

FIRST CAPITAL EQUITIES LIMITED

Annual Report 2020



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

FIRST CAPITAL EQUITIES LIMITED
FINANCIAL STATEMENTS AS AT JUNE 30,2020

- ✓ *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
COMPANY INFORMATION

Board of Directors	Mian Ehsan Ul Haq, (Chief Executive) Waseem ul Hasan Azhar Ahmad Batla Malik Safeer Raza Awan (Chairman) Muhammad Ahmad Saroya Shabana Atta Asad Yar Khan	Executive Executive Non-Executive Non-Executive Non-Executive Independent Independent
Chief Financial Officer	Waseem Ul Hassan	
Audit Committee	Asad Yar Khan (Chairman) Muhammad Ahmad Saroya Malik Safeer Raza Awan	
Human Resource and Remuneration (HR&R) Committee	Asad Yar Khan (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 nd 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 th 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	



FCEL

FIRST CAPITAL EQUITIES LIMITED

Corporate Member Karachi Stock Exchange Limited
4th Floor, Lakson Square Building No. 1,
Sarwar Shaheed Road, Karachi-74200, Pakistan.
Tel: (+92-21) 35656745-747, Fax: 35656710

Lahore Office: 3rd Floor, Pace Shopping Mall,
Fortress Stadium, Lahore Cantt, Lahore.

Tel: (+92-42) 36623000-3, Fax: 36623121-2

Islamabad Office: 221, 2nd Floor, ISE Tower, Islamabad.

Tel: (+92-51) 8356031-34, 2894201-04, Fax: 2894206

FIRST CAPITAL EQUITIES LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that 25th Annual General Meeting of the Shareholders of First Capital Equities Limited ("the Company" or "FCEL") will be held on Wednesday, 28 October 2020 at 10:30 a.m. at the Registered Office of the Company, 2nd 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 30 December 2019;
2. To receive, consider and adopt the audited financial statements of the Company for the year ended 30 June 2020 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 2021 and to fix their remuneration

By order of the Board

Shahzad Jawahar
Company Secretary

Lahore
07 October 2020

Notes:-

- 1) The Members Register will remain closed from 21 October 2020 to 28 October 2020 (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, 2020 will be treated in time for the purpose of Annual General Meeting.
- 2) A member eligible to attend and vote at the meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company not later than 48 hours before the time for holding the meeting.
- 3) In order to be valid, an instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, must be deposited at the Company's Registered Office, 2nd Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt. Lahore, not less than 48 hours before the time of the meeting.
- 4) Pursuant to Companies (Postal Ballot) Regulations, 2018, the shareholders will be allowed to exercise their right to vote through postal ballot for election of directors
- 5) Pursuant to the provisions of the Companies Act, 2017, the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video-link for participating in the meeting.

Further, Securities & Exchange Commission of Pakistan vide its Circular No.5 dated March 17, 2020, has directed the listed companies to modify their usual planning for Annual General Meetings for the wellbeing of shareholders in light of the threat posed by the evolving COVID -19 situation.

Accordingly, the shareholders of the Company can opt to attend the meeting through Video/Webex. The shareholders whose names appear in the Books of the Company by the close of business on 20 October 2020 and who are interested to attend AGM through online platform are hereby requested to get themselves, registered with the Company Secretary Office by providing the following details at least 7 (seven) days prior before the meeting;

Email; jawahar@pacepakistan.com, asattar@pacepakistan.com,
WhatsApp Number 0302-8440935, 0301-8449940

Please mention your Name, CNIC No, Folio / CDC A/C No & Number of shares for your identification.

Upon receipt of the above information from interested shareholders, the Company will send the login details / password at their email addresses. On the AGM day, shareholders will be able to login and participate in the AGM proceedings through their smartphones or computer devices from any convenient location.

The members can also send their comments/suggestions related to the agenda items of the meeting on the above mentioned email and Whats App number .The login facility will be opened 30 minutes before the meeting time to enable the participants to join the meeting.

- 6) Address of Independent Share Registrar of the Company: Name : **Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore, (042) 35839182**
- 7) The Notice of Annual General Meeting has been placed on the Company's website: www.pacepakistan.com
- 8)
 - a) Individual beneficial owners of CDC entitled to attend and vote at the meeting must bring his/her participant ID and account/sub-account number along with original CNIC or passport to authenticate his/her identity. In case of Corporate entity, resolution of the Board of Directors/Power of attorney with specimen signatures of nominees shall be produced (unless provided earlier) at the time of meeting.
 - b) For appointing of proxies, the individual beneficial owners of CDC shall submit the proxy form as per above requirement along with participant ID and account/sub-account number together with attested copy of their CNIC or Passport. The proxy form shall be witnessed by two witnesses with their names, addresses and CNIC numbers. The proxy shall produce his/her original CNIC or Passport at the time of meeting. In case of Corporate entity, resolution of the Board of Director/Power of attorney along with specimen signatures shall be submitted (unless submitted earlier) along with the proxy form.
- 9) Members are requested to notify any change in their registered address immediately;

فرسٹ کیپٹل ایکویٹیز لمیٹڈ

نوٹس برائے سالانہ اجلاس عام

نوٹس ہذا سے مطلع کیا جاتا ہے کہ فرسٹ کیپٹل ایکویٹیز لمیٹڈ (”کمپنی“ یا ”FCEL“) کے شیئر ہولڈرز کا 25 واں سالانہ اجلاس عام مورخہ 28 اکتوبر 2020ء بروز بدھ بوقت 10:30 بجے دن کمپنی کے رجسٹرڈ دفتر واقع دوسری منزل پیس شاپنگ مال، فورٹریس سٹیڈیم لاہور کینٹ، لاہور میں مندرجہ ذیل امور پر بحث کے لئے منعقد ہوگا:

عمومی امور:

1. 30 دسمبر 2019ء کو منعقدہ غیر معمولی اجلاس عام کی روئیداد کی توثیق کرنا۔
2. 30 جون 2020ء کو اختتام پذیر سال کے لئے چیئرمین کے تجزیہ، ڈائریکٹرز اور آڈیٹرز رپورٹ کے ہمراہ پڑتال شدہ مالیاتی اسٹیٹمنٹس کو وصول کرنا، انہیں زیر غور لانا اور اپنانا۔
3. 30 جون 2021ء کو اختتام پذیر سال کے لئے کمپنی کے آڈیٹرز کا تقرر کرنا اور ان کا معاوضہ طے کرنا۔

بحکم بورڈ

شہزاد جواہر
کمپنی سیکریٹری

لاہور

06 اکتوبر 2020ء

مندرجات:

- (1) اراکین کا رجسٹر 21 اکتوبر 2020ء سے 28 اکتوبر 2019ء تک (بشمول دونوں ایام) بند رہے گا۔ 20 اکتوبر 2020ء کو کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، 1-K، کمرشل، ماڈل ٹاؤن، لاہور، کمپنی کے رجسٹرار اور شیئر ٹرانسفر آفس کو کاروباری اوقات کار بند ہونے تک موصول ٹرانسفرز کو سالانہ اجلاس عام کے لئے بروقت تصور کیا جائے گا۔
- (2) اجلاس میں شرکت اور رائے شماری کرنے کا اہل رکن اپنی جگہ اجلاس میں شرکت اور رائے شماری کرنے کے لئے کسی دوسرے رکن کو اپنا پراکسی مقرر کر سکتا ہے۔ مؤثر کرنے کے لئے اجلاس کے انعقاد سے 48 گھنٹے قبل پراکسیز کمپنی کے رجسٹرڈ آفس کو موصول ہو جانی چاہئیں۔

(3) جائز کرنے کی غرض سے پراسی کا دستاویز اور مختار نامہ یادگیر اتھارٹی جس کے تحت یہ دستخط شدہ ہو، کمپنی کے مرکزی دفتر واقع دوسری منزل، پیس شاپنگ مال، فورٹریس اسٹیڈیم، لاہور کینٹ، لاہور کو اجلاس کے انعقاد سے 48 گھنٹے قبل پہنچ جانا چاہئے۔

(4) کمپنیز (پوسٹل بیلٹ) قواعد، 2018ء کے تحت پوسٹل بیلٹ کے ذریعے رائے شماری کرنے کا اختیار اراکین کو فراہم کیا جاسکتا ہے۔

(5) کمپنیز ایکٹ 2017ء کے قواعد کی پیروی میں دوسرے شہر میں مقیم 10 فی صد ٹوٹل ادا شدہ سرمایہ حصص کے حامل شیئر ہولڈرز ویڈیولنک کے ذریعے اجلاس میں شرکت کی سہولت حاصل کرنے کی درخواست دے سکتے ہیں۔

ویڈیولنک سہولت کی درخواست کمپنی کے شیئر رجسٹرار یا بذریعہ مندرجہ ذیل ای میل ایڈریس کمپنی کو براہ راست معیاری فارم پر اجلاس کے انعقاد سے 7 (سات) یوم قبل مل جانی چاہئے جسے کمپنی کی ویب سائٹ www.pacepakistan.com سے ڈاؤن لوڈ کیا جاسکتا ہے۔

مزید برآں، مورخہ 17 مارچ 2020ء کے مراسلہ نمبر 5 کے تحت سیکورٹیز اینڈ ایکسچینج کمیشن آف پاکستان نے لسٹڈ کمپنیوں کو COVID-19 وبا کے خطرات سے حصص داران کو بچانے کے لئے اپنے سالانہ اجلاس عام کے معمول میں تبدیلی کی ہدایات جاری کی ہیں۔

اسی طرح سے کمپنی کے حصص داران ویڈیو/ویبیکس کے ذریعے اجلاس میں شرکت کرنے کا انتخاب کر سکتے ہیں۔ ایسے حصص داران جن کے نام 20 اکتوبر 2020ء کو کاروباری اوقات کا ختم ہونے تک کمپنی کی کتابوں میں ظاہر ہوتے ہیں اور وہ آن لائن پلیٹ فارم کے ذریعے AGM میں شرکت کے خواہش مند ہیں تو انہیں اجلاس کے انعقاد سے کم از کم 7 (سات) یوم قبل کمپنی سیکریٹری کے دفتر میں اپنا اندراج کرانے کی درخواست کی جاتی ہے۔

