FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2015

CONTENTS

COMPANY INFORMATION

Board of Directors	Mian Ehsan ul Haq *Chairman & Chief Executive Officer*	Executive
	Farooq Bin Habib	Executive
	Muhammad Junaid	Executive
	Ahsan Zia	Executive
	Mazhar Abbas	Executive
	Waseem ul Hassan	Executive
	Malik Fawad Tasawar	Independent
Chief Financial Officer	Mazhar Abbas	
Audit Committee	Malik Fawad Tasawar (Chairman) Farooq Bin Habib Ahsan Zia	
Human Resource and Remuneration (HR&R) Committee	Waseem ul Hasan (Chairman) Mian Ehsan Ul Haq Malik Fawad Tasawar	
Company Secretary	Tariq Majeed	
Auditors	Nasir Javaid Maqsood Imran Chartered Accountants	
Legal Advisers	Muhammad Aamir Advocates, Karachi	
Bankers	Askari Bank Limited Bank Alfalah Limited Bank Al Habib Limited Bank Islami Limited Faysal Bank Limited Habib Metropolitan Bank Limited JS Bank Limited MCB Bank Limited NIB Bank Limited Silk Bank Limited Summit Bank Limited Soneri Bank Limited United Bank Limited	
Registered Office	2nd Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt. Lahore, Pakistan. Tel: (042) 36623005/6/8 Fax: (042) 36623121-36623122	
Corporate Office	4th Floor, Block B, C & D Lakson Square Building No.1 Sarwar Shaheed Road, Karachi Tel: (021) 111 226 226 Fax: (021) 35656710, 35656725	
Registrar and Shares Transfer Office	Corplink (Pvt.) Limited Wings Arcade,1-K, Commercial Model Town, Lahore. Tel: (042) 35839182	

MISSION

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

Dedicated to Make it Happen

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

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

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

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

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

VISION

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

We Believe In

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

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 20th Annual General Meeting of the Shareholders of First Capital Equities Limited ("the Company") will be held on Saturday, 31 October 2015 at 12:30 p.m. at the Registered Office of the Company, 2nd Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt. Lahore, to transact the following business:

1. To confirm the minutes of last Annual General Meeting held on 31 October 2014;

2. To receive, consider and adopt the audited financial statements of the Company for the year ended 30 June 2015 together with the Directors' and Auditors' reports thereon;

3. To appoint Auditors of the Company for the year ending 30 June 2016 and to fix their remuneration;

By order of the Board

Lahore
October 08, 2015

Tariq Majeed
Company Secretary

Notes:

1) The register of members will remain closed from 24 October 2015 to 31 October 2015 (both days inclusive). Transfers received at Corplink (Pvt.) Limited, Wings Arcade, 1-K, Commercial Model Town, Lahore, the Registrar and Shares Transfer Office of the Company, by the close of business on 23 October 2015 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. In order to be effective, proxies must be received by the Company at the Registered Office not later than 48 hours before the time for holding the meeting.

3) In order to be valid, an instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or notarially certified copy of such power of attorney, must be deposited at the registered office of the Company, 2nd Floor, Pace Shopping Mall, Fortress Stadium, Lahore Cantt. Lahore not less than 48 hours before the time of the meeting.

4) a) Individual beneficial owners of CDC entitled to attend and vote at the meeting must bring his/her participant ID and account/sub-account number along with original CNIC or passport to authenticate his/her identity. In case of Corporate

entity, resolution of the Board of Directors/Power of attorney with specimen signatures of nominees shall be produced (unless provided earlier) at the time of meeting.

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

5) Members are requested to notify any change, if any, in their registered address immediately.

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

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

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

The Company has place the Audited Annual Financial Statements for the year ended 30 June 2015 along with Auditors and Directors Reports thereon on its website:www.pacepakistan.com

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

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

FINANCIAL HIGHLIGHTS - LAST SIX YEARS

PARTICULARS	FY 15	FY 14	FY 13	FY 12	FY 11	FY 10	FY 09
			(Rupees in million)				
Profit and Loss Account							
Revenues	**131.64**	172.74	327.16	1,364.98	455.86	439.44	935.50
Expenses	**366.23**	462.91	500.46	1,412.56	675.01	716.09	1,176.68
(Loss) / Profit before tax	**(234.61)**	(290.55)	(176.11)	(66.99)	(364.09)	(301.16)	(371.44)
(Loss) / Profit after tax	**(234.23)**	(292.30)	(176.94)	(68.33)	(366.23)	(305.66)	(380.18)
Balance Sheet							
Paid up capital	**1,413.36**	1,413.36	1,080.32	1,080.32	1,080.32	1,080.32	1,080.32
Shareholder's equity	**49.57**	280.55	212.85	342.54	715.42	2,084.34	1,710.98
Liabilities	**3,988.89**	3,818.42	3,819.15	4,018.80	4,337.65	4,038.57	4,422.78
Total assets	**4,038.45**	4,098.98	4,022.38	4,361.34	5,053.17	6,122.91	6,133.76
Investment value at cost	**40.20**	52.18	203.35	400.44	501.74	539.58	639.44
Investment value at mkt price	**39.32**	40.15	131.10	252.07	532.50	1,693.34	509.18
Ratios							
(Loss) / Earning per share (Rs.)	**(1.66)**	(2.07)	(1.25)	(0.63)	(3.39)	(2.83)	(3.52)
Break up value (Rs.)	**0.35**	1.98	1.97	3.17	6.62	19.29	15.84
Return on Equity (%)	**(472.55)**	(104.29)	(78.61)	(19.95)	(51.18)	(14.66)	(22.22)
Payout (%)							
Cash	**-**	-	-	-	-	-	-
Bonus	**-**	-	-	-	-	-	-
Right	**-**	-	40%	-	-	-	-

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

EPS for year 2008 of Rs 3.39 per share has been restated due to the issue of bonus shares during the year.

DIRECTORS' REPORT

The Board of Directors of First Capital Equities Limited ("the Company" or "FCEL") are pleased to present the Annual Report of 2015 along with the audited financial statements of the Company for the year ended June 30, 2015. FCEL is a leading brokerage house of Pakistan that provides a complete range of stock brokerage nationwide to a substantial and diversified clientele that includes corporations, financial institutions, retail clients, foreign investors and high net worth individuals (HNWI).

CAPITAL MARKET

The uptrend of Pakistan equity market continued in FY15 where it successfully delivered double digit return (+16%), albeit at an abated pace (previous years returns of 41% & 52% in FY14 & FY13 respectively). Despite witnessing volatility throughout the period, KSE-100 index ended FY15 on a positive note by delivering a decent return of 16%YoY. The benchmark index soared to its all-time high level of 34,826.51 during February 2015 before dropping below 29,000 points briefly in end-March 2015. The market however recovered to close the year FY15 at 34,399 points compared to its opening level of 29,563 points. Accordingly, market capitalization registered subdued growth of 6% at PRs7.42 trillion versus PRs7.02 trillion in the previous year.

The upbeat performance of KSE-100 index continued in FY15 where it was mainly backed by improving macros primarily supported by country's entry in the international market, continuation of privatization program, successful IMF reviews and resultants dollar inflows from the agency as well as other lending institutions, sharp fall in inflation readings & resultant cut in interest rates were the favorable developments that outdone the negative impact of energy & power shortages, dismal law & order, dreary investment flow, dharna issue and persistent floods hampering agricultural activity. It is important to mention that the improvement in macros was endorsed by favorable credit ratings revisions by the international agencies including Moody's, which upgraded Pakistan's sovereign credit rating to B3 with Stable Outlook, from Caa1 earlier.

In addition, formation of National Action Plan (with consensus of all political parties), notably improved political climate (end of PTI sit-in) and announcement of China Pakistan Economic Corridor (CPEC) provided impetus to the market & aided to recover the points lost from foreign selling & inquiries against stock brokers occurred during the second half of FY15. The FIPI registered net inflow of US$38mn in Fy15.

Despite positive return, the trading activity at the market did not depict any improvement and remained flat at previous year's level. The turnover remained flat as an average of 220mn shares (PRs11.10bn or US$109mn) were traded in the ready market. During the same period of last year, the average daily volume in the ready counter was recorded at 215mn shares (PRs8.65bn or US$84mn).

YOUR COMPANY'S PERFORMANCE

Given below is the financial summary of your Company for the year ended June 30, 2015.

All Figures are in Million except EPS

	FY 15	FY 14
Brokerage income	**68.93**	120.70
Capital gain / (loss)	**0.18**	(43.42)
Other income	**47.02**	92.61
Unrealized gain on re-measurement of investment property	**15.51**	2.85
Loss on re-measurement of investments at fair value through profit or loss net	**(0.03)**	(0.38)
Loss after tax	**(234.23)**	(292.30)
Loss Per Share (EPS) Rs*	**(1.66)**	(2.07)

Your Company ended FY15 with a net loss of PRs234mn. The brokerage income of the company showed a decline of 43% YoY at PRs69mn during the year. The unrealized gain on re-measurement of investment property and other income were booked at PRs15.5mn and PRs47mn respectively. The company reported capital gain of PRs0.18mn against the last year's loss of PRs43mn. On overall basis, the income segment underperformed and was recorded at PRs132mn, a fall of 24% YoY. The operating expenses reduced by 25% YoY at PRs106mn whereas financial expenses also fell by 19%

and were recorded at PRs260mn. That said, your company concluded the year with net loss of PRs234mn in FY15 as against the net loss of PRs292mn reported in FY14.

In the year 2012-13, the guarantee of T Bills amounting of Rs. 8,905,068/- has been given to Karachi Stock Exchange Limited against exposure by parent company, by replacing an irrevocable guarantee of Rs. 9 million to Karachi Stock Exchange Limited against exposure by a commercial bank on behalf of the Company.

