

# FIRST CAPITAL EQUITIES LIMITED

Annual Report 2019



[www.firstcapital.com.pk](http://www.firstcapital.com.pk)

## 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

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**FIRST CAPITAL EQUITIES LIMITED  
COMPANY INFORMATION**

Board of Directors	Mian Ehsan Ul Haq, (Chief Executive) Azhar Ahmad Batla Abdul Samed Malik Safeer Raza Awan (Chairman) Muhammad Ahmad Saroya Waseem Ul Hassan Raja Suhail Qurban	Executive Non-Executive Non-Executive Non-Executive Non-Executive Executive Independent
Chief Financial Officer	Waseem Ul Hassan	
Audit Committee	Raja Suhail Qurban (Chairman) Muhammad Ahmad Saroya Malik Safeer Raza Awan	
Human Resource and Remuneration (HR&R) Committee	Raja Suhail Qurban (Chairman) Mian Ehsan Ul Haq Muhammad Ahmad Saroya	
Company Secretary	Shahzad Jawahar	
Auditors	Nasir Javaid Maqsood Imran Chartered Accountants	
Legal Advisers	Muhammad Amir Advocates, Karachi	
Bankers	Askari Bank Limited Bank Alfalah Limited Bank Al Habib Limited Bank Islami Limited Dubai Islamic Bank Pakistan Limited Faysal Bank Limited Habib Metropolitan Bank Limited JS Bank Limited MCB Bank Limited MIB Bank Limited Soneri Bank Limited Silk Bank Limited United Bank Limited	
Registered Office	2 <sup>nd</sup> Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt. Lahore, Pakistan Tele: + 92-42-36623005/6/8 Fax: + 92-42-36623121, 36623122	
Main Corporate Office	4 <sup>th</sup> Floor, Block B,C & D Lakson Square Building No. 1 Sarwar Shaheen Road, Karachi Tele: + 92-21-111 226 226 Fax: +92-21-5656710	
Registrar and Shares Transfer Office	Corplink (Pvt.) Limited Wings Arcade, 1-K Commercial Model Town, Lahore Tele: + 92-42-5839182	



## **FIRST CAPITAL EQUITIES LIMITED**

### **NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that 24<sup>th</sup> Annual General Meeting of the Shareholders of First Capital Equities Limited ("the Company" or "FCEL") will be held on Monday, 28 October 2019 at 10:30 a.m. at the Registered Office of the Company, 2<sup>nd</sup> Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt., Lahore to transact the following business:

#### **Ordinary business**

1. To confirm the minutes of Extraordinary General Meeting held on 27 September 2019;
2. To receive, consider and adopt the audited financial statements of the Company for the year ended 30 June 2019 together with the Chairman's Review, Directors' and Auditors' reports thereon; and
3. To appoint the Auditors of the Company for the year ending 30 June 2020 and to fix their remuneration

By order of the Board

Lahore  
07 October 2019

**Shahzad Jawahar**  
Company Secretary

#### **Notes:**

- 1) The Members Register will remain closed from 21 October 2019 to 28 October 2019 (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 20 October 2019 will be considered 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.

If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to the date of the meeting, the Company will arrange video conferencing facility in that city subject to availability of such facility in that city.

- 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 Head Office of the Company 2<sup>nd</sup> and 3<sup>rd</sup> Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt. Lahore, not less than 48 hours before the time of the meeting.

Pursuant to Companies (Postal Ballot) Regulations, 2018 the right of vote through

postal ballot may be provided to the members pursuant to the section 143 and 144 of the Companies Act, 2017.

- 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 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 Directors/Power of attorney along with specimen signatures shall be submitted (unless submitted earlier) along with the proxy form.
- 5) In compliance with SECP notification no. 634/(I)/2014 dated 10 July 2014, the Company has placed the Audited Annual Financial Statements for the year ended 30 June 2017 along with Auditors and Directors Reports thereon on its website: [www.firstcapital.com.pk](http://www.firstcapital.com.pk) and Group's website [www.pacepakistan.com](http://www.pacepakistan.com);
- 6) 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.firstcapital.com.pk](http://www.firstcapital.com.pk) and group's website [www.pacepakistan.com](http://www.pacepakistan.com);
- 7) In pursuance of SECP notification S.R.O # 470(I)2016/ dated 31 May 2016, the Company has sent information regarding Annual audited Accounts of the Company to the shareholders in soft form i.e. CD. However, the Company will supply the hard copy of the Annual Audited Accounts to the Shareholders on demand, at their registered addresses, free of cost, within one week of such demand. The Company has placed on its website a standard request form, to communicate their need of hard copies instead of soft form.
- 8) Members are requested to notify any change in their registered address immediately;

# فرسٹ کیپٹل ایکویٹیز لمیٹڈ نوٹس سالانہ اجلاس عام

نوٹس ہذا سے مطلع کیا جاتا ہے کہ فرسٹ کیپٹل ایکویٹیز لمیٹڈ ("کمپنی") کے حصص داران کا چوبیسواں (24واں) سالانہ اجلاس عام بروز پیر مورخہ 28 اکتوبر، 2019ء کو بوقت 10:30 بجے صبح کمپنی کے رجسٹرڈ آفس دوسری منزل، پیس شاپنگ مال، فورٹریس سٹیڈیم، لاہور میں مندرجہ ذیل امور پر بحث کے لئے منعقد ہوگا:

عمومی امور:

1. 27 ستمبر 2019ء کو منعقدہ غیر معمولی اجلاس عام کی کارروائی کی توثیق کرنا۔
2. 30 جون 2019ء کو اختتام پذیر سال کے لئے کمپنی کی پڑتال شدہ مالیاتی اسٹیٹمنٹس کے ہمراہ ڈائریکٹرز اور ڈائریکٹرز کی رپورٹ کو وصول کرنا، زمرغورانا اور اپنانا۔
3. 30 جون 2020ء کو اختتام پذیر سال کے لئے کمپنی کے ڈائریکٹرز کی تقرری کرنا اور ان کا مشاہیرہ طے کرنا۔

بحکم بورڈ

شہزاد جواہر

کمپنی سیکریٹری

لاہور 07 اکتوبر 2019ء

مندرجات:

1. اراکین کا رجسٹر 21 اکتوبر 2019ء سے 28 اکتوبر 2019ء (بشمول دونوں ایام) بند رہے گا۔ کمپنی کے رجسٹرار اور شیئرز ٹرانسفر آفس کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ-K-1 کمرشل، ماڈل ٹاؤن لاہور کو 20 اکتوبر 2019ء کو کاروباری اوقات کا رٹم ہونے تک موصول ٹرانسفر سالانہ اجلاس عام کی غرض سے بروقت تصوری جائیں گی۔
2. اجلاس میں شرکت اور ووٹ کرنے کا اہل رکن اجلاس میں اپنی جگہ شرکت اور ووٹ کرنے کے لئے اپنا پراکسی مقرر کر سکتا ہے۔ پراکسیز کو مؤثر کرنے کی غرض سے اجلاس کے انعقاد سے کم از کم 48 گھنٹوں پہلے سے مکمل پراکسی فارم کمپنی کو اپنے رجسٹرڈ آفس میں موصول ہو جانا چاہئے۔
3. جائز ثابت کرنے کے لئے، پراکسی کا انسٹرومنٹ اور مختار نامہ یا دیگر اتھارٹی (اگر کوئی ہو) جس کے زیر دہتخط یہ انسٹرومنٹ ہو، یا اس مختار نامہ کی نوٹری سے تصدیق شدہ نقل کمپنی کے رجسٹرڈ آفس واقع دوسری اور تیسری منزل، پیس شاپنگ مال، فورٹریس سٹیڈیم، لاہور کی منت، لاہور کو اجلاس کے انعقاد سے کم از کم 48 گھنٹوں پہلے جمع کرایا جائے۔
4. کمپنیز (پمپل بیلٹ) ضوابط، 2018ء کی پیروی میں کمپنیز ایکٹ 2017ء کے سیکشن 143 اور 144 کے تحت اراکین کو پمپل بیلٹ کے ذریعے ووٹ کرنے کا اختیار دیا جاسکتا ہے۔
  - (a) اجلاس میں شرکت اور ووٹ کرنے کا اہل CDC کا فرد واحد بینی فیشیل مالک اپنی شناخت ثابت کرنے کے لئے شرکت کا آئی ڈی اور اکاؤنٹ/ذیلی اکاؤنٹ نمبر بمعہ اصلی CNIC یا پاسپورٹ ہمراہ لائے گا۔ کاروباری ادارہ کی صورت میں، بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ جس پر nominees کے نمونہ کے دہتخط موجود ہوں اجلاس کے انعقاد کے وقت پیش کرنا ہوگا (اگر یہ پہلے فراہم نہ کیا گیا ہو)۔
  - (b) پراکسیز کے تقرر کے لئے، CDC کا فرد واحد بینی فیشیل مالک مذکور بالا ضروریات کے مطابق پراکسی فارم بمعہ شرکت کا آئی ڈی، اکاؤنٹ/ذیلی اکاؤنٹ نمبر بشمول CNIC یا پاسپورٹ کی مصدقہ نقل جمع کرانے گا۔ دو افراد کی جانب سے ان کے نام، پتا اور CNIC نمبر کے ساتھ پراکسی فارم کی توثیق ہونی چاہئے۔ پراکسی کو اجلاس کے انعقاد کے وقت اپنا اصلی CNIC یا پاسپورٹ پیش کرنا ہوگا۔ کاروباری ادارہ کی صورت میں نمونہ کے دہتخط کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ پراکسی فارم کے ساتھ جمع کرنا ہوگا (اگر یہ پہلے جمع نہ کیا گیا ہو)۔
5. SECP کے مورخہ 10 جولائی 2014ء کے مراسلہ نمبر 634/(I)/2004 کی پیروی میں 30 جون 2017ء کو اختتام پذیر سال کے لئے پڑتال شدہ سالانہ مالیاتی اسٹیٹمنٹس بمعہ ڈائریکٹرز اور ڈائریکٹرز رپورٹ کمپنی کی ویب سائٹ [www.dailytimes.com.pk](http://www.dailytimes.com.pk) اور گروپ کی ویب سائٹ [www.pacepakistan.com](http://www.pacepakistan.com) پر رکھ دی گئی ہیں۔
6. SECP کے مورخہ 08 ستمبر 2014ء کے مراسلہ نمبر SRO787(I)2014 کی پیروی میں کمپنیوں کو اپنے سالانہ بیلنس شیٹ اور نفع و نقصان کے کھاتے، ڈائریکٹرز اور ڈائریکٹرز کی رپورٹس (سالانہ مالیاتی اسٹیٹمنٹس) بمعہ سالانہ اجلاس عام کا نوٹس بذریعہ ای میل کمپنی کے اراکین کو ارسال کرنے کی اجازت دی گئی ہے۔ اس سہولت کو حاصل کرنے کے خواہش مند اراکین کمپنی کو مطلوب معلومات فراہم کریں گے جس کے لئے کمپنی کی ویب سائٹ [www.dailytimes.com.pk](http://www.dailytimes.com.pk) اور گروپ کی ویب سائٹ [www.pacepakistan.com](http://www.pacepakistan.com) سے فارم حاصل کیا جاسکتا ہے۔
7. SECP کے مورخہ 31 مئی 2016ء کے مراسلہ نمبر 470(I)2016 کی پیروی میں کمپنی نے اپنے سالانہ پڑتال شدہ کھاتوں سے متعلقہ معلومات Soft فارم یعنی CD کی صورت میں کمپنی کے شیئرز ہولڈرز کو بھیج دی ہیں۔ تاہم، کمپنی شیئرز ہولڈرز کو مطالبہ پر سالانہ پڑتال شدہ کھاتوں کی کاغذات کی صورت میں ان کے رجسٹرڈ پتا پر درخواست موصول ہونے کے ایک ہفتہ کے اندر بالکل مفت ارسال کریں گے۔ کمپنی نے اپنی ویب سائٹ پر مہیاری درخواست فارم رکھ دیا ہے تاکہ سافٹ فارم کی بجائے کاغذات کی صورت میں حصول کے لئے رابطہ کیا جاسکے۔
8. اراکین سے درخواست کی جاتی ہے کہ اپنے رجسٹرڈ پتہ میں تبدیلی کی صورت میں فوراً مطلع کریں۔

# First Capital Equities Limited

## Chairman's Review

A Review Report by the Chairman on Board's overall performance and effectiveness of role played by the Board in achieving the Company's objectives u/s 192 of the Companies Act 2017:

As required under the Code of Corporate Governance, an annual evaluation of the Board of Directors (the "Board") of First Capital Equities Limited (the "Company") is carried out. The purpose of this evaluation is to ensure that the Board's overall performance and effectiveness is measured and benchmarked against expectations in the context of objectives set for the Company. Areas where improvements are required are duly considered and action plans are framed.

I am pleased to present the Annual Review for the year ended June 30, 2019,

- ❖ The Board of Directors ("the Board") of First Capital Equities Limited (FCEL) has performed their duties diligently in upholding the best interest of shareholders' of the Company and has managed the affairs of the Company in an effective and efficient manner.
- ❖ The Board of FCEL is highly professional and experienced people. They bring a vast experience from different businesses including the independent directors. All board members are well aware of their responsibilities and fulfilling these diligently.
- ❖ The Board has adequate representation of non-executive and independent directors on the Board and its committees as required under the Code and that members of the Board and its respective committees has adequate skill experience and knowledge to manage the affairs of the Company;
- ❖ The Board has ensured that the directors are provided with orientation courses to enable them to perform their duties in an effective manner and that the one of them have already taken certification under the Directors Training Program and the remaining directors meet the qualification and experience criteria of the Code;
- ❖ The Board has formed an Audit and Human Resource and Remuneration Committee and has approved their respective terms of references and has assigned adequate resources so that the committees perform their responsibilities diligently;



- ❖ The Board has ensured that the meetings of the Board and that of its committee were held with the requisite quorum, all the decision making were taken through Board resolution and that the minutes of all the meetings (including committees) are appropriately recorded and maintained;
- ❖ The Board has actively participated in strategic planning process enterprise risk management system, policy development, and financial structure, monitoring and approval. All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process.
- ❖ All the significant issues throughout the year were presented before the Board or its committees to strengthen and formalize the corporate decision making process and particularly all the related party transactions executed by the Company were approved by the Board on the recommendation of the Audit Committee;
- ❖ The Board has ensured that the adequate system of internal control is in place and its regular assessment through self-assessment mechanism and /or internal audit activities;
- ❖ The Board has prepared and approved the director's report and has ensured that the director report is published with the quarterly and annual financial statement of the Company and the content of the directors report are in accordance with the requirement of applicable laws and regulation;
- ❖ The Board has exercised its powers in light of the power assigned to the Board in accordance with the relevant laws and regulation applicable on the Company and the Board has always prioritized the Compliance with all the applicable laws and regulation in terms of their conduct as directors and exercising their powers and decision making.
- ❖ The Board has ensured the hiring, evaluation and compensation of the Chief Executive and other key executives including Chief Financial Officer, Company Secretary, and Head of internal Audit;
- ❖ The Board has ensured that adequate information is shared among its members in a timely manner and the Board members are kept abreast of developments between meetings;
- ❖ The Board has exercised its powers in light of the power assigned to the Board in accordance with the relevant laws and regulation applicable on the Company and the Board has always prioritized the Compliance with all the applicable laws and regulation in terms of their conduct as directors and exercising their powers and decision making

I would like to place on record with thanks and appreciation to my fellow directors, shareholders, management and staff for their continued support in very challenging operating conditions. I look forward for more future success for the Company.

Lahore  
03 October 2019

**Malik Safeer Raza Awan**  
**Chairman**

## نظر ثانی رپورٹ منجانب چیئر مین

کمپنیز آرڈیننس 2017ء کے سیکشن 192 کے تحت بورڈ کی مجموعی کارکردگی پر چیئر مین کی نظر ثانی رپورٹ

کوڈ آف کارپوریٹ گورننس کے تحت بورڈ آف ڈائریکٹرز ("بورڈ") کی جانب سے فرسٹ کپٹل ایکویٹی لمیٹڈ ("کمپنی") کی سالانہ تقویم کی جاتی ہے۔ اس تقویم کا مقصد یہ یقینی بنانا ہے کہ بورڈ کی مجموعی کارکردگی اور اثرا کو جانچا جائے اور کمپنی کے لئے طے کئے مقاصد کی مد میں توقعات پر پورا اتر جائے۔ ایسے شعبے جہاں بہتری کی ضرورت ہے کو حسب ضابطہ مد نظر رکھا گیا ہے اور جتنی منصوبے بنائے گئے ہیں۔

میں 30 جون، 2019ء کو اختتام پذیر سال کے لئے سالانہ رپورٹ پیش کرنے میں فخر محسوس کر رہا ہوں!

