenses chargeable to P&L	<u>(13,568,997)</u>	10,081,326



	2016	2015
	Rupees	Rupees
<u>Total remeasurements chargeable in other comprehensive income</u>		
<u>Remeasurement of plan obligation:</u>		
Actuarial (gains)/losses from changes in demographic assumption	-	-
Actuarial (gains)/losses from changes in financial assumptions	(56,653)	-
Experience adjustments	506,757	(4,102,127)
	450,104	(4,102,127)
<u>Change in net liability</u>		
Balance sheet liability/(asset)	46,756,971	46,066,272
Expenses chargeable to P&L	(13,568,997)	10,081,326
Remeasurements chargeable in other comprehensive income	450,105	(4,102,127)
Benefits paid	(1,353,500)	(5,288,500)
Benefits payable transferred to short term liability	-	-
Balance sheet liability/(asset)	32,284,579	46,756,971
<u>Significant actuarial assumptions</u>		
Discount rate for interest cost in P&L charge	9.75%	13.25%
Discount rate for year end obligation	9.00%	9.75%
Salary increase used for year end obligation		
Salary increase FY 2016	N/A	N/A
Salary increase FY 2017	8.00%	8.75%
Salary increase FY 2018	8.00%	8.75%
Salary increase FY 2019	8.00%	8.75%
Salary increase FY 2020	8.00%	8.75%
Salary increase FY 2021 onward	8.00%	8.75%
Salary increase FY 2022 onward	8.00%	8.75%
Next salary is increased at	July 01, 2016	July 01, 2015
Mortality rates	SLIC 2001-2005 Setback 1 year	SLIC 2001-2005 Setback 1 year
Withdrawal rates	Age-Based (per appendix)	Age-Based (per appendix)
Retirement assumption	Age 60	Age 60
	Note	
	2016	2015
	Rupees	Rupees
19 TRADE AND OTHER PAYABLES		
Payable against sale of shares - unsecured		
Clients	63,203,404	71,433,033
Members	947,278	947,278
Accrued and other liabilities	19.1 74,542,542	83,255,485
Withholding tax payable	27,295,687	25,479,159
	165,988,912	181,114,954

19.1 This includes balance payable to associated company i.e. Falcon Commodities (Pvt) Limited Rs. 3,750,000/- (June 2015 : Rs. 4,500,000/-).

	Note	2016 Rupees	2015 Rupees
20 SHORT TERM BORROWINGS			
Short term borrowings - Secured			
Loan from banking companies	20.1	<u>634,157,148</u>	<u>634,157,148</u>

20.1 This includes agreements with different commercial banks with a mark up rate of and 3, 6 months kibar plus 1.8% to 2.5% and 20% (2015 : 3, 6 months kibar plus 1.8% to 2.5% and 20% p.a). These facilities are secured against the pledge of shares, charge over trade receivable and equitable mortgage of certain properties. The shares having market value of Rs 12,215,000/- (2015 : 6,270,200/- have been pledged by the Company. Moreover, legal proceedings are also pending in Honourable High Court against few of these balances. (Note. 27.1.5 and 27.1.7)

	2016 Rupees	2015 Rupees
21 INTEREST ACCRUED		
Interest accrued on:		
Short term borrowings	434,999,013	637,677,363
	<u>434,999,013</u>	<u>637,677,363</u>

The outstanding markup of Rs. 252 million has been reversed to reflect the decretal amount claimed by banks through legal cases against the company. The legal advisor of the company is of the view that only the decretal amount is claimable by the banks. (Note 27.1.5 and 27.1.7)

	Note	2016 Rupees	2015 Rupees
22 OPERATING AND ADMINISTRATIVE EXPENSES			
Salaries and benefits		48,030,483	59,542,823
Provision for gratuity	18.1	(13,568,997)	10,081,326
Stock Exchange and settlement charges		3,415,728	4,266,293
Rent, rates and taxes		2,946,719	3,397,959
Communication		4,597,930	4,558,851
Utilities		3,091,712	3,367,830
Insurance		881,849	1,036,262
Printing and stationery		594,017	731,720
Traveling and conveyance		509,305	400,338
Repair and maintenance		3,913,842	4,051,586
Postage and courier		1,005,647	895,900
Newspaper and periodicals		198,150	184,902
Entertainment		1,497,468	1,227,241
Legal and professional		1,895,477	1,092,765
Deposits written off directly		2,500,000	-
Advertisement		29,986	107,106
Auditors' remuneration	22.1	1,115,000	1,000,000
Depreciation	6.1	5,828,297	6,101,359
Fee and subscription		1,295,075	1,734,344
CDC and stamps charges		1,505,112	1,257,438
Impairment expense	7.1	4,043,680	-
Other expenses		1,203,805	1,344,603
		<u>76,530,285</u>	<u>106,380,645</u>