ای میل: asattar@pacepakistan.com، jawahar@pacepakistan.com

وٹس ایپ نمبر: 0302-8440935؛ 0301-8449940

براہ کرم اپنی شناخت کی غرض سے اپنا نام، CNIC نمبر، فوٹو/ID/CDC کا وٹس نمبر اور حصص کی تعداد بیان کریں۔ خواہش مند شیئر ہولڈرز سے مذکورہ بالا معلومات کی وصولی پر کمپنی اُن کے ای میل ایڈریس پر لاگ ان تفصیلات/پاس ورڈ بھیجے گی۔ AGM کے وقت شیئر ہولڈرز AGM کارروائی میں اپنے سمارٹ فون یا کمپیوٹر ڈیوائس کے ذریعے کسی بھی موافق مقام سے لاگ ان کر کے شرکت کر سکتے ہیں۔

اراکین اجلاس کے ایجنڈا آئٹمز سے متعلق اپنی رائے/تجاویز مذکورہ بالا ای میل ایڈریس اور وٹس ایپ نمبر پر بھیج سکتے ہیں۔ لاگ ان کی سہولت اجلاس کے انعقاد سے 30 منٹ قبل کھولی جائے گی تاکہ شرکاء اجلاس میں شمولیت اختیار کر سکیں۔

(6) کمپنی کے خود مختار شیئر رجسٹرار کا پتا: کارپ لنک (پرائیویٹ) لمیٹڈ، ونگز آرکیڈ، K-1، کمرشل ماڈل ٹاؤن، لاہور
(042)-35839182

(7) نوٹس برائے سالانہ اجلاس عام کمپنی کی ویب سائٹ www.pacepakistan.com پر شائع کر دیا گیا ہے۔

(8) (a) اجلاس میں شرکت اور رائے شماری کرنے کا اہل CDC کا فرد واحد بنی فیشل 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 دستخط 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 بنی فیشل 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 کرائے 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 دستخط کے ساتھ بورڈ آف ڈائریکٹرز کی قرارداد/مختار نامہ پراکسی فارم کے ساتھ جمع کرنا ہوگا (اگر یہ پہلے جمع نہ کرایا گیا ہو)۔

(9) اراکین سے درخواست کی جاتی ہے کہ اپنے رجسٹرڈ پتا 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, 2020,

- ❖ 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
06 October 2020

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 کیپٹل ایکویٹیز لمیٹڈ ("کمپنی") کی سالانہ تقویم کی جاتی ہے۔ اس تقویم کا مقصد یہ یقینی بنانا ہے کہ بورڈ کی مجموعی کارکردگی اور اثرائت 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 حتمی منصوبے بنائے گئے ہیں۔

میں 30 جون، 2020ء کو اختتام پذیر سال کے لئے سالانہ رپورٹ پیش کرنے میں فخر محسوس کر رہا ہوں!

- ✓ فرسٹ کیپٹل ایکویٹیز لمیٹڈ (FCEL) کے بورڈ آف ڈائریکٹرز ("بورڈ") نے شیئرز 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 اتفاقی 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 ڈائریکٹر کو آگاہی 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 ہیومن ریسورس اور مشاہرہ کمیٹی تشکیل دی ہے اور ان کی متعلقہ ممبرانے ریفرفس 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 جارہی ہیں اور انہیں برقرار رکھا جا رہا ہے۔
 - ✓ بورڈ نے حکمت عملی کے عمل، انٹرپرائز رسک مینجمنٹ سسٹم، پالیسی ڈیولپمنٹ اور مالیاتی سٹرکچر، نگرانی 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 انٹرئل کنٹرول کا مناسب نظام اس وقت قابل عمل ہے اور خود تشخیصی کے نظام اور/یا اندرونی آڈٹ سرگرمیوں کے ذریعے لگاتار اسسٹمنٹ کی جارہی ہے۔
 - ✓ بورڈ نے ڈائریکٹرز رپورٹ تیار اور منظور کی ہے اور یقینی بنایا ہے کہ ڈائریکٹر کی رپورٹ کمپنی کی سرمایہ اور سالانہ مالیاتی اسسٹمنٹس 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 ڈائریکٹر 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، تشخیص کرنے، چیف ایگزیکٹو آفیسر اور دیگر اہم ایگزیکٹو بشمول چیف مالیاتی افسر، کمپنی سیکریٹری اور انٹرئل 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، شیئرز ہولڈرز، مینجمنٹ اور عملہ کی مسلسل حمایت کی شکرگزار 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

106 اکتوبر 2020ء



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 2020 along with the audited financial statements of the Company for the year ended June 30, 2020.

During the preceding year, the Board of the Directors decided to surrender the trading right entitlement certificate (TREC) of Pakistan Stock Exchange and to change the Principal line of Business of the Company from stock broker to real estate Company. An application for surrender was submitted to PSX and surrendering process is in progress.

YOUR COMPANY'S PERFORMANCE

Given below is the financial summary of your Company for the year ended June 30, 2020.

*All Figures are in Million except EPS**

	FY 20	FY 19
Brokerage income	-	20.15
Capital (loss) / gain	-	(0.48)
Gain / (loss) on re-measurement of investments at fair value through profit or loss	8.36	(37.03)
Other income	79.24	75.24
Profit /(Loss) after taxation from continuing operations	75.54	(9.42)
(Loss) after taxation from discontinued operations	(79.03)	(56.85)
Earnings / (loss) Per Share (EPS) Rs*		
- continuing operations	0.53	(0.07)
- discontinued operations	(0.56)	(0.40)
	(0.03)	(0.47)

Your Company reported a loss of Rs 3.48 million in FY20 vs. loss of Rs. 66.27 million. During the year due to discontinuation of operations, the brokerage income of your Company is NIL versus of Rs 20.15 million in last year. Further, the company recorded capital gain / (loss) of Rs NIL against loss of Rs. 0.48 million last year. Further, the Un-realized gain on re-measurement of investment is recorded at Rs. 8.36 million while other income arrived at Rs. 79.24 million which is on account of waiver of accrued mark up. Operating expenses increased by 6.90%, while financial expenses registered a decline of 95% during the year under review.

During the current year, Company has settled its total liability with JS 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 Board of the Directors of the Company in their meeting held on June 28, 2019, owing to the continuous loss and adverse market conditions, decided to surrender the trading right entitlement certificate (TREC) of Pakistan Stock Exchange and discontinue its brokerage operation and to change the Principal objective of the Company from stock broker to real estate Company.

During the year company incurred loss of Rs. 3.48 Million (2019: Rs. 66.2 Million) this also includes effect of liabilities written back amounting Rs. 78.5 Million (2019: Rs. 62.5 Million), moreover the accumulated losses of the company stand at Rs. 1,071.04 Million as at June 30, 2020 (2019: 1,067.55 Million) and as at the reporting date current liabilities of the Company exceed its current assets by Rs. 498.77 Million (2019: Rs. 261.23 Million).

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 JS Bank Limited as mentioned in Note 16. 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 significant 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, do not include any adjustment relating to the realization of the assets and liquidation of liabilities that might be necessary should the Company be unable to continue as going concern.

FUTURE OUTLOOK

In order to change the principal line of business of the Company from a Brokerage company to Real Estate Company, necessary changes have been made in the Object clause III of Memorandum of Association of the Company, which are in process of approval from concerned authorities.

Once the surrender process is completed and changes in the Object clause III of Memorandum of Association of the Company are approved the Company will resume its commercial activities as real estate Company.

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 2020.

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, 2020 was Rs. (0.03) as compared to Rs. (0.47) in the last year.

EXECUTIVE REMUNERATION

The remuneration to the Chief Executive Officer and Executive at the Company is as follows:

	CHIEF EXECUTIVE		EXECUTIVE DIRECTORS	
	2020	2019	2020	2019
Total Number	1	1	1	3
	Rupees	Rupees	Rupees	Rupees
Managerial Remuneration	-	230,000	1,400,000	1,812,893
House Rent	-	92,000	560,000	725,157
Medical Expenses				

Reimbursed	-	259,757	-	-
Provision for gratuity	-	-	175,000	245,000
Utilities	-	23,000	140,000	181,289
	-	604,757	2,275,000	2,964,339

Code of Corporate Governance

During the financial year 2020 revised “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 and its committees.

ELECTION OF DIRECTORS

New Board of Directors was elected for the term of next three years in the Extraordinary General Meeting of the Shareholders of the Company held on 30 December 2019. Mr. Abdul Samad and Raja Suhail Qurban retired from the board and Miss Shabana Atta Mr. Asad Yar khan were elected in their place.

Composition of Board

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

Composition of Board

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

Names	Designation
Mian Ehsan Ul Haq	CEO
Malik Safeer Raza Awan	Chairman
Waseem Ul Hassan	Director
Asad Yar Khan	Director
Azhar Ahmed Batla	Director
Shabana Atta	Director
Muhammad Ahmad Saroya	Director

Total number of Directors

a) Male:	06
b) Female:	01

Composition:

Independent Directors	02
Other Non-Executive Directors	03
Executive Directors	02

Committee of the board

Audit Committee

Asad Yar Khan (Chairman)
Muhammad Ahmad Saroya (Member)
Malik Safeer Raza Awan (Member)

Human Resource and Remuneration (HR&R) Committee

Asad Yar Khan (Chairman)
Mian Ehsan Ul Haq (Member)
Mr. Muhammad Ahmad Saroya (Member)

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, 2021.