COMPANY'S ABILITY TO CONTINUE AS A GOING CONCERN

In the current year's Audited report, the auditor's without qualifying their report have raised concerns over the Company's ability to continue as going concern because Company is facing liquidity crunch due to long overdue balances and amount payable to financial institutions in respect of Company's borrowing is currently overdue, However rescheduling / resettlement of the financial obligations are in process and management is hope full to complete it on favorable terms in near future. Moreover, a comprehensive repayment plans have been devised and implemented through realization of over due receivables and investment properties.

During the current year, Company has offered debt to assets swap against its investment property to UBL and Askari Bank Limited. Proposal currently is under review of the competent authorities of respective banks and management is of the view that this arrangement will be accepted.

Subsequent to the balance sheet date, Company has also made certain payments to its lenders through sale of equity instruments held by the lenders as security against debt.

During the year, Company also entered in to an agreement with foreign broker, for facilitating foreign clients in KSE, which will result in increase of revenue of the Company. Company is also relying on continued support from its sponsor's through injection of further equity.

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

FUTURE OUTLOOK

The market, with notably improved law & order in the wake of ongoing operation under national action plan, fairly calmed political situation, installation of power projects to address the shortages, revival of structural reforms (power tariff rationalization) and the likely improvements on the -fiscal side by way of increased taxation measures and cutting subsidies, is expected to remain on upward trajectory and will continue to please investors with double digit return in FY16 too. The successful implementation of the China-Pakistan Economic Corridor, a strong development, is expected to bolster growth through investments in infrastructure, transportation and power generation. The upcoming economic numbers are highly expected to surpass targets and we may see above expected economic readings in the years to come. Despite upbeat performance of KSE-100, Pakistan stock market (KSE-100) still trades at discount to MSCI EM and FM - leaving room for upside. Strong corporate earnings growth will ensure valuations to remain attractive even after healthy run-up in equity prices during Fy15.

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

PAYOUT FOR THE SHAREHOLDERS

Keeping in view the deteriorated capital market position, which also effected 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 procedure have been established to identify, control and monitor each of these major risks.

COMPANY PERFORMANCE IN PAST YEARS

Past eight years Company performance chart is attached.

EARNINGS PER SHARE

Loss per share for the year ended June 30, 2015 was Rs. (1.66) as compared to loss per share Rs. (2.07) in the last year.

CHANGES IN THE BOARD OF DIRECTORS

During the financial year there is no change in the Board of Directors.

BOARD MEETINGS DURING THE YEAR

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

Directors	Meettings Attended
Mian Ehsan ul Haq	4
Farooq Bin Habib	4
Mazhar Abbas	4
Ahsan Zia	4
Muammad Junaid	4
Waseem ul Hassan	4
Malik Fawad Tasawar	4

TRADING BY DIRECTORS

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

AUDIT COMMITTEE

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

Audit Committee Member	Meetings Attended
Malik Fawad Tasawar (Chairman)	6
Farooq Bin Habib (Member)	6
Ahsan Zia (Member)	6

During the year there is no change in audit committee members.

AUDITORS

The present Auditors, Messrs Nasir Javaid Maqsood Imran (Chartered Accountants), shall retire and being eligible to offer themselves for re-appointment. The Board of Directors endorse 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, 2016.

PATTERN OF SHAREHOLDINGS

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

CORPORATE AND FINANCIAL REPORTING FRAMEWORK:

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

The financial statements, prepared by the management of the Company, present fairly its state of affairs, the result of its operations, cash flows and changes in the equity.

Proper books of account of the Company have been maintained.

Appropriate accounting policies have been consistently applied in preparation of the financial statements and accounting estimates are based on reasonable prudent judgment.

International Accounting Standards, as applicable in Pakistan, have been followed in preparation of financial statements.

The systems of internal controls are sound in design and have been implemented and effectively monitored.

There are no significant doubts upon the Company's ability to continue as going concern.

The key financial data of last Six years is summarized in the report.

There are no statutory payments on account of taxes, duties, levies and charges, which are outstanding and have not been disclosed in annexed accounts.

The Company is in compliance with the requirement of training programs for Directors

ACKNOWLEDGEMENT

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

For and on behalf of the Board of Directors

Lahore:
October 08, 2015

Mian Ehsan ul Haq
Chairman & Chief Executive Officer

PATTERN OF SHAREHOLDING
AS AT JUNE 30, 2015

INCORPORATION NUMBER: 0034157 OF 26-01-1995

No. of Shareholders	Shareholdings From		Shareholdings To	Shares Held
11	1	-	100	26
3	101	-	500	759
3	501	-	1000	2,064
138	1001	-	5000	543,923
4	5001	-	10000	21,600
1	20001	-	25000	22,960
1	25001	-	30000	26,105
1	125001	-	130000	128,395
1	230001	-	235000	235,000
1	490001	-	495000	492,500
1	495001	-	500000	500,000
1	995001	-	1000000	1,000,000
1	1260001	-	1265000	1,265,000
1	1710001	-	1715000	1,710,250
1	1745001	-	1750000	1,750,000
1	2495001	-	2500000	2,500,000
1	4265001	-	4270000	4,267,000
1	4540001	-	4545000	4,544,000
1	4695001	-	4700000	4,700,000
1	7035001	-	7040000	7,039,000
1	7090001	-	7095000	7,092,718
1	18420001	-	18425000	18,425,000
1	33300001		33305000	33,304,000
1	51765001		51770000	51,765,200
178				**141,335,500**

FIRST CAPITAL EQUITIES LIMITED
PATTERN OF SHAREHOLDING
AS AT 30 JUNE 2015

Categories of shareholders	Shares held	Percentage
Directors, Chief Executive Officer, and their spouse and minor children	23,880	0.02
Associated Companies, undertakings and related parties.	103,494,200	73.23
NIT and ICP	-	-
Insurance Company	4,700,000	3.33
Modaraba and Mutual Fund	128,395	0.09
Banks, Development Financial Institutions, Non Banking Financial Institutions	1,265,000	0.90
Share holders holding 10% or more	103,494,200	73.23
Others:		
- Joint Stock Companies	16,403,212	11.61
General Public		
a) Local	15,320,813	10.84
b) Foreign	-	-

Note: Some of the shareholders are reflected in more than one category

PATTERN OF SHAREHOLDING AS PER LISTING REGULATIONS AS AT JUNE 30, 2015

Shareholders' Categories	Number of Shares held
Associated Companies, undertaking and related parties	
First Capital Securities Corporation Limited	103,494,200
NIT and ICP	-
Directors, CEO & their Spouse and Minor Children	
Mian Ehsan ul Haq (CEO/Director)	5,400
Farooq Bin Habib (Director)	5,400
Mazhar Abbas (Director)	5,400
Ahsan Zia (Director)	5,400
Muhammad Junaid (Director)	600
Waseem Ul Hassan (Director)	1,080
Malik Fawad Tasawar (Director)	600
Executives	-
Public Sector Companies and Corporations	16,403,212
Banks Development Finance Institutions, Non-Banking Finance Companies, Insurance Companies, Takaful, Modaraba and Pension Funds	5,965,000
Shareholders holding 5% or more voting interest in the Company	
First Capital Securities Corporation Limited	103,494,200
Sulaiman Ahmad Saeed Al-Hoqani	13,056,000
Pace Barka Properties Limited	7,597,716

STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

FIRST CAPITAL EQUITIES LIMITED ("THE COMPANY")
FOR THE YEAR ENDED JUNE 30, 2015

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 35 of listing regulations of Karachi Stock Exchange (Guarantee) Limited and Lahore Stock Exchange (Guarantee) Limited for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

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

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

Category	Names
Independent Director	Malik Fawad Tasawar
Executive Directors	Mian Ehsan ul Haq Mr. Farooq Bin Habib Mr. Muhammad Junaid Godil Mr. Ahsan Zia Mr. Mazhar Abbas Mr. Waseem ul Hassan

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

2) The directors have confirmed that none of them is serving as a director in more than seven listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).

3) All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.

4) A casual vacancy occurring on in the Board was filled up by the directors within 90 days.

5) The Company has prepared a "Code of Conduct" and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.

6) The board has developed a vision/mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

7) All the powers of the board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, other executive and non executive directors, have been taken by the board /shareholders.

8) The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose and the board met at least once in every quarter. Written notices of the board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

9) The Board arranged orientation courses/training programs for its directors during the year.

10) The Board has approved “appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment.

11) The directors' report for this year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.

12) The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.

13) The directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding

14) The Company has complied with all the corporate and financial reporting requirements of the CCG.

15) The Board has formed an Audit Committee. It comprises three members. The Chairman of the Committee is an independent director.

16) The meetings of the audit committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the committee have been formed and advised to the committee for compliance.

17) The Board of Directors of the Company has formed an HR and Remuneration Committee. It comprises 3 members and the chairman of the committee is an independent director.

18) The board has set up an effective internal audit function that is considered suitable qualified and experienced for the purpose and are conversant with the policies and procedures of the company.

19) The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan.

20) The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.

21) The 'closed period', prior to the announcement of interim/final results, and business decisions, which may materially affect the market price of company's securities, was determined and intimated to directors, employees and stock exchange(s)

22) Material/price sensitive information has been disseminated among all market participants at once through stock exchange(s).

23) We confirm that all other material principles enshrined in the CCG have been complied with.

24) The Board has in place a mechanism for evaluation of performance of the Board.

For and on behalf of Board

Lahore
Dated: October 08, 2015

Mian Ehsan ul Haq
Chief Executive Officer

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

We have reviewed the Statement of Compliance (the Statement) with the best practices contained in the Code of Corporate Governance (the Code) for the year ended June 30, 2015 prepared by the Board of Directors of **First Capital Equities Limited** (the Company) to comply with the Listing Regulation of Lahore Stock Exchange Limited where the company is listed.

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

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

Based on our review, We hereby conclude that except for the matters referred in (a) above, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the status of the Company's compliance, in all material respects with the best practices contained in the Code of Corporate Governance as applicable to the Company for the year ended June 30, 2015.