- ✓ فرسٹ کپٹل ایکویٹی لمیٹڈ (FCEL) کے بورڈ آف ڈائریکٹرز ("بورڈ") نے شیئر ہولڈرز کے بہترین مفاد کو برقرار رکھنے کے لئے اپنے فرائض اور کمپنی کے امور کو موثر اور تسلی بخش انداز میں دلجمعی سے سرانجام دیا ہے۔
- ✓ FCEL کا بورڈ انتہائی پیشہ ور اور تجربہ کار افراد پر مشتمل ہے۔ انہوں نے مختلف امور بشمول آزاد ڈائریکٹرز کے وسیع تجربہ کو بروئے کار لایا ہے۔ بورڈ کے تمام اراکین اپنی ذمہ داریوں سے پوری طرح آگاہ ہیں اور انہیں دلجمعی سے ادا کر رہے ہیں۔
- ✓ بورڈ کو غیر انتظامی اور آزاد ڈائریکٹرز اور ان کی کمیٹیوں کی ضابطہ کے تحت مناسب معاونت حاصل ہے اور یہ کہ بورڈ کے اراکین اور اس کی متعلقہ کمیٹیوں کے پاس کمپنی کے امور کو چلانے کے لئے موزوں مہارت، تجربہ اور علم موجود ہے۔
- ✓ بورڈ نے یہ یقینی بنایا ہے کہ اپنے فرائض کو بخوبی سرانجام دینے کے لئے ڈائریکٹرز کو آگہی کورسز فراہم کرے۔ اور یہ کہ ایک ڈائریکٹر نے ڈائریکٹرز ٹریننگ پروگرام کے تحت سرٹیفیکیشن حاصل کر لی ہے اور بقیہ ڈائریکٹرز ضابطہ کی اہلیت اور تجربہ کے معیار پر پورا اترتے ہیں۔
- ✓ بورڈ نے آڈٹ اور ایومن ریورس اور مشاہرہ کمیٹی تشکیل دی ہے اور ان کی متعلقہ مزاد فرانس کو منظور کیا ہے۔ اور مناسب وسائل مقرر کئے ہیں تاکہ کمیٹیاں اپنے فرائض خوش دلی سے سرانجام دے سکیں۔
- ✓ بورڈ نے یہ بھی یقینی بنایا ہے کہ بورڈ اور اس کی کمیٹیوں کے اجلاس مطلوب کورم کے ساتھ منعقد کئے جائیں، تمام فیصلہ سازی بورڈ کی قراردادوں کے ذریعے کی جائے اور تمام اجلاسوں کی کارروائیاں (بشمول کمیٹی کی کارروائیاں) مناسب طریقے سے ریکارڈ کی جاتی ہیں اور انہیں برقرار رکھا جا رہا ہے۔
- ✓ بورڈ نے حکمت عملی کے عمل، انٹرنیٹ پر انرسک مینجمنٹ سسٹم، پالیسی ڈیولپمنٹ اور مالیاتی سٹرکچر، گمرانی اور منظوری میں مستعدی سے حصہ لیا ہے۔ سال کے دوران تمام نمایاں معاملات کو بورڈ یا اس کی کمیٹیوں کے سامنے پیش کیا گیا تاکہ کاروباری فیصلہ سازی کے عمل کو مضبوط اور منظم کیا جائے۔ اور خاص طور پر آڈٹ کمیٹی کی سفارشات پر کمپنی کی جانب سے تمام متعلقہ پارٹی کے لین دین کو بورڈ نے منظور کیا۔
- ✓ بورڈ نے یہ یقینی بنایا کہ انٹرنل کنٹرول کا مناسب نظام اس وقت قابل عمل ہے اور خود تشخیصی کے نظام اور/یا اندرونی آڈٹ سرگرمیوں کے ذریعے لگاتار اسسٹمنٹ کی جا رہی ہے۔
- ✓ بورڈ نے ڈائریکٹرز رپورٹ تیار اور منظور کی ہے اور یقینی بنایا ہے کہ ڈائریکٹرز رپورٹ کمپنی کی سماجی اور سالانہ مالیاتی اسٹیٹمنٹس کے ساتھ شائع کی جائے اور ڈائریکٹرز رپورٹ کے مندرجات لاگو قوانین اور ضوابط کے عین مطابق ہیں۔
- ✓ بورڈ نے اپنے اختیارات کا استعمال بورڈ کو عائد کئے گئے اختیار کے مطابق اور کمپنی پر لاگو متعلقہ قوانین اور ضوابط کی روشنی میں ہی کیا ہے۔ اور بورڈ نے ڈائریکٹرز کے طور پر اپنے طرز عمل، اپنے اختیارات کے استعمال اور فیصلہ سازی میں لاگو قوانین و ضوابط کی تعمیل کو ہمیشہ ترجیح دی ہے۔
- ✓ بورڈ نے خدمات حاصل کرنے، تفتیش کرنے، چیف ایگزیکٹو آفیسر اور دیگر اہم ایگزیکٹو بشمول چیف مالیاتی افسر، کمپنی سیکریٹری اور انٹرنل آڈٹ کے سربراہ کے معاوضے کو یقینی بنایا ہے۔
- ✓ بورڈ نے یقینی بنایا ہے کہ اراکین کو معقول معلومات کی فراہمی بروقت کی جاتی ہے اور بورڈ کے اراکین کے اجلاسوں کے درمیانی عرصہ میں ارتقا سے آگاہ رکھا جاتا ہے۔

میں آپریشنز کے ان سخت حالات میں اپنے ساتھی ڈائریکٹرز، شیئر ہولڈرز، مینجمنٹ اور عملہ کی مسلسل حمایت کی شکر گزار ہوں اور انہیں قدر کی نگاہ سے دیکھتا ہوں۔ میں مستقبل میں کمپنی کی کامیابی کے لئے پُر امید ہوں۔

ملک سفیر رضا اعوان  
چیئر مین

لاہور

05 اکتوبر 2019ء



## **FIRST CAPITAL EQUITIES LIMITED**

### **DIRECTOR'S REPORT**

The Board of Directors of First Capital Equities Limited (“the Company” or “FCEL”) are pleased to present the Annual Report of 2019 along with the audited financial statements of the Company for the year ended June 30, 2019.

During the year, Board of the Directors of the Company owing to the continuous loss and adverse market conditions, in their meeting held on June 28, 2019 decided to surrender the trading right entitlement certificate (TREC) of Pakistan Stock Exchange and cease its brokerage operation and to change the principle objective of the Company from stock broker to real estate Company. Application for surrender was submitted to PSX and surrendering process is in process.

### **CAPITAL MARKET**

During the period under review PSX-100 index (the benchmark) shed around 8,009 points to close at 33,901.58 points, a decline of around 19.11%. The period under review commenced on negative note due to unexpected reformist decisions of new Government. Deteriorating economic condition led by external account deficit, MSCI reclassification risk, rate hike expectations, lack of transparency about entry into IMF program, imminent circular debt problem, declining foreign reserves, faded the investor's confidence. Further the mini-budget presented by the Government, aimed to raise an additional PKR. 180 billion revenues, which resulted to add further taxes and duties on companies and end consumer. The benchmark further suffered due to the deadly attack in Indian occupied Kashmir led to subsequent counter air strikes between atomic power neighboring countries.

The Federal Budget amid fears of strict conditions associated with the bailout package from the IMF with its implications for economic growth and corporate profitability also led the market to decline. The government targeted tax revenues of PKR 5.55 trillion for FY2020 as against the expected revenue collection of PKR 4.0 trillion in FY2019. On the positive side, GST rate was left unchanged at 17% and corporate tax rate was maintained at 29%. However, zero rating facility available to textile sector was proposed to be withdrawn while excise duty on cements was enhanced. We reckon that the policy measures undertaken in the Federal Budget such as broadening of tax base, withdrawing of some anomalous tax exemptions, rationalization of tax rates, and widespread drive towards the documentation of economy would be painful in the short run as it would slow down economic activity and stoke public anger. However, if these measures are implemented successfully and augmented by other long-standing structural reforms, this will put the economy on a self-sustaining growth path and lend durable financial stability. Meeting of FATF also highlighted that more efforts are required from Pakistan, while



no noticeable activity from the much-touted market support fund also dampened investors' interest

## YOUR COMPANY'S PERFORMANCE

Given below is the financial summary of your Company for the year ended June 30, 2019.

*All Figures are in Million except EPS\**

	FY 19	FY 18
Brokerage income	20.15	42.29
Capital (loss) / gain	(0.48)	4.73
(Loss) on re-measurement of investments at fair value through profit or loss	(37.03)	(40.84)
Other income	75.24	342.09
Profit /(Loss) after taxation from continuing operations	(9.42)	244.62
Profit /(Loss) after taxation from discontinued operations	(56.85)	(239.50)
Earnings / (loss) Per Share (EPS) Rs*		
- continuing operations	(0.07)	1.73
- discontinued operations	(0.40)	(1.69)
	<u>(0.47)</u>	<u>0.04</u>

Your Company reported a loss of Rs 66.27 million in FY19 vs. profit of Rs. 5.12 million. The brokerage income of your Company decreased by 52% YoY at Rs 20 million during FY19 versus that of Rs 42 million in last year. Further, the company recorded capital loss of Rs 0.48 million against capital gain of Rs. 4.73 million last year. The Un-realized loss on re-measurement of investment is recorded at Rs. 37.03 million while other income arrived at Rs. 75.24 million primarily due to restructuring activities. Operating expenses decreased 71% YoY, while financial expenses registered a increase of 128% YoY during the year under review.

During the current year, Company has settled its total liability with Soneri Bank Limited and MAB Bank Limited through debt to assets swap arrangements against its investment property. The Company has also offered similar debts to assets swap arrangement against its investment property to other financial institutions, which is currently under review of competent authorities of respective financial institutions and management is confident of respective financial institutions agreeing to stated arrangements offered by the Company.

## COMPANY'S ABILITY TO CONTINUE AS A GOING CONCERN

The management of the Company is continuously in process of negotiating its loan facilities with Banks and as a result of this Company settled its liability against loan form MCB Bank Limited and Soneri bank Limited. Owing to the factors mentioned above the Company in order to carry on its business and to meet its obligations requires generating sufficient operating profits and 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. The management of the Company is confident that with change in principle activity and overall expertise of group in real estate sector this will have positive impact on the financial performance of the company. Moreover, management is confident that the loan payable to UBL will be settled by sale of properties.

## **FUTURE OUTLOOK**

The Board of Directors of the Company in their meeting held on 28 June 2019, in view of continues losses in the Company recent years and future outlook of the stock market, has decided to change the principal line of business of the Company from a Brokerage company to Real Estate Company. The Board of Directors of the Company has also decided to Relinquish / Surrender the TRE Certificate held in the name of the Company, voluntarily, to Pakistan Stock Exchange Limited.

In this respect, necessary changes will be made in the Object clause III of Memorandum of Association of the Company, accordingly, subject to the completion of all necessary corporate and legal formalities.

The Shareholders of the Company in their Extraordinary General Meeting held on 27 September 2019 have consider and approve the change in the principal line of business of the Company from a Brokerage Company to Real Estate Company, including change in the Object Clause III of the Memorandum of Association of the Company, pursuant to the decision taken in the Board of Directors meeting held on 28 June 2019. Necessary documents / information have also been filled with SECP office for their record purpose.

## **CORPORATE SOCIAL RESPONSIBILITY**

Your Company continued its contribution to the society as a socially responsible organization through discharge its obligations towards the peoples who work for it, peoples around its workplace and the society as whole.

## **HUMAN RESOURCE MANAGEMENT**

The management of the Company believes strongly in principles, beliefs and philosophy of the company where employees are treated as family members. The Company is continuously striving to provide corporate and social work environment to its employees as this helps them to work in complete harmony in a healthy and professional way.

## **INTERNAL CONTROLS**

The directors and management are responsible for the Company's system of internal controls and for reviewing annually its effectiveness in providing shareholders with a return on their investments that is consistent with a responsible assessment and management of risks. This includes reviewing financial, operational and compliance controls and risk management

procedures and their effectiveness. The directors have completed their annual review and assessment for year ended 2019.

The board and audit committee regularly review reports of the internal audit function of the company related to the Company's control framework in order to satisfy the internal control requirements. The company's internal Audit function performs reviews of the integrity and effectiveness of control activities and provides regular reports to the Audit Committee and the Board.

### **IMPACT OF THE COMPANY'S BUSINESS ON THE ENVIRONMENT**

The Company's nature of business is service provider, hence its activities has very less impact on environment. The Company has a policy to minimize the use of paper by encouraging employees, departments and clients to communicate mostly through emails.

### **PAYOUT FOR THE SHAREHOLDERS**

Keeping in view the un appropriated losses of 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, 2019 was Rs. (0.47) as compared to Rs. 0.04 in the last year.

### **DIRECTORS' REMUNERATION**

The aggregate remuneration of executive Directors is disclosed under note 32 of the Financial Statements of the Company. Further, the Company is not paying any remuneration to Non-Executive Directors of the Company.

## **Code of Corporate Governance;**

During the financial year 2019 “Listed Companies (Code of Corporate Governance) Regulations” has been implemented which requires certain changes in the Composition of the Board and Its Committees. The Company has changed the composition of Board committees and the Composition of the Board shall be changed in accordance with deadlines provided in new Code of Corporate Governance.

## **Composition of Board**

The following persons, during the financial year, remained Directors of the Company:

<b>Names</b>	<b>Designation</b>
Mian Ehsan Ul Haq	CEO
Malik Safeer Raza Awan	Chairman
Waseem Ul Hassan	Director
Abdul Samad	Director
Azhar Ahmed Batla	Director
Raja Suhail Qurban	Director
Muhammad Ahmad Saroya	Director
Muhammad Tariq (Resigned)	Director

Mr. Waseem ul Hassan appointed as Director in place of Mr. Muhammad Tariq subsequent to the year.

### **Total number of Directors**

a) Male:	07
b) Female:	0

### **Composition:**

Independent Directors	01
Other Non-Executive Directors	04
Executive Directors	02

## **Committee of the board**

### **Audit Committee**

Raja Suhail Qurban (Chairman)  
Mr. Azhar Ahmed Batla (Member)  
Malik Safeer Raza Awan (Member)

### **Human Resource and Remuneration (HR&R)**

Raja Suhail Qurban (Chairman)  
Mian Ehsan Ul Haq (Member)



**Committee**

Mr. Muhammad Ahmad Saroya (Member)

The composition of the Board of Directors and sub committees shall be changed in due course of time as per deadlines provided in new code of Corporate Governance.

**TRADING OF DIRECTORS**

During the financial year no trading in shares of the Company, by the Directors, CEO, CFO, Company Secretary and their spouses and minor children.

**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, 2020.

**PATTERN OF SHAREHOLDINGS**

The pattern of shareholding as required under Section 227(2)(f) of the Companies Act 2017 and Listing regulations is 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.
- 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 Pakistan Stock Exchange 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

Dated: October 03, 2019

**Director**

**CEO/Director**

## فرسٹ کیپٹل ایکویٹیز لمیٹڈ

رواں سال کے دوران کمپنی کے بورڈ آف ڈائریکٹرز نے مسلسل خسارہ اور مارکیٹ کی ابتر حالت کے پیش نظر 28 جون 2019ء کو منعقدہ اپنے اجلاس عام میں پاکستان سٹاک ایکسچینج کے ٹریڈنگ رائٹ انٹرنیشنل ٹھیکس (TREC) کو معطل کر دیا اور بروکریج آپریشن کو بند کر دیا اور کمپنی کے بنیادی کاروباری مقاصد کو سٹاک بروکر سے ریٹیل اسٹیٹ کمپنی میں تبدیل کر دیا۔ معطلی کی درخواست PSX کو جمع کرائی گئی اور معطلی کا عمل زیر غور ہے۔

## کیپٹل مارکیٹ

زیر جائزہ مدت کے دوران KSE-100 انڈیکس (بیچ مارک) 8,009 پوائنٹس یعنی 19.11 فی صد کمی کے ساتھ 33,901.58 پوائنٹس پر بند ہوا۔ نئی حکومت کے اصلاحاتی فیصلوں کی وجہ سے زیر جائزہ مدت کا آغاز منفی رجحان سے ہوا۔ بیرونی اکاؤنٹ خسارہ کی وجہ سے ابتر معاشی حالات، MSCI درجہ بندی رسک، شرح میں اضافہ کے امکانات، آئی ایم ایف پروگرام میں شمولیت سے متعلق شکوک و شبہات، گردشی قرضہ کے مسائل، غیر ملکی ذخائر میں کمی کی وجہ سے سرمایہ داروں کے اعتماد میں کمی واقع ہوئی۔ مزید برآں حکومت کی جانب سے پیش کئے گئے ضمنی بجٹ میں مزید 180 بلین روپے آمدنی میں اضافہ کا ہدف رکھا گیا جس کے نتیجے میں کمپنیوں اور حتمی صارفین پر مزید ٹیکس اور ڈیوٹی عائد کی گئی۔ مقبوضہ کشمیر میں تباہ کن حملہ کے نتیجے میں ہمسایہ ایٹمی ممالک کے مابین ایئر سٹرائیک کی وجہ سے بیچ مارک کو مزید جھٹکے لگے۔

مالی سال 2018ء کا آغاز منفی رجحان سے ہوا اور پہلی نصف سالہ مدت کے دوران سابقہ وزیراعظم کی نااہلی کے بعد پیدا غیر یقینی صورت حال کی وجہ سے مجموعی طور پر 13.09 فی صد کمی ہوئی۔ JIT رپورٹ پر عدالتی کارروائی کے دوران 7 ستمبر 2017 تک KSE-100 انڈیکس 40,958 پوائنٹس (مالی سال کے آغاز سے تاحال 12.04 فی صد کمی) کی کم ترین سطح پر پہنچ گیا جو 24 مئی 2017ء کی اعلیٰ ترین سطح کے مقابلہ میں مجموعی طور پر 22.54 فی صد کمی ہے جس کی وجہ سے سرمایہ داروں کی پریشانی میں اضافہ ہوا۔ صدر ٹرمپ کے پاکستان پر دہشت گرد تنظیموں کی سرپرستی کے الزام کی وجہ سے پاکستان سٹاک مارکیٹ مزید گر گئی۔ مزید برآں، وفاقی دارالحکومت میں مذہبی گروہ کے 21 روزہ دھرنے کی وجہ سے مارکیٹ کو مزید غیر یقینی صورت حال کا سامنا کرنا پڑا۔

آئی ایم ایف کے نیل آؤٹ پیکیج میں سخت شرائط کے خوف میں پیش کردہ وفاقی بجٹ، معاشی نمو اور کاروباری سازگار حالات کے لئے اس کے اطلاق سے مارکیٹ مزید تنزلی کا شکار ہوئی۔ حکومت نے مالیاتی سال میں متوقع 4.0 ٹریلین روپے کے متوقع ٹیکس کے مقابلہ میں مالیاتی سال 2020ء میں 5.55 ٹریلین روپے ٹیکس کے حصول کا ہدف رکھا ہے۔ مثبت پہلو یہ ہے کہ 17 فی صد جنرل سیلز ٹیکس میں کوئی تبدیلی نہیں کی گئی ہے اور کاروباری ٹیکس 29 فی صد تک برقرار رکھا گیا ہے۔ تاہم، ٹیکسٹائل کے شعبہ کو درجہ بندی سہولت سے دستبرداری کی تجویز دی گئی جب کہ سیمنٹ پرائیکسٹرز ڈیوٹی کو بڑھا دیا گیا۔ ہم خیال کرتے ہیں کہ وفاقی بجٹ میں کئے گئے ٹیکس میں توسیع، ٹیکس استثنیٰ سے دستبرداری، شرح ٹیکس میں تغیر، معیشت کو دستاویزی