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 06, 2020

Director

CEO/Director

فرسٹ کیپٹل ایکویٹیز لمیٹڈ

ڈائریکٹرز رپورٹ

فرسٹ کیپٹل ایکویٹیز لمیٹڈ (”کمپنی“ یا ”FCEL“) کے بورڈ آف ڈائریکٹرز 30 جون 2020ء کو اختتام پذیر سال کے لئے پڑتا ہوا شدہ مالیاتی اسٹیٹمنٹس کے ہمراہ کمپنی کی سالانہ رپورٹ از اراہ مسرت پیش کرتے ہیں۔

گزشتہ سال کے دوران بورڈ آف ڈائریکٹرز نے پاکستان سٹاک ایکسچینج کے ٹریڈنگ رائٹ انشٹاٹمنٹ سٹوفلیٹ (TREC) کو معطل کرنے اور کمپنی کے بنیادی کاروباری امور کو سٹاک بروکر سے رینٹل اسٹیٹ کمپنی میں تبدیل کرنے کا فیصلہ کیا ہے۔ معطلی کی درخواست PSX کو جمع کرائی گئی اور معطلی کا عمل زیر غور ہے۔

آپ کی کمپنی کی کارکردگی

30 جون 2020ء کو اختتام پذیر سال کے لئے آپ کی کمپنی کا مالیاتی کارکردگی کا خلاصہ حسب ذیل ہے:

تمام اعداد بلین روپوں میں ماسوائے فی حصص آمدنی*

مالیاتی سال 2019ء	مالیاتی سال 2020ء	
20.15	-	بروکر تاج انکم
(0.48)	-	کیپٹل (خسارہ)/آمدنی
		نفع یا نقصان کے تحت فیئر ویلیو پر سرمایہ داری کے دوبارہ تعین
(37.03)	8.36	پراآمدنی/(خسارہ)
75.24	79.24	دیگر آمدنی
(9.42)	75.54	فعال آپریشنز سے نفع/(نقصان) علاوہ ٹیکسیشن
(56.85)	(79.03)	غیر فعال آپریشنز سے نفع/(نقصان) علاوہ ٹیکسیشن
		فی حصص آمدنی/(خسارہ) (EPS) روپے*
(0.07)	0.53	فعال آپریشنز
(0.40)	(0.56)	غیر فعال آپریشنز
(0.47)	(0.03)	

آپ کی کمپنی نے 66.27 ملین روپے نقصان کے مقابلہ میں مالیاتی سال 2020ء کے دوران 3.48 ملین روپے کا نقصان رپورٹ کیا۔ سال بھر میں کاروباری امور کی بندش کی وجہ سے آپ کی کمپنی کی بروکر تاج انکم صفر ہے جو گزشتہ برس 20.15 ملین

روپے تھی۔ مزید برآں، کمپنی نے گزشتہ برس 0.48 ملین روپے خسارہ کے مقابلہ میں اس سال صفر روپے کیسٹل آمدنی/خسارہ درج کیا۔ مزید یہ کہ سرمایہ داری کے دوبارہ تعین پر غیر موصول شدہ آمدنی 8.36 ملین روپے رہی جب کہ لاگو مارک اپ پر رعایت کی وجہ سے دیگر آمدنی 79.24 ملین روپے رہی۔ زیر جائزہ سال کے دوران مالیاتی اخراجات میں 95 فی صد کی درج کی گئی اور مالیاتی اخراجات میں 6.90 فی صد اضافہ ہوا۔

اس سال کمپنی نے اپنی انویسٹمنٹ پراپرٹی کی مد میں قرضوں کی اثاثہ جات میں تبدیلی کے ذریعے جے ایس بینک لمیٹڈ کو اپنے تمام واجبات ادا کر دیئے ہیں۔ کمپنی نے قرضوں کی اثاثہ جات میں تبدیلی کے ذریعے دیگر مالیاتی اداروں کو بھی قرضوں کی ادائیگی کی پیشکش کی ہے اور انتظامیہ پر امید ہے کہ متعلقہ مالیاتی ادارے کمپنی کی اس پیش کش پر مثبت جواب دیں گے۔

کمپنی کی کاروباری جاری رکھنے کی صلاحیت

کمپنی کے بورڈ آف ڈائریکٹرز نے 28 جون 2019ء کو اپنے اجلاس میں مسلسل خسارہ اور منڈی کی ابتر صورتحال کے پیش نظر پاکستان سٹاک ایکسچینج کے ٹریڈنگ رائٹ اینڈ ٹیکمنٹ سٹوفکیٹ (TREC) کو معطل کرنے اور کمپنی کے بنیادی کاروباری امور کو بروکریج آپریشن سے ریئل اسٹیٹ کمپنی میں تبدیل کرنے کا فیصلہ کیا ہے۔

سال بھر میں کمپنی نے 3.48 ملین روپے کا خسارہ درج کیا (2019: 66.2 ملین روپے) اس میں 78.5 ملین روپے کے نظر ثانی شدہ واجبات بھی شامل ہیں (2019: 62.5 ملین روپے) مزید برآں 30 جون 2020ء کے 1071.04 ملین روپے کا مجموعی خسارہ (2019: 1067.55 ملین روپے) اور رپورٹنگ تاریخ کو کمپنی کے حالیہ واجبات حالیہ اثاثہ جات سے 498.77 ملین روپے بڑھ گئے۔ (2019: 261.23 ملین روپے)

کمپنی کی انتظامیہ بینکوں کے ساتھ قرضوں کے حصول کے لئے مذاکرات کے عمل پر ہے اور نتیجتاً کمپنی نے نوٹ 16 میں بیان کردہ JS بینک لمیٹڈ سے قرضہ کی مد میں اپنے واجبات ادا کر دیئے ہیں۔ مذکورہ بالا عوامل کو مد نظر رکھتے ہوئے اپنے کاروبار کو جاری رکھنے اور اپنے فرائض کی انجام دہی کے لئے کمپنی کو معقول آپریٹنگ منافع اور کیش فلو حاصل کرنے کی ضرورت ہے۔ اسی طرح سے کمپنی کے آپریشنز پر ٹھوس شکوک و شبہات موجود ہیں جس کے تحت اپنے عمومی کاروبار میں کمپنی اپنے واجبات کی ادائیگی میں بھی ناامیدی کا شکار ہے۔ کمپنی کی کاروبار جاری رکھنے کی صلاحیت کیش فلو میں مثبت پیش رفت پر منحصر ہے۔

کمپنی کی انتظامیہ پر امید ہے کہ بنیادی کاروباری سرگرمی میں تبدیلی اور ریئل اسٹیٹ سیکٹر میں گروپ کی مجموعی مہارت سے کمپنی کی مالیاتی کارکردگی پر مثبت اثرات مرتب ہوں گے۔ مزید برآں، انتظامیہ پر امید ہے کہ املاک کی فروخت سے کمپنی UBL کو قرضہ ادا کرنے کے قابل ہو جائے گی۔ نتیجتاً، یہ مالیاتی اسٹیٹمنٹس جاری کاروبار کے مطابق تیار کی گئی ہیں۔ مالیاتی اسٹیٹمنٹس میں اثاثہ جات کی فروخت اور واجبات کی لیکویڈیشن سے متعلقہ ایڈجسٹمنٹ شامل نہ ہے۔ لہذا کمپنی متوقع طور پر اپنا

کاروبار جاری رکھنے کی صلاحیت نہ رکھ پائے۔

مستقبل کا منظر نامہ

کمپنی کی بنیادی کاروباری نوعیت کو بروکریج کمپنی سے ریئل اسٹیٹ کمپنی میں تبدیل کرنے کی غرض سے کمپنی کے میمورنڈم آف ایسوسی ایشن کی معترض شق III میں لازمی تبدیلیاں کی گئی ہیں جو متعلقہ حکام سے منظوری کے عمل سے گزر رہی ہیں۔ جو نہی معطلی کا عمل مکمل ہو جائے گا اور کمپنی کے میمورنڈم آف ایسوسی ایشن کی معترض شق III میں لازمی تبدیلیاں منظور ہو جائیں گی تو کمپنی بطور ریئل اسٹیٹ کمپنی اپنی تجارتی سرگرمیوں کا آغاز کر دے گی۔

کاروباری و سماجی ذمہ داری

آپ کی کمپنی سماجی طور پر ذمہ دار ادارہ کی حیثیت سے اپنے ملازمین اور کام کی جگہ کی ملحقہ آبادی اور معاشرہ کے لئے اپنے فرائض کی انجام دہی کے ذریعے اپنا مثبت کردار ادا کر رہی ہے۔

ہیومن ریسورس مینجمنٹ

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

داخلی نظم و ضبط

ڈائریکٹرز اور انتظامیہ کمپنی کے انٹرئل 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 2020ء 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 متعلق کمپنی کے اندرونی آڈٹ کی رپورٹ کا باقاعدگی سے جائزہ لیتے ہیں۔ تاکہ انٹرئل کنٹرول کے معیار کو حاصل کیا جاسکے۔ کمپنی کا انٹرئل 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 ہے اور رابطہ سازی کے لئے ای میل کا ذریعہ استعمال کرنے 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 مارکیٹ اور کریڈٹ رسک سے دوچار ہو سکتی ہیں۔ مزید برآں، کمپنی کئی دیگر خطرات جیسا کہ آپریٹنگ، قانونی اور سرمایہ داری کے خطرات کا بھی سامنا کر 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 طے 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 (0.47) روپے فی حصص خسارہ کے مقابلہ میں 30 جون 2020ء کو اختتام پذیر سال کے لئے فی حصص خسارہ (0.03) روپے رہا۔

ڈائریکٹرز کا معاوضہ

کمپنی کے چیف ایگزیکٹو آفیسر اور ایگزیکٹو ڈائریکٹرز کا معاوضہ حسب ذیل ہے:

ایگزیکٹو ڈائریکٹرز		چیف ایگزیکٹو آفیسر		
2019	2020	2019	2020	
3	1	1	1	
روپے	روپے	روپے	روپے	
1,812,893	1,400,000	230,000	-	انتظامی معاوضہ
725,157	560,000	92,000	-	ہاؤس رینٹ
-	-	-	-	طبی اخراجات
-	-	259,757	-	زرتلافی
245,000	175,000	-	-	گریجوایٹی
181,289	140,000	23,000	-	سہولیات
2,964,339	2,275,000	604,757	-	

کوڈ آف کارپوریٹ گورننس

مالیاتی سال 2020ء کے دوران نظر ثانی شدہ ”سٹڈ کمپینز“ (کوڈ آف کارپوریٹ گورننس) ریگولیشنز کا اطلاق کیا گیا ہے جس کے تحت بورڈ اور اس کی کمیٹیوں کی ترکیب میں نمایاں تبدیلی مطلوب ہے۔ کمپنی نے بورڈ اور اس کی کمیٹیوں کی ترکیب میں حسب ضابطہ تبدیلی کر دی ہے۔