LAHORE
October 08, 2015

Nasir Javed Maqsood Imran
Chartered Accountants

Audit Engagement Partner:
Muhammad Maqsood

AUDITORS' REPORT TO THE MEMBERS

We have audited the annexed balance sheet of FIRST CAPITAL EQUITUITIES LIMITED as at June 30, 2015 and the related profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof, for the year then ended and we state that we have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

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

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

(a) in our opinion, proper book of accounts have been kept by the company as required by the Companies Ordinance, 1984.

(b) in our opinion

   (i) the balance sheet and profit and loss account together with the notes thereon have been drawn up in conformity with the Companies Ordinance, 1984, and are in agreement with the books of account and are further in accordance with accounting policies consistently applied;

   (ii) the expenditure incurred during the year was for the purpose of the company's business; and

   (iii) the business conducted, investments made and the expenditure incurred during the year were in accordance with the objects of the company;

(c) in our opinion and to the best of our information and according to the explanations given to us, the balance sheet, profit and loss account, statement of comprehensive income, cash flow statement and statement of changes in equity together with the notes forming part thereof conform with approved accounting standards as applicable in Pakistan, and, give the information required by the Companies Ordinance, 1984, in the manner so required and respectively give a true and fair view of the state of the company's affairs as at June 30, 2015 and of the profit, its cash flows and changes in equity for the year then ended, and

(d) in our opinion no Zakat was deductible at source under the Zakat and Usher Ordinance, 1980(XVIII of 1980)

Without qualifying our opinion, we draw attention to Note 2 in the annexed financial statements which indicates that the company incurred a net loss of Rs. 234.23 million during the year and its accumulated losses stood at Rs. 1,320.23 million at June 30, 2015. These conditions along with other matters as set forth in note 2 indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

LAHORE
October 08, 2015

Nasir Javaid Maqsood Imran
Chartered Accountants

Audit Engagement Partner:
Muhammad Maqsood

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2015

	Note	June 2015 Rupees	June 2014 Rupees
ASSETS			
NON - CURRENT ASSETS			
Property and equipment	6	**53,626,132**	59,893,426
Intangible assets	7	**16,543,680**	16,543,680
Investments - available for sale	8	**39,021,357**	39,870,788
Long term deposits and advances	9	**2,829,000**	2,879,000
		112,020,169	119,186,894
CURRENT ASSETS			
Trade debts - Unsecured	10	**2,214,359,129**	2,278,505,881
Investments	11	**299,524**	275,083
Investments property	12	**1,617,417,600**	1,601,903,100
Advances, deposits, prepayments and other receivables	13	**17,423,047**	18,231,120
Advance income tax		**66,417,611**	66,620,616
Interest accrued	14	**438,230**	1,142,777
Cash and bank balances	15	**10,077,092**	13,109,857
		3,926,432,233	3,979,788,434
TOTAL ASSETS		**4,038,452,402**	**4,098,975,327**
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorised Share Capital		**1,520,000,000**	1,520,000,000
Issued, subscribed and paid up share capital	16	**1,413,355,000**	1,413,355,000
Reserves	17	**(43,559,896)**	(42,710,465)
Unappropriated loss		**(1,320,227,022)**	(1,090,095,763)
TOTAL EQUITY		**49,568,082**	280,548,772
NON - CURRENT LIABILITIES			
Long term financing	18	**1,585,896,098**	1,848,295,721
Interest Accrued		**355,212,432**	442,799,616
Staff retirement benefits	19	**46,756,971**	46,066,272
		1,987,865,501	2,337,161,609
CURRENT LIABILITIES			
Trade and other payables- Unsecured	20	**181,114,954**	167,391,582
Short term borrowings - Secured	21	**634,157,148**	543,971,647
Current portion of long term financing	18	**526,875,926**	261,793,998
Interest accrued	22	**637,677,363**	481,055,064
Provision for taxation		**21,193,428**	27,052,656
		2,001,018,819	1,481,264,947
CONTINGENCIES AND COMMITMENTS	23	-	-
TOTAL EQUITY AND LIABILITIES		**4,038,452,402**	4,098,975,327

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

Lahore **Chief Executive** **Director**

Statement of Profit & Loss Account

For the year ended June 30, 2015

	Note	JUNE 2015 Rupees	JUNE 2014 Rupees
INCOME			
Brokerage income		**68,933,597**	120,696,444
Capital (loss)/gain - net		**175,600**	(43,416,876)
Unrealised gain on re-measurement of Investment Property		**15,514,500**	2,852,000
Other operating income	**24**	**47,020,488**	92,609,998
		131,644,185	172,741,566
Loss on re-measurement of investments at fair value through profit or loss - net	**11.1**	**(26,459)**	(381,237)
		131,617,727	172,360,329
EXPENDITURE			
Operating expenses	**25**	**106,380,645**	142,499,568
Finance cost	**26**	**259,848,187**	320,408,480
		366,228,832	462,908,048
LOSS BEFORE TAXATION		**(234,611,106)**	(290,547,720)
Taxation	**27**	**377,720**	(1,750,624)
LOSS AFTER TAXATION		**(234,233,386)**	(292,298,344)
LOSS PER SHARE - BASIC AND DILUTED	**28**	**(1.66)**	(2.07)

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

Lahore **Chief Executive** **Director**

Statement of Comprehensive Income

For the year ended June 30, 2015

	JUNE 2015 Rupees	JUNE 2014 Rupees
Loss after taxation for the year	**(234,233,386)**	(292,298,344)
Other comprehensive (loss) / income for the year		
Items that will never be reclassified to profit or loss:		
Remeasurement of defined benefit plan	4,102,127	222,712
Items that are or may be reclassified to profit or loss:		
Unrealised gain / (loss) on remeasurement of investment available for sale	(849,431)	(11,649,335)
Total comprehensive loss for the year	**(230,980,690)**	(303,724,967)

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

Lahore | Chief Executive | Director

Statement of Cash Flows

For the year ended June 30, 2015

	Note	JUNE 2015 Rupees	JUNE 2014 Rupees
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before taxation		**(234,611,106)**	(290,547,720)
Add: Items not involved in movement of funds			
Depreciation		**6,101,359**	6,080,245
Loss on re-measurement of investments at fair value through profit or loss - net		**26,459**	381,237
Gain on re-measurement of investment property		**(15,514,500)**	(2,852,000)
Deffered notional income		**-**	(49,647,551)
Provision for interest written back		**(38,726,433)**	(35,130,021)
Interest accrued		**(3,068,228)**	(3,199,607)
Interest expense		**259,848,187**	320,408,480
(Gain) on sale of property and equipment	6.2	**(2,356,480)**	(1,537,000)
(Gain) on foreign currency translation		**(117)**	4
Provision for gratuity		**10,081,326**	7,885,243
		216,391,572	242,389,030
		(18,219,534)	(48,158,689)
Decrease / (Increase) in current assets			
Investments at fair value through profit or loss		**(50,900)**	29,181,778
Trade debts - unsecured		**64,146,752**	(24,468,901)
Advances, deposits, prepayments and other receivables		**808,073**	8,578,735
		64,903,924	13,291,612
(Increase) / decrease in current liabilities in trade and other payables		**13,723,371**	3,836,394
Cash used in operations		**60,407,761**	(31,030,684)
Interest received		**3,772,776**	2,393,909
Finance cost paid		**(192,491)**	(2,387,066)
Gratuity paid		**(5,288,500)**	(1,064,850)
Taxes paid		**(5,278,503)**	(6,693,727)
Net cash used in operating activities		**53,421,043**	(38,782,417)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment		**(309,066)**	(1,076,490)
Proceeds from sale of property and equipment		**2,831,480**	1,537,000
Investments available for sale		**-**	72,206,096
Investments property		**-**	(135,299,600)
Long term deposits and advances		**50,000**	(4,000)
Net cash generated in investing activities		**2,572,414**	(62,636,994)
CASH FLOWS FROM FINANCING ACTIVITIES			
Long term finance obtained		**(149,211,843)**	(13,490,000)
Isuance of new capital		**-**	333,040,000
Liabilities against repurchase agreements		**-**	(48,111,520)
Short term borrowings		**90,185,501**	(174,938,259)
Net cash (used in) financing activities		**(59,026,342)**	96,500,221
Effects of exchange rate changes in cash and cash equivalents		**117**	(4)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(3,032,882)**	(4,919,190)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		**13,109,857**	18,029,051
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	15	**10,077,092**	13,109,857

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

Lahore **Chief Executive** **Director**

Statement of Changes in Equity

For the year ended June 30, 2015

	Issued, subscribed and paid up capital	Capital Reserve			Revenue Reserve	Total
		Share Premium	Reserve for issue of bonus shares	Fair value reserve	Unappropriated Profit	
	Rupees					
Balance as at June 30, 2013 - *(Restated)*	**1,080,315,000**	**-**	**-**	**(69,449,316)**	**(798,020,131)**	**212,845,554**
Loss for the year after taxation	-	-	-	-	(292,298,344)	(292,298,344)
Issuance of new capital	333,040,000					333,040,000
Other comprehensive income for the period						
Fair value reserve realised	-	-	-	38,388,186	-	38,388,186
Remeasurement of defined benefit plan	-	-	-	-	222,712	222,712
Deficit on remeasurement of investment available for sale to fair value	-	-	-	(11,649,335)	-	(11,649,335)
Total other comprehensive income for the period - net of tax	-	-	-	26,738,851	222,712	26,961,563
Total comprehensive loss for the period	-	-	-	26,738,851	(292,075,632)	(265,336,781)
Balance as at June 30, 2014	**1,413,355,000**	**-**	**-**	**(42,710,465)**	**(1,090,095,763)**	**280,548,773**
Loss for the period after taxation	-	-	-	-	(234,233,386)	(234,233,386)
Other comprehensive income for the period						
Fair value reserve realised	-	-	-	-	-	-
Remeasurement of defined benefit plan					4,102,127	4,102,127
Deficit on remeasurement of investment available for sale to fair value	-	-	-	(849,431)	-	(849,431)
Total other comprehensive income for the period - net of tax	-	-	-	(849,431)	4,102,127	3,252,696
Total comprehensive loss for the period	-	-	-	(849,431)	(230,131,259)	(230,980,690)
Balance as at June 30, 2015	**1,413,355,000**	**-**	**-**	**(43,559,896)**	**(1,320,227,022)**	**49,568,083**

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

Lahore **Chief Executive** **Director**

Notes to the Financial Statements

For the year ended June 30, 2015

1. Status and nature of business

First Capital Equities Limited (the "Company") was incorporated in Pakistan on January 26, 1995 as a private limited company, under the Companies Ordinance, 1984. The Company was converted into a public limited company on June 18, 1997 and is listed on Lahore Stock Exchange Limited. The Company is a subsidiary of First Capital Securities Corporation Limited, which owns 73.23% (2013: 64.97%) of the share capital of the Company. The principal activities of the Company include share brokerage and conducting / publishing business research.