	Note	2016 Rupees	2015 Rupees
22.1 Auditors' remuneration			
Statutory audit		600,000	600,000
Half year review		200,000	200,000
Certifications		315,000	200,000
		<u>1,115,000</u>	<u>1,000,000</u>
23 FINANCE COST			
Mark-up on short term borrowings		49,787,794	90,959,284
Mark-up on long term financing		16,457,914	16,802,264
Mark up Amortized	17.2	122,603,316	151,894,148
Bank charges and commission		140,719	192,491
		<u>188,989,743</u>	<u>259,848,187</u>
24 OTHER INCOME			
Income from financial assets			
Return on deposit accounts		1,268,147	3,068,228
Gain on foreign currency translation		-	117
		<u>1,268,147</u>	<u>3,068,345</u>
Income from assets other than financial assets			
Gain on sale of property and equipment		1,208,000	2,356,480
Unreleased gain on re-measurement of investment Property		342,300	15,514,500
Accrued Interest written back		252,466,144	38,726,433
Rental Income		1,638,000	1,638,000
Others		10,455	-
		<u>255,664,899</u>	<u>58,235,413</u>
		<u>256,933,046</u>	<u>61,303,758</u>
25 TAXATION			
Current year		6,456,452	689,336
Prior year		12,008,364	(1,067,056)
		<u>18,464,816</u>	<u>(377,720)</u>
25.1	In view of the unused tax losses provisions made represents (alternate corporate tax) under section 113 C of the Income tax Ordinance, 2001. In addition to the above, the provision includes taxation on capital gains in respect of income arising from such source.		
25.2	The returns of total income for the Tax Year 2005 to 2015 were filed by the Company under self assessment scheme and are deemed to be assessed.		
25.3	The Company has a deferred tax asset on unused tax losses and deductible temporary differences. Tax losses will be carried forward for six years only, in accordance with the Income Tax Ordinance, 2001. However, in view of taxable profits not available in foreseeable future, the Company has not recognized deferred tax assets in these financial statements.		
25.4	Since the Company is liable to pay minimum tax under section 113A of the Income Tax Ordinance 2001, therefore, no numerical tax reconciliation is produced.		
26 EARNINGS/(LOSS) PER SHARE - BASIC AND DILUTED			
Earnings/(loss) after taxation attributable to ordinary share holders - Rupees		31,158,912	(234,233,386)
Number of ordinary shares		141,335,500	141,335,500
Earning/(loss) per share - Basic and Diluted - Rupees per share	26.1	0.22	(1.66)

26.1 No figure for diluted earning / (loss) per share has been disclosed as the Company has not issued any instrument which would have an impact on earnings per share, when exercised.

27 CONTINGENCIES AND COMMITMENTS

27.1 Contingencies

27.1.1 During the year 2007-08, Securities and Exchange Commission of Pakistan (SECP) served a show cause notice to the Company under Section 4 & 5 of Listed Companies (Substantial Acquisition of Voting shares and Takeovers) Ordinance 2002, alleging that the Company has facilitated certain investors in acquisition of approximately 39% shares of Haseeb Waqas Sugar Mills Limited. The Company has submitted its reply to the show cause notice to the SECP. SECP has decided the case and has imposed a fine of Rs. 500,000/- on the Company. The Company has filled an appeal in Appellate Tribunal SECP against the aforesaid order, which is in process

27.1.2 The return for Tax year 2003 was selected for tax audit under section 177 of the Income Tax Ordinance 2001. The Taxation Officer reassessed the Income for the tax year 2003 reducing refund from Rs 6.4 million to Rs.5.4 million. The Company filed appeal to the Commissioner of Income Tax (Appeals) against the order of the taxation officer and partial relief has been allowed by the Commissioner of Income Tax (Appeals). The Company has filed appeal against the order of Commissioner of Income Tax (Appeals) in the Honorable Income Tax Appellate Tribunal. The management is confident that the appeal will be decided in favour of the Company.