ڈائریکٹرز کا انتخاب

30 دسمبر 2019ء کو منعقدہ کمپنی کے حصص داران کے غیر معمولی اجلاس عام میں اگلے تین سال کی مدت کے لئے نئے بورڈ آف ڈائریکٹرز کا انتخاب کیا گیا۔ مسٹر عبدالصمد اور راجہ سہیل قربان بورڈ سے ریٹائر ہو چکے ہیں اور مس شبانہ عطا اور مسٹر اسد یار خان کو ان کی جگہ منتخب کیا گیا ہے۔

بورڈ کی ترکیب

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

نام ڈائریکٹر	عہدہ
میاں احسان الحق	CEO
ملک سفیر رضا اعوان	چیئرمین
وسیم الحسن	ڈائریکٹر
اسد یار خان	ڈائریکٹر
اظہر احمد باٹلا	ڈائریکٹر
شبانہ عطا	ڈائریکٹر
محمد احمد سرویا	ڈائریکٹر

07 ڈائریکٹرز کی کل تعداد:

06 (a) مرد

01 (b) خواتین

تقسیم

02	آزاد ڈائریکٹرز
03	دیگر نان ایگزیکٹو ڈائریکٹرز
02	ایگزیکٹو ڈائریکٹرز

بورڈ کمیٹیاں

آڈٹ کمیٹی	اسدیار خان (چیئرمین) محمد احمد سرویا (رکن) ملک سفیر رضا اعوان (رکن)
ہیومن ریسورس اینڈ ریمونڈیشن (HR&R) کمیٹی	اسدیار خان (چیئرمین) میاں احسان الحق (رکن) مسٹر محمد احمد سرویا (رکن)

ڈائریکٹرز کی تجارت

مالیاتی سال کے دوران ڈائریکٹرز، CEO، CFO، کمپنی سیکریٹری اور ان کی اہلیہ 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 اہلیت کی بنا پر اپنی دوبارہ تقرری کی پیش کش کرتے ہیں۔ بورڈ آف ڈائریکٹرز نے 30 جون 2021ء 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) اور لسٹنگ ریگولیشنز کے تحت مطلوب شیئر ہولڈنگ کی وضع لف ہذا ہے۔

کاروباری اور مالیاتی رپورٹنگ فریم ورک

بہتر کارپوریٹ گورننس کو یقینی بنانے کی غرض سے کمپنی کے بورڈ آف ڈائریکٹرز نے شاکیٹ کیپچنگ 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 کی بھرپور عکاسی کرتے ہیں۔
- کمپنی کے کھاتوں کی باقاعدہ کتابیں مرتب کی گئی ہیں۔
- مالیاتی گوشواروں کی تیاری میں لاگو اکاؤنٹنگ 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: 06 اکتوبر 2020ء

THE COMPANIES ACT. 2017
(Section 227(2) (F)
PATTERN OF SHAREHOLDING

1. CUIN (Registration Number)

0034157

2. Name of the Company

FIRST CAPITAL EQUITIES LIMITED.

3. Pattern of holding of the shares held by the shareholders as at

30-06-2020

-----Shareholding-----

4. No. of Shareholders	From	To	Total Shares Held
103	1	100	752
19	101	500	7,490
10	501	1,000	8,167
138	1,001	5,000	537,805
1	10,001	15,000	13,500
2	25,001	30,000	56,725
1	490,001	495,000	492,500
6	640,001	645,000	3,849,795
1	995,001	1,000,000	997,000
1	1,005,001	1,010,000	1,005,395
2	1,095,001	1,100,000	2,199,874
9	1,280,001	1,285,000	11,549,331
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
299			141,335,500

PATTERN OF SHAREHOLDING AS OF 30 JUNE 2020

5	Categories of shareholders	Shares held	Percentage
5.1(a)	Directors, CEO and their Spouse and Minor Children		
	Mian Ehsan Ul Haq	29,620	0.021
	Mr. Azhar Ahmad Batla	500	0.000
	Malik Safeer Raza Awan	2,250	0.002
	Mr. Waseem Ul Hassan	1,080	0.001
	Mr. Muhammad Ahmad Saroya	500	0.000
	Mr. Asad yar Khan	600	0.000
	Miss. Shabana Atta	500	0.000
5.1 (b)	Chief Executive Officer		
	29,620 shares of (Mian Ehsan ul Haq CEO)	-	-
5.1 ©	Directors spouse & minor children	-	-
5.1.1	Executive / Executives' spouse	-	-
5.2	Associated Companies, undertaking and related parties	-	-
a)	First Capital Securities Corporation Limited	103,494,200	73.226
b)	Pace Barka Properties Limited	6,712,716	4.749
c)	Amythest Limited	492,500	0.348
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	Share holders holding 10% or more voting intrest		
a)	First Capital Securities Corporation Limited	Refer 5.2 (a) above	
5.8	General Public		
	a) Local	2,250,500	1.592
	b) Foreign Companies/Orginzations/Individual / (repatriable bases)	17,599,000	12.452
5.9	Others		
	a) Joint Stock Companies	5,046,139	3.570
	b) Pension fund Provident Fund etc.	-	-
		141,335,500	100.000

**STATEMENT OF COMPLIANCE WITH LISTED COMPANIES
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

**FIRST CAPITAL EQUITIES LIMITED
FOR THE YEAR ENDED JUNE 30 2020**

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:	06
b.	Female:	01
2.	The composition of board is as follows:	
(i)	Independent Directors	02
(ii)	Other Non-Executive Directors	03
(iii)	Executive Directors	02
(iv)	Female Directors	01
3.	The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;	
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. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the company	
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 have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.	
9.	The Board has arranged Directors' Training program for the following:	
	(Name of Director)	Mian Ehsan Ul Haq Waseem ul Hassan
	(Name of Executive & Designation (if applicable))	N/A
10.	The board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.	
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)	Asad Yar Khan, (Chairman) Muhammad Ahmad Saroya, (Member) Malik Safeer Raza Awan, (Member)
b.	HR and Remuneration Committee (Name of members and Chairman)	Asad Yar Khan, (Chairman) Mian Ehsan Ul 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	01
c	Nomination Committee (if applicable)	N/A
d	Risk Management Committee (if applicable)	N/A
15.	The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by 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 Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company	
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 requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with; and	
19.	Explanation pertaining to the Regulations other than 3, 6, 7, 8, 27, 32, 33 & 36 is below:	
	i) As per Regulation 19, at least half of the Directors should acquire the prescribed certification under a Director Training program, only 30% of the directors have completed their training as at June 30, 2020. The company is in process of complying with the requirement of Regulation 19 of Listed Companies Code of Corporate Governance Regulations 2019.	

For and on behalf of the Board

CHIEF EXECUTIVE

Lahore

06 October 2020

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, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of "First Capital Equities Limited" (the Company) for the year ended **June 30, 2020** in accordance with the requirement of regulation 36 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.

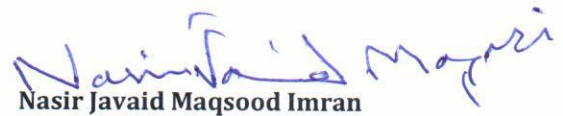
As part of our audit of financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers 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, 2020**.

Further, we highlight that the Company has not complied with the provision of regulation 19(1) of the Regulations which require at least half of the Directors to have director's training certificates, as disclosed in the note 19 of the Statement of Compliance.

Date: 06-10-20
Islamabad


Nasir Javaid Maqsood Imran
Chartered Accountants
Imran ul Haq

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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, 2020, 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, 2020 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 during the year company incurred loss of Rs. 3.48 Million (2019: Rs. 66.2 Million) which also includes the effect of liabilities written back amounting to Rs. 78.5 Million (2019: Rs. 62.5 Million) and its accumulated losses stand at Rs. 1,071.04 Million as at June 30, 2020 (2019: 1,067.55 Million). Moreover as at the reporting date current liabilities of the Company exceed its current assets by Rs. 498.77 Million (2019: Rs. 261.23 Million).

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Last year in their meeting held on June 28, 2019, the Board of the Directors of the Company owing to continuous loss and adverse market conditions, decided to discontinue its brokerage operations and surrender the Trading Right Entitlement Certificate (TREC) of Pakistan Stock Exchange Limited. The Board of Directors, in their meeting, also decided to change the principal business activity of the Company from being a stock brokerage house to a 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 qualified in respect of this matter.

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.	Long term financing	<p data-bbox="847 1422 1394 1489">We performed following key audit procedures to address the assessed risk:</p> <ul style="list-style-type: none"> <li data-bbox="847 1534 1394 1668">▪ Obtained loan settlement agreement signed with bank. Inspected and obtained understanding of terms and conditions; <li data-bbox="847 1702 1394 1870">▪ 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 data-bbox="847 1904 1394 1942">▪ Obtained direct confirmation from bank

As stated in Note 16 of accompanying financial statements, the Company settled its loan during the year. The interest on loan settled during the year is waived off by the Bank.

The valuation of this settled facilities involve complex calculations and significant judgments.

We identified loan settlement as key audit matter because it has material impact on the on Company's financials.



to confirm settlement and closing balances as at year end. Summarized the responses of bank, analyzed and matched with the amounts disclosed in the financial statements.

2. Litigations

There are a number of legal and regulatory matters for which no provision has been established, as disclosed in Note 27 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 provisioning and/or disclosures.

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, 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, 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.

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; and
- d) no zakat was deductible at source under the Zakat and Ushr Ordinance, 1980 (XVIII of 1980).