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

2. During the year, the Company has incurred loss after tax of Rs. 234.23 (2014: Rs. 292.29) million and year end, its accumulated losses stood at Rs. 1,320.23 (2014: Rs. 1,090.09) million. The Company, in order to carry on its business and to meet its current obligations requires generating sufficient cash flows. Accordingly there is a material uncertainly relating to the Company's operations that may cast sufficient doubt on the discharge of its liabilities in the normal course of business. Continuation of the Company as a going concern is dependent on improved cash flows. For this purpose the management of the Company drawn up plans which includes:-

a) Successful restructuring of borrowing facilities, currently overdue, on soft repayment terms.
b) Waiver of overdue and future mark up from the financial institutions.
c) Continuous increase in the value of investment property.
d) Vigorously following the debtors for recovery.
e) Settlement/adjustment of borrowings through swap of investment properties

During the year, KSE 100 index has increased by 16.00% but subsequent to the year end and till the authorization of these financial statements an increase of 2.03% in KSE 100 index has been recorded. The Company is also relying on continued support from its sponsors through injection of further equity and realization of investment properties if the need arises.

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. Approved accounting standards comprise of such International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board as are notified under the Companies Ordinance, 1984, provisions of and directives issued under the Companies Ordinance, 1984. In case requirements differ, the provisions of and directives of the Companies Ordinance, 1984 shall prevail.

3.2 Basis of measurement

These financial statements have been prepared under the historical cost convention, except for certain financial assets and investment properties that are stated at fair value and certain employee benefits which are presented at present value.

3.3 Use of estimates and judgments

The preparation of financial statements in conformity with approved accounting standards as applicable in Pakistan, requires management to make judgments, estimates and assumptions, that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates, associated assumptions and judgments are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the result of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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

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

a)	Useful life and residual values of property and equipment	***Note 6***
b)	Provisions	***Note 10***
c)	Staff retirement benefits	***Note 19***
d)	Provision for taxation	***Note 28***

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

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

During the year certain amendments to standards or new interpretations became effective, however, the amendments or interpretation did not have any material effect on the financial statements of the Company.

4.2 New / revised accounting standards, amendments to published accounting standards, and interpretations that are not yet effective

The following standards, amendments and interpretations of approved accounting standards will be effective for accounting periods beginning on or after July 01, 2015:

* Amendments to IAS 38 Intangible Assets and IAS 16 Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016) introduce severe restrictions on the use of revenue-based amortization for intangible assets and explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment. The rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are ‘highly correlated’, or when the intangible asset is expressed as a measure of revenue. The amendments are not likely to have an impact on Company’s financial statements.

* IFRS 10 ‘Consolidated Financial Statements’ – (effective for annual periods beginning on or after 1 January 2015) replaces the part of IAS 27 ‘Consolidated and Separate Financial Statements’. IFRS 10 introduces a new approach to determining which investees should be consolidated. The single model to be applied in the control analysis requires that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 has made consequential changes to IAS 27 which is now called ‘Separate Financial Statements’ and will deal with only separate financial statements. Certain further amendments have been made to IFRS 10, IFRS 12 and IAS 28 clarifying the requirements relating to accounting for investment entities and would be effective for annual periods beginning on or after 1 January 2016.

* IFRS 10 ‘Consolidated Financial Statements’ – (effective for annual periods beginning on or after 1 January 2015) replaces the part of IAS 27 ‘Consolidated and Separate Financial Statements. IFRS 10 introduces a new approach to determining which investees should be consolidated. The single model to be applied in the control analysis requires that an investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. IFRS 10 has made

consequential changes to IAS 27 which is now called 'Separate Financial Statements' and will deal with only separate financial statements.

* IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2015) replaces IAS 31 'Interests in Joint Ventures'. Firstly, it carves out, from IAS 31 jointly controlled entities, those cases in which although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations under IAS 31 and are now called joint operations. Secondly, the remainder of IAS 31 jointly controlled entities, now called joint ventures, are stripped of the free choice of using the equity method or proportionate consolidation; they must now always use the equity method. IFRS 11 has also made consequential changes in IAS 28 which has now been named 'Investment in Associates and Joint Ventures'. The amendments requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business are effective for annual periods beginning on or after 1 January 2016.

* IFRS 11 'Joint Arrangements' (effective for annual periods beginning on or after 1 January 2015) replaces IAS 31 'Interests in Joint Ventures'. Firstly, it carves out, from IAS 31 jointly controlled entities, those cases in which although there is a separate vehicle, that separation is ineffective in certain ways. These arrangements are treated similarly to jointly controlled assets/operations under IAS 31 and are now called joint operations. Secondly, the remainder of IAS 31 jointly controlled entities, now called joint ventures, are stripped of the free choice of using the equity method or proportionate consolidation; they must now always use the equity method. IFRS 11 has also made consequential changes in IAS 28 which has now been named 'Investment in Associates and Joint Ventures'. The amendments requiring business combination accounting to be applied to acquisitions of interests in a joint operation that constitutes a business are effective for annual periods beginning on or after 1 January 2016. The adoption of this standard is not likely to have an impact on Company's financial statements.

* IFRS 12 'Disclosure of Interests in Other Entities' (effective for annual periods beginning on or after 1 January 2015) combines the disclosure requirements for entities that have interests in subsidiaries, joint arrangements (i.e. joint operations or joint ventures), associates and/or unconsolidated structured entities, into one place. The adoption of this standard is not likely to have an impact on Company's financial statements.

IFRS 13 'Fair Value Measurement' effective for annual periods beginning on or after 1 January 2015) defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements for fair value measurements. IFRS 13 explains how to measure fair value when it is required by other IFRSs. It does not introduce new fair value measurements, nor does it eliminate the practicability exceptions to fair value measurements that currently exist in certain standards. The adoption of this standard is not likely to have an impact on Company's financial statements.

Amendments to IAS 27 'Separate Financial Statements' (effective for annual periods beginning on or after 1 January 2016). The amendments to IAS 27 will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. The adoption of the amended standard is not likely to have an impact on Company's financial statements.

Agriculture: Bearer Plants [Amendments to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction. The adoption of the amended standard is not likely to have an impact on Company's financial statements.

Amendments to IAS 39 "Financial Instruments: Recognition and Measurement" Continuing hedge accounting after derivative novations (effective for annual periods beginning on or after 1 January 2014). The amendments add a limited exception to IAS 39, to provide relief from discontinuing an existing hedging relationship when a novation that was not contemplated in the original hedging documentation meets specific criteria. The amendments have no impact on financial statements of the Company.

* Agriculture: Bearer Plants [Amendment to IAS 16 and IAS 41] (effective for annual periods beginning on or after 1 January 2016). Bearer plants are now in the scope of IAS 16 Property, Plant and Equipment for measurement and disclosure purposes. Therefore, a company can elect to measure bearer plants at cost. However, the produce growing on bearer plants will continue to be measured at fair value less costs to sell under IAS 41 Agriculture. A bearer plant is a plant that: is used in the supply of agricultural produce; is expected to bear produce for more than one period; and has a remote likelihood of being sold as agricultural produce. Before maturity, bearer plants are accounted for in the same way as self-constructed items of property, plant and equipment during construction. The amendments are not likely to have an impact on Company's financial statements.

* Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28) [effective for annual periods beginning on or after 1 January 2016]. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The adoption of these amendments is not likely to have an impact on Company's financial statements.

* Annual Improvements 2012-2014 cycles (amendments are effective for annual periods beginning on or after 1 January 2016). The new cycle of improvements contain amendments to the following standards:

  - **o** IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. IFRS 5 is amended to clarify that if an entity changes the method of disposal of an asset (or disposal group) i.e. reclassifies an asset from held for distribution to owners to held for sale or vice versa without any time lag, then such change in classification is considered as continuation of the original plan of disposal and if an entity determines that an asset (or disposal group) no longer meets the criteria to be classified as held for distribution, then it ceases held for distribution accounting in the same way as it would cease held for sale accounting.

  - **o** IFRS 7 'Financial Instruments- Disclosures'. IFRS 7 is amended to clarify when servicing arrangements are in the scope of its disclosure requirements on continuing involvement in transferred financial assets in cases when they are derecognized in their entirety. IFRS 7 is also amended to clarify that additional disclosures required by 'Disclosures: Offsetting Financial Assets and Financial Liabilities (Amendments to IFRS7)' are not specifically required for inclusion in condensed interim financial statements for all interim periods.

  - **o** IAS 19 'Employee Benefits'. IAS 19 is amended to clarify that high quality corporate bonds or government bonds used in determining the discount rate should be issued in the same currency in which the benefits are to be paid.

  - **o** IAS 34 'Interim Financial Reporting'. IAS 34 is amended to clarify that certain disclosures, if they are not included in the notes to interim financial statements and disclosed elsewhere should be cross referred.

  These amendments have no impact on financial statements of the Company.

5. Significant accounting policies

5.1 Property and equipment

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

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

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

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

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

Residual value and the useful life of an asset are reviewed at each financial year end and adjusted if impact on depreciation is significant. The Company's estimates of residual value of property and equipment at June 30, 2015 did not require any adjustment.