The Taxation Officer reassessed the Income for the Tax year 2004 under section 122(5A) of the Income Tax Ordinance, 2001, by increasing the tax liability upto Rs.1.4 million on account of apportionment of expenses to capital gain. The Company has filed appeal before the Commissioner of Income Tax (Appeals) against the said order. The management is confident that the appeal will be decided in favour of the Company.

Due to the non compliance of provisions of tax laws, certain penalties and surcharge may be imposed by the authorities on the Company. Moreover It is impracticable to estimate the value of said penalties.

27.1.3 During the year 2008-09, M/s Savari (Pvt) Limited, Muhammad Rafi Khan, Muhammad Shafi Khan and Aura (Pvt) Limited, the clients of the Company has defaulted to pay their debts Rs. 239,900,022/-. The Company has filed a suit for recovery from these clients. The Management is confident that company would be able to recover the above stated debt.

27.1.4 During the year 2009 - 10 the Company has lodged a complaint to Securities and Exchange Commission of Pakistan for taking appropriate action against the Universal Equities (Pvt) Limited for dishonored cheque of Rs. 1,000,000/- tendered as part payment towards its outstanding liability by Universal Equities (Pvt) Limited by the Company and for recovery of Rs. 25.20 million till February 2010. The Universal Equities (Pvt) Limited has filed a suit for permanent injunction alleging therein that the Company be directed not to initiate criminal proceedings against the dishonored cheque. The Learned trial Court has declined to issue injunctive order in this regard against the Company. The Learned Appellate Court has also turned down the request of the Universal Equities (Pvt) Limited to interfere in the order of the Learned trial Court passed in favour of the Company.

The Company has also filed an application for winding up the Universal Equities Limited in Securities and Exchange Commission of Pakistan.



- 27.1.5** During the year 2010 - 11, the JS Bank Limited demanded immediate repayment of outstanding liabilities in relation to finance facilities availed by the Company and a Notice u/s 176 of the "Contract Act 1872" was served to the Company by the JS Bank whereby selling of all pledged securities was threatened if the outstanding liability was not discharged. The Company has filed a suit before the Sindh High Court at Karachi under the original banking jurisdiction for recovery of an aggregate amount of Rs. 318,915,192/- on account of actual losses and accrued damages against the JS Bank Limited for charging the exorbitant interest rate and unilaterally changing the margin requirements of the securities pledged with JS Bank Limited and alleged sale of some of pledged securities. The Company has raised strong legal and factual objections in respect to the threatened sale of the pledged securities and has obtained an injunctive order whereby the JS Bank Limited has been restrained from selling the securities pledged by the Company. The mark up portion claimed by the bank is Rs. 82.29 million. The court may also award the cost of fund together with cost of suit, if the case is decided against the company. The legal advisors are confident of success of the case in company's favour.
- 27.1.6** A case was filed in the Sindh High Court for the Recovery of Rs. 5,161,670 along further mark up of 20 % from the date of suit till realization against loss on trading of shares from Mr. Nazimuddin Siddique who act as agent of the Company under brokerage agency agreement. The outstanding balance is against various clients under the agency agreement.
- 27.1.7** In the year 2014-15, the Company was contesting the case with Askari Bank Limited in the Honorable High Courts of Sindh and Lahore, in which PLA to defend the cases has been filed by the Company. The Company has also lodged counter claim and claim damages from Askari Bank Limited. On the other hand, the legal advisor of the Company is of considered opinion that legal process of the recovery suit stated above may take several years as the courts are yet to render judgments about the liability of the Company and the terms of repayment of the loan amount in stated proceedings. The management and directors, in view of pending litigations with Askari Bank Limited. The mark up portion claimed by the bank is Rs. 236 million. The court may also award the cost of fund together with cost of suit, if the case is decided against the company. The legal advisors are confident of success of the case in company's favour.
- 27.1.8** The Company has entered into an arrangement with different commercial banks for modification in the terms of their financial liabilities. The bank has frozen/waived off their accrued markup and any further markup on certain terms and conditions. The main issue in this restructuring is that if the company failed to comply with the terms of agreements, the concession / reliefs shall stand withdrawn. The Company is very much confident that they will adhere to all the terms and conditions.