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

Date: 06-10-2020

Islamabad


Nasir Javaid Maqsood Imran
Chartered Accountants


FIRST CAPITAL EQUITIES LIMITED
STATEMENT OF FINANCIAL POSITION
AS AT JUNE 30, 2020

	Note	JUNE	JUNE
		2020	2019
		Rupees	Rupees
NON - CURRENT ASSETS			
Property plant and equipment	6	1,332,569	1,980,530
Investment property	8	824,712,000	824,712,000
Long term investments	9	18,715,303	19,155,471
		844,759,872	845,848,001
CURRENT ASSETS			
Trade debts	10	175,619,165	252,741,664
Short term investments	11	31,377,184	22,578,257
Advances, deposits, prepayments and other receivables	12	295,631,747	342,555,983
Advance tax	13	6,287,178	6,573,180
Interest accrued		-	32,296
Cash and bank balances	14	330,221	3,442,943
		509,245,495	627,924,323
ASSETS HELD FOR SALE	7	-	-
TOTAL ASSETS		1,354,005,367	1,473,772,324
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Share Capital		1,520,000,000	1,520,000,000
Issued, subscribed and paid up capital	15	1,413,355,000	1,413,355,000
Unappropriated loss		(1,071,039,553)	(1,067,556,674)
TOTAL EQUITY		342,315,447	345,798,326
NON - CURRENT LIABILITIES			
Long term financing	16	-	153,018,252
Interest Accrued		-	82,292,865
Deferred liabilities	17	3,675,000	3,500,000
		3,675,000	238,811,117
CURRENT LIABILITIES			
Trade and other payables	18	182,238,834	65,164,244
Current portion of long term financing	16	825,776,086	823,708,669
Provision for taxation	24	-	289,968
		1,008,014,920	889,162,881
CONTINGENCIES AND COMMITMENTS	27	-	-
TOTAL EQUITY AND LIABILITIES		1,354,005,367	1,473,772,324

The annexed notes from 1 to 34 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, 2020

	Note	JUNE 2020 Rupees	JUNE 2019 Rupees
CONTINUING OPERATION			
INCOME			
Dividend income		-	253,620
Realized gain/(loss) on sale of investments at fair value through profit or loss	19	-	(476,605)
Unrealized gain/(loss) on remeasurement of investments at fair value through profit or loss	20	8,358,759	(37,025,620)
		<u>8,358,759</u>	<u>(37,248,605)</u>
EXPENDITURE			
Operating and administrative expenses	21	9,972,921	6,504,767
Finance cost	22	2,078,775	40,873,867
		<u>12,051,696</u>	<u>47,378,634</u>
OPERATING LOSS		<u>(3,692,937)</u>	<u>(84,627,239)</u>
OTHER INCOME	23	<u>79,237,657</u>	<u>75,244,286</u>
NET (LOSS) / PROFIT BEFORE TAXATION		<u>75,544,720</u>	<u>(9,382,953)</u>
Taxation	24	-	-
PROFIT/(LOSS) AFTER TAXATION FROM CONTINUING OPERATIONS		<u>75,544,720</u>	<u>(9,382,953)</u>
DISCONTINUED OPERATIONS			
LOSS AFTER TAXATION FROM DISCONTINUED OPERATIONS	26	(79,027,599)	(56,890,766)
LOSS AFTER TAXATION FOR THE YEAR		<u>(3,482,879)</u>	<u>(66,273,719)</u>
EARNING/(LOSS) PER SHARE - BASIC AND DILUTED			
- continuing operations	25	0.53	(0.07)
- discontinued operations		<u>(0.56)</u>	<u>(0.40)</u>
		<u>(0.03)</u>	<u>(0.47)</u>

The annexed notes from 1 to 34 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, 2020

	JUNE	JUNE
	2020	2019
	Rupees	Rupees
Loss after taxation for the year	(3,482,879)	(66,273,719)
Other comprehensive income / (loss) for the year		
<u>Items that will never be reclassified to profit or loss:</u>		
<u>Items that are or may be reclassified to profit or loss:</u>		
Total other comprehensive income - net of tax	-	-
Total comprehensive loss	<u>(3,482,879)</u>	<u>(66,273,719)</u>

The annexed notes from 1 to 34 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, 2020

	Note	JUNE 2020 Rupees	JUNE 2019 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		(3,482,879)	(65,983,751)
Add: Items not involved in movement of funds and others			
Depreciation		647,961	988,871
Impairment		-	2,500,000
Capital loss / (gain)		-	476,605
Loss on re-measurement of investments at fair value through profit or loss - net		(8,358,759)	37,025,620
(Gain) / Loss on re-measurement of investment property		-	(618,000)
Deposits written off		2,934,962	1,881,375
Dividend income		-	(253,620)
Accrued interest written back		(78,510,295)	(62,507,384)
Return on deposit accounts		(7,362)	(643,299)
Interest expense		2,067,417	40,627,914
(Gain) on sale of property and equipment		(720,000)	(8,940,827)
Provision for bad debts		76,860,095	25,991,316
Other income		-	(2,534,764)
Provision for gratuity		175,000	3,757,038
		(4,910,981)	37,750,845
		(8,393,860)	(28,232,906)
Decrease / (Increase) in current assets			
Trade debts - unsecured		262,404	(3,118,144)
Advances, deposits, prepayments and other receivables		26,968,614	(329,563,741)
		27,231,018	(332,681,885)
Decrease in current liabilities in trade and other payables		2,252,250	(54,657,014)
Cash generated in operations		21,089,408	(415,571,805)
Interest received		39,658	686,651
Dividend received		-	253,620
Gratuity paid		-	(11,268,087)
Taxes paid		(3,966)	(3,591,222)
Net cash (used) / generated in operating activities		21,125,100	(429,490,843)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		-	(239,507)
Proceeds from sale of property and equipment		720,000	9,282,002
Proceeds from sale of shares-net		-	807,700
Acquisition of investments property		(25,000,000)	-
Proceeds from sale of investments property		156,843,000	445,351,782
Net cash generated in investing activities		132,563,000	455,201,977
CASH FLOWS FROM FINANCING ACTIVITIES			
Loans paid		(156,800,822)	(128,891,675)
Net cash used in financing activities		(156,800,822)	(128,891,675)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(3,112,722)	(103,180,541)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		3,442,943	106,623,484
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	14	330,221	3,442,943

The annexed notes from 1 to 34 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, 2020

	Issued, subscribed and paid up capital	Unappropriated Loss	Total
	Rupees		
Balance as at June 30, 2018	1,413,355,000	(1,001,282,955)	412,072,045
Loss for the year after taxation	-	(66,273,719)	(66,273,719)
Balance as at June 30, 2019	1,413,355,000	(1,067,556,674)	345,798,326
Balance as at July 01, 2019	1,413,355,000	(1,067,556,674)	345,798,326
Loss for the year after taxation	-	(3,482,879)	(3,482,879)
Balance as at June 30, 2020	1,413,355,000	(1,071,039,553)	342,315,447

The annexed notes from 1 to 34 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, 2020

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 - Registered 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 Going concern assumption

The Board of the Directors of the Company in their meeting held on June 28, 2019, owing to the continuous loss and adverse market conditions, decided to surrender the trading right entitlement certificate (TREC) of Pakistan Stock Exchange and discontinue its brokerage operation and to change the Principal objective of the Company from stock broker to real estate Company.

During the year company incurred loss of Rs. 3.48 Million (2019: Rs. 66.2 Million) this also includes effect of liabilities written back amounting Rs. 78.5 Million (2019: Rs. 62.5 Million), moreover the accumulated losses of the company stand at Rs. 1,071.04 Million as at June 30, 2020 (2019: 1,067.55 Million) and as at the reporting date current liabilities of the Company exceed its current assets by Rs. 498.77 Million (2019: Rs. 261.23 Million).

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 from JS Bank Limited as mentioned in Note 16. 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 significant 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, do not include any adjustment relating to the realization 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.

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	<i>Note 6.1</i>
b)	Impairment	<i>Note 5.3</i>
c)	Provisions and contingencies	<i>Note 5.7</i>
d)	Staff retirement benefits	<i>Note 5.8</i>
e)	Provision for taxation	<i>Note 5.10</i>

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:

There are new and amended standards and interpretations that are mandatory for accounting periods beginning 01 July 2019 other than those disclosed in note 5.1. These are considered not to be relevant or do not have any significant effect on the Company's financial statements and are therefore not stated in these financial statements.

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

There are certain new standards, interpretations and amendments to approved accounting standards that will be mandatory for the Company's annual accounting periods beginning on or after July 1, 2020 but are considered not to be relevant or have any significant effect on the Company's financial reporting.

Further, IFRS 17 'Insurance contracts' is yet to be adopted by the Securities & Exchange Commission of Pakistan (The SECP).

5 Significant accounting policies

The Company has adopted IFRS 16 Leases during the year and the new policy due to adoption is as follows:

5.1 Changes in significant accounting policies

The Company has adopted IFRS 16 'Leases' from 01 July 2019 which are effective from annual periods beginning on or after January 01, 2019.

International Financial Reporting Standards (IFRS) 16 "Leases" has replaced IAS 17 "Leases", the former lease accounting standard. Under the new standard, almost all leases which meet the criteria described in the standard will be recognized on the statement of financial position with only exceptions of short term and low value leases. Under IFRS 16, an asset (the right to use the leased item) is recognized along with corresponding financial liability to pay rentals at the present value of future lease payments over the lease term, discounted with the specific incremental borrowing rate.

The Company's lease portfolio includes lease contracts which are extendable through mutual agreement between counter parties or cancellable by both parties immediately or on a short notice. Accordingly, the Company has concluded that where the lease term of contracts are short-term in nature i.e. with a lease term of twelve months or less at the commencement date, right of use assets is not recognized and payments made in respect of these leases are expensed in the statement of profit or loss.

The Company has adopted IFRS 16 from July 1, 2019 using the modified retrospective approach and the Company has assessed that the adoption of IFRS 16 does not have any material financial impact on these financial statements.

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 recognizes loss allowances for Expected Credit Losses (ECLs) in respect of financial assets measured at amortized 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 amortized 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 expects 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 recognizes 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 recognized whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognized 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 amortized 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 recognized in the statement of profit or loss. Other net gains and losses are recognized 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 recognized 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 recognized 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 recognized in profit or loss.

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

5.6.3 Non-derivative financial assets

All non-derivative financial assets are initially recognized 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 derecognizes 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 amortized cost and are initially recognized 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 recognized 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 derecognizes 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 amortized cost using effective interest rate method which is the fair value of consideration to be paid to settle the liability.