5.2 Intangible assets

(a) TRE Certificates

These are stated at revalued amount. Provision is made for decline in value other than temporary, if any.

(b) Others

These are stated at cost less accumulated impairment, if any. The carrying amount is reviewed at each balance sheet date to assess whether these are recorded in excess of their recoverable amount, and where carrying amount exceeds estimated recoverable amount, these are written down to their estimated recoverable amount.

5.3 Leases

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

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

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

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

5.4 Impairment

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

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

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

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

5.5 Investments

Available-for-sale

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

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

Investments at fair value through profit or loss

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

5.6 Investment property

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

Any gain or loss arising from a change in fair value is recognized in the profit and loss account. Rental income from investment property is accounted for as described in note 12.

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

5.7 Securities purchased and sold under resale/repurchase agreements

Repurchase agreements

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

Reverse repurchase agreements

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

5.8 Settlement date accounting

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

5.9 Trade and other receivables

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

5.10 Financial instruments

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

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

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

5.11 Financial assets and liabilities

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are initially measured at cost, which is the fair value of the consideration given and received respectively. These financial assets and liabilities are subsequently measured at fair value, amortised cost or cost, as the case may be. The particular measurement methods adopted are disclosed in the individual policy statements associated with each item.

5.12 Interest bearing borrowings

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

5.13 Offsetting of financial assets and financial liabilities

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

5.14 Trade and other payables

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

5.15 Provisions

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

5.16 Staff retirement benefits

Defined benefit plan

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

5.17 Revenue recognition

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

5.18 Taxation

Current

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

Deferred

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

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

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

5.19 Functional and presentation currency

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

5.20 Foreign currency

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

5.21 Cash and cash equivalents

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

5.22 Related party transactions

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

6 PROPERTY AND EQUIPMENT

	Note	June 2015 Rupees	June 2014 Rupees
	6.1	**53,626,132**	59,893,426
		53,626,132	59,893,426

6.1 Operating Fixed Assets

	Freehold building	Computers	Office equipment	Furniture & fittings	Motor vehicles	Total
Year Ended Jun 30, 2015						
Opening net book value (NBV)	51,072,291	917,445	3,016,879	4,107,455	779,355	**59,893,425**
Additions / transfers	-	169,066	140,000	-	-	**309,066**
Disposals **6.2**	-	-	-	-	(475,000)	**(475,000)**
Depreciations charged	(3,372,792)	(393,943)	(1,095,561)	(1,099,063)	(140,000)	**(6,101,359)**
Balance as an June 30, 2015 (NBV)	**47,699,499**	**692,568**	**2,061,318**	**3,008,392**	**164,355**	53,626,132
Gross carrying value as at Jun 30, 2015						
Cost	67,455,800	19,910,933	15,984,343	14,089,246	26,342,133	**143,782,454**
Accumulated depreciation	(19,756,301)	(19,218,365)	(13,923,024)	(11,080,854)	(26,177,778)	**(90,156,322)**
Net book value	**47,699,499**	**692,568**	**2,061,318**	**3,008,392**	**164,355**	**53,626,132**
Year Ended Jun 30, 2014						
Opening net book value (NBV)	54,445,083	217,007	4,217,145	5,255,258	762,688	**64,897,181**
Additions / transfers	-	876,490	-	-	200,000	**1,076,490**
Disposals	-	-	-	-	-	**-**
Depreciations charged	(3,372,792)	(176,052)	(1,200,266)	(1,147,803)	(183,333)	**(6,080,245)**
Balance as ay June 30, 2013 (NBV)	**51,072,291**	**917,445**	**3,016,879**	**4,107,455**	**779,355**	**59,893,426**
Gross carrying value as at June 30, 2014						
Cost	67,455,800	19,741,867	15,844,343	14,089,246	30,427,774	**147,559,030**
Accumulated depreciation	(16,383,509)	(18,824,422)	(12,827,464)	(9,981,791)	(29,648,419)	**(87,665,604)**
Net book value	**51,072,291**	**917,445**	**3,016,879**	**4,107,455**	**779,355**	**59,893,426**
Depreciation rate (% per annum)	**5**	**33.33**	**10**	**10**	**20**	

6.2 Disposal of property and equipment

Particulars	Cost	Accumulated Depreciation	Book Value	Sale Proceeds	Gain	Mode of Sale	Particulars of Buyers
	Rupees			Rupees			
Vehicle	846,000	846,000	-	725,000	725,000	Negotiation	Ibrar Hussain
Vehicle	750,000	275,000	475,000	650,000	175,000	Negotiation	Muhammad Sami Shamus Din
Vehicle	849,641	849,641	-	350,000	350,000	Negotiation	Faraz Farooq
Vehicle	745,000	745,000	-	400,000	400,000	Negotiation	Shahood Javed
Vehicle	895,000	895,000	-	706,480	706,480	Negotiation	Shahood Javed
Total	**4,085,641**	**3,610,641**	**475,000**	**2,831,480**	**2,356,480**		

7 INTANGIBLE ASSETS

		June 2015 Rupees	June 2014 Rupees
Trading Right Entitlement Certificate (TREC) Karachi Stock Exchange Limited	7.1	**9,043,680**	9,043,680
Room Karachi Stock Exchange Limited		**7,500,000**	7,500,000
		16,543,680	16,543,680

7.1 This represents Trading Right Entitlement Certificate (TREC) received from Karachi Stock Exchange Limited (KSE) in accordance with the requirements of the Stock Exchanges (Corporation, demutualization and Integration) Act, 2012 (The Act). The Company has also received shares of KSE after completion of the demutualization process. The TREC has been recorded at Rs. 9,043,680/- (for detail refer note 8.2).

8 INVESTMENTS - AVAILABLE FOR SALE

		June 2015 Rupees	June 2014 Rupees
Quoted Shares			
Media Times Limited	8.1	**14,865,037**	15,714,468
Unquoted Shares			
Karachi Stock Exchange Limited	8.2	**24,156,320**	24,156,320
		39,021,357	**39,870,788**

8.1 6,067,362 (2014: 6,067,362) Fully paid ordinary shares of Rs. 10 each Equity Held 3.56% (2014 : 3.56%)	**15,714,468**	27,363,803
(Loss)/gain on remeasurement of investment available for sale	**(849,431)**	(11,649,335)
	14,865,037	15,714,468

8.2 The 4,007,383 shares of KSE to its members including the Company has been determined on the basis of the fair valuation of the underlying asset and liabilities of the Stock exchange in accordance with requirements of the demutualization Act. In other words, shares of Rs. 40,073,830/- received by the company represents its share in the fair value of the net assets of the KSE. Under these circumstances where active market is not available for such shares, this net asset value based valuation has been considered as the closest estimate of the fair value of the shares.

Further, the KSE has also introduced a minimum capital regime for the brokers, and for this purpose have valued TREC at Rs. 15 million as per the decision of the BOD of the KSE. This face indicates an acceptable level of value for TREC which is also used by the Stock Exchange for risk management and safeguard the investor's interest. In the absence of an active market of TREC, this assigned value of Rs. 15 million has been considered as the closest estimate of the fair value of the TREC.

Therefore, based on the above estimates of fair value of KSE shares (Rs. 40,073,830/-) and TREC (Rs. 15,000,000), the Company has allocated its carrying value in the ration of 0.7276 to shares and 0.2724 to TREC.

9 LONG TERM DEPOSITS AND ADVANCES

	Note	June 2015 Rupees	June 2014 Rupees
Deposits with:			
Karachi Stock Exchange Limited		**1,860,000**	1,860,000
Central Depository Company of Pakistan Limited		**100,000**	100,000
National Clearing Company of Pakistan Limited		**400,000**	450,000
Other lease deposits		**469,000**	469,000
		2,829,000	2,879,000

10 TRADE DEBTS - UNSECURED

	Note	June 2015 Rupees	June 2014 Rupees
Trade debts against purchase of shares:			
Clients		**3,306,638,947**	3,370,785,702
Members		**4,533,388**	4,533,384
		3,311,172,334	3,375,319,086
Less : Provision provided for bad debts	10.1		
Clients		**1,092,901,226**	1,092,901,226
Members		**3,911,979**	3,911,979
		1,096,813,205	1,096,813,205
		2,214,359,129	2,278,505,881

10.1 Provision for doubtful debts

	Note	June 2015 Rupees	June 2014 Rupees
Opening balance		**1,096,813,205**	1,096,813,205
Provision for Doubt ful debts written back		**-**	-
Charge for the year	25	**-**	-
Closing balance		**1,096,813,205**	1,096,813,205

11 INVESTMENTS

	Note	June 2015 Rupees	June 2014 Rupees
At fair value through profit or loss			
Quoted equity securities	11.1	**299,524**	275,083
		299,524	275,083

11.1 Quoted equity securities

	June 2015			June 2014		
	Number of shares	Carrying Amount	Market value	Number of shares	Carrying Amount	Market value
		Rupees	Rupees		Rupees	Rupees
INVESTMENT BANK						
Arif Habib Ltd.	**1,348**	**86,353**	**93,834**	1,348	47,728	86,353
SUGAR						
Haseeb Waqas Sugar Mills Ltd.	**32,000**	**188,160**	**155,200**	32,000	608,000	188,160
MISCELLANEOUS						
Pakistan Services	**102**	**51,470**	**50,490**	2	592	570
Total Investment		**325,983**	**299,524**		656,320	275,083
Loss on remeasurement		**(26,459)**			(381,237)	
Total Investment as at June 30,		**299,524**			275,083	

Shares having carrying amount of Rs.194,566/- (2014: Rs. 611,541/-) and market value of Rs. 162,161 (2014: Rs. 194,566/-) have been given as collateral against borrowings from various commercial banks.