27.2 Commitments

Company has agreed to pay further sums, with respect to binding legal agreements for items stated below:

	Less than one year	One year and above
	Rupees	Rupees
Commitments in respect of:		
Sale of shares	50,148,207	-
Purchase of shares	57,630,577	-

28. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties and associated undertakings other than remuneration and benefits to key management personnel under the terms of their employment disclosed in note 34 are as follows:

	2016			
	Associated Companies	Parent Company	Key management Personnel of the entity, its parent and their close family members	Other Related Parties
	Rupees	Rupees	Rupees	Rupees
Brokerage income	-	-	497,608	-
Sale of investment property	-	9,290,400	-	-
Investment in share capital	-	-	-	-
Underwriting commission	-	-	-	-

	2015			
	Associated Company	Parent Company	Key management Personnel of the entity, its parent and their close family members	Other Related Parties
	Rupees	Rupees	Rupees	Rupees
Brokerage income	-	32,225	15,225	-
Investment property	-	-	-	-
Investment in share capital	-	-	-	-
Underwriting commission	-	-	-	-

28.1 The amounts due to / due from related parties are disclosed in respective notes to the financial statements.

29. FINANCIAL INSTRUMENTS

The Company finances its operations through equity, borrowings and management of working capital with a view to obtain a reasonable mix between the various source of finance to minimize the risk.

The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

The Board of Directors has overall responsibility for the establishment and oversight of Company's risk management framework. The Board is also responsible for developing and monitoring the Company's risk management policies.

29.1 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Concentrations of credit risk arise when a number of counterparties are engaged in similar business activities, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations of credit risk indicate the relative sensitivity of a Company's performance to developments affecting a particular industry. The Company manages its credit risk by the following methods:

- Monitoring of debts on continuous basis
- Deposit of margins before execution of orders for all retail clientele.
- Obtaining adequate securities for all receivables / fund placements.

29.1.1 Exposure to credit risk

The carrying values of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2016	2015
	Rupees	Rupees
Investments - available for sale	34,288,815	39,021,357
Long term deposits and advances	5,512,559	2,829,000
Trade debts - unsecured	1,990,328,119	2,214,359,129
Investments	84,440,219	299,524
Advances, deposits and other receivables	7,748,714	17,381,901
Interest accrued	319,972	438,230
Bank balance	51,970,010	9,999,582
	2,174,608,408	2,284,328,724

The credit quality of financial assets can be assessed by reference to external credit rating as follows:

	Rating		Rating Agency	2016	2015
	Short Term	Long Term		Rupees	Rupees
Askari Bank Limited	A - 1 +	AA	JCR - VIS	33,223	532,209
Bank Alfalah Limited	A 1 +	AA	PACRA	233,066	223,048
Bank Al Habib Limited	A 1 +	AA +	PACRA	156,689	350,252
Bank Islami Limited	A 1	A +	PACRA	1,560	1,560
Faysal Bank Limited	A - 1 +	AA	JCR - VIS	71,659	37,620
Habib Metropolitan Bank Limited	A 1 +	AA +	PACRA	80,170	1,462,106
MCB Bank Limited	A 1 +	AAA	PACRA	51,236,255	7,360,072
NIB Bank Limited	A 1 +	AA -	PACRA	155,745	31,071
United Bank Limited	A - 1 +	AAA	JCR - VIS	1,643	1,643
				51,970,010	9,999,582

29.1.2 The age of trade debts at the reporting date was:

Related parties

	June 30, 2016					
	Neither past due nor impaired (1 - 30 days)	Past due (31 - 90 days)	Past due (91 - 180 days)	Past due (181 - 365 days)	More than 1 year	Total
	Rupees					
Salmaan Taseer	-	-	-	-	13,571,120	13,571,120
Aamna Taseer	263,808	-	-	-	-	263,808
Shehryar Ali Taseer	221,498	70,288	390,957	-	-	682,743
Suleman Al Houqani	-	-	-	-	167,944,259	167,944,259
Pace Barka Properties Limited	-	-	-	5,000	-	5,000
Fisrt Capital Mutual Fund Limited	11,680	-	-	-	-	11,680
	496,986	70,288	390,957	5,000	181,515,379	182,478,610

No impairment allowance is necessary in respect of amount due from related parties