شکل دینے کے لئے اقدامات جیسے پالیسی اقدامات تھوڑے عرصہ کے لئے تکلیف دہ ہو سکتے ہیں کیونکہ اس سے معاشی سرگرمیاں سست روی کا شکار ہو سکتی ہیں اور عوام کا غم و غصہ بڑھ سکتا ہے۔ تاہم، اگر ان اقدامات اور دیگر ٹھوس اصلاحاتی پروگراموں پر کامیاب عمل درآمد ہو جاتا ہے تو معیشت ترقی کے راستے پر گامزن ہو جائے گی اور مالیاتی استحکام آئے گا۔ FATF اجلاس میں بھی واضح کیا گیا ہے کہ پاکستان کو مزید اقدامات کرنے ہوں گے جب کہ منڈی کی جانب سے غیر نمایاں سرگرمیوں کی وجہ سے سرمایہ داروں کے اعتماد کو ٹھیس پہنچی ہے۔

30 جون 2019ء کو اختتام پذیر سال کے لئے آپ کی کمپنی کا مالیاتی خلاصہ حسب ذیل ہے:

تمام اعداد و ارقام روپوں میں ماسوائے فی حصص آمدنی \*

مالی سال 2017ء	مالی سال 2018ء	
42.29	20.15	بروکرٹیج آمدنی
4.73	(0.48)	کیپٹل (خسارہ)/آمدنی
(40.84)	(37.03)	نفع/نقصان کے ذریعے فیوز و بیلو پر سرمایہ داری کے دوبارہ تعین پر (خسارہ)
342.09	75.24	دیگر آمدنی
244.62	(9.42)	جاری آپریشنز سے نفع/(نقصان) علاوہ ٹیکس
(239.50)	(56.85)	جامد آپریشنز سے نفع/(نقصان) علاوہ ٹیکس
		فی حصص آمدنی (EPS)/(خسارہ) روپے *
1.73	(0.07)	جاری آپریشنز -
(1.69)	(0.40)	جامد آپریشنز -

آپ کی کمپنی نے 5.12 ملین روپے کے مقابلہ میں مالی سال 2019ء کے دوران 66.27 ملین روپے کا نقصان رپورٹ کیا۔ آپ کی کمپنی کی بروکرٹیج آمدنی سالانہ 52 فی صد تک کم ہوئی جو گذشت برس 42 ملین روپے کے مقابلہ میں مالیاتی سال 2019ء میں 20 ملین روپے رہی۔ سرمایہ داری کے دوبارہ تعین پر غیر موصول شدہ خسارہ 37.03 ملین روپے رہا جب کہ دیگر آمدنی تعمیراتی سرگرمیوں کی وجہ سے 75.24 ملین روپے رہی۔ زیر جائزہ سال کے دوران آپریٹنگ اخراجات میں سالانہ 71 فی صد اور مالیاتی اخراجات میں سالانہ 128 فی صد اضافہ ہوا۔

رواں سال کے دوران، کمپنی نے MAB بینک لمیٹڈ اور سویری بینک لمیٹڈ کے ساتھ اپنی سرمایہ داری پر اپریٹی کی مد میں قرضہ بنام اثاثہ جات کے تحت معاملہ طے کیا۔ کمپنی نے دیگر مالیاتی اداروں کو بھی اسی طرح کے انتظامات کی پیش کش کی ہے۔ جو متعلقہ مالیاتی اداروں کی مجاز اتھارٹیز کے زیر جائزہ ہیں۔ اور انتظامیہ پر اعتماد ہے کہ متعلقہ مالیاتی ادارے کمپنی کی اس پیش کش پر مثبت جواب دیں گے۔

## کمپنی کی کاروباری جاری رکھنے کی صلاحیت

کمپنی کی انتظامیہ بینکوں کے ساتھ قرضوں کی ادائیگی کے عمل پر مذاکرات کر رہی ہے اور نتیجتاً کمپنی نے MCB بینک لمیٹڈ اور سونیر بینک لمیٹڈ کے واجبات ادا کر دیئے ہیں۔ مذکورہ بالا عوامل کے باعث کمپنی اپنے کاروباری امور جاری رکھنے اور موزوں منافع اور سرمایہ حاصل کرنے کے قابل ہو چکی ہے۔ اسی طرح سے کمپنی کے آپریشنز سے متعلق مادی بے یقینی قائم ہے جس کے نتیجے میں رواں کاروبار میں اپنے واجبات کی ادائیگی میں بے یقینی کی کیفیت ہے۔ کمپنی کی کاروبار جاری رکھنے کی صلاحیت بہتر کیش فلو پر منحصر ہے۔ کمپنی کی انتظامیہ پر امید ہے کہ بنیادی کاروباری سرگرمی میں تبدیلی اور ریئل اسٹیٹ سیکٹر میں گروپ کی مجموعی صلاحیت سے کمپنی کی مالیاتی کارکردگی پر مثبت اثرات مرتب ہوں گے۔ مزید برآں، انتظامیہ پر امید ہے کہ پراپرٹیز کی فروخت سے کمپنی UBL کو قرضہ ادا کرنے کے قابل ہو جائے گی۔

## مستقبل کا منظر نامہ

28 جون 2019ء کو منعقدہ کمپنی کے اجلاس میں بورڈ آف ڈائریکٹرز نے حالیہ برسوں میں کمپنی کے جاری خسارہ اور سٹاک مارکیٹ کے مستقبل کو مد نظر رکھتے ہوئے کمپنی کے بنیادی کاروباری نوعیت کو بروکریج کمپنی سے ریئل اسٹیٹ کمپنی میں تبدیل کر دیا ہے۔ کمپنی کے بورڈ آف ڈائریکٹرز نے پاکستان سٹاک ایکسچینج لمیٹڈ میں کمپنی کے نام پر موجود TREC سٹوفکیٹ کو رضا کارانہ طور پر معطل / ختم کرنے کا فیصلہ کیا ہے۔

اس تناظر میں تمام کاروباری و قانونی تقاضوں کو پورا کرنے کے بعد کمپنی کے میمورنڈم آف ایسوسی ایشن کی آجیکٹ کلاز III میں ضروری تبدیلی کی جائے گی۔

27 ستمبر 2019ء کو منعقدہ کمپنی کے غیر معمولی اجلاس میں کمپنی کے حصص داران نے کمپنی کی بنیادی کاروباری نوعیت کو بروکریج کمپنی سے ریئل اسٹیٹ کمپنی میں تبدیل کرنے پر غور کیا اور اس کی منظوری دی۔ جس میں 28 جون 2019ء کو منعقدہ بورڈ آف ڈائریکٹرز کے اجلاس میں کئے گئے فیصلہ کی پیروی میں کمپنی کے میمورنڈم آف ایسوسی ایشن کی آجیکٹ کلاز میں تبدیلی بھی شامل ہے۔ ریکارڈ رکھنے کے لئے SECP کو بھی لازمی دستاویزات / معلومات فراہم کر دی گئی ہیں۔

## کارپوریٹ سماجی ذمہ داری

کمپنی سماجی طور پر ذمہ دار ادارہ کی حیثیت سے اپنے ملازمین اور کام کی جگہ کے ارد گرد قیام پذیر افراد اور مجموعی طور پر معاشرہ کے لئے اپنے فرائض کی انجام دہی کے ذریعے معاشرے میں اپنا مثبت کردار ادا کر رہی ہے۔

## ہیومن ریسورس انتظامات

کمپنی کی انتظامیہ کمپنی کے اصولوں، اقدار اور فلسفہ پر مستحکم یقین رکھتی ہے جہاں ملازمین کے ساتھ فیملی ممبر کے طور پر رویہ روا رکھا جاتا ہے۔ کمپنی اپنے ملازمین کے لئے کام کا کاروباری اور سماجی ماحول برقرار رکھنے کے لئے کوشاں ہے تاکہ وہ پیشہ ورانہ انداز میں مکمل اطمینان کے ساتھ اپنے فرائض سرانجام دے سکیں۔

## انٹرنل کنٹرول

ڈائریکٹرز اور انتظامیہ کمپنی کے انٹرنل کنٹرول سسٹم کی روانی اور سالانہ عمل درآمد پر نظر ثانی کے ذمہ دار ہیں تاکہ وہ اپنے حصص داران کی سرمایہ داری پر مناسب منافع حاصل کر سکیں اور خطرات کا تعین اور حل نکال سکیں۔ اس میں مالیاتی، فعالی اور تعمیلی کنٹرول پر نظر ثانی اور خطرات پر قابو پانے کے طریقہ ہائے کار اور ان کا اثر شامل ہیں۔ ڈائریکٹرز نے 2019ء کو اختتام پذیر سال کے لئے اپنا سالانہ جائزہ اور تخمینہ مکمل کر لیا ہے۔

بورڈ اور آڈٹ کمیٹی کمپنی کے کنٹرول فریم ورک سے متعلقہ کمپنی کے اندرونی آڈٹ کی رپورٹ کا باقاعدگی سے جائزہ لیتے ہیں۔ تاکہ انٹرنل کنٹرول کے معیار کو حاصل کیا جاسکے۔ کمپنی کا انٹرنل آڈٹ فنکشن کنٹرول سرگرمیوں کے استحکام اور اثر کا جائزہ لیتا ہے اور آڈٹ کمیٹی اور بورڈ کو باقاعدگی سے رپورٹ پیش کرتا ہے۔

## کمپنی کے کاروبار کا ماحول پر اثر

کمپنی کے کاروبار کی نوعیت خدمات کی فراہمی ہے، لہذا، اس کی سرگرمیوں کا ماحول پر بہت کم اثر ہوتا ہے۔ کمپنی اپنے ملازمین، ڈیپارٹمنٹس اور کلائنٹس کو کاغذ کے استعمال میں کمی کی تلقین کرتی ہو اور ای میل کے ذریعے رابطہ سازی کی ہر ممکن کوشش کی جاتی ہے۔

## حصص داران کو ادائیگی

کمپنی کے غیر تخصیص شدہ خسارہ جات کو مد نظر رکھتے ہوئے، بورڈ آف ڈائریکٹرز نے رواں سال کسی قسم کے پے آؤٹ کی سفارش نہ کی ہے۔

## خطرات پر قابو پانا

نوعیت کے لحاظ سے کمپنی کی بنیادی کاروباری سرگرمیاں نمایاں مارکیٹ اور کریڈٹ رسک سے دوچار کر سکتی ہیں۔ مزید برآں، کمپنی کئی دیگر خطرات جیسا کہ آپریٹنگ، قانونی اور سرمایہ داری کے خطرات کی حامل ہو سکتی ہے۔ ان خدشات کی مؤثر نشاندہی، تعین اور انتظام کمپنی کے استحکام اور کامیابی کے لئے انتہائی اہم ہے۔ نتیجتاً، جامع رسک مینجمنٹ پالیسیاں اور طریقہ ہائے کار قائم کئے گئے ہیں تاکہ ان بڑے خدشات کی نشاندہی، کنٹرول اور نگرانی کی جاسکے۔

## گذشتہ برسوں میں کمپنی کی کارکردگی

گذشتہ چھ برسوں میں کمپنی کی کارکردگی کا چارٹ لف ہذا ہے۔

## فی حصص آمدنی

گذشتہ سال میں 0.04 روپے فی حصص آمدنی کے مقابلہ میں 30 جون 2019ء کو اختتام پذیر سال کے لئے فی حصص آمدنی (0.47) روپے رہی۔

## ڈائریکٹرز کا معاوضہ

کمپنی کے مالیاتی گوشواروں کے نوٹ 32 میں ایگزیکٹو ڈائریکٹرز کا مجموعی مشاہیرہ بیان کیا گیا ہے۔ مزید یہ کہ، کمپنی اپنے نان ایگزیکٹو ڈائریکٹرز کو کسی قسم کی ادائیگی نہیں کر رہی۔

## کوڈ آف کارپوریٹ گورننس

مالی سال 2019ء کے دوران ’لسٹڈ کمپنیز (کوڈ آف کارپوریٹ گورننس) ریگولیشنز‘ کا اطلاق کیا گیا ہے جس کے نتیجے میں بورڈ اور اس کی کمیٹیوں کی ترکیب میں نمایاں تبدیلیاں مطلوب ہیں۔ کمپنی نے نئے کوڈ آف کارپوریٹ گورننس کی فراہم کی گئی میعاد کے دوران بورڈ کمیٹیوں اور بورڈ کی ترکیب میں حسب ضابطہ تبدیلیاں کی ہیں۔

## بورڈ کی تشکیل

مالیاتی سال کے دوران مندرجہ ذیل افراد کمپنی کے ڈائریکٹرز رہے۔

عہدہ	نام ڈائریکٹر
CEO	میاں احسان الحق
چیئر مین	ملک سفیر رضا اعوان
ڈائریکٹر	وسیم الحسن
ڈائریکٹر	عبدالصمد
ڈائریکٹر	اظہر احمد بٹلا
ڈائریکٹر	راجا سہیل قربان
ڈائریکٹر	محمد احمد سرویا
ڈائریکٹر	محمد طارق (مستعفی ہوئے)

اس سال محترم محمد طارق کی جگہ پر محترم وسیم الحسن کو ڈائریکٹر مقرر کیا گیا۔

## بورڈ کی ترکیب

07 ڈائریکٹرز کی کل تعداد:

07 (a) مرد

00 (b) خواتین

## تقسیم

01 آزاد ڈائریکٹرز

04 دیگر نان ایگزیکٹو ڈائریکٹرز

02 ایگزیکٹو ڈائریکٹرز

## بورڈ کمیٹیاں

راجا سہیل قربان (چیئرمین) محترم انظر احمد، ٹلا (رکن) ملک سفیر رضا اعوان (رکن)	آڈٹ کمیٹی
راجا سہیل قربان (چیئرمین) میاں احسان الحق (رکن) محترم محمد احمد سرویا (رکن)	ہیومن ریسورس اینڈ ریمونڈیشن کمیٹی (HR&R)

بورڈ آف ڈائریکٹرز اور ذیلی کمیٹیوں کی ترکیب نئے کوڈ آف کارپوریٹ گورننس کی مہیا کردہ میعاد میں حسب ضابطہ تبدیل کی جائے گی۔

## ڈائریکٹرز کی تجارت

مالی سال کے دوران ڈائریکٹرز، CEO، CFO، کمپنی سیکریٹری اور ان کے اہل و عیال اور نابالغ بچوں نے کمپنی کے حصص میں تجارت نہ کی ہے۔

## آڈیٹرز

حالیہ آڈیٹرز میسرز ناصر جاوید مقصود عمران (چارٹرڈ اکاؤنٹنٹس) ریٹائر ہو چکے ہیں اور اہل ہونے پر، اپنی دوبارہ تقرری کی پیش کش کی ہے۔ بورڈ آف ڈائریکٹرز نے 30 جون 2020ء کو اختتام پذیر مالی سال کے لئے کمپنی کے آڈیٹرز کی حیثیت سے میسرز ناصر جاوید مقصود عمران (چارٹرڈ اکاؤنٹنٹس) کی دوبارہ تقرری کے لئے آڈٹ کمیٹی کی سفارشات کی تائید کی ہے۔

## شیئر ہولڈنگ کی وضع

کمپنیز ایکٹ 2017ء کے سیکشن (f) (2) 227 اور لسٹنگ ریگولیشنز کے تحت مطلوب شیئر ہولڈنگ کی وضع لف ہذا ہے۔



## کاروباری اور مالیاتی رپورٹنگ فریم ورک

بہتر کارپوریٹ گورننس کے قیام کی غرض سے کمپنی کے بورڈ آف ڈائریکٹرز نے سٹاک ایکسچینج کی لسٹنگ ریگولیشنز کے تحت کوڈ آف کارپوریٹ گورننس کو مکمل طور پر اپنایا ہے۔

- کمپنی کی انتظامیہ کی جانب سے تیار کئے گئے مالیاتی گوشوارے کاروباری امور، آپریشن کے نتائج، کیش فلو اور ایکویٹی میں تبدیلی کو بہترین انداز میں پیش کرتے ہیں۔
- کمپنی کے کھاتوں کی باقاعدہ کتابیں مرتب کی گئی ہیں۔
- مالیاتی گوشواروں کی تیاری میں لاگوا کاؤنٹنگ پالیسیوں کا باقاعدگی سے اطلاق کیا گیا ہے اور اکاؤنٹنگ تخمینہ جات بھروسہ مند فیصلوں کی بنیاد پر لگائے گئے ہیں۔
- مالیاتی گوشواروں کی تیاری میں پاکستان میں لاگو بین الاقوامی اکاؤنٹنگ معیارات کا اطلاق کیا گیا ہے۔
- گذشتہ چھ سالوں کے مالیاتی اعداد و شمار ساتھ منسلک ہیں۔
- محصولات، لیوی اور جرمانوں کی مد میں کوئی ادائیگی واجب الادا نہیں ہے اور انہیں منسلک کھاتوں میں ظاہر نہیں کیا گیا ہے۔
- کمپنی ڈائریکٹرز کے ٹریننگ پروگراموں کے معیارات کی تعمیل کرتی ہے۔

## اعتراف

بورڈ آف ڈائریکٹرز تمام حصص داران کی مسلسل حمایت کی حوصلہ افزائی اور شکریہ ادا کرتے ہیں۔ بورڈ سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان (SECP) اور پاکستان سٹاک ایکسچینج لمیٹڈ کی رہنمائی اور حمایت کو بھی قدر کی نگاہ سے دیکھتے ہیں۔ آخر میں، بورڈ عملہ کی ان تھک محنت کی بھی حوصلہ افزائی کرتا ہے۔

منجانب / برائے بورڈ آف ڈائریکٹرز

لاہور

CEO / ڈائریکٹر

ڈائریکٹر

مؤرخہ: 03 اکتوبر 2019ء

THE COMPANIES ACT, 2017  
(Section 227(2) (F))  
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 30-06-2019