5.6.6 Mark-up bearing borrowings and borrowing costs

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

Subsequent to initial recognition, mark-up bearing borrowings are stated at amortized cost, while the difference between the cost (reduced for periodic payments) and redemption value is recognized 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 capitalized as part of the cost of the relevant asset.

5.6.7 Accrued and other liabilities

Accrued and other liabilities are recognized initially at fair value plus directly attributable costs, if any, and subsequently measured at amortized costs, which is the fair value of consideration to be paid to settle the liability.

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
	2020	2019
	Rupees	Rupees
6.1	1,332,569	1,980,530
	1,332,569	1,980,530

6.1 Property, plant and equipment schedule

Cost	Computers	Office equipment	Furniture & fittings	Vehicles	Total
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)
Balance as at 30 June 2019	14,440,245	15,514,049	12,751,730	4,102,740	46,808,764
Balance as at 1 July 2019	14,440,245	15,514,049	12,751,730	4,102,740	46,808,764
Additions during the year	-	-	-	-	-
Disposals during the year	-	(1,674,862)	-	(850,000)	(2,524,862)
Balance as at June 30, 2020	14,440,245	13,839,187	12,751,730	3,252,740	44,283,902
Accumulated Depreciation					
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)
Balance as at 30 June 2019	14,134,638	14,787,257	12,750,844	3,155,495	44,828,234
Balance as at 1 July 2019	14,134,638	14,787,257	12,750,844	3,155,495	44,828,234
Charge for the year	240,276	112,356	585	294,744	647,961
Disposals during the year	-	(1,674,862)	-	(850,000)	(2,524,862)
Balance as at June 30, 2020	14,374,914	13,224,751	12,751,429	2,600,239	42,951,333
Balance as at June 30, 2019 (NBV)	305,607	726,792	886	947,245	1,980,530
Balance as at June 30, 2020 (NBV)	65,331	614,436	301	652,501	1,332,569
Depreciation rate (% per annum)	33.33	10	10	20	

7 INTANGIBLE ASSETS

Note	June 2020 Rupees	June 2019 Rupees
7.1	-	-
	-	-

Trading Right Entitlement Certificate (TREC)

Opening

7.1 Last 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 2020 Rupees	June 2019 Rupees
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8 INVESTMENT PROPERTY

Balance as on July 01,	824,712,000	1,269,445,782
Acquisition during the year	291,822,340	-
	1,116,534,340	1,269,445,782
Disposal during the year	8.6 (291,822,340)	(445,351,782)
	824,712,000	824,094,000
Change in fair value	-	618,000
Balance as at June 30,	8.3 824,712,000	824,712,000

8.1 Investment Property comprises various shops / counters in shopping malls situated at Gujranwala and Gujrat. Properties having value of Rs. 824.7 Million (2019: 824.7 Million) are under mortgage by banks against borrowings.

8.2 The direct operating expenses related to the investment property were Rs. 35,000/- (2019: Rs. 55,000/-).

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, 2020. The valuer determined the fair value of Rs. 824,712,000/- (2019: 824,712,000/-), the effect of which has been incorporated in the financial statements. The table below analyze the non-financial assets carried at fair value, by valuation method. The different levels have been defined in Note 5.15 & Note 8.4.

8.4 Recurring fair value measurements

Investment properties

824,712,000

Investment properties

824,712,000

There are no level 1 and level 3 assets or transfers between levels 1, 2 and 3 during 2020 or 2019.

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 2020 Rupees	Area Sq. Ft	June 2019 Rupees
Various shops, super market and counters	Grand Trunk Road, Pace Gujrat, Gujrat	26912	720,625,500	26912	720,625,500
Various shops	Muza dhola zari, G.T Road, Pace Shopping Mall, Gujranwala	1364	21,615,300	1364	21,615,300
		28276	742,240,800	28276	742,240,800

8.6 Disposals of Investment properties (various shops and counters)

During the year Company disposed investment property for Rs. 156,843,000 and Rs. 134,979,340 having book value of Rs. 139,822,340 and Rs. 152,000,000 to JS Bank Limited and WorldCall Mobile (Pvt.) Limited respectively. Mode of sale was through negotiation with buyers.

Note	June 2020 Rupees	June 2019 Rupees
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9 LONG TERM INVESTMENTS

9.1 Investment in related parties

Available for sale

Media Times Limited - quoted shares

9.1.1 8,008,918 5,096,582

9.2 Other Investments

Available for sale

Pakistan Stock Exchange Limited - quoted shares

9.2.1 10,706,385 14,058,889

18,715,303 19,155,471

9.1.1 Movement of Investment in related parties

Opening balance on July 01,

6,067,362 (2019: 6,067,362) Fully paid ordinary

shares of Rs. 10 each, Equity Held 3.39% (2019 : 3.39%)

5,096,582 10,496,536

Gain/(Loss) on remeasurement of investment through profit or loss

2,912,336 (5,399,954)

Closing balance on June 30,

8,008,918 5,096,582

Shares having value of Rs. 8,008,918/- (2019: Rs. 5,096,582/-) have been pledged with various commercial banks against long term financing.

9.2.1 Movement of other Investments

Note	2020	2019	2020	2019
	No. of shares		Rupees	
Opening balance	1,081,453	1,172,953	14,058,889	23,165,822
Disposals during the year	-	(91,500)	-	(1,807,125)
Closing	1,081,453	1,081,453	14,058,889	21,358,697
Remeasurement of carrying shares	1,081,453	1,081,453	10,706,385	14,058,889
Unrealized gain charged to P&L			(3,352,504)	(7,299,808)
Cost of shares sold during the year	-	430,000	-	1,807,125
Sale proceeds from the disposal	-	430,000	-	(1,478,600)
Capital loss realized transferred to profit or loss			-	(328,525)
Unrealized loss	Note 9.1.1 & 9.2.1		(440,168)	(12,699,762)

Shares having value of Rs. 10,703,821/- (2019: Rs. 14,055,522/-) are freeze against Base Minimum Capital with Pakistan Stock Exchange.

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 TRADE DEBTS

Trade debts against purchase of shares:

Considered good - unsecured

Clients

175,619,165 252,741,664

Considered doubtful:

Clients

271,851,411 194,991,316

Members

- -

271,851,411 194,991,316

Less: Provision for doubtful debts

10.1 (271,851,411) (194,991,316)

10.2 175,619,165 252,741,664

Based on past experience and future expectations the management has charged provision for doubtful debts against which no collateral is available.

10.1 Provision for doubtful debts

Opening balance

194,991,316 169,000,000

Charge for the year

76,860,095 25,991,316

Closing balance

271,851,411 194,991,316

11 SHORT TERM INVESTMENTS

At fair value through profit or loss

Quoted equity securities

11.1 31,377,184 22,578,257

31,377,184 22,578,257

11.1 Quoted equity securities held for trading

Investments in related parties

First Capital Mutual Fund Limited

1,792 11,165 11,373

Media Times Limited

8,260,138 6,938,516 10,903,382

Pace (Pakistan) Limited

7,600,000 11,248,000 16,036,000

Other investments

Arif Habib Limited

120 3,796 3,904

World Call Telecom Limited

917,500 642,250 798,225

Pakistan Services Limited

80 81,600 79,200

PICIC Insurance Limited

32,000 36,800 22,720

Pioneer Cement Limited

11,000 249,150 693,440

Pakistan Telecommunication Limited

34,000 281,180 301,920

Shaheen Insurance Company Limited

834,000 3,085,800 2,527,020

Total Investment

22,578,257 31,377,184

Gain / (loss) on remeasurement

8,798,927

Total Investment as at June 30,

31,377,184

June 2019		
Number of shares	Carrying Amount	Market value
	Rupees	Rupees

1,792 16,601 11,165
8,260,138 14,037,599 6,938,516
7,600,000 25,764,000 11,248,000

120 6,100 3,796
917,500 1,770,775 642,250
80 80,820 81,600
32,000 70,400 36,800
11,000 515,460 249,150
34,000 388,960 281,180
834,000 4,253,400 3,085,800

46,904,115 22,578,257

(24,325,858)

22,578,257

11.2 Shares having carrying amount of Rs. 19,477,666/- (2019: Rs. 45,840,496/-) and market value of Rs. 26,624,222/- (2019: 22,037,629/-) are pledged as security against long term loans.

11.3 During the year capital loss of Rs. Nil (2019: Rs. 148,080/-) has occurred on sale of shares having cost of Rs. Nil (2019: Rs. 12,887,243/-).

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

	Note	June 2020 Rupees	June 2019 Rupees
12 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES			
Advances - unsecured - considered good			
Executives	12.1	-	190,871
Deposits with			
Others	12.2	271,849	2,007,349
Exposure with Pakistan Stock Exchange Limited	12.3	4,300,000	4,843,935
Other receivables - considered good	12.4	291,059,898	335,513,828
		<u>295,631,747</u>	<u>342,555,983</u>
<p>12.1 Advances given to Executives / Employees are in accordance with the Company policy. Such advances are unsecured, interest free and are adjusted against salary / expenses claims. Advances to executives and employees does not include any amounts due from Chief Executive and Directors NIL (2019 : NIL).</p> <p>12.2 This includes security deposit amounting Rs. Nil (2019: 1,650,000) and Rs. 100,000 (2019: 100,000) with the National Clearing Company of Pakistan Limited and Central Depository Company respectively.</p> <p>12.3 This includes Rs. 4,300,000/ (2019: Rs. 4,300,000/-) deposited with PSX against requirement of Base Minimum Capital.</p> <p>12.4 This includes receivable against sale of investment property amounting Rs. 291.03 Million (2019: Rs. 332.27 Million) from Worldcall Mobile (Pvt.) Limited against sale of property. Company retains title of the property transferred as collateral against receivable balance.</p>			

	Note	June 2020 Rupees	June 2019 Rupees
13 ADVANCE TAX			
Advance tax		6,287,178	6,573,180
		<u>6,287,178</u>	<u>6,573,180</u>
14 CASH AND BANK BALANCES			
Cash at bank			
Current accounts	14.1	270,929	3,301,438
Deposit accounts	14.2	59,292	141,505
		330,221	3,442,943
Cash in hand		-	-
		<u>330,221</u>	<u>3,442,943</u>
<p>14.1 Current accounts include clients' balances held in designated bank accounts of Rs. 195,837/- (2019: Rs. 3,238,771/-)</p> <p>14.2 These carry profit at rates upto 7% per annum (2019: upto 4% per annum).</p>			

15 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

June 2020	June 2019		June 2020	June 2019
Number of shares			Rupees	Rupees
Shares issued against cash consideration				
73,316,250	73,316,250	Shares of Rs. 10/- each fully paid	733,162,500	733,162,500
Shares issued against consideration other than cash				
68,019,250	68,019,250	Bonus shares of Rs. 10/- each fully paid	680,192,500	680,192,500
<u>141,335,500</u>	<u>141,335,500</u>		<u>1,413,355,000</u>	<u>1,413,355,000</u>

- 15.1** The Company is a subsidiary of First Capital Securities Corporation Limited - a listed company which holds 103,494,200 (73.23%) ordinary shares (2019: 103,494,200 (73.23 %)) of the Company.