	June 30, 2015					
	Neither past due nor impaired (1 - 30 days)	Past due (31 - 90 days)	Past due (91 - 180 days)	Past due (181 - 365 days)	More than 1 year	Total
	Rupees					
Salmaan Taseer	-	-	-	-	13,571,120	13,571,120
Aamna Taseer	-	-	-	111,577	-	111,577
Suleman Al Houqani	-	-	-	-	167,944,259	167,944,259
	-	-	-	111,577	181,515,379	181,626,956

Other clients

	2016	2015
	Rupees	Rupees
Neither past due nor impaired 1 - 30 days	1,433,168,449	1,959,634,702
Past due 30 - 90 days	15,792,487	73,097,471
Past due 90 - 180 days	24,729,981	-
Past due 180 - 365 days	334,158,592	-
More then 1 year	-	-
	1,807,849,509	2,032,732,173

During the year, trade debts of NIL (2015 : Rs. NIL) were provided for / written off.

29.2 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulties in raising funds to meet commitments associated with financial instruments. The Company believes that it is not exposed to any significant level of liquidity risk.

The following are the contractual maturities of financial liabilities as on June 30, 2016.

	Carrying Amount	One month to three months	Three months to one year	One year to five year	More than five years
Long term financing	2,161,431,625	1,226,610	245,279,398	1,914,925,617	-
Trade & other payables - Unsecured	165,988,912	165,988,912	-	-	-
Short term borrowing - Secured	634,157,148	634,157,148	-	-	-
Interest accrued	806,669,359	434,999,013	-	371,670,346	-
	<u>3,768,247,044</u>	<u>1,236,371,683</u>	<u>245,279,398</u>	<u>2,286,595,963</u>	<u>-</u>

The following are the contractual maturities of financial liabilities as on June 30, 2015

	Carrying Amount	One month to three months	Three months to one year	One year to five year	More than five years
Long term financing	2,112,772,024	220,248,000	306,627,926	1,585,896,098	-
Trade & other payables - Unsecured	181,114,954	181,114,954	-	-	-
Short term borrowing - Secured	634,157,148	634,157,148	-	-	-
Interest accrued	992,889,795	637,677,363	-	355,212,432	-
	<u>3,920,933,921</u>	<u>1,673,197,465</u>	<u>306,627,926</u>	<u>1,941,108,530</u>	<u>-</u>

29.3 Market risk

Market risk is the risk that changes in market price, such as foreign exchange rates, interest rates and equity prices will effect the Company's income or the value of its holdings of financial instruments.

29.3.1 Currency risk

Foreign currency risk arises mainly where payables/receivables exist due to transactions with foreign clients. The company does not view hedging as being financially feasible owing to the excessive cost involved in relation to the amount at risk.

Sensitivity analysis

A 5 % strengthening of Pak Rupees against the above currency would have decreased equity and decrease in Profit & Loss Account by NIL (June 2015 ; Rs. Nil). This analysis assumes that all other variables were held constant.

A 5 % weakening of Rupee would have an equal but opposite effect.

The sensitivity analysis prepared is not necessarily indicative of the effect on loss for the year and assets / liabilities of the Company.



29.3.2 Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company's exposure to interest rate risk and the effective interest rates of its financial assets and financial liabilities are summarised as follows:

	Interest bearing				Non interest bearing				Total
	One month to three months Rupees	Three months to one year Rupees	One year to five years Rupees	More than five year Rupees	One month to three months Rupees	Three months to one year Rupees	One year to five years Rupees	More than five year Rupees	
Financial assets 2016									
Investments - available for sale	-	-	-	-	-	-	34,288,815	-	34,288,815
Long term deposits and advances	-	-	-	-	-	-	5,512,559	-	5,512,559
Trade debts - unsecured	-	-	-	-	1,990,328,119	-	-	-	1,990,328,119
Investments	-	-	-	-	84,440,219	-	-	-	84,440,219
Advances, deposits and other receivables	2,308,878	-	-	-	5,439,836	-	-	-	7,748,714
Interest accrued	-	-	-	-	319,972	-	-	-	319,972
Bank balances	1,472,458	-	-	-	50,497,552	-	-	-	51,970,010
	3,781,336	-	-	-	2,131,025,699	-	39,801,374	-	2,174,608,408
Effective interest rates	2% to 6%								
Financial liabilities 2016									
Long term financing	1,226,610	245,279,398	1,914,925,617	-	-	-	-	-	2,161,431,625
Trade & other payables - Unsecured	-	-	-	-	165,988,912	-	-	-	165,988,912
Short term borrowing - secured	-	634,157,148	-	-	-	-	-	-	634,157,148
Interest accrued	-	-	-	-	434,999,013	-	371,670,346	-	806,669,359
	1,226,610	879,436,546	1,914,925,617	-	600,987,925	-	371,670,346	-	3,768,247,044
On balance sheet gap	2,554,726	(879,436,546)	(1,914,925,617)	-	1,530,037,774	-	(331,868,972)	-	(1,593,638,636)
Off balance sheet gap	-	-	-	-	-	-	-	-	-
Financial assets 2015									
Investments - available for sale	-	-	-	-	-	-	39,021,357	-	39,021,357
Long term deposits and advances	-	-	-	-	-	-	2,829,000	-	2,829,000
Trade debts - unsecured	-	-	-	-	2,214,359,129	-	-	-	2,214,359,129
Investments	-	-	-	-	299,524	-	-	-	299,524
Advances, deposits and other receivables	6,763,807	-	-	-	10,618,094	-	-	-	17,381,901
Interest accrued	-	-	-	-	438,230	-	-	-	438,230
Bank balances	6,653,815	-	-	-	3,345,767	-	-	-	9,999,582
	13,417,622	-	-	-	2,229,060,745	-	41,850,357	-	2,284,328,724
Effective interest rates	2 % to 6%								
Financial liabilities 2015									
Long term financing	220,248,000	306,627,926	1,585,896,098	-	-	-	-	-	2,112,772,024
Trade & other payables - Unsecured	-	-	-	-	181,114,954	-	-	-	181,114,954
Short term borrowing - secured	-	634,157,148	-	-	-	-	-	-	634,157,148
Interest accrued	-	-	-	-	637,677,363	-	355,212,432	-	992,889,795
	220,248,000	940,785,074	1,585,896,098	-	818,792,317	-	355,212,432	-	3,920,933,921
On balance sheet gap	(206,830,378)	(940,785,074)	(1,585,896,098)	-	1,410,268,428	-	(313,362,075)	-	(1,636,605,198)
Off balance sheet gap	-	-	-	-	-	-	-	-	-

29.3.3 Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. Company is exposed to equity price risk since it has investments in quoted and unquoted equity securities amounting to Rs. 118,729.033/- (2015 : Rs. 39,320,882/-) at the balance sheet date.

The Company's strategy is to hold its strategic equity investments for long period of time. Thus, Company's management is not concerned with short term price fluctuations with respect to its strategic investments provided that the underlying business, economic and management characteristics of the investee remain favorable. Company strives to maintain above average levels of shareholders' capital to provide a margin of safety against short term equity price volatility. Company manages price risk by monitoring exposure in quoted equity securities and implementing the strict discipline in internal risk management and investment policies.

The carrying value of investments subject to equity price risk are, in almost all instances, based on quoted market prices as of the balance sheet date except for, unquoted investments which are carried at cost. Market prices are subject to fluctuation and consequently the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the investee, the relative price of alternative investments and general market conditions. Furthermore, amount realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

Sensitivity analysis

During the year, PSE 100 index has increased by 10.37% but subsequent to the year end and till the authorization of these financial statements an increase of 8.66% in PSE 100 index has been recorded.

29.3.4 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

29.4 Capital risk management

The primary objective of the Company's capital management is to maintain healthy capital ratios, strong credit rating and optimal capital structure in order to ensure ample availability of finance for its existing operations, for maximizing shareholder's value, for tapping potential investment opportunities and to reduce cost of capital.

The Company manages its capital structure and makes adjustment to it, in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders or issue new shares.

The Company finances its operations through equity, borrowing and management of its working capital with a view to maintain an appropriate mix between various sources of finance to minimize risk.

During the year the Company has no significant gearing.

Neither there were any change in the Company's approach to capital management during the year nor the Company is subject to externally imposed capital requirements.