-----Shareholding-----

4. No. of Shareholders	From	To	Total Shares Held
97	1	100	732
18	101	500	7,010
8	501	1,000	6,567
138	1,001	5,000	540,905
1	10,001	15,000	13,500
2	25,001	30,000	55,725
2	155,001	160,000	317,122
1	270,001	275,000	271,812
2	315,001	320,000	634,228
2	480,001	485,000	966,144
1	490,001	495,000	492,500
4	640,001	645,000	2,566,529
1	825,001	830,000	828,125
2	965,001	970,000	1,932,290
1	995,001	1,000,000	997,000
1	1,005,001	1,010,000	1,005,395
1	1,095,001	1,100,000	1,099,937
7	1,280,001	1,285,000	8,982,813
1	1,710,001	1,715,000	1,710,250
1	3,995,001	4,000,000	4,000,000
1	4,695,001	4,700,000	4,700,000
1	6,710,001	6,715,000	6,712,716
1	70,190,001	70,195,000	70,190,200
1	33,300,001	33,305,000	33,304,000
<b>295</b>			<b>141,335,500</b>

5	<b>Categories of shareholders</b>	<b>Shares held</b>	<b>Percentage</b>
5.1(a)	<b>Directors, CEO and their Spouse and Minor Children</b>		
	Mian Ehsan ul Haq	29,620	0.021
	Abdul Samad	600	0.000
	Mailk Safeer Raza Awan (21034)	2,250	0.002
	Raja Suhail Qurban	600	0.000
	Azhar Ahmad Batla	500	0.000
	Muhammad Ahmad Saroya	500	0.000
5.1 (b)	<b>Chief Executive Officer</b>		
	<b>29,620 shares of (Mian Ehsan ul Haq CEO)</b>	-	-
5.1 (c)	<b>Directors spouse &amp; minor children</b>	-	-
5.1.1	<b>Executive / Executives' spouse</b>	-	-
5.2	<b>Associated Companies, undertaking and related parties</b>	-	-
a)	First Capital Securities Corporation Limited	103,494,200	73.226
b)	Pace Barka Properties Limited	6,712,716	4.749
c)	Amythest Limited	492,500	
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	1,005,395	0.711
5.7	<b>Share holders holding 10% or more voting interest</b>		
a)	First Capital Securities Corporation Limited		Refer 5.2 (a) above
5.8	<b>General Public</b>		
	a) Local	2,250,480	1.592
	b) Foreign Companies/Organizations/Individual / (repatriable bases)	17,599,000	12.452
5.9	<b>Others</b>		
	a) Joint Stock Companies	5,047,139	3.571
	b) Pension fund Provident Fund etc.	-	-
		<b>141,335,500</b>	<b>100.000</b>

## Financial Highlights

PARTICULARS	FY 19	FY 18	FY 17	FY 16	FY 15	FY 14	FY 13
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( Rupees in million )

### Profit and Loss Account

Revenues	95.64	348.92	569.39	315.14	131.64	172.74	327.16
Expenses	124.13	349.67	274.64	265.52	366.23	462.91	500.46
Profit / (loss) before tax							
- continuing operations	(9.38)						
- discontinued operations	(56.60)						
Profit / (loss) after tax	(65.98)	(0.75)	294.75	49.62	(234.61)	(290.55)	(176.11)
- continuing operations	(9.42)						
- discontinued operations	(56.85)						
	(66.27)	5.12	264	31.16	(234.23)	(292.30)	(176.94)

### Balance Sheet

Paid up capital	1,413.36	1,413.36	1,413.36	1,413.36	1,413.36	1,413.36	1,080.32
Shareholder's equity	345.80	412.07	378.36	75.54	49.57	280.55	212.85
Liabilities	1,127.97	1,345.49	3,078.34	3,807.01	3,988.89	3,818.42	3,819.15
Total assets	1,473.77	1,757.56	3,456.70	3,882.53	4,038.45	4,098.98	4,022.38
Investment value at cost	78.76	116.41	97.02	112.45	40.20	52.18	203.35
Investment value at mkt price	41.73	80.04	146.66	118.73	39.32	40.15	131.10

### Ratios

Earning / (loss) per share (Rs.)							
- continuing operations	(0.07)						
- discontinued operations	(0.40)						
	(0.47)	0.04	1.87	0.22	(1.66)	(2.07)	(1.25)
Break up value (Rs.)	2.45	2.92	2.68	0.53	0.35	1.98	1.97
Return on Equity (%)	(0.0019)	1.24	69.78	41.25	(472.55)	(104.29)	(78.61)

### 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 LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017**

**FIRST CAPITAL EQUITIES LIMITED  
FOR THE YEAR ENDED JUNE 30 2019**

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

1.	The total number of directors are seven as per the following:	
a.	Male:	07
b.	Female:	0
2.	The composition of board is as follows:	
a.	Independent Directors	01
b.	Other Non-Executive Directors	04
c.	Executive Directors	02
3.	The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).	
4.	The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.	
5.	The board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.	
6.	All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board/ shareholders as empowered by the relevant provisions of the Act and these Regulations.	
7.	The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.	
8.	The board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.	
9.	<p>During the period under report, no director acquired training certification. However, subsequent to year end Mr. Waseem ul Hassan has been appointed on the Board who already acquired training certification. At present there are two certified directors namely:</p> <p style="margin-left: 40px;">(1) Mian Ehsan Ul Haq; (2) Waseem ul Hassan</p> <p>However, regulation number 20 1(a) of the Regulations requires that at least half of the directors on the Board of Directors should acquire the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it. The Board is in process of complying with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019.</p>	

10.	The Board has approved new appointment of Head of Internal Audit during the year. However, no new appointment has been made for the Company Secretary and Chief Financial Officer during the year. All such appointments including their remuneration and terms and conditions of employment are duly approved by the Board.	
11.	CFO and CEO duly endorsed the financial statements before approval of the board.	
12.	The board has formed committees comprising of members given below:	
a.	Audit Committee (Name of members and Chairman)	Raja Suhail Qurban, (Chairman) Muhammad Ahmad Saroya, (Member) Malik Safeer Raza Awan, (Member)
b.	HR and Remuneration Committee (Name of members and Chairman)	Raja Suhail Qurban, (Chairman) Mian Ehsan UI Haq, (Member) Muhammad Ahmad Saroya, (Member)
c.	Nomination Committee (if applicable) (Name of members and Chairman)	N/A
d.	Risk Management Committee (if applicable) (Name of members and Chairman)	N/A
13.	The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.	
14.	The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:	
a	Audit Committee	06
b	HR and Remuneration Committee	02
c	Nomination Committee (if applicable)	N/A
d	Risk Management Committee (if applicable)	N/A
15.	The board has set up an effective internal audit function that is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company.	
16.	The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.	
17.	The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.	
18.	We confirm that all other requirements of the Regulations have been complied with.	

For and on behalf of the Board

**CHIEF EXECUTIVE**

Lahore

03 October 2019

**DIRECTOR**



**NASIR JAVAID MAQSOOD IMRAN**  
Chartered Accountants

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**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF FIRST CAPITAL  
EQUITIES LIMITED**

**REVIEW REPORT ON STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES  
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017 (the Regulations) prepared by the Board of Directors of "First Capital Equities Limited" (the Company) for the year ended **June 30, 2019** in accordance with the requirement of regulation 40 of the Regulations.

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

As 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 of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations requires the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention, which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with requirements contained in the Regulations as applicable to the Company for the year ended **June 30, 2019**.

Further, we highlight that the Company has not complied with the provision of regulation 20(a) of the Regulations which require at least half of the Directors to have director's training certificates, as disclosed in the note 9 of the Statement of Compliance.

Date: 03-10-2019  
Islamabad

  
Nasir Javaid Maqsood Imran

Chartered Accountants  
Imran ul Haq

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**Chartered Accountants**

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**Independent Auditor's report to the members of First Capital Equities Limited**  
**Report on the Audit of the Financial Statements**  
**Opinion**

We have audited the annexed financial statements of First Capital Equities Limited, which comprises the statement of financial position as at June 30, 2019, and the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of the audit.

In our opinion and to the best of our information and according to the explanations given to us, the statement of financial position, statement of profit or loss, the statement of comprehensive income the statement of changes in equity and the statement of cash flows together with the notes forming part thereof conform with the accounting and reporting standards as applicable in Pakistan and give the information required by the Companies Act, 2017 (XIX of 2017), in the manner so required and respectively give a true and fair view of the state of the Company's affairs as at June 30, 2019 and of the loss and other comprehensive income, the changes in equity and its cash flows for the year then ended.

**Basis for Opinion**

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

**Material Uncertainty relating to Going Concern**

We draw attention to Note 2 in the annexed financial statements, which states that the Company incurred loss amounting Rs. 66.27 Million, moreover the accumulated losses of the company stand at Rs. 1,067 Million as at June 30, 2019 (2018: 1,017 Million). As at the reporting date current liabilities of the Company exceed its current assets by Rs. 261 Million. Board of the Directors of the Company owing to the continuous loss and adverse market conditions, in there meeting held on June 28, 2019 decided to surrender the trading right entitlement certificate (TREC) of Pakistan Stock Exchange and seize brokerage operation of the Company and to change the principal objective of the Company from stock broker to real estate Company. Moreover, the Company in order to meet its current obligations requires to generate sufficient profits and cash flows. As stated in Note 2, these events or conditions, along with other matters as set forth in Note 2 indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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**NJMI**



**CPAAI**

**Key Audit Matters**

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

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Following are the Key Audit Matters:

Sr. #	Key Audit Matters	How the matters were addressed in our audit
1.	<p><b>Long term financing</b></p> <p>As stated in Note 17 of accompanying financial statements, the Company settled its various loans during the year. The interest on loans settled during the year is waived off by the Bank.</p> <p>The valuation of these settled facilities involve complex calculations and significant judgments.</p> <p>We identified loan settlement as key audit matter because it has material impact on the on Company's financials..</p>	<p>We performed following key audit procedures to address the assessed risk:</p> <ul style="list-style-type: none"><li>▪ Obtained loan settlement agreements signed with banks. Inspected and obtained understanding of terms and conditions;</li><li>▪ We critically assessed the design and implementation of controls in place to ensure compliance and to report any identified breach of the debt settlement agreements;</li><li>▪ Obtained direct confirmations from banks to confirm settlement and closing balances as at year end. Summarized the responses of banks, analyzed and matched with the amounts disclosed in the financial statements.</li></ul>
2.	<p><b>Adoption of IFRS 9 'Financial Instruments' during the year</b></p> <p>During the year, the Company has first time adopted IFRS 9 (Financial Instruments) and IFRS 15 (Revenue from Contracts with customers).</p> <p>As part of this first time adoption and transition to the requirements, the management performed an analysis to identify differences between the previous and the current applicable standards and as a</p>	<p>We performed following key audit procedures to address the assessed risk:</p> <ul style="list-style-type: none"><li>▪ Reviewed the management's process to identify the additional disclosure requirements and related revisions (if any) as a result of first time adoption of IFRS 9 and IFRS 15;</li></ul>



**NJMI**



**CPAAI**

result certain amendments relating to presentation and disclosures were made in the accompanying financial statements.

Any change in presentation or classification of items has been accounted for in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' and comparative figures have been restated as disclosed in note 5.1.2 of the financial statements.

In view of the amendments and various new disclosures prepared and presented in the financial statements, we considered this as a key audit matter.

### **3. Litigations**

There are a number of legal and regulatory matters for which no provision has been established, as disclosed in Note 28` of accompanying financial statements.

The Company is exposed to different laws, regulations and interpretations thereof and hence, there is a litigation risk. Also there is an inherent risk that legal exposures are not identified and considered for financial reporting purposes on a timely basis. Importantly, the decision to recognize a provision and the basis of measurement are purely judgmental.

We identified litigations as key audit matter because there is a high level of judgement involve in assessing the likelihood of their outcome which effect the level of

- Obtained understanding of the recorded trade receivables by discussing with the management and making inquiries on the entire accounting process associated with the recording of trade receivables;
- We considered the approaches used by the company in classification and measurement of its investments in depth and equity securities within scope of IFRS 9.
- Obtained relevant underlying supporting documents for ensuring that management has complied with the revenue recognition criteria as introduced by IFRS 15; and
- Obtained relevant underlying supporting documentation on test basis for the additional disclosures and assessed their appropriateness for the sufficient audit evidence.

We performed following key audit procedures to address the assessed risk:

- Obtained understanding of the Company's controls over litigations through meetings with the management and review of the minutes of the Board of Directors and Board Audit Committee;
- Discussed open matters and developments with the Company's in-house legal counsel and read correspondence with external legal counsels, where relevant;
- Circularized confirmations to relevant third party legal representatives and follow up discussions, where appropriate, on certain material cases;
- Whilst noting the inherent uncertainties involved with the legal and regulatory matters,

*Handwritten signature*





provisioning and/or disclosures.

assessed the appropriateness of the related disclosures made in the accompanying financial statements.

### **Information Other than the Financial Statements and Auditor's Report Thereon**

Management is responsible for the other information. The other information comprises the information included in the annual report including, in particular, the Chairman's Review, Director's Report and Financial Highlights, but does not include the financial statements and our auditor's report thereon.

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

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

### **Responsibilities of Management and Board of Directors for the Financial Statements**

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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

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



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

### Report on Other Legal and Regulatory Requirements

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

- a) proper books of account have been kept by the Company as required by the Companies Act, 2017 (XIX of 2017);
- b) the statement of financial position, the statement of profit or loss, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows together with the notes thereon have been drawn up in conformity with the Companies Act, 2017 (XIX of 2017) and are in agreement with the books of account and returns;
- c) investments made, expenditure incurred and guarantees extended during the year were for the purpose of the Company's business;
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980); and

The engagement partner on the audit resulting in this independent auditor's report is Imran-ul-Haq.

Date:

03 Oct, 2019

Islamabad

  
Nasir Javaid Maqsood Imran

Chartered Accountants



***FIRST CAPITAL EQUITIES LIMITED***  
***FINANCIAL STATEMENTS AS AT JUNE 30, 2019***

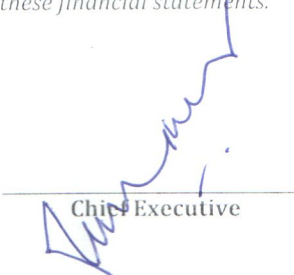
- ✓ *STATEMENT OF FINANCIAL POSITION*
- ✓ *STATEMENT OF PROFIT OR LOSS*
- ✓ *STATEMENT OF COMPREHENSIVE INCOME*
- ✓ *STATEMENT OF CASH FLOWS*
- ✓ *STATEMENT OF CHANGES IN EQUITY*
- ✓ *NOTES TO THE FINANCIAL STATEMENTS*

**FIRST CAPITAL EQUITIES LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT JUNE 30, 2019**

	Note	JUNE 2019 Rupees	JUNE 2018 Rupees
<b>NON - CURRENT ASSETS</b>			
Property plant and equipment	6	1,980,530	3,071,069
Investment property	8	824,712,000	1,269,445,782
Long term investments	9	19,155,471	33,662,358
Long term deposits, receivables and prepayments	10	-	1,524,000
		845,848,001	1,307,703,209
<b>CURRENT ASSETS</b>			
Trade debts	11	252,741,664	275,614,836
Short term investments	12	22,578,257	46,381,295
Advances, deposits, prepayments and other receivables	13	342,555,983	13,349,617
Advance tax	14	6,573,180	5,308,401
Interest accrued		32,296	75,648
Cash and bank balances	15	3,442,943	106,623,484
		627,924,323	447,353,281
<b>ASSETS HELD FOR SALE</b>	7	-	2,500,000
<b>TOTAL ASSETS</b>		<b>1,473,772,324</b>	<b>1,757,556,490</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Authorized 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		-	16,095,315
Unappropriated loss		(1,067,556,674)	(1,017,378,270)
<b>TOTAL EQUITY</b>		<b>345,798,326</b>	<b>412,072,045</b>
<b>NON - CURRENT LIABILITIES</b>			
Long term financing	17	153,018,252	1,059,531,400
Interest Accrued		82,292,865	144,800,249
Deferred liabilities	18	3,500,000	38,506,461
		238,811,117	1,242,838,110
<b>CURRENT LIABILITIES</b>			
Trade and other payables	19	65,164,244	97,187,053
Current portion of long term financing	17	823,708,669	5,459,282
Provision for taxation	25	289,968	-
		889,162,881	102,646,335
<b>CONTINGENCIES AND COMMITMENTS</b>	28	-	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,473,772,324</b>	<b>1,757,556,490</b>

The annexed notes from 1 to 35 form an integral part of these financial statements.