12 INVESTMENTS PROPERTY - AVAILABLE FOR SALE

	Note	2015 Rupees	2014 Rupees
Balance as on July 01, 2014		**1,601,903,100**	1,463,751,500
Acquisition during the year	12.2	**-**	135,299,600
		1,601,903,100	1,599,051,100
Disposal during the year		**-**	-
		1,601,903,100	1,599,051,100
Increase in fair value		**15,514,500**	2,852,000
Balance as at June 30, 2015		**1,617,417,600**	1,601,903,100

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

12.2 The fair value of subject investment property is based on valuation that was carried out by M/s. Negotiator, independent valuer as on June 30, 2015. The value determined the fair value of Rs. 1,617,417,600/-, the effect of which has been incorporated in the financial statements.

13 ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	Note	2015 Rupees	2014 Rupees
Advances - Unsecured - Considered good			
Executives	13.1	**3,638,132**	4,843,960
Employees	13.1	**1,291,965**	1,575,287
Deposits with			
Central Depository Company of Pakistan Limited		**25,000**	25,000
Others		**411,652**	857,936
Prepayments		**41,146**	118,057
Exposure with Karachi Stock Exchange Limited	13.2	**6,763,807**	6,633,844
Accrued brokerage commission		**501,763**	542,532
Accrued rental income		**539,500**	-
Advance for National Commodity Exchange Limited Membership		**2,500,000**	2,500,000
Other receivables	13.3	**1,710,081**	1,134,505
		17,423,047	18,231,120

13.1 Advances given to Executives / Employees are in accordance with the Company policy. Such advances are unsecured, interest free and are adjusted against salary / expenses claims. These advances are secured against gratuity. Advances to executives / employees does not include any amount due from chief ecexutive and directors (2014 : NIL).

13.2 This represents exposure deposit with the Karachi Stock Exchange Limited under the exposure rules.

		Note	June 2015 Rupees	June 2014 Rupees
13.3	Other receivables considered good		**1,710,081**	1,134,505
	Other receivables considered doubtful		**850,000**	850,000
	Less: Provision for doubtful other receivables	**13.3.1**	**(850,000)**	(850,000)
			-	-
			1,710,081	1,134,505
13.3.1	Provision for doubtful other receivables			
	Opening balance		**850,000**	850,000
	Charge for the year		**-**	-
	Closing balance		**850,000**	850,000

14 INTEREST ACCRUED

	Note	June 2015 Rupees	June 2014 Rupees
Interest accrued on:			
Bank deposits		**438,230**	1,142,777
		438,230	1,142,777

15 CASH AND BANK BALANCES

	Note	June 2015 Rupees	June 2014 Rupees
Cash at bank			
Local currency			
Current accounts		**3,345,767**	3,126,860
Deposit accounts	**15.1**	**6,653,815**	9,931,028
		9,999,582	13,057,888
Foreign currency			
Current accounts		**-**	6,220
		9,999,582	13,064,107
Cash in hand		**77,510**	45,749
		10,077,092	13,109,856

15.1 These carry profit at rates ranging from 4% to 8% per annum (2014: 6% to 8% per annum).

16 ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL

June 2015 Number of shares	June 2014 Number of shares		June 2015 Rupees	June 2014 Rupees
		Shares issued against cash consideration		
73,316,250	73,316,250	Ordinary shares of Rs. 10/- each fully paid	**733,162,500**	733,162,500
		Shares issued against consideration other than cash		
68,019,250	68,019,250	Bonus shares of Rs. 10/-each fully paid	**680,192,500**	680,192,500
141,335,500	141,335,500		**1,413,355,000**	1,413,355,000

16.1 The Company is a subsidiary of First Capital Securities Corporation Limited - a listed company which holds 103,494,200 (73.23%) ordinary shares (2014: 103,494,200 (73.23 %)) of the Company.

		Note	June 2015 Rupees	June 2014 Rupees
17	**RESERVES**			
	Fair value reserve			
	Un -realized loss - charged to equity		**(43,559,896)**	(42,710,465)
18	**LONG TERM FINANCING**			
	- Secured	18.1	**2,295,108,182**	2,444,320,025
	- Un Secured		**-**	-
			2,295,108,182	2,444,320,025
	Deferred notional income	18.2	**(182,336,158)**	(334,230,306)
			2,112,772,024	2,110,089,719
	Year ending June 30,			
	Less: Current portion shown under current liability		**526,875,926**	261,793,998
	Long term portion		**1,585,896,098**	1,848,295,721

18.1 This includes agreements with different commercial banks with a mark up rate of 8.13% and 3 months kibor plus 3% to 4 % p.a (2014 : 8% and 3 months kibor plus 3% to 4%). These facilities are secured against the pledge of shares, charge over trade receivable and equitable mortgage of certain properties. The shares having market value of Rs 375,932,545/- (2014 : 334,336,358/-) have been pledged by the Company.

18.2 This represents the difference between amortization cost and carrying value and restructuring of long term loans. Amortized cost has been determined using effective interest rate 9.13% to 12.06% (2014 : 9.13% to 12.06%) per annum being the 6 month KIBOR rate. Movement is as follows:

	2015 Rupees	2014 Rupees
Deferred notional income		
As at beginning of the year	**334,230,306**	457,896,181
Occurred during the year	**-**	49,647,551
Amortized during the year	**(151,894,148)**	(173,313,426)
As at end of the year	**182,336,158**	334,230,306

		2015 Rupees	2014 Rupees
19	**STAFF RETIREMENT BENEFITS**		
	Provision for Gratuity	**46,756,971**	46,066,272

19.1 The future contribution rates of the scheme include allowances for deficit and surplus. Projected unit credit method based on the following significant assumptions is used for valuation of this scheme. The latest actuarial valuation was carried out by Nauman Associates as on June 30, 2015.

	2015 Rupees	2014 Rupees
Statement of financial position		
Present value of defined benefits obligations	45,490,471	45,498,772
Plus payables	1,266,500	567,500
Balance sheet liability/(asset)	**46,756,971**	46,066,272

	2015 Rupees	2014 Rupees
Change in present value of defined benefits obligations		
Present value of defined benefits obligation	**45,498,772**	38,132,741
Current service cost	**4,449,411**	3,896,871
Past service cost (credit)	**-**	-
Interest cost on defined benefits obligation	**5,631,915**	3,988,372
Benefits due but not paid (payables)	**(734,000)**	(35,000)
Benefits paid	**(5,253,500)**	(261,500)
Gain and losses arising on plan settlements	**-**	-
Remeasurements:		
Actuarial (gains)/losses from changes in demographic assumption	**-**	-
Actuarial (gains)/losses from changes in financial assumptions	**-**	-
Experience adjustments	**(4,102,127)**	(222,712)
Present value of defined benefits obligation	**45,490,471**	45,498,772

	June 2015 Rupees	June 2014 Rupees
Expenses to be charged to P&L		
Current service cost	**4,449,411**	3,896,871
Past service cost (credit)	**-**	-
Gain and losses arising on plan settlements	**-**	-
Interest cost on defined benefits obligation	**5,631,915**	3,988,372
Expenses chargable to P&L	**10,081,326**	7,885,243
Total remeasurements chargeable in other comprehensive income		
Remeasurement of plan obligation:		
Actuarial (gains)/losses from changes in demographic assumption	**-**	-
Actuarial (gains)/losses from changes in financial assumptions	**-**	-
Experience adjustments	**(4,102,127)**	(222,712)
	(4,102,127)	(222,712)
Change in net liability		
Balance sheet liability/(asset)	**46,066,272**	39,468,591
Expenses chargeable to P&L	**10,081,326**	7,885,243
Remeasurements chargeable in ther comprehensive income	**(4,102,127)**	(222,712)
Benefits paid	**(5,288,500)**	(1,064,850)
Benefits payable transferred to short term liability	**-**	-
Balance sheet liability/(asset)	**46,756,971**	46,066,272
Significant actuarial assumptions		
Discount rate for interest cost in P&L charge	**13.25%**	10.50%
Discount rate for year end obligation	**9.75%**	13.50%
Salary increase used for year end obligation		

	Note	June 2015 Rupees	June 2014 Rupees
Salary increase FY 2015		**N/A**	N/A
Salary increase FY 2016		**8.75%**	12.50%
Salary increase FY 2017		**8.75%**	12.50%
Salary increase FY 2018		**8.75%**	12.50%
Salary increase FY 2019		**8.75%**	12.50%
Salary increase FY 2020		**8.75%**	12.50%
Salary increase FY 2021 onward		**8.75%**	12.50%
Next salary is increased at		**July 01, 2015**	July 01, 2014
Mortality rates		**SLIC 2001-2005 Setback 1 year**	SLIC 2001-2005 Setback 1 year
Withdrawl rates		**Age-Based (per appendix)**	Age-Based (per appendix)
Retirement assumption		**Age 60**	Age 60

20 TRADE AND OTHER PAYABLES- UNSECURED

	Note	June 2015 Rupees	June 2014 Rupees
Payable against sale of shares			
Clients	**20.1**	**71,433,033**	72,952,549
Members		**947,278**	947,278
Accrued and other liabilities		**83,255,485**	74,185,681
With holding tax payable		**25,479,159**	19,306,072
		181,114,954	167,391,582

20.1 This includes balance payable to associated company i.e Falcon Commodities (Pvt) Limited Rs. 4,500,000/- (June 2014 : Rs. 4,993,7410/-).

	Note	June 2015 Rupees	June 2014 Rupees
21 SHORT TERM BORROWINGS- SECURED	**21.1**	**634,157,148**	543,971,647

21.1 This includes agreements with different commercial banks with a mark up rate of 3-6 months kibor plus 1.80 to 2.5% and 20%p.a (2014 : 3-6 months kibor plus 1.80% to 2.5%). These facilities are secured against the pledge of shares, charge over trade receivable and equitable mortgage of certain properties. The shares having market value of Rs 6,270,200 (2014 : 62,458,725/-) have been pledged by the Company. Please also refer to Note 23.1.9 and 23.1.11.