30 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	CHIEF EXECUTIVE		DIRECTORS		EXECUTIVES	
	2016	2015	2016	2015	2016	2015
	1	1	4	5	10	19
Total Number	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Managerial Remuneration	2,760,000	2,760,000	6,846,667	10,224,000	6,200,000	12,404,753
House Rent	1,104,000	1,104,000	2,738,667	4,044,800	2,480,000	4,961,901
Commission	-	-	-	-	-	106,167
Medical Expenses Reimbursed	7,790	11,214	-	-	-	-
Provision for gratuity	345,000	345,000	395,000	1,278,000	892,500	1,353,000
Utilities	276,000	276,000	684,667	1,011,200	620,000	1,240,475
	4,492,790	4,496,214	10,665,001	16,558,000	10,192,500	20,066,296

- 30.1 In addition, Chief Executive, Directors and some executives have been provided with Company maintained cars.
- 30.2 No meeting fees were paid to any of the directors for attending the Board/ Audit Committee meetings (2015: Nil).
- 30.3 Total number of employees are 64 as on June 30, 2016 (June 2015 : 76) and average employees during the year were 70 (June 2015 : 72)

31 AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on October 07, 2016.

32 CORRESPONDING FIGURES

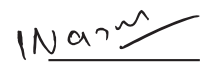
Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison. There were no significant rearrangements and reclassifications in these financial statements.

33 GENERAL

Figures have been rounded off to the nearest rupee.

Lahore


 Chief Executive


 Director



FORM OF PROXY

The Company Secretary
First Capital Equities Limited
2nd Floor, Pace Shopping Mall
Fortress Stadium, Lahore Cantt
Lahore

Folio No./CDC A/c No.: _____
Shares Held: _____

I/ We _____ of _____
(Name) (Address)

being the member (s) of Pace (Pakistan) Limited hereby appoint

Mr. / Mrs./Miss _____ of _____
(Name) (Address)

or failing him / her / Mr. /Mrs. Miss. / _____ of _____
(Name) (Address)

[who is also member of the Company vide Registered Folio No. /CDC A/c. No. _____ (being the member of the Company)] as my / our proxy to attend at and vote for me / us and on my / our behalf at an Annual General Meeting of the Company to be held at the Registered Office of the Company, 2nd Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt., Lahore, on 28 September 2016 at 05:00 p.m. and at any adjournment thereof.

Signature this _____ Day of _____ 2016

(Witnesses)

1. _____
Signature

Name _____

Address

CNIC No. _____

Affix Revenue Stamp
of Rupees Five

(Witnesses)

2. _____
Signature

Name _____

Address

CNIC No. _____

Signature of Shareholder
(Signature appended should agree with
the specimen signature registered with
the Company.)

(Please See Notes on reverse)



Notes:

1. A member entitled to attend and vote the Annual General Meeting is entitled to appoint another member as proxy to attend and vote instead of him/her. A corporation or a company being a member of the Company may appoint any of its officer, though not a member of the Company;
2. Proxy(s) must be received at the Registered Office of the Company not less than 48 hours before the time appointed for the Meeting;
3. The signature on the instrument of proxy must conform to the specimen signature recorded with the Company;
4. CDC account holders will further have to follow the under-mentioned guidelines as laid down in Circular 1 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan.

A. For attending the Meeting:

- i) In case of individuals, the account holder and / or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his / her identity by showing his / her original CNIC or original Passport along with Participant ID number and the Account number at the time of attending the Meeting.
- ii) In case of corporate entity, the Board's resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. For appointing Proxies:

- i) In case of individuals, the account holder and / or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements
 - ii) The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form
 - iii) Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form
 - iv) The proxy shall produce his / original CNIC or original passport at the time of the Meeting
 - v) In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company
-



فرسٹ کیپیٹل اکیویٹیز لمیٹڈ

رجسٹرڈ آفس: دوسری منزل پیس شاپنگ مال فورٹریس سٹیڈیم، لاہور

نمائندگی نامہ

میں رہم.....مقیم..... بحیثیت فرسٹ کیپیٹل اکیویٹیز لمیٹڈ کے
 ایک ممبر، محترم، محترمہ.....مقیم..... یا ان کے
 شریک ہونے پر محترم محترمہ.....مقیم..... کو بذریعہ ہذا دوسری منزل پیس
 شاپنگ مال فورٹریس سٹیڈیم، لاہور۔ پاکستان میں 31 اکتوبر 2016 کو دوپہر 02:00 بجے اور اس کے کسی ممکنہ التوائی وقت پر منعقدہ کمپنی کے سالانہ اجلاس عام میں
 بطور میرا ہمارا نمائندہ ووٹ دینے کے لئے نامزد کرنا چاہتا ہوں/چاہتے ہیں۔

آج بروز..... تاریخ..... 2016ء دستخط کیے گئے۔

گواہان

1- دستخط.....
 نام.....
 پتا.....
 کیپیوٹرائزڈ قومی شناختی کارڈ نمبر.....