	Note	June 2020 Rupees	June 2019 Rupees
16 LONG TERM FINANCING			
Long term financing - Secured - Other than related parties			
Loans from banking companies	16.1	825,776,086	978,794,338
Deferred notional income	16.3	-	(2,067,417)
		825,776,086	976,726,921
Less: Current portion shown under current liability		(825,776,086)	(823,708,669)
Long term portion		<u>-</u>	<u>153,018,252</u>

- 16.1** This includes agreements with United Bank Limited (UBL) with an original mark up rates of 8% (2019: 8%). But owing to the negotiations with the bank the markup on this loan was frozen. The management of the Company is in negotiation with UBL and are confident that this loan will be settled against property as previously done on favorable terms. The bank has granted extension to the Company for settlement of loan till December 31, 2020.
- 16.2** During the year the company settled loan of JS Bank Limited amounting Rs. 156.8 Million. The interest accrued on loan amounting Rs. 78.5 Million is waived off as per the settlement agreement.
- 16.3** 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% (2019: upto 8.05 - 12.29%) per annum based on the original loan agreements. Movement is as follows:

	Note	2020 Rupees	2019 Rupees
Deferred notional income			
As at beginning of the year		2,067,417	42,695,331
Occurred during the year		-	-
Amortized during the year		(2,067,417)	(40,627,914)
As at end of the year		-	2,067,417

17 DEFERRED LIABILITIES

Provision for Gratuity	17.1	3,675,000	3,500,000
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- 17.1** Only one employee is eligible for gratuity at year end so no actuarial valuation was carried out this year and last year. Liability against gratuity is recorded at the amount accrued till year end as the effect of present value is not significant.

	Note	2020 Rupees	2019 Rupees
<u>Statement of financial position</u>			
Present value of defined benefits obligations		3,675,000	3,500,000
Balance sheet liability/(asset)		3,675,000	3,500,000
<u>Change in present value of defined benefits obligations</u>			
Present value of defined benefits obligation		3,500,000	38,506,461
Current service cost		175,000	3,757,038
Benefits due but not paid (payables)		-	(27,495,412)
Benefits paid		-	(11,268,087)
Present value of defined benefits obligation		3,675,000	3,500,000
Current service cost		175,000	3,757,038
<u>Expenses chargeable to P&L</u>		175,000	3,757,038
<u>Change in net liability</u>			
Balance sheet liability/(asset)		3,500,000	38,506,461
Expenses chargeable to P&L		175,000	3,757,038
Benefits paid/payable		-	(38,763,499)
Balance sheet liability/(asset)		3,675,000	3,500,000

18 TRADE AND OTHER PAYABLES

Payable against sale of shares - un secured Clients		2,861,659	3,202,168
Accrued and other liabilities	18.1	170,749,992	53,602,143
Withholding tax payable		8,627,183	8,359,933
		182,238,834	65,164,245

- 18.1** This includes following balances payable to associated Companies:

Name of related party	Purpose		
Falcon Commodities (Pvt.) Limited	Payable against expense sharing	3,255,332	3,257,382
Media Times Limited	Payable against advertisement expense	949,424	196,300
Pace Pakistan Limited	Payable against purchase of property	114,822,340	-
		119,027,096	3,453,682

19 REALISED GAIN/(LOSS) ON SALE OF INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Loss on sale of short term investment	11.3	-	(148,080)
Loss on sale of long term investment	9.2.1	-	(328,525)
		-	(476,605)

20 UNREALISED GAIN/(LOSS) ON REMEASUREMENT OF INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

Gain/(Loss) on remeasurement of short term investment	11.1	8,798,927	(24,325,858)
Loss on remeasurement of long term investment	9.2.1	(440,168)	(12,699,762)
		8,358,759	(37,025,620)

21 OPERATING AND ADMINISTRATIVE EXPENSES

		2020	2019
	Note	Rupees	Rupees
Salaries and benefits		2,788,900	26,801,405
Provision for gratuity		175,000	3,757,038
Stock Exchange and settlement charges		2,945	2,897,655
Rent, rates and taxes		486,496	2,720,457
Communication		40,989	2,265,309
Utilities		29,511	2,910,471
Insurance		-	227,601
Printing and stationery		8,750	394,872
Traveling and conveyance		2,350	262,075
Repair and maintenance		27,027	2,039,521
Postage and courier		8,490	618,437
Newspaper and periodicals		-	61,818
Entertainment		12,195	896,315
Legal and professional		226,173	934,239
Deposits/Advances written off directly		2,934,962	1,881,375
Provision against trade debts		76,860,095	25,991,316
Advertisement		753,124	260,000
Auditors' remuneration	21.1	600,000	1,140,000
Depreciation	6.1	647,961	988,871
Fee and subscription		1,178,744	1,716,931
CDC and stamps charges		2,019,559	142,483
Impairment expense	21.2	-	2,500,000
Other expenses		197,249	1,851,386
		89,000,520	83,259,575
Related to discontinued operations		79,027,599	76,754,808
Related to continuing operations		9,972,921	6,504,767
21.1 Auditors' remuneration			
Statutory audit		400,000	625,000
Half year review		200,000	220,000
Certifications		-	295,000
		600,000	1,140,000

21.2 Impairment is charged due to classification of intangible assets as held for sale as per note 7.

22 FINANCE COST

Mark up amortized	16.3	2,067,417	40,627,914
Bank charges		11,358	245,953
		2,078,775	40,873,867

23 OTHER INCOME**Income from financial assets**

Return on deposit accounts	7,362	643,299
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Income from assets other than financial assets

Gain on sale of property and equipment	720,000	8,940,827
Unrealized gain on re-measurement of investment Property	-	618,000
Accrued interest written back	78,510,295	62,507,396
Miscellaneous income	-	2,534,764
	79,230,295	74,600,987
	79,237,657	75,244,286

24 TAXATION

Current year			
-Final Tax	24.1	-	289,968
Prior year		-	-
		-	289,968
Related to discontinued operations		-	289,968
Related to continuing operations		-	-

24.1 Last year the Company's revenue was subject to minimum tax under section 113 of the Income Tax Ordinance, 2001. Since the Company was 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.

- 24.2** 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:

	2020	2019
Note	Rupees	Rupees
Deductible temporary differences	276,858,980	200,471,846
Tax losses	1,315,852,928	1,559,841,428
Unrecognized deferred tax asset	461,886,453	510,490,849

25 EARNING / (LOSS) PER SHARE - BASIC AND DILUTED

Profit/(Loss) after taxation from continuing operations	75,544,720	(9,420,996)
Profit/(Loss) after taxation from discontinued operations	(79,027,599)	(56,852,723)
Number of ordinary shares	141,335,500	141,335,500
Earning /(loss) per share from continuing operations- Rupees per share	0.53	(0.07)
Earning /(loss) per share from discontinued operations- Rupees per share	(0.56)	(0.40)
Earning /(loss) per share - Basic and Diluted - Rupees per share	(0.03)	(0.47)

- 25.1** 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.

26 DISCONTINUED OPERATIONS

During 2019, the Board of Directors 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. Based on which brokerage operations are classified as a discontinued operation. Results of discontinued operations are as follows:

	June 2020	June 2019
	Rupees	Rupees
Brokerage commission		
Brokerage income - gross	-	24,020,666
Less:		
Sales tax	-	(3,009,383)
Capital value tax	-	(857,273)
Brokerage income - net	-	20,154,010
Operating expenses	(79,027,599)	(76,754,808)
Taxation	-	(289,968)
Profit/(Loss) after taxation from discontinued operations	(79,027,599)	(56,890,766)
26.1 Cash flows from/(used in) discontinued operations		
Net cash used in operating activities	(2,167,504)	(72,837,843)
Net cash flow for the year	(2,167,504)	(72,837,843)

27 CONTINGENCIES AND COMMITMENTS

27.1 Contingencies

- 27.1.1** During the year 2007-08, Securities and Exchange Commission of Pakistan (SECP) served a show cause notice to the Company under Section 4 & 5 of Listed Companies (Substantial Acquisition of Voting shares and Takeovers) Ordinance 2002, alleging that the Company has facilitated certain investors in acquisition of approximately 39% shares of Haseeb Waqas Sugar Mills Limited. The Company has submitted its reply to the show cause notice to the SECP. SECP has decided the case and has imposed a fine of Rs. 500,000/- on the Company 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.
- 27.1.2** 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. Legal counsel is confident about the recoverability of balance but adopting conservative approach management has decided to provide provision against this balance.
- 27.1.3** 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 legal counsel is confident about the recoverability of balance but adopting conservative approach management has decided to provide provision against this balance.

- 27.1.4** 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. During the year the Company entered in to a settlement agreement with Bank and settled its loan liability and the legal case is in process of withdrawal.
- 27.1.5** 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. Legal counsel is confident about the recoverability of balance but adopting conservative approach management decided to provide provision against this balance.
- 27.1.6** 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. In the year 2018-2019 the Company entered in to a settlement agreement with Bank and settled its loan liability and the legal case is in process of withdrawal.
- 27.1.7** 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.
- 27.1.8** 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. In the year 2018-2019, the Company entered in to a settlement agreement with Bank and settled its loan liability and the legal case is in process of withdrawal.
- 27.1.9** 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. During the year the Company entered in to a settlement agreement with Bank and settled its loan liability and the legal case is in process of withdrawal.
- 27.1.10** During the 2018-2019, 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.
- 27.1.11** 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.
- 27.1.12** 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.
- 27.2** There are no outstanding commitments at year end.