22 INTEREST ACCRUED

	June 2015 Rupees	June 2014 Rupees
Interest accrued on:		
Short term borrowings	**637,677,363**	481,055,064
	637,677,363	481,055,064

23 CONTINGENCIES AND COMMITMENTS

23.1 Contingencies

23.1.1 During the year 2000 certain clients of the Company defaulted on their obligations. ABN AMRO Asia Limited Hong Kong (ABN AMRO), major shareholder of the Company at that time, arranged for the requisite financing and assumed the open positions and obligations of the defaulting clients. The loans so arranged by ABN AMRO were secured specifically against the amounts recoverable from these defaulting clients and were repayable only through amounts recovered from such defaulting clients. These loans were interest free and exchange risk had been assumed by ABN AMRO pursuant to the loan agreements signed between the Company and ABN AMRO. Accordingly the Company had set off these loans and such recoverable amounts.

The Company had initiated cases against the defaulting clients for recovery of the amounts due from them. Based on the legal opinion, the management considers that if the recovery suits succeed entirely or partially and result in recovery of an amount from clients, the only obligation of the Company is to remit the same to ABN AMRO. Whereas in case the recovery suits are unsuccessful, the aforesaid loan will lapse for all purposes and it will extinguish the recovery of loans from clients and this will not affect, in any manner, the financial position of the Company, as it does not have any obligation to pay any amounts to ABN AMRO from its own sources. The defaulting clients had made a counter claim in the said proceedings. The eventual outcome of these cases or counter claims is uncertain at this stage.

The Company has agreed to indemnify ABN AMRO, its directors and affiliates from any or all claims which may be finalized against the Company except for those mentioned above. The existence and the magnitude of any such claims, other than mentioned in these financial statements, are not presently known.

23.1.2 Mr. Assad ullah Sajid has filed a petition with Securities and Exchange Commission of Pakistan against the Company for refund of deposit of Rs. 590,740 deposited for purchase of shares on his behalf. The management is confident that the matter will be decided in the Company's favour.

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

23.1.4 During the year 2007-2008, a claim of Rs. 12,540,356 against loss on trading of shares has been filed by a client, Mr. Hassan Yusuf, which is not acknowledged as debt by the Company.

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

The Taxation Officer reassessed the Income for the Tax year 2004 under section 122(5A) of the Income Tax Ordinance, 2001, by increasing the tax liability upto Rs.1.4 million on account of apportionment of expenses to capital gain. The Company has filed appeal before the

Commissioner of Income Tax (Appeals) against the said order. The management is confident that the appeal will be decided in favour of the Company.

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

23.1.7 During the year 2009 - 10 the Company has lodged a complaint to Securities and Exchange Commission of Pakistan for taking appropriate action against the Universal Equities (Pvt) Limited for dishonoured 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 dishonoured cheque. The Learned Trail Court has declined to issue injunctive order in this regard against the Company. The Learned Appellate Court has also turned downed the request of the Universal Equities (Pvt) Limited to interfere in the order of the Learned Trail Court passed in favour of the Company.

The Company has also filed an application for winding up the Universal Equity (Pvt.) Limited in Honourable Lahore High Court.

23.1.8 The guarantee of T Bills amounting of Rs. 8,905,068/- has been given to Karachi Stock Exchange Limited against exposure by parent company.

23.1.9 During the year 2010 - 11, the JS Bank Limited demanded immediate repayment of outstanding liabilities in relation to finance facilities availed by the Company and a Notice u/s 176 of the "Contract Act 1872" was served to the Company by the JS Bank whereby selling of all pledged securities was threatened if the outstanding liability was not discharged. The Company has filed a suit before the Sindh High Court at Karachi under the original banking jurisdiction for recovery of an aggregate amount of Rs. 318,915,192/- on account of actual losses and accrued damages against the JS Bank Limited for charging the exorbitant interest rate and unilaterally changing the margin requirements of the securities pledged with JS Bank Limited and alleged sale of some of pledged securities. The Company has raised strong legal and factual objections in respect to the threatened sale of the pledged securities and has obtained an injunctive order whereby the JS Bank Limited has been restrained from selling the securities pledged by the Company. The Company is very much confident of success of the case in its favour.

23.1.10 A case was filed in the Sindh High Court for the Recovery of Rs. 5,161,670 along further mark up of 20 % from the date of suit till realization against loss on trading of shares from Mr. Nazimuddin Siddique who act as agent of the Company under brokerage agency agreement. The outstanding balance is against various clients under the agency agreement.

23.1.11 During the Year 2014, the Company is contesting banking recovery suits with Askari Bank Limited pending adjudication before the Honorable Sindh High Court at Karachi and Lahore High Court Lahore, in which PLA to defend the cases has already been filed by the Company. The Company is also in process of initiating appropriate proceedings to lodge counter claim and also to claim damages from Askari Bank. Considering the nature of pending litigation with Askari Bank Limited and the opinion from the legal advisor; the management and directors of the Company are confident of success of the case in its favour.

23.1.12 The Company has entered into an arrangement with United Bank Limited, MCB Bank Limited, NIB Bank Limited, Soneri Bank Limited, Summit Bank Limited & Bank Alfalah Limited for the rescheduling / restructuring of their financial liabilities. The banks have frozen/wavied 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 on a single issue, the concession / reliefs shall stand withdrawn. The Company is very much confident that they will adhere to all the terms and conditions.

23.2 Commitments

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

	Less than one year Rupees	One year and above Rupees
Commitments in respect of:		
Sale of shares	**147,761,015**	-
Purchase of shares	**120,156,393**	-

	Note	June 2015 Rupees	June 2014 Rupees
24 OTHER OPERATING INCOME			
Return on deposit accounts		**3,068,228**	3,199,607
Dividend income		**1,231,230**	875,792
Gain on sale of property and equipment		**2,356,480**	1,537,000
Gain on foreign currency translation		**117**	(4)
Accrued Interest written back		**38,726,433**	35,130,021
Deferred Notional Income	18.2	**-**	49,647,551
Rental Income		**1,638,000**	1,599,000
Others		**-**	621,032
		47,020,488	92,609,998
25 OPERATING EXPENSES			
Salaries and benefits		**59,542,823**	86,640,963
Provision for gratuity	19.1	**10,081,326**	7,885,243
Stock Exchange and settlement charges		**4,266,293**	4,217,059
Rent, rates and taxes		**3,397,959**	3,742,408
Communication		**4,558,851**	5,395,484
Utilities		**3,367,830**	3,720,046
Insurance		**1,036,262**	681,591
Printing and stationery		**731,720**	547,919
Traveling and conveyance		**400,338**	4,012,476
Repair and maintenance		**4,051,586**	4,814,521
Postage and courier		**895,900**	874,532
Newspaper and periodicals		**184,902**	154,377
Entertainment		**1,227,241**	2,219,099
Legal and professional		**1,092,765**	2,220,258
Advertisement		**107,106**	106,170
Auditors' remuneration	25.1	**1,000,000**	895,000

	Note	June 2015 Rupees	June 2014 Rupees
Depreciation	6.1	**6,101,359**	6,080,245
Fee and subscription		**1,734,344**	2,782,072
CDC and stamps charges		**1,257,438**	2,548,400
Other expenses		**1,344,603**	2,961,705
		106,380,645	142,499,568

25.1 ***Auditors' remuneration***

Statutory audit	**600,000**	600,000
Half year review	**200,000**	200,000
Certifications	**200,000**	95,000
	1,000,000	895,000

26 FINANCE COST

	Note	June 2015 Rupees	June 2014 Rupees
Mark-up on short term borrowings		**90,959,284**	103,926,285
Mark-up on repurchase agreements		**-**	4,570,596
Mark-up on long term financing		**16,802,264**	38,299,056
Mark up Amortized	18.2	**151,894,148**	173,313,426
Bank charges and commission		**192,491**	299,116
		259,848,187	320,408,480

27 TAXATION

Current	**689,336**	1,750,624
Prior Year	**(1,067,056)**	-
	(377,720)	1,750,624

27.1 In view of the unused tax losses provisions made represents minimum tax under section 113 of the Income tax Ordinance, 2001. In addition to the above, the provision includes taxation on capital gains in respect of income arising from such source.

27.2 The returns of total income for the Tax Year 2005 to 2014 were filed by the Company under self assessment scheme and are deemed to be assessed.

27.3 The Company has a deffered tax asset on unused tax losses and deductible temporary differences. Tax losses will be carried forward for six years only, in accordance with the Income Tax Ordinance, 2001. However, in view of taxable profits not available in foreseeable future, the Company has not recognised deferred tax assets in these financial statements.

27.4 Since the Company is liable to pay minimum tax, therefore, no numerical tax reconciliation is produced.

28 LOSS PER SHARE - BASIC AND DILUTED

	June 2015 Rupees	June 2014 Rupees
Loss after taxation attributable to ordinary share holders - Rupees	**(234,233,386)**	(292,298,344)
Number of ordinary shares	**141,335,500**	141,335,500
Loss per share - Basic and Diluted - Rupees per share	**(1.66)**	(2.07)

28.1 No figure for diluted 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.

29. TRANSACTIONS WITH RELATED PARTIES

Transactions with related parties and associated undertakings other than remuneration and benefits to key management personnel under the terms of their employment disclosed in note 32 are as follows:

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

	2014			
	Associated Company	Parent Company	Key management Personnel of the entity, its parent and their close family members	Other Related Parties
	Rupees	Rupees	Rupees	Rupees
Brokerage income	57,250	2,562,620	-	-
Investment property	-	135,299,600	-	-
Investment in share capital		333,040,000		
Underwritting commission	-	956,300	-	-

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

30 FINANCIAL INSTRUMENTS

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

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

- Credit risk
- Liquidity risk
- Market risk

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

30.1 Credit risk

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

- Monitoring of debts on continuous basis

- Deposit of margins before execution of orders for all retail clientele.

- Obtaining adequate securities for all receivables / fund placements.