  
 Director

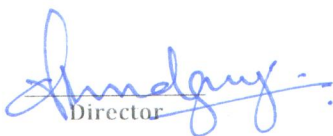
  
 Chief Executive

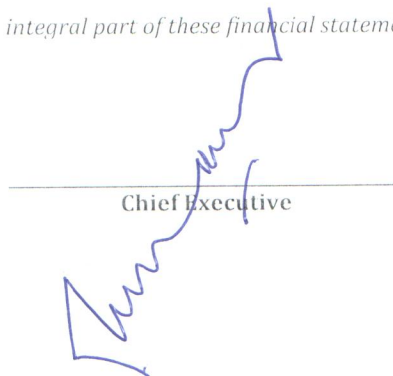
  
 Chief Financial Officer

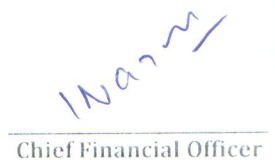
**FIRST CAPITAL EQUITIES LIMITED**  
**STATEMENT OF PROFIT OR LOSS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Note	JUNE 2019 Rupees	JUNE 2018 Rupees
<b>CONTINUING OPERATION</b>			
<b>INCOME</b>			
Dividend income		253,620	658,794
Realised gain/(loss) on sale of investments at fair value through profit or loss	20	(476,605)	4,730,006
Unrealised gain/(loss) on remeasurement of investments at fair value through profit or loss	21	(37,025,620)	(40,837,531)
		<u>(37,248,605)</u>	<u>(35,448,731)</u>
<b>EXPENDITURE</b>			
Operating and administrative expenses	22	6,504,767	9,964,643
Impairment loss on 'available for sale' investments	23	-	47,928,393
Finance cost		40,873,867	17,926,934
		<u>47,378,634</u>	<u>75,819,970</u>
		<u>(84,627,239)</u>	<u>(111,268,701)</u>
<b>OPERATING LOSS</b>			
<b>OTHER INCOME</b>	24	75,244,286	342,085,306
<b>NET (LOSS) / PROFIT BEFORE TAXATION</b>		<u>(9,382,953)</u>	<u>230,816,605</u>
Taxation	25	38,043	(13,799,697)
<b>PROFIT/(LOSS) AFTER TAXATION FROM CONTINUING OPERATIONS</b>		<u>(9,420,996)</u>	<u>244,616,302</u>
<b>DISCONTINUED OPERATIONS</b>			
<b>LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS</b>	27	(56,852,723)	(239,500,605)
<b>PROFIT/(LOSS) AFTER TAXATION FOR THE YEAR</b>		<u>(66,273,719)</u>	<u>5,115,697</u>
<b>EARNING/(LOSS) PER SHARE - BASIC AND DILUTED</b>			
- continuing operations	26	(0.07)	1.73
- discontinued operations		(0.40)	(1.69)
		<u>(0.47)</u>	<u>0.04</u>

The annexed notes from 1 to 35 form an integral part of these financial statements.

  
 Director

  
 Chief Executive

  
 Chief Financial Officer



**FIRST CAPITAL EQUITIES LIMITED  
STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2018**

	<b>JUNE 2018 Rupees</b>	<b>JUNE 2017 Rupees</b>
Profit/(Loss) after taxation for the year	(66,273,719)	5,115,697
Other comprehensive income / (loss) for the year		
<i>Items that will never be reclassified to profit or loss:</i>		
Re-measurement of defined benefit plan	-	4,264,285
<i>Items that are or may be reclassified to profit or loss:</i>		
Gain on Available for sale financial assets – reclassified to profit or loss	-	(5,876,625)
Impairment loss recognized on available for sale investments	-	47,928,393
Unrealized (loss) / gain on re-measurement of investment available for sale	-	(17,720,304)
<b>Total other comprehensive income - net of tax</b>	-	28,595,749
<b>Total comprehensive income</b>	<b>(66,273,719)</b>	<b>33,711,446</b>

The annexed notes from 1 to 35 form an integral part of these financial statements.

  
Director

  
Chief Executive

  
Chief Financial Officer

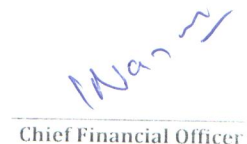
**FIRST CAPITAL EQUITIES LIMITED**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

Note	June 2019 Rupees	June 2018 Rupees
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before taxation	(65,983,751)	(745,849)
<b>Add: Items not involved in movement of funds and others</b>		
Depreciation	988,871	3,760,580
Impairment	2,500,000	50,428,393
Capital loss / (gain)	476,605	(4,730,006)
Loss on re-measurement of investments at fair value through profit or loss - net	37,025,620	40,837,531
(Gain)/Loss on re-measurement of investment property	(618,000)	148,501,186
Deposits written off	1,881,375	456,145
Dividend income	(253,620)	(658,794)
Accrued interest written back	(62,507,384)	(423,264,921)
Interest accrued	(643,299)	(715,911)
Interest expense	40,627,914	10,715,064
Loss on sale of investment property	-	9,593,266
(Gain) on sale of intangible assets	-	(5,375,000)
(Gain) on sale of property and equipment	(8,940,827)	(40,444,878)
Provision for bad debts	25,991,316	169,000,000
Deferred notional income	-	(27,399,232)
Other income	(2,534,764)	(2,979,816)
Provision for gratuity	3,757,038	7,126,666
	<u>37,750,845</u>	<u>(65,149,727)</u>
	<u>(28,232,906)</u>	<u>(65,895,576)</u>
<b>Decrease / (Increase) in current assets</b>		
Investments at fair value through profit or loss	-	(413,638)
Trade debts - unsecured	(3,118,144)	1,068,973,275
Advances, deposits, prepayments and other receivables	<u>(329,563,741)</u>	<u>13,170,637</u>
	<u>(332,681,885)</u>	<u>1,081,730,274</u>
<b>Decrease in current liabilities in trade and other payables</b>		
	<u>(54,657,014)</u>	<u>(6,430,158)</u>
<b>Cash generated in operations</b>	<u>(415,571,805)</u>	<u>1,009,404,540</u>
Interest received	686,651	722,061
Dividend received	253,620	658,794
Gratuity paid	(11,268,087)	(564,096)
Taxes paid	<u>(3,591,222)</u>	<u>(8,178,153)</u>
<b>Net cash (used) / generated in operating activities</b>	<u>(429,490,843)</u>	<u>1,002,043,146</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Acquisition of property and equipment	(239,507)	(1,980,550)
Proceeds from sale of property and equipment	9,282,002	79,545,800
Proceeds from sale of intangible assets	-	12,875,000
Proceeds from sale of shares-net	807,700	7,322,028
Acquisition of investments property	-	(1,223,960,706)
Proceeds from investments property	445,351,782	1,398,870,072
Long term deposits and advances	-	7,963,966
<b>Net cash generated in investing activities</b>	<u>455,201,977</u>	<u>280,635,610</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Loans paid	(128,891,675)	(1,255,046,533)
<b>Net cash used in financing activities</b>	<u>(128,891,675)</u>	<u>(1,255,046,533)</u>
Effects of exchange rate changes in cash and cash equivalents	-	-
<b>NET (DECREASED) / INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>(103,180,541)</u>	<u>27,632,223</u>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>106,623,484</u>	<u>78,991,261</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>3,442,943</u>	<u>106,623,484</u>

The annexed notes from 1 to 35 form an integral part of these financial statements.

  
 Director

  
 Chief Executive

  
 Chief Financial Officer

FIRST CAPITAL EQUITIES LIMITED  
STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2018

	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, 2017	1,413,355,000	-	-	(8,236,149)	(1,026,758,252)	378,360,599
Profit for the year after taxation	-	-	-	-	5,115,697	5,115,697
<b>Other comprehensive income for the year</b>						
Gain on Available for sale financial assets – reclassified to profit or loss	-	-	-	(5,876,625)	-	(5,876,625)
Re-measurement of defined benefit plan	-	-	-	-	4,264,285	4,264,285
Unrealized (loss) / gain on re-measurement of investment available for sale	-	-	-	30,208,089	-	30,208,089
Total other comprehensive income / (loss) for the year – net of tax	-	-	-	24,331,464	4,264,285	28,595,749
Total comprehensive income for the year	-	-	-	24,331,464	9,379,982	33,711,446
Balance as at June 30, 2018	1,413,355,000	-	-	16,095,315	(1,017,378,270)	412,072,045
Transfer to retained earning due to reclassification (Note: 5.1)	-	-	-	(16,095,315)	16,095,315	-
Balance as at July 01, 2018	1,413,355,000	-	-	-	(1,001,282,955)	412,072,045
Loss for the year after taxation	-	-	-	-	(66,273,719)	(66,273,719)
<b>Other comprehensive income for the year</b>	-	-	-	-	-	-
<b>Total comprehensive loss for the year</b>	-	-	-	-	(66,273,719)	(66,273,719)
<b>Balance as at June 30, 2019</b>	<b>1,413,355,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,067,556,674)</b>	<b>345,798,326</b>

The annexed notes from 1 to 35 form an integral part of these financial statements.

  
Director

  
Chief Executive

  
Chief Financial Officer

**FIRST CAPITAL EQUITIES LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

**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 (now Companies Act, 2017). 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% (2017: 73.23%) of the share capital of the Company. The principal activities of the Company include share brokerage and conducting / publishing business research.

Geographical locations and addresses of all business units are as under:

**Lahore - Head Office**

2nd Floor, Pace Shopping Mall,  
Fortress Stadium, Lahore Cantt,  
Lahore.

**Karachi - Corporate Office**

4th Floor, Block B,C & D Lakson  
Square Building No. 01, Sarwar  
Shaheed Road, Karachi.

- 2 During the year company incurred loss amounting Rs. 66.27 Million , moreover the accumulated losses of the company stand at Rs. 1,067 Million as at June 30, 2019 (2018: 1,017 Million). As at the reporting date current liabilities of the Company exceed its current assets by Rs. 261 Million. Board of the Directors of the Company owing to the continuous loss and adverse market conditions, in their meeting held on June 28, 2019 decided to surrender the trading right entitlement certificate (TREC) of Pakistan Stock Exchange and seize its brokerage operation and to change the Principal objective of the Company from stock broker to real estate Company. Application for surrender of TREC was submitted to PSX and surrendering process was initiated.

The management of the Company is continuously in process of negotiating its loan facilities with Banks and as a result of this Company settled its liability against loan form MCB Bank Limited & Soneri Bank Limited as mentioned in Note 17. Owing to the factors mentioned above the Company in order to carry on its business and to meet its obligations requires generating sufficient operating profits and 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. The management of the Company is confident that with change in Principal activity and overall expertise of group in real estate sector will have positive impact on the financial performance of the company. Moreover, management is confident that the remaining loan payable to UBL will be settled by sale of properties.

Resultantly, these financial statements are prepared on going concern basis. The financial statements consequently, donot include any adjustment relating to the relization of the assets and liquidation of liabilities that might be necessary should the Company be unable to continue as going concern.

**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 Act, 2017. Approved Accounting Standards comprise of such International financial reporting standards as notified under the provisions of the Companies Act, 2017. Whenever the requirements of the Companies Act, 2017 or directives of the Securities and Exchange Commission of Pakistan (SECP) differ with the requirements of the Standards, the requirements of the Companies Act, 2017 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 investment property 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.

There was no significant adjustment required for the estimates and judgments as compared to previous year.

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, plant and equipment	<b>Note 6.1</b>
b)	Impairment	<b>Note 5.3</b>
c)	Provisions and contingencies	<b>Note 5.7</b>
d)	Staff retirement benefits	<b>Note 5.8</b>
e)	Provision for taxation	<b>Note 5.11</b>

#### **4 Initial application of new standards, interpretations or amendments to existing standards**

##### **4.1 The Company has adopted the following revised standards and amendments of IFRSs which became effective for the current year:**

- IFRS 9 'Financial Instruments'
- IFRS 15 'Revenue from contracts with customers'

The other new standards, amendments to approved accounting standards and interpretations that are mandatory for the financial year beginning on July 1, 2018 are considered not to be relevant or to have any significant effect on the Company's financial reporting and operations, therefore have not been detailed in these financial statements.

##### **4.2 Standards, amendments to approved accounting standards that are not yet effective**

IFRS 16 'Leases' will be effective for the Company's annual accounting period beginning July 1, 2019. It will result in almost all leases being recognised on the statement of financial position, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. IFRS 16 will not have any impact on financial statements. Further, IFRS 17 'Insurance contracts' is yet to be adopted by the SECP.

Additionally there are certain new standards, amendments and an interpretation to the approved accounting and reporting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 01, 2019. However, these will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these financial statements.

#### **5 Significant accounting policies**

Except as described below in note 5.1, the significant accounting policies are consistently applied in the preparation of these financial statements are the same as those applied in earlier periods presented.

##### **5.1 Changes in significant accounting policies**

The Company has adopted IFRS 15 'Revenue from Contracts with Customers' and IFRS 9 'Financial Instruments' from 01 July 2018 which are effective from annual periods beginning on or after 01 July 2018 and for reporting period / year ending on or after 30 June 2019 respectively.

The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below:

###### **5.1.1 IFRS 15 'Revenue from Contracts with Customers'**

International Accounting Standards Board (IASB) issued International Financial Reporting Standards (IFRS) 15 'Revenue From Contracts with Customers' which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Specifically, the standard introduces a 5-step approach to revenue recognition:

**Step 1:** Identify the contract(s) with a customer.

**Step 2:** Identify the performance obligations in the contract.

**Step 3:** Determine the transaction price.

**Step 4:** Allocate the transaction price to the performance obligations in the contract.

**Step 5:** Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The focus of the new standard is to recognize revenue as performance obligations are made rather than based on the transfer of risk and rewards. IFRS 15 includes a comprehensive set of disclosure requirements including qualitative and quantitative information about contracts with customers to understand the nature, amount, timing and uncertainty of revenue. The standard supersedes IAS 18 'Revenue', IAS 11 'Construction Contracts' and the number of revenue related interpretations.

The Company has applied the modified retrospective method upon adoption of IFRS 15 as allowed under the Standard. This method requires the recognition of the cumulative effect (without practical expedients) of initially applying IFRS 15 to retained earnings. Under this transition method, comparative information for prior periods has not been restated and continues to be reported in accordance with the previous standard under IAS 18 and related interpretations.

Apart from providing more extensive disclosures, the application of IFRS 15 has not had a significant impact on the financial position and / or financial performance of the Company for the reasons described below. Accordingly there was no adjustment to retained earnings on application of IFRS 15 at 01 July 2018.

Under IFRS 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement. Control of the underlying goods could be transferred and revenue recognized when the product leaves the seller's location, based on legal title transfer, the entity's right to receive payment, or the customer's ability to redirect and sell the goods, but there might be additional performance obligations for shipping and in-transit risk of loss. The Company allocates the transaction price to each of the performance obligations, and recognize revenue when each performance obligation is satisfied, which might be at different times.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

The Company is providing share brokerage service which generally include single performance obligation. Management has concluded that revenue should be recognised at the point in time when required services are rendered to the client. Revenue is recognised at that point in time.

The above is generally consistent with the timing and amounts of revenue the Company recognised in accordance with the previous standard, IAS 18. Therefore, the adoption of IFRS 15 did not have an impact on the timing and amounts of revenue recognition of the Company. The above is generally consistent with the timing and amounts of revenue the Company recognised in accordance with the previous standard, IAS 18. Therefore, the adoption of IFRS 15 did not have an impact on the timing and amounts of revenue recognition of the Company.

#### **5.1.2 IFRS 9 'Financial Instruments'**

IFRS 9 replaced the provisions of IAS 39 'Financial Instruments: Recognition and Measurement' that relates to the recognition, classification and measurement of financial assets and financial liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting. Changes in accounting policies resulting from adoption of IFRS 9 have been applied retrospectively. The details of new significant accounting policies adopted and the nature and effect of the changes to previous accounting policies are set out below:

##### **i. Classification and measurement of financial assets and financial liabilities**

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables, held for trading and available for sale. IFRS 9, classifies financial assets in the following three categories:



- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortized cost.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application:

- The determination of business model within which a financial asset is held; and
- The designation and revocation of previous designation of certain financial assets as measured at FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- it is held within business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For assets measured at fair value, gains and losses will either be recorded in the statement of profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

As a result of application of IFRS 9, long term investments amounting to Rs. 33.66 million as at July 1, 2018 have been reclassified from 'available for sale' to 'fair value through profit or loss'. In accordance with the transitional provisions of IFRS 9, comparative figures and their related gains / (losses) have been reclassified in the opening statement of financial position. Further all financial assets previously classified under the head 'loans and receivables' are now classified as 'amortised cost'.

The accounting policies that apply to financial instruments are stated in note 5.6 to the financial statements.

## **ii. Impairment**

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. IFRS 9 introduces a forward looking expected credit losses model, rather than the current incurred loss model, when assessing the impairment of financial assets in the scope of IFRS 9. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables. Impairment losses related to trade and other receivables, are presented separately in the statement of profit or loss. Trade and other receivables are written off when there is no reasonable expectation of recovery. Management used forward looking approach to base the calculation of ECL on adoption of IFRS 9.

## **5.2 Property plant and equipment**

These are stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is charged to profit or loss 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.

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 recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

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 recognized 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, 2018 did not require any adjustment.

### 5.3 **Impairment**

#### **Financial Assets**

The Company recognises loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortised cost.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
  - other debt securities and bank balance for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.
- Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information. The Company assumes that the credit risk on a financial asset has increased significantly if it is more than past due for a reasonable period of time. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Loss allowances for financial assets measured at amortised cost are deducted from the Gross carrying amount of the assets. The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. The Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expect no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due. The adoption of the expected loss approach has not resulted in any material change in impairment provision for any financial asset.

The Company recognises in profit or loss, as an impairment gain or loss, the amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date.



### **Non-Financial Assets**

The carrying amounts of the Company's non-financial assets, other than deferred tax assets and inventories are reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount, being higher of value in use and fair value less costs to sell, is estimated. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the statement of profit or loss.

### **5.4 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 statement of financial position, 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 statement of profit or loss 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.

### **5.5 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 arm's length transaction.

Any gain or loss arising from a change in fair value is recognized in the statement of profit or loss. Rental income from investment property is charged to profit and loss on accrual basis.

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 statement of profit or loss.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its fair value at the date of reclassification becomes its cost for accounting purposes for subsequent recording.

### **5.6 Financial instruments**

#### **5.6.1 Initial measurement of financial asset**

The Company classifies its financial assets in to following three categories:

- fair value through other comprehensive income (FVOCI);
- fair value through profit or loss (FVTPL); and
- measured at amortised cost

A financial asset is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

#### **5.6.2 Subsequent measurement of financial assets**

**Debt Investments at FVOCI:** These assets are subsequently measured at fair value. Interest / mark-up income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss. Other net gains and losses are recognised in other comprehensive income. On de-recognition, gains and losses accumulated in other comprehensive income are reclassified to the statement of profit or loss.

**Equity Investments at FVOCI:** These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in other comprehensive income and are never reclassified to the statement of profit or loss.

**Financial assets at FVTPL:** These assets are subsequently measured at fair value. Net gains and losses, including any interest / mark-up or dividend income, are recognised in profit or loss.

**Financial assets measured at amortised cost:** These assets are subsequently measured at amortised cost using the effective interest rate method. The amortised cost is reduced by impairment losses. Interest / mark-up income, foreign exchange gains and losses and impairment are recognised in the statement of profit or loss.