28 TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties and associated undertakings other than remuneration and benefits to key management personnel under the terms of their employment disclosed in note 31 are as follows:

	Basis of relationship	Nature of transaction	2020	2019
			Rupees	Rupees
First Capital Securities Corporation Limited	Parent (73.23% shareholding)	Brokerage Income	-	11,715
Pace Pakistan Limited	Associated undertaking (2.73% shareholding)	Purchase of Investment Property	139,822,340	-
		Paid against purchase of investment property	25,000,000	-
Media Times Limited	Associated undertaking (3.39% shareholding)	Advertisement expense	753,124	196,300
First Capital Mutual Fund	Associated undertaking (0.010% shareholding)	Brokerage Income	-	14,525
Falcon Commodities (Pvt.) Limited	Associated undertaking	Adjustment against outstanding balance	-	58,750
Mr. Azhar Ahmed Batla	Director	Brokerage Income	-	41,657

28.1 The amounts due to / due from related parties are disclosed in respective notes to the financial statements. All the transactions with related parties are carried out at arm's length.

29 FINANCIAL INSTRUMENTS

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

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

- Credit risk
- Liquidity risk
- Market risk

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

29.1 Credit risk

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

- Monitoring of debts on continuous basis 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.

29.1.1 Exposure to credit risk

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

	2020	2019
	Rupees	Rupees
Trade debts - unsecured	175,619,165	252,741,664
Advances, deposits and other receivables	295,631,747	342,555,983
Interest accrued	-	32,296
Bank balance	330,221	3,442,943
	471,581,133	598,772,887

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	2020	2019
	Short Term	Long Term		Rupees	Rupees
Askari Bank Limited	A-1+	AA+	PACRA	315	350
Bank Alfalah Limited	A-1+	AA+	PACRA	66,187	66,187
Bank Al Habib Limited	A-1+	AA+	PACRA	6,610	6,610
Faysal Bank Limited	A-1+	AA	PACRA	3,806	3,806
Habib Metropolitan Bank Limited	A-1+	AA+	PACRA	113	29,831
MCB Bank Limited	A-1+	AAA	PACRA	191,415	3,283,062
Dubai Islamic Bank	A-1+	AA	VIS	347	33,847
MCB Islamic Bank Limited	A-1	A	PACRA	18,283	18,283
JS Bank Limited	A - 1 +	AA-	PACRA	42,178	-
Silk Bank Limited	A - 2	A-	VIS	967	967
				330,221	3,442,943

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

Other clients

	2020	2019
	Rupees	Rupees
Neither past due nor impaired 1 - 30 days	-	-
Past due 30 - 90 days	-	126,023
Past due 90 - 180 days	-	3,509,295
Past due 180 - 365 days	410,390	8,520,562
More than 1 year	175,208,775	240,585,784
	175,619,165	252,741,664

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 and Company also hold sufficient collateral against trade debts.

29.2 Liquidity risk

Liquidity risk is the risk that an enterprise will encounter difficulties in raising funds to meet commitments associated with financial instruments. 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, 2020.

	Carrying Amount	One month to three months	Three months to one year	One year to five year	More than five years
	Rupees				
Long term financing	825,776,086	825,776,086	-	-	-
Trade & other payables - Unsecured	182,238,834	182,238,834	-	-	-
	1,008,014,920	1,008,014,920	-	-	-

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
	Rupees				
Long term financing	976,726,921	-	823,708,669	153,018,252	-
Trade & other payables - Unsecured	65,164,244	65,164,244	-	-	-
Interest accrued	82,292,865	-	-	82,292,865	-
	1,124,184,030	65,164,244	823,708,669	235,311,117	-

29.3 Market risk

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

29.3.1 Currency risk

Foreign currency risk arises mainly where payable/receivable exist due to transactions with foreign clients. There were no dealings with foreign clients during the year, except as disclosed in Note 27.1.11. 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 (2019 : NIL). This analysis assumes that all other variables were held constant.

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

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

29.3.2 Interest rate risk

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

	2020		2019	
	Effective interest rate	Carrying value	Effective interest rate	Carrying value
		Rupees		Rupees
Financial assets				
Bank Balances	upto 7%	59,292	upto 4%	141,505
Financial liabilities				
Long term financing	upto 12.29%	825,776,086	upto 12.29%	978,794,338

29.3.3 Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. Company is exposed to equity price risk since it has investments in quoted equity securities amounting to Rs. 50.09 Million (2019 : Rs. 41.73 Million) at the year end.

The Company's strategy is to hold its strategic equity investments for long period of time that are classified as long term investment. 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 at year end. 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

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.

2020				
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"
Investments				
Long term investments	18,715,303	+10%	20,586,833	1,871,530
		-10%	16,843,773	(1,871,530)
Short term investments	31,377,184	+10%	34,514,902	3,137,718
		-10%	28,239,466	(3,137,718)

2019				
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"
Investments				
	Rupees	Rupees	Rupees	Rupees
Long term investments	19,155,471	+10%	21,071,018	1,915,547
		-10%	17,239,924	(1,915,547)
Short term investments	22,578,257	+10%	24,836,083	2,257,826
		-10%	20,320,431	(2,257,826)

29.3.4 Fair value of financial instruments

The carrying values of the financial assets and financial liabilities approximate their fair values. Fair value is measured in accordance with Note 5.15.

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

2020				
	Level 1	Level 2	Level 3	Total
Rupees				
Long term investments classified as "Fair Value through Profit and Loss"	18,715,303	-	-	18,715,303
Short term investments classified as "Fair Value through Profit and Loss"	31,377,184	-	-	31,377,184
2019				
	Level 1	Level 2	Level 3	Total
Rupees				
Long term investments classified as "Fair Value through Profit and Loss"	19,155,471	-	-	19,155,471
Short term investments classified as "Fair Value through Profit and Loss"	22,578,257	-	-	22,578,257

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

29.4 Capital risk management

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

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

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

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.

29.5 Financial instruments by category

Long term investments	-
Trade debts	175,619,165
Short term investments	-
Advances, deposits, prepayments and other receivables	295,631,747
Cash and bank balances	330,221

30 June 2020			
Amortized Cost	Assets at fair value through profit or loss	Assets at fair value through OCI	Total
Rupees			
-	18,715,303	-	18,715,303
175,619,165	-	-	175,619,165
-	31,377,184	-	31,377,184
295,631,747	-	-	295,631,747
330,221	-	-	330,221
471,581,133	50,092,487	-	521,673,620

Long term and short term financing	-
Trade and other payables	-

30 June 2020		
Liabilities at fair value through profit or loss	Amortized cost	Total
-	825,776,086	825,776,086
-	182,238,834	182,238,834
-	1,008,014,920	1,008,014,920

Long term investments	-
Trade debts	252,741,664
Short term investments	-
Advances, deposits and other receivables	342,555,983
Interest accrued	32,296
Cash and bank balances	3,442,943

30 June 2019			
Amortized Cost	Assets at fair value through profit or loss	Assets at fair value through OCI	Total
Rupees			
-	19,155,471	-	19,155,471
252,741,664	-	-	252,741,664
-	22,578,257	-	22,578,257
342,555,983	-	-	342,555,983
32,296	-	-	32,296
3,442,943	-	-	3,442,943
598,772,886	41,733,728	-	640,506,614

Long term and short term financing	-
Interest Accrued	-
Trade & other payables - Unsecured	-

30 June 2019		
Liabilities at fair value through profit or loss	Amortized cost	Total
-	976,726,921	976,726,921
-	82,292,865	82,292,865
-	65,164,244	65,164,244
-	1,124,184,030	1,124,184,030

30 CORRESPONDING FIGURES

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

31 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	CHIEF EXECUTIVE		DIRECTORS		EXECUTIVES	
	2020	2019	2020	2019	2020	2019
	1	1	1	3	-	2
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Total Number	-	230,000	1,400,000	1,812,893	-	2,386,667
Managerial Remuneration	-	92,000	560,000	725,157	-	954,667
House Rent	-	259,757	-	-	-	-
Medical Expenses Reimbursed	-	-	175,000	245,000	-	360,000
Provision for gratuity	-	23,000	140,000	181,289	-	238,667
Utilities	-	-	-	-	-	-
	-	604,757	2,275,000	2,964,339	-	3,940,001

31.1 In addition, Chief Executive and Directors have been provided with Company maintained cars.

31.2 No meeting fees were paid to any of the directors for attending the Board/ Audit Committee meetings (2019: Nil).

31.3 Total number of employees are 1 as on June 30, 2020 (June 2019 : 1) and average employees during the year were 1 (June 2019 : 45).

32 Impact of Covid-19

In March 2020, The World Health Organization (WHO) declared the outbreak of the Novel Coronavirus (known as COVID-19) as a global pandemic. The rapid spread of the virus has caused governments around the world to implement stringent measures to help control its spread. Including without limitation. Quarantines 'stay home' or 'shelter-in-place' orders, social-distancing mandates, travel restrictions, and closures or reduced operations for businesses, governmental agencies, schools and other institutions. The industries, along with global economic conditions generally has been significantly disrupted by the pandemic.

However, the Company already discontinued its brokerage operations last year therefore Covid-19 did not have any major effect on Company.

Management has assessed the accounting implications of these developments on these financial statements and the management of the Company concluded that there is no significant impact of Covid-19 on current financial statements of the Company.

33 AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on _____.

34 GENERAL

Figures have been rounded off to the nearest rupees.

Director

Chief Executive

Chief Financial Officer



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

FORM OF PROXY

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 2020 at 10:30 a.m. and at any adjournment
thereof.

Signed under my/our hands on this _____ day of _____, 2020

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 2nd and 3rd 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 کے تحت عمومی تھخص 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 دستخط.....

کی موجودگی میں دستخط کئے گئے

.....
.....
گواہ 1 کے دستخط گواہ 2 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۔