30.1.1 Exposure to credit risk

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

	2015 Rupees	2014 Rupees
Investments - available for sale	**39,021,357**	39,870,788
Long term deposits and advances	**2,829,000**	2,879,000
Trade debts - unsecured	**2,214,359,129**	2,278,505,881
Investments	**299,524**	275,083
Advances, deposits and other receivables	**17,381,901**	18,113,063
Interest accrued	**438,230**	1,142,777
Bank balance	**9,999,582**	13,064,107
	2,284,328,724	2,353,850,699

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

	Rating Short Term	Rating Long Term	Rating Agency	2014 Rupees	2014 Rupees
Askari Bank Limited	A 1 +	AA	JCR - VIS	**532,209**	283,572
Bank Alfalah Limited	A 1 +	AA	PACRA	**223,048**	843,752
Bank Al Habib Limited	A 1 +	AA +	PACRA	**350,252**	89,589
Faysal Bank Limited	A 1 +	AA	PACRA	**37,620**	958,362
Habib Metropolitian Bank Limited	A 1 +	AA +	PACRA	**1,462,106**	197,906
Bank Islami Limited	A 1 +	A+	PACRA	**1,560**	9,026
MCB Bank Limited	A 1 +	AAA	PACRA	**7,360,072**	9,184,054
NIB Bank Limited	A 1 +	AA -	PACRA	**31,071**	57,473
Silk Bank Limited	A -2	A -	JCR - VIS	**-**	3,403
Standard Chartered Bank of Pakistan Ltd	A 1 +	AAA	PACRA	**-**	1,366,242
Summit Bank Limited	A 3	A	JCR - VIS	**-**	69,086
United Bank Limited	A 1 +	AA +	JCR - VIS	**1,643**	1,643
				9,999,582	13,064,108

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

	2015 Rupees	2014 Rupees
Past due but not impaired		
Past due 0 - 30 days	**1,959,634,702**	1,215,458,740
Past due 30 - 90 days	**371,970,410**	3,013,027
Past due 90 - 180 days	**1,013,781**	521,714
Past due 180 - 365 days	**45,444,679**	6,909,663
More then 1 year	**933,108,760**	2,149,415,940
Provision for bad debts	**(1,096,813,203)**	(1,096,813,203)
	2,214,359,129	2,278,505,881

During the year, trade debts of NIL (2014 : Rs. NIL) were provided for / written off.

30.2 Liquidity risk

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

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

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

The following are the contractual maturities of financial liabilities as on June 30, 2014

	Carrying Amount	One month to three months	Three months to one year	One year to five year	More than five years
Long term financing	**2,110,089,719**	138,686,000	123,107,998	1,848,295,721	-
Trade & other payables - Unsecured	**167,391,582**	167,391,582	-	-	-
Short term borrowing -	**543,971,647**	-	543,971,647	-	-
Interest accrued	**923,854,680**	481,055,064	-	442,799,616	-
	3,745,307,628	**787,132,646**	**667,079,645**	**2,291,095,337**	**-**

30.3 Market risk

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

30.3.1 Currency risk

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

	2015		2014	
	Rupees	US Dollar	Rupees	US Dollar
Foreign Currency Bank Account	-	-	6,224	63
	-	**-**	6,224	63

The following significant exchange rates applied during the year

	Average Rates		Reporting date rate	
	2015	2014	2015	2014
	Rupees	Rupees	Rupees	Rupees
US Dollars	-	96.44	-	98.60

Sensitivity analysis

A 5 % strengthening of Pak Rupees against the above currency would have decreased equity and decrease in Profit & Loss Account by NIL (June 2014 ; Rs. 311). This analysis assumes that all other variables were held constant.

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

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

30.3.2 Interest rate risk

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

	Interest bearing				Non interest bearing				
	One month to three months	Three months to one year	One year to five years	More than five year	One month to three months	Three months to one year	One year to five years	More than five year	Total
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Financial assets 2015									
Investments - available for sale	-	-	-	-	-	-	39,021,357	-	39,021,357
Long term deposits and advances	-	-	-	-	-	-	2,829,000	-	2,829,000
Trade debts - unsecured	-	-	-	-	2,214,359,129	-	-	-	2,214,359,129
Investments	-	-	-	-	299,524	-	-	-	299,524
Advances, deposits and other receivables	6,763,807	-	-	-	10,618,094	-	-	-	17,381,901
Interest accrued	-	-	-	-	438,230	-	-	-	438,230
Bank balances	6,653,815	-	-	-	3,345,767	-	-	-	9,999,582
	13,417,622	-	-	-	2,229,060,745	-	41,850,357	-	2,284,328,724
Effective interest rates	2% to 6%								
Financial liabilities 2015									
Long term financing	220,248,000	306,627,926	1,585,896,098	-	-	-	-	-	2,112,772,024
Trade & other payables - Unsecured	-	-	-	-	181,114,954	-	-	-	181,114,954
Short term borrowing - secured	-	634,157,148	-	-	-	-	-	-	634,157,148
Interest accrued	-	-	-	-	637,677,363	-	355,212,432	-	992,889,795
	220,248,000	940,785,074	1,585,896,098	-	818,792,317	-	355,212,432	-	3,920,933,921
On balance sheet gap	**(206,830,378)**	**(940,785,074)**	**(1,585,896,098)**	**-**	**1,410,268,428**	**-**	**(313,362,075)**	**-**	**(1,636,605,198)**
Off balance sheet gap	-	-	-	-	-	-	-	-	-
Financial assets 2014									
Investments - available for sale	-	-	-	-	-	-	39,870,788	-	39,870,788
Long term deposits and advances	-	-	-	-	-	-	2,879,000	-	2,879,000
Trade debts - unsecured	-	-	-	-	2,278,505,881	-	-	-	2,278,505,881
Investments	-	-	-	-	275,083	-	-	-	275,083
Advances, deposits and other receivables	6,633,844	-	-	-	11,479,219	-	-	-	18,113,063
Interest accrued	-	-	-	-	1,142,777	-	-	-	1,142,777
Bank balances	9,931,028	-	-	-	3,133,080	-	-	-	13,064,108
	16,564,872	-	-	-	2,294,536,041	-	42,749,788	-	2,353,850,699
Effective interest rates	2 % to 20 %	-							
Financial liabilities 2014									
Long term financing	13,686,000	248,107,998	1,848,295,721	-	-	-	-	-	2,110,089,719
Trade & other payables - Unsecured	-	-	-	-	167,391,582	-	-	-	167,391,582
Short term borrowing - secured	-	543,971,647	-	-	-	-	-	-	543,971,647
Interest accrued	-	-	-	-	481,055,064	-	442,799,616	-	923,854,680
	13,686,000	792,079,645	1,848,295,721	-	648,446,646	-	442,799,616	-	3,745,307,628
On balance sheet gap	**2,878,872**	**(792,079,645)**	**(1,848,295,721)**	**-**	**1,646,089,395**	**-**	**(400,049,828)**	**-**	**(1,391,456,929)**
Off balance sheet gap	-	-	-	-	-	-	-	-	-

30.3.3 Price risk

Price risk represents the risk that the fair value of a financial instrument will fluctuate because of changes in the market prices (other than those arising from interest/mark up rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all or similar financial instruments traded in the market. Company is exposed to equity price risk since it has investments in quoted and unquoted equity securities amounting to Rs. 39,320,882/- (2014 : Rs. 40,145,871/-) at the balance sheet date.

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

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

Sensitivity analysis

During the year, KSE 100 index has increased by 16.01% but subsequent to the year end and till the authorization of these financial statements an increase of 2.70% in KSE 100 index has been recorded.

30.3.4 Fair value of financial instruments

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

30.4 Capital risk management

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

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

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

During the year the Company has no significant gearing.

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

31 REMUNERATION OF CHIEF EXECUTIVE, DIRECTORS AND EXECUTIVES

	CHIEF EXECUTIVE		DIRECTORS		EXECUTIVES	
	2015	2014	2015	2014	2015	2014
Total Number	1	1	5	5	19	15
	Rupees	Rupees	Rupees	Rupees	Rupees	Rupees
Managerial Remuneration	**2,760,000**	2,760,000	**10,224,000**	10,112,000	**12,404,753**	12,196,011
House Rent	**1,104,000**	1,104,000	**4,089,600**	4,044,800	**4,961,901**	4,878,404
Commission	**-**	-	-	-	**206,167**	331,336
Medical Expenses Reimbursed	**11,214**	156,574	-	-	**-**	-
Gratuity paid	**-**	-	**-**	-	**5,409,000**	600,000
Utilities	**276,000**	276,000	**1,022,400**	1,011,200	**1,240,475**	1,219,601
	4,151,214	4,296,574	**15,336,000**	15,168,000	**24,222,296**	19,225,352

31.1 In addition, Chief Executive, Directors and some executives 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 (2014: Nil).

32 AUTHORIZATION FOR ISSUE

These financial statements were authorized for issue by the Board of Directors of the Company on October 08, 2015.

33 GENERAL

Figures have been rounded off to the nearest rupee.

Lahore | Chief Executive | Director

FORM OF PROXY

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

Folio No./CDC A/c. No. ______________

Shares Held: ______________

I / We ____ of ____
(Name) *(Address)*

being the member (s) of **First Capital Equities Limited** hereby appoint Mr. / Mrs./

Miss ____ of ____
(Name) *(Address)*

or failing him / her / Mr. / Mrs. / Miss. ______________________________ of ___________________________
(Name) *(Address)*

[who is also member of the Company vide Registered Folio No. ______________ (being the member of the Company)] as my / our proxy to attend at and vote for me / us and on my / our behalf at the Annual General Meeting of the Company to be held at Registered Office of the Company, 2nd Floor, Pace Shopping Mall, Fortress Stadium, Lahore-Cantt., Lahore on October 31, 2015 at 12:30 p.m. and at any adjournment thereof.

Signature this ____________________ Day of __________________ 2015.

Affix Revenue Stamp of Rupees Five

(Witnesses)

1. ____________

2. ____________

Signature ________________________________

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

Notes:

1. This Proxy Form, duly completed and signed, must be received at the Registered Officer of the Company not later then 48 hours before the time of holding the meeting.

2. No person shall act as a proxy unless he himself is a member of the Company, except that a corporation may appoint a person who is not a member.

3. CDC account holder, will further have to follow the guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.