### 5.6.3 **Non-derivative financial assets**

All non-derivative financial assets are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Non-derivative financial assets comprise loans and receivables that are financial assets with fixed or determinable payments that are not quoted in active markets and includes trade debts, advances, other receivables and cash and cash equivalent.

The Company derecognises the financial assets when the contractual rights to the cash flows from the asset expires or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risk and rewards of ownership of the financial assets are transferred or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset.

### 5.6.4 **Trade debts, loans, advances and other receivables**

These are classified at amortised cost and are initially recognised when they are originated and measured at fair value of consideration receivable. These assets are written off when there is no reasonable expectation of recovery. Actual credit loss experience over past years is used to base the calculation of expected credit loss.

### 5.6.5 **Financial liabilities**

Financial liabilities are initially recognised on trade date i.e. date on which the Company becomes party to the respective contractual provisions. Financial liabilities include mark-up bearing borrowings and trade and other payables. The Company derecognises the financial liabilities when contractual obligations are discharged or cancelled or expire. Financial liability other than at fair value through profit or loss are initially measured at fair value less any directly attributable transaction cost.

Subsequent to initial recognition, these liabilities are measured at amortised cost using effective interest rate method.

### 5.6.6 **Mark-up bearing borrowings and borrowing costs**

Mark-up bearing borrowings are recognised initially at fair value, less attributable transaction costs.

Subsequent to initial recognition, mark-up bearing borrowings are stated at amortised cost, while the difference between the cost (reduced for periodic payments) and redemption value is recognised in the statement of profit or loss over the period of the borrowing using the effective interest method.

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of the cost of the relevant asset.

### 5.6.7 **Accrued and other liabilities**

Accrued and other liabilities are recognised initially at fair value plus directly attributable costs, if any, and subsequently measured at amortised costs.

### 5.6.8 **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.

## 5.7 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 statement of financial position date and adjusted to reflect current best estimate.

## 5.8 Staff retirement benefits

### Defined benefit plan

The Company maintains an unfunded gratuity scheme for all its eligible employees. The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

## 5.9 Revenue recognition

- \* Capital gains or losses on sale of investments are recognized in the year in which they arise.
- \* Brokerage income, consultancy and money market services are recognized as and when such services are provided.
- \* 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 from investment properties is recognized on accrual basis.

## 5.10 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 statement of financial position 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 utilized.

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 statement of financial position 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.

## 5.11 Functional and presentation currency

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

## **5.12 Foreign currency**

All monetary assets and liabilities in foreign currencies are translated into rupees at exchange rates prevailing at the statement of financial position 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.

## **5.13 Cash and cash equivalents**

Cash and cash equivalents are carried in the statement of financial position at cost. For the purpose of cash flows 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.

## **5.14 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.

## **5.15 Fair value**

Fair value is the amount for which an asset could be exchanged, or liability settled, between knowledgeable willing parties in an arm's length transaction. Underlying the definition of fair value is the presumption that the Company is a going concern without any intention or requirement to curtail materially the scale of its operations or to undertake a transaction on adverse terms. The carrying values of all financial assets and liabilities reflected in these financial statements approximate their fair values. Fair value is determined on the basis of objective evidence at each reporting date.

Specific valuation techniques used to value financial instruments include:

Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).

Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).

Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

6 PROPERTY PLANT AND EQUIPMENT

Note	June	June
	2019	2018
	Rupees	Rupees
6.1	1,980,530	3,071,069
	<b>1,980,530</b>	<b>3,071,069</b>

6.1 Property, plant and equipment schedule

Cost	Building		Computers	Office equipment	Furniture & fittings	Vehicles	Total
	Freehold	Leasehold					
	Rupees						
Balance as at 1 July 2017	30,715,800	36,740,000	18,128,965	16,411,169	14,089,243	25,170,633	141,255,810
Additions during the year	-	-	305,550	225,000	-	1,450,000	1,980,550
Disposals during the year	(30,715,800)	(36,740,000)	(2,957,100)	-	(200,000)	(10,827,208)	(81,440,108)
Balance as at 30 June 2018	-	-	15,477,415	16,636,169	13,889,243	15,793,425	61,796,252
Balance as at 1 July 2018	-	-	15,477,415	16,636,169	13,889,243	15,793,425	61,796,252
Additions during the year	-	-	-	239,507	-	-	239,507
Disposals during the year	-	-	(1,037,170)	(1,361,627)	(1,137,513)	(11,690,685)	(15,226,995)
<b>Balance as an June 30, 2019</b>	<b>-</b>	<b>-</b>	<b>14,440,245</b>	<b>15,514,049</b>	<b>12,751,730</b>	<b>4,102,740</b>	<b>46,808,764</b>
<b>Accumulated Depreciation</b>							
Balance as at 1 July 2017	13,030,543	13,471,325	17,310,510	15,330,674	13,169,236	24,991,501	97,303,789
Charge for the year	511,930	1,377,747	388,386	478,490	722,728	281,299	3,760,580
Disposals during the year	(13,542,473)	(14,849,072)	(2,957,100)	-	(163,333)	(10,827,208)	(42,339,186)
Balance as at 30 June 2018	-	-	14,741,796	15,809,164	13,728,631	14,445,592	58,725,183
Balance as at 1 July 2018	-	-	14,741,796	15,809,164	13,728,631	14,445,592	58,725,183
Charge for the year	-	-	430,012	144,544	70,815	343,500	988,871
Disposals during the year	-	-	(1,037,170)	(1,166,451)	(1,048,602)	(11,633,597)	(14,885,820)
<b>Balance as an June 30, 2019</b>	<b>-</b>	<b>-</b>	<b>14,134,638</b>	<b>14,787,257</b>	<b>12,750,844</b>	<b>3,155,495</b>	<b>44,828,234</b>
Balance as at June 30, 2018 (NBV)	-	-	735,619	827,005	160,612	1,347,833	3,071,069
Balance as at June 30, 2019 (NBV)	-	-	305,607	726,792	886	947,245	1,980,530
Depreciation rate (% per annum)	5	5	33.33	10	10	20	

7 INTANGIBLE ASSETS

	Note	June	June
		2019	2018
		Rupees	Rupees
<b>Trading Right Entitlement Certificate (TREC)</b>			
Opening	7.1	-	2,500,000
		-	2,500,000

7.1 During the year, the company initiated process of surrendering its TREC to Pakistan Stock Exchange Limited and TREC is classified as held for sale as a result value of TREC is measured at lower of carrying value and fair value less cost to sale.

7.2 The Company has no internally generated intangible assets.

	Note	June	June
		2019	2018
		Rupees	Rupees
<b>8 INVESTMENT PROPERTY</b>			
Balance as on July 01,		1,269,445,782	1,602,449,600
Acquisition during the year		-	1,223,960,706
		1,269,445,782	2,826,410,306
Disposal during the year	8.6	(445,351,782)	(1,408,463,338)
		824,094,000	1,417,946,968
Change in fair value		618,000	(148,501,186)
Balance as at June 30,	8.3	824,712,000	1,269,445,782

8.1 Investment Property comprises various shops / counters in shopping malls situated at Gujranwala and Gujrat. Properties having value of Rs. 824.7 Million (2018: 1,269.4 Million) are under mortgage by banks against borrowings.

8.2 The direct operating expenses related to the investment property were Rs. 55,000/- (2018 Rs. 50,000/-).

8.3 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, 2019. The valuer determined the fair value of Rs. 824,712,000/- (2018: 1,269,445,782/-), the effect of which has been incorporated in the financial statements. The table below analyse the non-financial assets carried at fair value, by valuation method. The different levels have been defined in Note 5.16 & Note 9.4.

8.4 Recurring fair value measurements

	Fair value measurements at 30 June 2019 using significant other observable inputs (Level 2)
	Rupees
	Investment properties

	Fair value measurements at 30 June 2018 using significant other observable inputs (Level 2)
	Rupees
	Investment properties

There are no level 1 and level 3 assets or transfers between levels 1, 2 and 3 during 2019 or 2018.

Valuation techniques used to derive level 2 fair values:

Level 2 fair value of investment properties has been derived using the sales comparison approach. Sale prices of comparable land and buildings in close proximity are adjusted for differences in key attributes such as location, size, nature and condition of the property. The most significant input into this valuation approach is price per square foot.

8.5 Particulars of the investment properties are as follows:

Particulars	Location	Forced sale value		Forced sale value	
		Area Sq. Ft	June	Area Sq. Ft	June
			2019		2018
		Rupees	Rupees		
Various shops, super market and counters	Grand Trunk Road, Pace Gujrat, Gujrat	26912	720,625,500	26912	1,116,528,750
Various shops	Muza dhola zari, G.T Road, Pace Shopping Mall, Gujranwala	1364	21,615,300	1364	25,972,454
		28276	742,240,800	28276	1,142,501,204

8.6 Disposals of Investment properties (various shops and counters)

	Carrying Value	Book Value	Sale Proceeds	Gain / (Loss)	Mode of Sale	Particulars of Buyers
	Rupees		Rupees			
		5,459,282	5,459,282	5,459,282		
Total	439,892,500	439,892,500	439,892,500	-	Negotiation	WorldCall Mobile (Pvt.) Limited
	445,351,782	445,351,782	445,351,782	-		

	Note	June 2019 Rupees	June 2018 Rupees
<b>9 LONG TERM INVESTMENTS</b>			
<b>9.1 Investment in related parties</b>			
<b>Available for sale</b>			
Media Times Limited - quoted shares	9.1.1	5,096,582	10,496,536
<b>9.2 Other Investments</b>			
<b>Available for sale</b>			
Pakistan Stock Exchange Limited - quoted shares	9.2.1	14,058,889	23,165,822
		<b>19,155,471</b>	<b>33,662,358</b>
<b>9.1.1 Movement of Investment in related parties</b>			
<b>Opening balance on July 01,</b>			
6,067,362 (2018: 6,067,362) Fully paid ordinary shares of Rs. 10 each, Equity Held 3.39% (2018 : 3.39%)		10,496,536	18,687,475
Gain/(Loss) on remeasurement of investment available for sale charged to OCI		(5,399,954)	(8,190,939)
<b>Closing balance on June 30,</b>			
		<b>5,096,582</b>	<b>10,496,536</b>

Shares having value of Rs. 5,096,582/- (2018: Rs. 10,496,536/-) have been pledged with various commercial banks against long term financing.

9.2.1 Movement of other Investments	Note	2019	2018	2019	2018
		No. of shares		Rupees	
<b>Opening balance</b>		1,172,953	1,602,953	23,165,822	41,163,833
<b>Disposals during the year</b>		(91,500)	(430,000)	(1,807,125)	(11,042,400)
<b>Closing</b>		<b>1,081,453</b>	1,172,953	21,358,697	30,121,433
<b>Remeasurement of carrying shares</b>	9.2.2	<b>1,081,453</b>	1,172,953	14,058,889	23,165,822
<b>Unrealized gain charged to P&amp;L/OCI</b>				<b>(7,299,808)</b>	<b>(6,955,611)</b>
<b>Cost of shares sold during the year</b>		<b>91,500</b>	430,000	1,807,125	11,042,400
<b>Sale proceeds from the disposal</b>		<b>91,500</b>	430,000	(1,478,600)	(8,468,645)
<b>Capital (loss) / gain realized transferred to profit or loss</b>				<b>(328,525)</b>	<b>(2,573,755)</b>

This represents the investment in ordinary shares of Pakistan Stock Exchange Limited (PSX) received by the Company in accordance with requirements of Stock Exchanges (Corporatization, Demutualization and Integration) Act 2012. The total number of shares received by the Company were 4,007,383 out of which 60% shares were held in a separate blocked account in the Central Depository Company of Pakistan Limited (CDC) to restrict the sale of such shares by the members of PSX. Afterwards during 2017, PSX concluded bidding process for its equity stake where share price of Rs. 28 per share was offered by successful bidder. PSX sold these 60% (40% to the successful bidder & 20% to general public) shares of the company, held in separate blocked account in CDC at this price and sale proceeds were transferred in the designated bank account of the company.

Currently, 1,081,194 shares having value of Rs. 14.05 Million are still held in block account.

9.2.2 Level 1 inputs i.e. Quoted prices (unadjusted) in active markets for these shares are used for recurring measurement of fair value.

**10 LONG TERM DEPOSITS, RECEIVABLES AND PREPAYMENTS**

Pakistan Stock Exchange Limited  
Central Depository Company of Pakistan Limited  
National Clearing Company of Pakistan Limited  
Other deposits and receivables

Note	June 2019 Rupees	June 2018 Rupees
	-	-
	-	100,000
	-	1,000,000
	-	424,000
	<u>-</u>	<u>1,524,000</u>

**11 TRADE DEBTS**

Trade debts against purchase of shares:

**Considered good - unsecured**

Clients

252,741,664 275,614,836

Considered doubtful:

Clients

194,991,316 169,000,000

Members

- -

194,991,316 169,000,000

**Less: Provision for doubtful debts**

11.1 (194,991,316) (169,000,000)

11.2 252,741,664 275,614,836

Based on past experience and future expectations the management has charged provision for doubtful debts that are overdue for more than 14 days and against which no collateral is available. No provision is charged for balances against which legal cases for recovery are filed.

**11.1 Provision for doubtful debts**

Opening balance  
Charge for the year  
Closing balance

Note	June 2019 Rupees	June 2018 Rupees
	169,000,000	-
	25,991,316	169,000,000
	<u>194,991,316</u>	<u>169,000,000</u>

11.2 This includes receivable amounting Rs. 244,804,354 from different clients against which Company have filed legal cases for recovery and management is confident that full amount will be recovered from these and so no impairment required.

**12 SHORT TERM INVESTMENTS**

At fair value through profit or loss  
Quoted equity securities

12.1 22,578,257 46,381,295  
22,578,257 46,381,295

**12.1 Quoted equity securities held for trading**

	June 2019			June 2018		
	Number of shares	Carrying Amount	Market value	Number of shares	Carrying Amount	Market value
		Rupees	Rupees		Rupees	Rupees
<b>Investments in related parties</b>						
First Capital Mutual Fund Limited	1,792	16,601	11,165	1,792	22,902	16,601
Media Times Limited	8,260,138	14,037,599	6,938,516	7,825,638	24,102,965	13,538,354
Pace (Pakistan) Limited	7,600,000	25,764,000	11,248,000	7,600,000	52,896,000	25,764,000
<b>Other investments</b>						
Arif Habib Limited	120	6,100	3,796	100	8,041	6,100
World Call Telecom Limited	917,500	1,770,775	642,250	917,500	2,776,255	1,770,775
Pakistan Services Limited	80	80,820	81,600	-	-	-
PICIC Insurance Limited	32,000	70,400	36,800	32,000	112,000	70,400
Pioneer Cement Limited	11,000	515,460	249,150	11,000	1,430,000	515,460
D.G Khan Cement Limited	-	-	-	500	77,383	57,245
Pakistan Telecommunication Limited	34,000	388,960	281,180	34,000	530,740	388,960
Shaheen Insurance Company Limited	834,000	4,253,400	3,085,800	834,000	5,262,540	4,253,400
<b>Total Investment</b>		<u>46,904,115</u>	<u>22,578,257</u>		<u>87,218,826</u>	<u>46,381,295</u>
Gain / (loss) on remeasurement		<u>(24,325,858)</u>			<u>(40,837,531)</u>	
<b>Total Investment as at June 30,</b>		<u>22,578,257</u>			<u>46,381,295</u>	

12.2 Shares having carrying amount of Rs. 45,840,496/- (2018: Rs. 86,758,587/-) and market value of Rs. 22,037,629/- (2018: 46,080,674/-) are pledged as security against long term loans.

12.3 During the year capital loss of Rs. 148,080/- has occurred on sale of shares having cost of Rs. 12,887,243/-

12.4 Level 1 inputs i.e. Quoted prices (unadjusted) in active markets for these shares are used for recurring measurement of fair value.



	Note	June 2019 Rupees	June 2018 Rupees
<b>13 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES</b>			
Advances - unsecured - considered good			
Executives	13.1	190,871	89,405
Employees	13.1	-	3,105,127
Deposits with			
Others	13.2	2,007,349	-
Prepayments			190,000
Exposure with Pakistan Stock Exchange Limited	13.3	4,843,935	6,130,454
Accrued brokerage commission		-	124,801
Accrued rental income		-	403,000
Other receivables - considered good	13.4	335,513,828	3,306,830
		<u>342,555,983</u>	<u>13,349,617</u>

13.1 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. Advances to executives and employees does not include any amounts due from Chief Executive and Directors NIL (2018: NIL).

13.2 This includes security deposit amounting Rs. 1,650,000/- (2018: Nil) and Rs. 100,000 (2018: Nil) with the National Clearing Company of Pakistan Limited and Central Depository Authority respectively.

13.3 This includes exposure deposit with the National Clearing Company of Pakistan Limited under the exposure rules. This includes Rs. 4,300,000/ (2018: Rs. 2,500,000/-) deposited with PSX against requirement of Base Minimum Capital.

13.4 This includes receivable against sale of investment property amounting Rs. 332.27 Million (2018: Rs. Nil) from Worldcall Mobile (Pvt.) Limited against sale of property. Company retains title of the property transferred as collateral against receivable balance.

	Note	June 2019 Rupees	June 2018 Rupees
<b>14 ADVANCE TAX</b>			
Advance tax		6,573,180	5,308,401
		<u>6,573,180</u>	<u>5,308,401</u>

	Note	June 2019 Rupees	June 2018 Rupees
<b>15 CASH AND BANK BALANCES</b>			
<b>Cash at bank</b>			
Current accounts	15.1	3,240,088	44,563,115
Deposit accounts	15.2	202,855	61,981,988
		3,442,943	106,545,103
<b>Cash in hand</b>			
		-	78,381
		<u>3,442,943</u>	<u>106,623,484</u>

15.1 Current accounts include clients' balances held in designated bank accounts of Rs. 3,238,771/- (2018: Rs. 44,026,618/-)

15.2 These carry profit at rates ranging from upto 7% per annum (2018: upto 4% per annum).

**16 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL**

	June 2019 Number of shares	June 2018 Number of shares		June 2019 Rupees	June 2018 Rupees
<b>Shares issued against cash consideration</b>					
	73,316,250	73,316,250	Shares of Rs. 10/- each fully paid	733,162,500	733,162,500
<b>Shares issued against consideration other than cash</b>					
	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 (2018: 103,494,200 (73.23%)) of the Company.