پانچ روے کی

ریونیواسٹمپ

2- دستخط.....
 نام.....
 پتا.....
 کیپیوٹرائزڈ قومی شناختی کارڈ نمبر.....

دستخط.....
 مالک..... عدد عام شیئرز.....
 رجسٹرڈ فیلو نمبر.....
 CDC شریقی شناختی نمبر..... اکاؤنٹ نمبر.....



نوٹس

- 1۔ سالانہ اجلاس عام میں شرکت اور رائے دہی کا حق رکھنے والا ممبر کسی دوسرے ممبر کو اپنے بجائے شرکت اور حق رائے دہی کے استعمال کے لئے اپنا نمائندہ (پراکسی) مقرر کر سکتا ہے۔ کوئی کارپوریشن یا کمپنی، بحیثیت کمپنی کی ممبر، اپنے افسران میں سے کسی کی تقرری کر سکتی ہے، خواہ وہ کمپنی کا ممبر نہ ہو۔
- 2۔ نمائندگی نامہ (S) Proxy اس اجلاس کے انعقاد کے مقررہ وقت سے کم از کم 48 گھنٹے قبل کمپنی کے رجسٹرڈ آفس میں موصول ہونا چاہئے۔
- 3۔ نمائندگی پر موجود دستخط لازماً کمپنی کے ریکارڈ میں موجود دستخط کے نمونے کے مطابق ہونا چاہئے۔
- 4۔ CDC اکاؤنٹ ہولڈرز کو سیورٹی اینڈ ایکسچینج کمیشن آف پاکستان کی طرف سے جاری کردہ سرکلر 1 بتاریخ 26 جنوری 2000ء میں واضح کردہ درج ذیل ہدایات کی مزید پیروی کرنا ہوگی۔

A۔ اجلاس میں شرکت کے لئے:

- (i) افراد کی صورت میں، اکاؤنٹ یا سب اکاؤنٹ ہولڈرز جس کی رجسٹریشن کی CDC ضوابط کے مطابق اپ لوڈ کی جا چکی ہیں، اجلاس میں شرکت کے وقت اپنی شناخت کی تصدیق کے لئے اپنا اصل کمپیوٹرائزڈ قومی شناختی کارڈ (CNIC) یا پاسپورٹ دکھائے گا۔
- (ii) کاروباری ادارے کی صورت میں اجلاس کے موقع پر بورڈ آف ڈائریکٹرز کی قرارداد / مختار نامہ، نامزد نمائندے کے دستخط کے نمونے کے ساتھ پیش کرنا ہوگا (ماسوائے اس کے کہ وہ پہلے ہی پیش کیا جا چکا ہو)

B۔ نمائندوں کی تقرری کے لئے

- (i) افراد کی صورت میں، اکاؤنٹ یا سب اکاؤنٹ ہولڈرز جس کی رجسٹریشن کی CDC ضوابط کے مطابق اپ لوڈ کی جا سکتی ہے۔ اجلاس میں شرکت کے وقت مندرجہ بالا تقاضوں کے مطابق نمائندگی نامہ (Proxy Form) جمع کرائے گا۔
- (ii) نمائندگی نامے پر دو افراد کی گواہی موجود ہونی چاہئے جن کے نام، پتے اور CNIC نمبر تقرری نامے میں درج ہیں۔
- (iii) نمائندگی نامے کے ہمراہ اصل مالکان (Beneficial Owner) اور نمائندے کے CNIC یا پاسپورٹ کی تصدیق شدہ نقول مہیا کی جائیں۔
- (iv) نمائندے کو اجلاس کے موقع پر اپنا اصل CNIC یا اصل پاسپورٹ پیش کرنا ہوگا۔
- (v) کاروباری ادارے کی صورت میں اجلاس کے موقع پر نمائندگی نامے کے ہمراہ بورڈ آف ڈائریکٹرز کی قرارداد / مختار نامہ نمائندے / انارنی کے دستخط کے نمونے کے ساتھ پیش کرنا ہوگا (ماسوائے اس کے کہ وہ پہلے ہی پیش کیا جا چکا ہو)