	Note	June 2019 Rupees	June 2018 Rupees
<b>17 LONG TERM FINANCING</b>			
<b>Long term financing - Secured - Other than related parties</b>			
Loans from banking companies	17.1	978,794,338	1,107,686,013
Deferred notional income	17.3	(2,067,417)	(42,695,331)
		976,726,921	1,064,990,682
Less: Current portion shown under current liability		(823,708,669)	(5,459,282)
<b>Long term portion</b>		<u>153,018,252</u>	<u>1,059,531,400</u>

- 17.1 This includes agreements with different commercial banks with an original mark up rates of 8% and 3 months kibar plus 1.5% to 4 % p.a (2018: 8% and 3 months kibar plus 1.5% to 4 % p.a). But owing to the negotiations with the banks the markup on these loans was either waived or frozen.
- 17.2 During the year the company settled loan of MCB Bank Limited and Soneri Bank Limited amounting Rs. 123.4 Million and Rs. 5.4 Million respectively. The interest accrued on MCB Bank Limited amounting Rs. 62.5 Million is waived off as per the restructuring agreement.
- 17.3 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 upto 12.29% (2018: upto 8.05 - 12.29% ) per annum based on the original loan agreements.. Movement is as follows:

	June 2019 Rupees	June 2018 Rupees
<b>Deferred notional income</b>		
As at beginning of the year	42,695,331	26,011,163
Occurred during the year	-	27,399,232
Amortized during the year	(40,627,914)	(10,715,064)
As at end of the year	2,067,417	42,695,331

**18 DEFERRED LIABILITIES**

	June 2019 Rupees	June 2018 Rupees
<b>Provision for Gratuity</b>	<b>18.1 3,500,000</b>	38,506,461

- 18.1 During the year all the employees were resigned or terminated only one employee was eligible for gratuity at year end so no actuarial valuation was carried out. Liability against gratuity is recorded at the amount accrued till year end as the effect of present value is not significant.

	2019 Rupees	2018 Rupees
<b>Statement of financial position</b>		
Present value of defined benefits obligations plus payables	3,500,000	37,609,800
Balance sheet liability/(asset)	-	896,661
	<b>3,500,000</b>	<b>38,506,461</b>

	2019 Rupees	2018 Rupees
<b>Change in present value of defined benefits obligations</b>		
<b>Present value of defined benefits obligation</b>	<b>38,506,461</b>	34,881,310
Current service cost	3,757,038	3,906,336
Past service cost (credit)	-	-
Interest cost on defined benefits obligation	-	3,220,329
Benefits due but not paid (payables)	(27,495,412)	(94,794)
Benefits paid	(11,268,087)	(39,096)
Gain and losses arising on plan settlements	-	-
<b>Re-measurements:</b>		
Actuarial (gains)/losses from changes in demographic assumption	-	-
Actuarial (gains)/losses from changes in financial assumptions	-	57,509
Experience adjustments	-	(4,321,794)
<b>Present value of defined benefits obligation</b>	<b>3,500,000</b>	<b>37,609,800</b>

	June 2019 Rupees	June 2018 Rupees
<b>Expenses to be charged to P&amp;L</b>		
Current service cost	3,757,038	3,906,336
Past service cost (credit)	-	-
Gain and losses arising on plan settlements	-	-
Interest cost on defined benefits obligation	-	3,220,329
<b>Expenses chargeable to P&amp;L</b>	<b>3,757,038</b>	<b>7,126,665</b>

**Total re-measurements chargeable in other comprehensive income**

	June 2019 Rupees	June 2018 Rupees
<b>Remeasurement of plan obligation:</b>		
Actuarial (gains)/losses from changes in demographic assumption	-	-
Actuarial (gains)/losses from changes in financial assumptions	-	57,509
Experience adjustments	-	(4,321,794)
	-	(4,264,285)

	June 2019 Rupees	June 2018 Rupees
<b>Change in net liability</b>		
<b>Balance sheet liability/(asset)</b>	<b>38,506,461</b>	36,208,177
Expenses chargeable to P&L	3,757,038	7,126,665
Re-measurements chargeable in other comprehensive income	-	(4,264,285)
Benefits paid/payable	(38,763,499)	(564,096)
Adjustment to last years payables	-	-
<b>Balance sheet liability/(asset)</b>	<b>3,500,000</b>	<b>38,506,461</b>

**Significant actuarial assumptions**

Discount rate for interest cost in P&L charge	-	9%
Discount rate for year end obligation	-	10%
Salary increase used for year end obligation	-	-
Salary increase FY 2018	-	9%
Salary increase FY 2019	-	9%
Salary increase FY 2020	-	9%
Salary increase FY 2021 onward	-	9%
Salary increase FY 2022	-	9%
Salary increase FY 2023 onward	-	9%
Next salary is increased at	-	July 01, 2018
Mortality rates	-	SLIC 2001-2005 Setback 1 year
Withdrawal rates	-	Age-Based (per appendix)
Retirement assumption	-	Age 60

	Note	June 2019 Rupees	June 2018 Rupees
<b>19 TRADE AND OTHER PAYABLES</b>			
Payable against sale of shares - un secured Clients		3,202,168	43,791,173
Accrued and other liabilities	19.1	53,602,143	43,954,163
Withholding tax payable		8,359,933	9,441,717
		<u>65,164,244</u>	<u>97,187,054</u>
19.1 This includes balance payable to associated company Falcon Commodities Private Limited for expenses sharing Rs. 3,257,382/- (June 2018: Rs. 3,316,132/-) and Media Times Limited against advertisement expense Rs. 196,300 (2018: Rs. Nil).			
	Note	June 2019 Rupees	June 2018 Rupees
<b>20 REALISED GAIN/(LOSS) ON SALE OF INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>			
Gain/(Loss) on sale of short term investment	12.3	(148,080)	(1,146,619)
Gain/(Loss) on sale of long term investment	9.2	(328,525)	5,876,625
		<u>(476,605)</u>	<u>4,730,006</u>
<b>21 UNREALISED GAIN/(LOSS) ON REMEASUREMENT OF INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>			
Gain/(Loss) on sale of short term investment	12.1	(24,325,858)	(40,837,531)
Gain/(Loss) on sale of long term investment	9.2	(12,699,762)	-
		<u>(37,025,620)</u>	<u>(40,837,531)</u>
	Note	June 2019 Rupees	June 2018 Rupees
<b>22 OPERATING AND ADMINISTRATIVE EXPENSES</b>			
Salaries and benefits		26,801,405	61,402,249
Provision for gratuity		3,757,038	7,126,666
Stock Exchange and settlement charges		2,897,655	4,509,627
Rent, rates and taxes		2,720,457	2,149,333
Communication		2,265,309	3,968,723
Utilities		2,910,471	4,003,401
Insurance		227,601	504,397
Printing and stationery		394,872	646,546
Traveling and conveyance		262,075	1,015,275
Repair and maintenance		2,039,521	4,579,195
Postage and courier		618,437	683,910
Newspaper and periodicals		61,818	91,213
Entertainment		896,315	1,768,074
Legal and professional		934,239	4,065,354
Deposits written off directly		1,881,375	456,145
Provision / Bad Debts written off directly		25,991,316	169,000,000
Advertisement		260,000	128,000
Auditors' remuneration	22.1	1,140,000	1,040,000
Depreciation	6.1	988,871	3,760,580
Fee and subscription		1,716,931	3,273,976
CDC and stamps charges		142,483	2,908,152
Impairment expense	22.2	2,500,000	2,500,000
Other expenses		1,851,386	4,238,731
		<u>83,259,575</u>	<u>283,819,547</u>
Related to discontinued operations		76,754,808	273,854,904
Related to continuing operations		6,504,767	9,964,643
22.1 <b>Auditors' remuneration</b>			
Statutory audit		625,000	625,000
Half year review		220,000	215,000
Certifications		295,000	200,000
		<u>1,140,000</u>	<u>1,040,000</u>
22.2 Impairment during the year is charged due to classification of intangible assets as held for sale as per note 7.			
<b>23 FINANCE COST</b>			
Loan settlement cost		-	6,862,140
Mark up amortized	17.3	40,627,914	10,715,064
Bank charges		245,953	349,730
		<u>40,873,867</u>	<u>17,926,934</u>
	Note	June 2019 Rupees	June 2018 Rupees
<b>24 OTHER INCOME</b>			
<b>Income from financial assets</b>			
Return on deposit accounts		643,299	715,911
<b>Income from assets other than financial assets</b>			
Gain on sale of property and equipment		8,940,827	40,444,878
(Loss) / Gain on sale of intangibles		-	5,375,000
(Loss) / Gain on Sale of Investment Property		-	(9,593,266)
Unrealized (Loss)/gain on re-measurement of investment Property		618,000	(148,501,186)
Accrued interest written back		62,507,396	423,264,921
Gain on Remeasurement of financial liability at amortized cost		-	27,399,232
Miscellaneous income		2,534,764	2,979,816
		<u>74,600,987</u>	<u>341,369,395</u>
		<u>75,244,286</u>	<u>342,085,306</u>

	Note	June 2019 Rupees	June 2018 Rupees
<b>25 TAXATION</b>			
Current year			
-Alternate Corporate Tax	25.1	-	-
-Final Tax		289,968	8,375,251
		<b>289,968</b>	<b>8,375,251</b>
Prior year		-	(14,236,797)
		<b>289,968</b>	<b>(5,861,546)</b>
<b>Related to discontinued operations</b>		<b>251,925</b>	<b>7,938,151</b>
<b>Related to continuing operations</b>		<b>38,043</b>	<b>(13,799,697)</b>

25.1 During the year the Company's revenue subject to minimum tax under section 113 of the Income Tax Ordinance, 2001. Since the Company is liable to pay minimum tax under section 113 and final tax on dividend income under section 150 of the Income Tax Ordinance 2001, therefore, no numerical tax reconciliation is produced.

25.2 The Company have 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 as sufficient taxable profits may not be available in foreseeable future, the Company has not recognized deferred tax asset in these financial statements. The details are as follows:

	Note	June 2019 Rupees	June 2018 Rupees
Deductible temporary differences		200,471,846	207,229,860
Tax losses		1,559,841,428	865,908,349
Unrecognized deferred tax asset		<b>510,490,849</b>	<b>321,941,463</b>
		<b>June 2019</b>	<b>June 2018</b>

## 26 EARNING / (LOSS) PER SHARE - BASIC AND DILUTED

Profit/(Loss) after taxation from continuing operations		<b>(9,420,996)</b>	244,616,302
Profit/(Loss) after taxation from discontinued operations		<b>(56,852,723)</b>	(239,500,605)
Number of ordinary shares		<b>141,335,500</b>	141,335,500
Earning /(loss) per share from continuing operations- Rupees per share		<b>(0.07)</b>	1.73
Earning /(loss) per share from discontinued operations- Rupees per share		<b>(0.40)</b>	(1.69)
Earning /(loss) per share - Basic and Diluted - Rupees per share		<b>(0.47)</b>	0.04

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 DISCONTINUED OPERATIONS

During the year the management of the Company decided to surrender its TREC with Pakistan Stock Exchange and to discontinue stock broker operations due to continuous loss and declining market. The broker operation was not previously classified as a discontinued operation. The comparative statement of profit or loss has been restated to show the discontinued operation separately from continuing operations. Results of discontinued operations are as follows:

	June 2019 Rupees	June 2018 Rupees
<b>Brokerage commission</b>		
Brokerage income - gross	24,020,666	50,473,359
Less:		
Sales tax	(3,009,383)	(6,099,228)
Capital value tax	<b>(857,273)</b>	<b>(2,081,681)</b>
Brokerage income - net	<b>20,154,010</b>	42,292,450
<b>Operating expenses</b>	<b>(76,754,808)</b>	<b>(273,854,904)</b>
<b>Taxation</b>	<b>(251,925)</b>	<b>(7,938,151)</b>
<b>Profit/(Loss) after taxation from discontinued operations</b>	<b>(56,852,723)</b>	<b>(239,500,605)</b>
<b>27.1 Cash flows from/(used in) discontinued operations</b>		
Net cash used in operating activities	<b>(72,837,843)</b>	988,353,308
Net cash from investing activities	-	-
Net cash flow for the year	<b>(72,837,843)</b>	<b>988,353,308</b>

## 28 CONTINGENCIES AND COMMITMENTS

### 28.1 Contingencies

28.1.1 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 on April 17, 2009. The Company has filed an appeal in Appellate Tribunal SECP against the aforesaid order and as a result the order was set aside by Tribunal on December 03, 2015 with an instructions to initiate fresh proceedings as per law.

28.1.2 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 on February 01, 2009 in Civil Court, Lahore for recovery from these clients. The Management is confident that company would be able to recover the above stated debt.

- 28.1.3** During the year 2009-10 the Company has lodged a complaint to Securities and Exchange Commission of Pakistan on September 10, 2009 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 favor of the Company. Later on the civil suit filed by the Universal Equities (Pvt.) Limited was dismissed by the court. However the company has also filed an application on June 20, 2011 for winding up the Universal Equities (Pvt.) Limited before the honorable Lahore High Court Lahore. Which is pending before the High Court and the company is confident of a favorable decision in the case.
- 28.1.4** 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 on February 03, 2011 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 favor.
- 28.1.5** A case was filed in the Sindh High Court on May 19, 2009 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.
- 28.1.6** In the year 2014-15, the Company was contesting the case with Askari Bank Limited in the Honorable High Courts of Sindh and Lahore filed on February 04, 2014, 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. During the year Company entered in to a settlement agreement with Askari Bank Limited and Company disposed the counter claim while the Bank agreed to withdraw the original case as per the settlement agreement.
- 28.1.7** During the year 2014-2015, Shaheen Insurance Company Limited has filed a suit against the Company, First Capital Securities Corporation Limited, Pace (Pakistan) Limited, World Press (Pvt.) Limited, Trident Construct (Pvt.) Limited and Media Times Limited on April 24, 2015 for the recovery of Rs. 105.78 from the Company against reverse repo purchase transaction and insurance premium or cumulative recovery of Rs. 188.74 Million from First Capital Securities Corporation Limited. The case is pending before the honorable court of Mr. Imran Khan, Civil Judge Lahore. The legal counsel is confident of success of the case in company's favor.
- 28.1.8** During the year 2016-17, Soneri Bank Limited has filed suit against the company on May 27, 2016 for recovery of Rs. 148,342,600/- under section 9 of the Financial Institution (Recovery of Finances) Ordinance 2001. Leave to defend application has been filed and is pending before the honorable High Court of Sindh. During the year Company entered in debt property swap agreement with Bank, as per settlement agreement negotiated the Bank agrees to withdraw this case on settlement of agreed liability.
- 28.1.9** During the year 2016-17, JS Bank Limited has filed suit against the company on May 05, 2017 for recovery of Rs. 234,484,862/- under section 9 of the Financial Institution (Recovery of Finances) Ordinance 2001. Leave to defend application has been filed and is pending before the honorable High Court of Sindh. The legal advisor is confident of success of the case in company's favor.
- 28.1.10** During the current year, Al-Hoqani Securities has filed suit against the Company, First Capital Securities Corporation Limited, Pace Barka Properties Limited, Mr. Azhar Ahmed Batla, Mrs. Amna Taseer and Adamjee Assurance Company Limited on May 14, 2018 for the recovery of Rs. 76,304,380 along with markup of 10% from March 15, 2012 to date. Plaintiff claims that they have an unsettled charge against property located at Clifton Karachi owned by Pace Barka Properties Limited (previously owned by First Capital Equities Limited). As per Pace Barka Properties Limited this claim is unlawful and no such charge exists on this property. The case is pending before the honorable High Court of Sindh. The legal counsel is confident of success of the case in company's favor.
- 28.1.11** During the year ending June 2018 a complaint was filed by Mr. David Williams Jeans before the Learned Judge, Consumer Court, Lahore on November 11, 2017 against the Company stating therein that an amount of € 12,750/- had been transferred in 2003 to the Company for the purchase of shares of World Call Company. The claimant sought relief of Rs. 2,200,000 and € 12,750/- against the Company. While as per the legal counsellor of the Company this will be settled against the transfer of shares and there is no likelihood of any financial loss. Based on this legal counsellor opinion management decided not to record any provision as value of provision is not certain.
- 28.1.12** 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.

## 28.2 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
<b>Commitments in respect of:</b>		
Sale of shares	-	-
Purchase of shares	-	-
Sale of property to Soneri Bank Limited	-	-

**29 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 32 are as follows:

	Basis of relationship	Nature of transaction	2019	2018
			Rupees	Rupees
First Capital Securities Corporation Limited	Parent (73.23% shareholding)	Brokerage Income	11,715	112,560
		Receipt of outstanding balance	-	890,400
Pace Pakistan Limited	Associated undertaking (2.73% shareholding)	Purchase of Investment Property	-	378,000,000
		Brokerage income	-	4,741
Media Times Limited	Associated undertaking (3.39% shareholding)	Advertisement expense	196,300	-
First Capital Mutual Fund	Associated undertaking (0.016% shareholding)	Brokerage Income	14,525	42,980
Falcon Commodities (Pvt.) Limited	Associated undertaking	Adjustment against outstanding balance	58,750	-
Mr. Azhar Ahmed Batla	Director	Brokerage Income	41,657	-

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

**30 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.

**30.1 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 and charging an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables.
- Deposit of margins before execution of orders for all retail clientele.
- Obtaining adequate securities for all receivables / fund placements. The Risk Management Committee has established a credit policy under which each new customer is analyzed individually for creditworthiness.

**30.1.1 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:

	2019	2018
	Rupees	Rupees
Long term deposits and advances	-	1,524,000
Trade debts - unsecured	252,741,664	275,614,836
Advances, deposits and other receivables	342,555,983	13,159,617
Interest accrued	32,296	75,648
Bank balance	3,442,943	106,545,103
	<u>598,772,886</u>	<u>396,919,205</u>

The credit quality of financial assets with Banking Companies can be assessed by reference to external credit rating as follows and so no impairment is charged against same:

	Rating		Agency	2019	2018
	Short Term	Long Term		Rupees	Rupees
Askari Bank Limited	A-	AA+	PACRA	350	38,306
Bank Alfalah Limited	A-	AA+	JCR - VIS	66,187	516,719
Bank Al Habib Limited	A-	AA+	PACRA	6,610	6,610
Bank Islami Limited	A-	A+	JCR - VIS	-	1,560
Faysal Bank Limited	A-	AA	PACRA	3,806	3,806
Habib Metropolitan Bank Limited	A-	AA+	PACRA	29,831	29,832
MCB Bank Limited	A-	AAA	PACRA	3,283,062	65,905,564
Dubai Islamic Bank	A-	AA	JCR - VIS	33,847	40,023,200
MCB Islamic Bank Limited	A-1	A	PACRA	18,283	17,863
United Bank Limited	A-	AAA	JCR - VIS	-	1,643
Silk Bank Limited	A-	A-	ICR - VIS	967	-
				<u>3,442,943</u>	<u>106,545,103</u>

**30.1.2 The age of trade debts at the reporting date was:****Other clients**

	2019	2018
	Rupees	Rupees
Neither past due nor impaired 1 - 30 days	-	9,384,911
Past due 30 - 90 days	126,023	2,254,579
Past due 90 - 180 days	3,509,295	741,462
Past due 180 - 365 days	8,520,562	1,037,922
More than 1 year	240,585,784	262,195,962
	<u>252,741,664</u>	<u>275,614,836</u>

**Concentration of credit risk**

Concentration of credit risk exists when the changes in economic or industry factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The Company's portfolio of financial instruments is mainly concentrated in trade debts and receivable against sale of investment property. Receivable from sale of investment property is secured against property sold.

**30.2 Liquidity risk**

Liquidity risk is the risk that an enterprise will encounter difficulties in raising funds to meet commitments associated with financial instruments. During the year Company came under severe liquidity pressure as mentioned in note 2.

The following are the contractual maturities of financial liabilities as on June 30, 2019.

	Carrying Amount	One month to three months	Three months to one year	One year to five year	More than five years
Long term financing	153,018,252	-	-	153,018,252	-
Trade & other payables - Unsecured	65,164,244	65,164,244	-	-	-
Short term borrowings	823,708,669	-	823,708,669	-	-
Interest accrued	82,292,865	-	-	82,292,865	-
	<b>1,124,184,030</b>	<b>65,164,244</b>	<b>823,708,669</b>	<b>235,311,117</b>	-

The following are the contractual maturities of financial liabilities as on June 30, 2018.

	Carrying Amount	One month to three months	Three months to one year	One year to five year	More than five years
Long term financing	1,059,531,400	-	-	1,059,531,400	-
Trade & other payables - Unsecured	97,187,053	97,187,053	-	-	-
Short term borrowings	5,459,282	5,459,282	-	-	-
Interest accrued	144,800,249	-	-	144,800,249	-
	<b>1,306,977,984</b>	<b>102,646,335</b>	-	<b>1,204,331,649</b>	-

**30.3 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.

**30.3.1 Currency risk**

Foreign currency risk arises mainly where payable/receivable exist due to transactions with foreign clients. There were no dealings with foreign clients during the year, except as disclosed in Note 28.1.10. Since the company's legal counsel is confident that no cash outflow will occur, as a result it is assumed that there is no exposure to foreign currency 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 (2018 : 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.

**30.3.3 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 summarized as follows:

	2019		2018	
	Effective interest rate	Carrying value	Effective interest rate	Carrying value
		Rupees		Rupees
<b>Financial assets</b>				
Bank Balances	up to 7%	202,855	upto 4%	61,981,988
<b>Financial liabilities</b>				
Long term financing	upto 12.29%	978,794,338	upto 12.29%	1,107,686,013

**30.3.4 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 equity securities amounting to Rs. 41.73 Million (2018 : Rs. 80.04 Million) at the year end.

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. 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, KSE 100 index has decreased by 10% and subsequent to the year end, till the authorization of these financial statements a further decrease of 4.35% in KSE 100 index has been recorded. The selected hypothetical change does not reflect what could be considered to be the best or worst case scenarios. Indeed, results could be worse because of the nature of equity markets and the aforementioned concentrations existing in the Company's equity investment portfolio.

	Fair value	2019			
		"Hypothetical price change"	Estimated fair value after hypothetical change in prices"	Hypothetical increase / (decrease) in shareholders' equity"	"Hypothetical increase/ (decrease) in profit / (loss) before tax"
<b>Investments</b>					
Long term investments	19,155,471	+10%	21,071,018	1,915,547	1,915,547
		-10%	17,239,924	(1,915,547)	(1,915,547)
Short term investments	22,578,257	+10%	24,836,083	2,257,826	2,257,826
		-10%	20,320,431	(2,257,826)	(2,257,826)

	2018				
	Fair value	"Hypothetical price change"	Estimated fair value after hypothetical change in prices	Hypothetical increase/(decrease) in shareholders' equity	"Hypothetical increase/(decrease) in profit/(loss) before tax"
	Rupees	Rupees	Rupees	Rupees	Rupees
<b>Investments</b>					
Long term investments	33,662,358	+10%	37,028,594	3,366,236	3,366,236
Short term investments	46,381,295	-10%	30,296,122	(3,366,236)	(3,366,236)
		+10%	51,019,425	4,638,130	4,638,130
		-10%	41,743,166	(4,638,130)	(4,638,129)

### 30.3.5 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is measured in accordance with Note 5.16.

The table below analyses equity instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorized:

#### Recurring fair value measurements

	2019			
	Level 1	Level 2	Level 3	Total
	Rupees			
Long term investments classified as "Fair Value through Profit and Loss"	19,155,471.00	-	-	19,155,471.00
Short term investments classified as "Fair Value through Profit and Loss"	22,578,257.00	-	-	22,578,257.00

	2018			
	Level 1	Level 2	Level 3	Total
	Rupees			
Long term investments classified as "Fair Value through Profit and Loss"	33,662,358	-	-	33,662,358
Short term investments classified as "Fair Value through Profit and Loss"	46,381,295	-	-	46,381,295

#### Valuation techniques used to measure fair values

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Company is the current bid price. These instruments are included in Level 1. The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

There were no transfers between levels 1 and 2 for recurring fair value measurements during the year.

### 30.4 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.

There were no changes in the Company's approach to capital management during the year and the company is subject to externally imposed minimum equity requirement of the Securities Brokers (Licensing and Operations) Regulations, 2016 and is required to maintain Rs. 35 million net equity. The Company's equity is above the minimum required threshold limit. Capital comprises of share capital net of accumulated losses.

### 30.5 Financial instruments by category

	30 June 2019			
	Amortized Cost	Assets at fair value through profit or loss	Assets at fair value through OCI	Total
	Rupees			
Long term investments	-	19,155,471	-	19,155,471
Trade debts	252,741,664	-	-	252,741,664
Short term investments	-	22,578,257	-	22,578,257
Advances, deposits, prepayments and other receivables	342,555,983	-	-	342,555,983
Interest accrued	32,296	-	-	32,296
Cash and bank balances	3,442,943	-	-	3,442,943
	<b>598,772,886</b>	<b>41,733,728</b>	-	<b>640,506,614</b>

	30 June 2019		
	Liabilities at fair value through profit or loss	Amortized cost	Total
Long term and short term financing	-	976,726,921	976,726,921
Interest Accrued	-	82,292,865	82,292,865
Trade and other payables	-	65,164,244	65,164,244
	-	<b>1,124,184,030</b>	<b>1,124,184,030</b>



	30 June 2018			Total
	Amortized Cost	Assets at fair value through profit or loss	Assets at fair value through OCI	
	Rupees			
Long term investments	-	33,662,358	-	33,662,358
Long term deposits, receivables and prepayments	1,524,000	-	-	1,524,000
Trade debts	275,614,836	-	-	275,614,836
Short term investments	-	46,381,295	-	46,381,295
Advances, deposits and other receivables	13,349,617	-	-	13,159,617
Interest accrued	75,648	-	-	75,648
Cash and bank balances	106,623,484	-	-	106,623,484
	397,187,585	80,043,653	-	477,041,238

	30 June 2018		
	Liabilities at fair value through profit or loss	Amortized cost	Total
	Rupees		
Long term and short term financing	-	1,064,990,682	1,064,990,682
Interest Accrued	-	144,800,249	144,800,249
Trade & other payables - Unsecured	-	97,187,053	97,187,053
	-	1,306,977,984	1,306,977,984

## 31 CORRESPONDING FIGURES

Corresponding figures have been rearranged and reclassified, wherever necessary for the purpose of comparison and disclosed in relevant notes.

## 32 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	CHIEF EXECUTIVE		DIRECTORS		EXECUTIVES	
	2019	2018	2019	2018	2019	2018
	1	1	3	2	2	8
	Rupees		Rupees		Rupees	
Total Number						
Managerial Remuneration	230,000	2,760,000	1,812,893	4,711,398	2,386,667	10,992,256
House Rent	92,000	1,104,000	725,157	1,884,559	954,667	4,396,903
Medical Expenses Reimbursed	259,757	288,914	-	-	-	-
Provision for gratuity	-	345,000	245,000	290,000	360,000	1,145,000
Utilities	23,000	276,000	181,289	471,140	238,667	1,099,226
Commission	-	-	-	-	-	186,688
	604,757	4,773,914	2,964,339	7,357,097	3,940,001	17,820,073

32.1 In addition, Chief Executive, Directors and some executives have been provided with Company maintained cars.

32.2 No meeting fees were paid to any of the directors for attending the Board/ Audit Committee meetings (2018: Nil).

32.3 Total number of employees are 1 as on June 30, 2019 (June 2018 : 66) and average employees during the year were 45 (June 2018 : 66).

## 33 SUBSEQUENT EVENTS

On September 28, 2019 Extra Ordinary General Meeting of the Company was held in which members passed the special resolution to change Principal activity of Company from brokerage Company to real estate Company.

## 34 AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on \_\_\_\_\_

## 35 GENERAL

Figures have been rounded off to the nearest rupee

  
Director

  
Chief Executive

  
Chief Financial Officer



**FORM OF PROXY**

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

Folio No./CDC A/c No.: \_\_\_\_\_  
Shares Held: \_\_\_\_\_

**Option 1  
Appointing other person as Proxy**

I/We \_\_\_\_\_ S/o \_\_\_\_\_ D/o \_\_\_\_\_ W/o \_\_\_\_\_  
\_\_\_\_\_ CNIC \_\_\_\_\_ being the member(s) of First Capital Equities  
Limited hereby appoint Mr./Mrs./Ms./ \_\_\_\_\_ S/o \_\_\_\_\_ D/o \_\_\_\_\_ W/o \_\_\_\_\_ CNIC  
\_\_\_\_\_ or failing him / her Mr. / Mrs. Miss \_\_\_\_\_ S/o \_\_\_\_\_ D/o \_\_\_\_\_ W/o \_\_\_\_\_  
\_\_\_\_\_ CNIC \_\_\_\_\_ as my/our proxy to vote for me/us and on my/our  
behalf at the Annual General meeting of the Company to be held on 28 October 2019 at 10:30 a.m. and at any adjournment  
thereof.

Signed under my/our hands on this \_\_\_\_\_ day of \_\_\_\_\_, 2019

Affix Revenue Stamp of  
Rupees Five

\_\_\_\_\_  
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

**Notes**

1. 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.
2. 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 Head Office of the Company 2<sup>nd</sup> and 3<sup>rd</sup> Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt. Lahore, not less than 48 hours before the time of the meeting. Pursuant to SECP Companies (E-Voting) Regulations, 2016, Members can also exercise their right to vote through e-voting by giving their consent in writing at least 10 days before the date of the meeting to the Company on the appointment of Execution officer by the intermediary as Proxy.
  - 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 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 Directors/Power of attorney along with specimen signatures shall be submitted (unless submitted earlier) along with the proxy form.

پراکسی فارم

..... فوئیو نمبر/ CDC اکاؤنٹ نمبر: .....

..... موجود حصص: .....

کمپنی سیکریٹری  
فرسٹ کیپٹل ایکویٹیز لمیٹڈ  
دوسری منزل، پیس شاپنگ مال،  
فورٹریس سٹیڈیم، لاہور کینٹ، لاہور  
پہلی وضع

دوسرے شخص کو پراکسی مقرر کرنا

..... میں/ ہم ..... ولد/ بنت/ ذوجہ/ بنت ..... شناختی کارڈ

..... نمبر ..... کے حامل فرسٹ کیپٹل ایکویٹیز لمیٹڈ کے رکن کی حیثیت سے

..... ولد/ بنت/ ذوجہ ..... شناختی کارڈ نمبر

..... کو اس کی ناکامی کی صورت میں

..... ولد/ بنت/ ذوجہ ..... شناختی کارڈ نمبر

..... 28 اکتوبر 2019ء کو دن 10:30 بجے منعقد ہونے والے سالانہ اجلاس یا اس کے کسی بھی

وقفہ میں عام میں اپنی/ ہماری جگہ شرکت اور ووٹ کرنے کے لئے اپنا/ ہمارا پراکسی مقرر کرتے ہیں۔

..... بتاریخ

..... زیر دستخطی

رکن کے دستخط

(دستخط کمپنی میں رجسٹرڈ نمونہ دستخط کے عین مطابق ہونے چاہئیں)

کی موجودگی میں دستخط کئے گئے

.....

گواہ 2 کے دستخط

گواہ 1 کے دستخط

دوسری وضع

کمپنیز (برقی ووٹنگ) ریگولیشنز 2016ء کے تحت برقی ووٹنگ

..... میں/ ہم ..... ولد/ بنت/ ذوجہ/ بنت ..... شناختی کارڈ

..... نمبر ..... کے حامل فرسٹ کیپٹل ایکویٹیز لمیٹڈ کے رکن اور ..... حصص، درجہ

..... فوئیو نمبر ..... کے تحت عمومی حصص کے مالک ہونے کی حیثیت سے ثالث کے ذریعے برقی ووٹنگ کرنا

# FIRST CAPITAL EQUITIES LIMITED

چاہتے ہیں اور اس لئے کمپنیز (برقی ووٹنگ) ریگولیشنز 2016ء کے تحت ایگزیکوشن آفیسر..... کی  
پراکسی کے طور پر تقرری پر رضامندی کا اظہار کرتے ہیں۔ اس لئے ہم قراردادوں پر پولنگ میں ووٹ کا مطالبہ کرتے ہیں۔ میرا محفوظ ای میل  
ایڈریس..... ہے برائے مہربانی لاگ ان کی تفصیلات، پاس ورڈ اور برقی دستخط اس ای میل پر بھیج دیں۔

تاریخ.....  
زیر دستخطی.....

کی موجودگی میں دستخط کئے گئے

گواہ 2 کے دستخط

گواہ 1 کے دستخط

(برائے مہربانی پشت پر نوٹس دیکھیں)

نوٹس:

1. سالانہ اجلاس میں شرکت اور ووٹ کا اہل کسی دوسرے رکن کو اپنی جگہ شرکت اور ووٹ کرنے کے لئے پراکسی مقرر کر سکتا ہے۔ توثیق کی غرض سے اجلاس کے انعقاد سے 48 گھنٹے پہلے پراکسیز کمپنی کے رجسٹرڈ آفس میں پہنچ جانی چاہئیں۔
2. جائز ہونے کی غرض سے، پراکسی کا دستاویز اور مختار نامہ یا اتھارٹی (اگر کوئی ہے) جسے کے ماتحت اس پر دستخط کئے گئے ہیں، یا ایسے مختار نامہ کی نوٹری سے تصدیق شدہ نقل اجلاس کے انعقاد سے 48 گھنٹے پہلے کمپنی کے مرکزی دفتر واقع دوسری اور تیسری منزل، پیش شاپنگ مال، فورٹریس سٹیڈیم، لاہور کینٹ، لاہور میں پہنچ جانی چاہئیں۔ SECP کمپنیز (برقی ووٹنگ) ریگولیشنز 2016ء پر عمل درآمد کرتے ہوئے اراکین ثالث بطور پراکسی کی جانب سے ایگزیکوشن آفیسر کی تعیناتی پر کمپنی کے اجلاس کے انعقاد سے 10 دن پہلے اپنی تحریری رضامندی سے مشروط برقی ووٹنگ کے ذریعے اپنا حق رائے دہی استعمال کر سکتے ہیں۔

(a) CDC کے واحد بنی فیشیل مالک جو اجلاس میں شرکت اور ووٹ کرنے کے اہل ہیں، اپنی شراکت کی شناخت، اکاؤنٹ اور ذیلی اکاؤنٹ نمبر بمع اصلی CNIC یا پاسپورٹ دکھا کر اپنی شناخت کروائیں گے۔ کاروباری ادارہ ہونے کی صورت میں بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ بمع نامزدگان کے نمونہ کے دستخط (اگر یہ قبل ازیں فراہم نہ کیا گیا ہے) اجلاس کے انعقاد کے وقت پیش کرنا ہوں گے۔

(b) پراکسی کے تقرر کے لئے CDC کے انفرادی بنی فیشیل مالکان شراکت کے آئی ڈی، اکاؤنٹ/ذیلی اکاؤنٹ نمبر بمع اصلی CNIC یا پاسپورٹ کی مصدقہ نقول کے مندرجہ بالا ضروریات کے مطابق پراکسی فارم جمع کرائیں گے۔ دو گواہان اپنے نام، پتا اور CNIC نمبر کے ہمراہ پراکسی فارم کی توثیق کریں گے۔ اجلاس کے انعقاد کے وقت پراکسی اپنا اصلی CNIC یا پاسپورٹ پیش کریں گے۔ کاروباری ادارہ کی صورت میں، بورڈ آف ڈائریکٹرز/پاور آف اٹارنی بمع نمونہ کے دستخط پراکسی فارم کے ہمراہ جمع کرانے ہوں گے۔